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VIETNAM'S PRIVATE SECTOR UNDER RESOLUTION 68-NQ/TW: STATUS QUO AND POLICY DIRECTIONS

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ABSTRACT
This article analyzes the role, current situation, and solutions to promote the private economic sector in the context of Vietnam's implementation of Resolution 68-NQ/TW (2025)—a strategic document that identifies the private sector as the most important driving force of the national economy. By reviewing the current legal framework and assessing the operations of private enterprises, the author highlights major obstacles such as institutional inequality, limited access to capital, and low labor productivity. Based on this analysis, the paper proposes key policy recommendations, including: (i) institutional reform and the promulgation of a Private Economic Development Law; (ii) financial, managerial, and training support for small and medium-sized enterprises (SMEs); (iii) enhancement of digital transformation and innovation; (iv) transparency in inspection and supervision; and (v) development of industrial clusters and public–private partnerships. These proposals aim to create an enabling ecosystem, enhance competitiveness, and realize the national development aspiration toward 2045.

KEYWORDS: - Private economy; Resolution 68-NQ/TW; Institutional reform; Sustainable development.

1.0 INTRODUCTION
In the context of Vietnam aiming to become a high-income country by 2045, promoting the role of the private economic sector is a key factor to ensure rapid, sustainable and inclusive economic growth. After more than three decades of innovation, the private economic sector has played an increasingly important role in the national economy, accounting for over 40% of GDP, contributing more than 30% of state budget revenue, and creating jobs for tens of millions of workers. In

addition, this sector is also an important resource in innovation and digital transformation (CIEM, 2023; General Statistics Office, 2023).

However, in reality, the private economic sector is still facing many barriers in terms of policy institutions, ownership rights, access to capital and cumbersome administrative procedures. Inequality in access to resources and policy treatment remains a reality, especially for small and medium-sized enterprises. In addition, many private enterprises lack the internal strength to participate deeply in the global value chain, and their investment scale and efficiency remain modest, while facing large-scale competition from foreign investment and state-owned enterprises.

In this context, the Central Executive Committee issued Resolution 68-NQ/TW on May 4, 2025, which clearly affirmed that the private economic sector is "one of the most important driving forces of the national economy". The Resolution is a natural continuation of the spirit of innovation and reform that has been affirmed in previous documents such as Resolution 10-NQ/TW in 2017 and the Socio-Economic Development Strategy for the period 2021–2030.

This article aims to analyze the current legal framework for the private economic sector, assess the current performance of this sector in recent years and, on that basis, propose some practical policy recommendations to promote the private economy to play a pivotal role in Vietnam's growth momentum in the coming period.

2.0 LEGAL CORRIDOR ON PRIVATE ECONOMY

In recent years, Vietnam has issued and adjusted many legal documents to create a favorable environment for the development of the private economic sector. Typical examples are the Enterprise Law (amended), Investment Law (amended), Law on Support for Small and Medium Enterprises (2017), along with a series of decrees and circulars guiding implementation. These documents have contributed to simplifying business establishment procedures, making investment processes transparent, and increasing access to financial support policies, technology, and human resource training.

However, the current legal system still shows many shortcomings. Legal regulations still lack consistency, there are overlaps between specialized laws, and there is no effective coordination mechanism between management agencies. Arbitrary administrative intervention, lack of transparency in inspection and examination, and invisible barriers in business licensing remain major challenges for the private sector, especially small and medium enterprises. The institutional environment has not really ensured fair competition among economic sectors, making it difficult for the private sector to access land, credit, and market opportunities (World Bank, 2022). In that context, Resolution 68-NQ/TW has provided important directions to continue reforming and perfecting the legal framework for private economic development. Specifically, the Resolution emphasizes the development and promulgation of the Law on Private Economic Development, ensuring property ownership rights, freedom of business, and fair access to production resources. At the same time, it is necessary to improve the mechanism for resolving contract disputes, protecting investors' rights, improving the effectiveness of economic justice work and improving the quality of public services related to enterprises.

One of the reform focuses is to promote digital transformation in state management of enterprises, build a centralized information portal to make processes transparent, reduce transaction costs and create a modern business environment. The Resolution also requires the establishment of legal principles to clearly define legal responsibilities between individuals and legal entities, and limit the criminalization of civil-economic relations in investment and business activities.

Thus, the legal corridor is the core foundation for realizing the central role of the private economic sector in the country's economic development. Strong and synchronous institutional reform will help unleash potential, unlock resources and enhance the competitiveness of Vietnamese enterprises in the new development stage.

3.0 CURRENT STATUS OF THE PRIVATE ECONOMIC SECTOR

Over the past years, the private economic sector has become an important force in the economic structure of Vietnam, with its contribution rate constantly increasing. According to the General Statistics Office (2023), the private economic sector currently accounts for more than 40% of GDP and contributes over 30% of total state budget revenue. At the same time, this sector creates about 85% of total social employment and accounts for nearly 97% of the total number of enterprises operating nationwide. These figures clearly show the essential role of the private sector in promoting production, consumption, export and transforming the industrial structure in Vietnam.

However, in addition to positive contributions, the private economic sector still has many inherent limitations and faces objective barriers. One of the outstanding features is that the majority of private enterprises in Vietnam are still small and medium-sized enterprises with small scale, low capital, and outdated technology. This leads to weak competitiveness and very low ability to participate in the global value chain. According to CIEM research (2023), only about 21% of private enterprises participate in the global supply chain, while the majority only operate at the local or regional level.

Another significant difficulty is the issue of access to capital. Although the State and credit institutions have many support programs, the ability of private enterprises to access bank credit is still limited due to lack of collateral, non-transparent financial information, and small scale of operation. According to the World Bank (2022), up to 60% of small and medium-sized enterprises in Vietnam have to rely on their own capital or borrow from family and friends to maintain production and business.

In addition, private sector labor productivity is also a matter of concern. Despite its large role in job creation, the private sector has significantly lower average labor productivity than the foreign-invested sector and state-owned enterprises. The main reasons are limited management skills, lack of investment in science and technology, human resource training and innovation. Only a small proportion of enterprises invest in research and development or have a specialized research and development department, while digital transformation is still mainly in its early stages. Regarding the business environment, many private enterprises reflect the lack of equality in access to information, land, resources and investment opportunities. Discrimination between private enterprises and state-owned or foreign enterprises still exists in many localities. The overlapping inspection and examination system also puts considerable pressure, affecting the psychology and operational efficiency of enterprises. According to a survey by VCCI (2023), more than 40% of businesses said that they are often subject to unplanned inspections, causing disruptions to production and increasing compliance costs. In addition, the business culture and management thinking of many private enterprises are still short-term and lack long-term strategic orientation.

This makes it difficult for businesses to maintain sustainable growth and makes them vulnerable to economic shocks, market fluctuations and policy changes. The ability to mobilize social resources, build brands and expand international markets remains a major challenge for most private enterprises.

Another reality is the weakness in the connection between private enterprises with each other and with other sectors such as foreign investment, the state or research institutes. The rate of private enterprises cooperating in production, consumption or research and development is still very low. The lack of effective intermediary organizations such as industry associations and production clusters also reduces the ability to spread technology and share knowledge within the private sector. In general, although the private economic sector in Vietnam has grown strongly in quantity, its quality and operational efficiency are still modest. Institutional shortcomings, internal capacity and unfavourable business environment are major barriers preventing this sector from promoting its role as the central driving force of the economy. In order for the private sector to truly become a pillar of national economic growth as the goal of Resolution 68-NQ/TW, comprehensive and synchronous reforms and specific support orientations are needed in the coming time.

4.0 POLICY RECOMMENDATIONS

In order for the private economic sector to truly become an important driving force of the national economy as set out in Resolution 68-NQ/TW, Vietnam needs to synchronously and drastically implement a series of reform policies at both the macro and micro levels. Below are some in-depth, specific and feasible policy recommendations:

Reform the institutions and legal framework

Issuing the Law on Private Economic Development: This is an urgent need to create a stable, transparent and long-term legal basis for the private sector. The law needs to clearly stipulate the freedom of business, equal access to resources, preferential policies and protection of the legitimate rights of private investors.

Review and amend the relevant legal system: Synchronize the Enterprise Law, Investment Law, Land Law, Bidding Law and guiding documents to eliminate legal conflicts, overlaps in implementation and ensure consistency in state management.

Establishing a mechanism for policy feedback from businesses: Strengthening the role of the Vietnam Chamber of Commerce and Industry and industry associations in drafting and feedback on policies related to the private economic sector.

Support channel for small and medium-sized enterprises

Tax policy reform: Applying preferential corporate income tax rates (10–15%) for small and medium-sized enterprises in the first 5 years of operation, along with conditions for financial transparency and stable job creation.

Establishing a National Credit Guarantee Fund: Supporting businesses in accessing capital from banks through credit guarantees, especially for innovative startups and businesses in rural areas.

Enhancing training in management skills and digital transformation: Establishing a regional business support center to provide short-term training courses on financial management, human resource management, digital marketing and digital accounting.

Improve the business environment and reduce compliance costs

Build a transparent inspection and examination mechanism: Apply a periodic electronic inspection system, publicize inspection plans on the National Information Portal. Absolutely prohibit overlapping inspections and strictly handle acts of harassment of enterprises.

Slash administrative procedures: Reduce at least 30% of the time to process investment registration dossiers, construction permits and land access; promote the application of a single-window system and digital signatures.

Protect property rights and contract rights: Improve the efficiency of the commercial justice system, reform economic courts and expand the commercial arbitration mechanism to resolve disputes quickly and fairly.

Promote innovation and digital transformation

Increase budget spending on research and development: Add at least 1% of total annual state budget spending to applied research programs in private enterprises, especially in the fields of high technology, smart agriculture and green technology.

Developing local startup ecosystems: Supporting the establishment of business incubators, co-working spaces, provincial venture capital funds, and linking with universities and research institutes to commercialize research results.

Encouraging businesses to invest in digital platforms: Creating a mechanism for exemption and reduction of value-added tax and corporate income tax for investments in digital platforms, management software, and big data solutions.

Developing linkages and enhancing competitiveness

Building industry clusters: Establishing business linkage clusters by industry, facilitating the formation of domestic supply chains and increasing product added value.

Encouraging public-private partnerships: Prioritizing the private sector to participate in infrastructure investment, public services, vocational education, and applied scientific research through transparent public-private partnership projects with reasonable risk sharing.

Strengthening export support: Strengthening the role of national and local trade promotion centers in expanding foreign markets, connecting private enterprises with global partners through fairs, exhibitions and digital trading platforms. In short, for the private economic sector to become a pillar of development, Vietnam needs to implement a comprehensive reform strategy from legal institutions to support mechanisms, business environment and internal capacity of enterprises. The above recommendations, if implemented synchronously, will create a favorable ecosystem; enhance the competitiveness and self-reliance of the private economic sector, contributing to the successful implementation of the development vision to 2045.

5.0 CONCLUSION

Promoting the private economic sector to become the central driving force of the economy is not only a long-term strategic orientation of the Party and the State, but also an urgent requirement in the context of Vietnam's efforts to transform itself to achieve the goal of becoming a high-income country by 2045. The private economic sector has been demonstrating its important role in contributing to economic growth, creating jobs, promoting innovation and enhancing national competitiveness. However, the current situation shows that this sector still faces many barriers, from legal institutions, access to resources, to a business environment that is not truly transparent and equal.

Resolution 68-NQ/TW was born in that context, with comprehensive content and strategic vision, clearly defining the role and development orientation of the private sector as a central driving force of the national economy. The spirit of extensive reform, innovation in state management thinking and promoting the role of private enterprises are key factors to remove bottlenecks that are hindering the development of this sector.

The article has proposed a series of specific solutions, from perfecting legal institutions, supporting small and medium enterprises, improving the business environment to promoting innovation and enhancing competitiveness. These recommendations, if implemented synchronously, drastically and with effective coordination between levels and sectors, will contribute to the formation of a dynamic, creative and sustainable private economic ecosystem.

In the coming period, it is necessary to emphasize the realization of the State's commitments in Resolution 68-NQ/TW through specific action programs, with a clear roadmap and transparent monitoring mechanisms. At the same time, it is necessary to promote the proactive role of the private business community in improving internal capacity, innovating business models and participating more deeply in the global value chain. The combination of the State’s efforts and the dynamism of the private sector will create a strong driving force, bringing the Vietnamese economy to develop rapidly and sustainably in the coming decades.

The effective implementation of Resolution 68-NQ/TW is not only a turning point in the private economic development policy, but also a decisive factor in helping Vietnam realize its aspiration of becoming a developed, high-income country by the middle of the 21st century.

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