

Literature Review on Foreign Direct Investment of Vietnam

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ABSTRACT

Since Vietnam adopted the reform policy in 1986, Vietnam has made great economic and social development achievements. One of the major reasons for this gratifying change is the introduction of foreign investment. The academic circles are quite fruitful about Vietnam's introduction of foreign direct investment. Based on this, this paper combs domestic and foreign scholars' literature on Vietnam's foreign direct investment. This paper is divided into seven parts. The first part is the introduction. The second part is to sort out the academic literature on the current situation of foreign direct investment in Vietnam. The third part is to sort out the literature on the problems of foreign direct investment in Vietnam. The fourth and fifth parts are to sort out the academic literature on the positive and negative impacts of Vietnam's foreign direct investment on economic and social development. The sixth part mainly collects the opinions of academia on improving Vietnam's foreign direct investment. The seventh part is the conclusion and prospect. By combing the literature, it is found that most of the research subjects in the academic field reached a consensus conclusion: FDI has not only promoted the economic growth of Vietnam but also improved Vietnam's international status. Generally speaking, there are some problems in Vietnam's FDI. Although many academic research topics and rich research perspectives on Vietnam's foreign direct investment, there are still deficiencies. For example, there is little or no in-depth analysis of the positive and negative effects of FDI on Vietnam's economic development. For this purpose, we will provide support and help for future researchers to study foreign direct investment in Vietnam.

Keywords: FDI, Vietnam, economic growth, policy.

1. INTRODUCTION

Since the late 1980s, Vietnam began to implement political and economic reform centered on transforming from a planned economy to a socialist market economy regulated by the central government. Since then, Vietnam's economy has made great progress and has become one of the most active economies in the world. Since the promulgation of Vietnam's foreign investment law in December 1987, Vietnam has become a highly respected investment destination among foreign investors and large multinational corporations. FDI contributes more and more to Vietnam's GDP and gradually becomes an important part of Vietnam's economy, making the economy grow continuously. According to the report of «the Vietnamese people's daily», with a total foreign

direct investment of US \$16 billion, Vietnam ranks among the 20 countries that attract the most foreign direct investment in 2020 for the first time, ranking 19th, up 5 places from 2019. As of October 20, 2020, the inflow of foreign direct investment funds into Vietnam reached the US \$23.5 billion, including new approval, adjustment of registered capital and contribution to share purchase value, a decrease of 19.4% over the same period last year. In the first 10 months, foreign direct investment was expected to reach US \$15.8 billion, down 2.5% from the same period last year.

Since the reform and opening in 1986, Vietnam's economy has developed rapidly. Attracting FDI is one of Vietnam's reforms and opening-up policies and one of the driving forces of Vietnam's economic development. FDI contributes more and more to Vietnam's GDP and

gradually becomes an important part of Vietnam's economy, making the economy grow continuously. So far, many works have studied FDI in Vietnam.

The academic circles mostly study the current situation of foreign direct investment in Vietnam, the existing problems, Factors affecting foreign direct investment in Vietnam, and the positive and negative effects of foreign direct investment on Vietnam's economic and social development. Some scholars put forward some measures to improve foreign investment policy according to the current situation of attracting foreign direct investment in Vietnam. Some scholars absorb China's experience by studying China's experience and shortcomings in formulating policies to attract foreign investment to provide Vietnam with some useful references. Some scholars also study Thanh Hoa Province, a local representative region in Vietnam, analyze the influencing factors of the introduction of FDI in Thanh Hoa Province, as well as the positive and negative effects of FDI on the economic and social development of Thanh Hoa Province, and further optimize the policies and measures of the introduction of FDI in Thanh Hoa province.

Based on the above background phenomenon, this paper takes Vietnamese foreign direct investment as the research object. It uses the literature research method to analyze the four aspects of Vietnam's foreign direct investment status, Vietnam's foreign direct investment problems, and the positive and negative effects of Vietnam's foreign direct investment. By combing and summarizing the research status in the field of foreign direct investment in Vietnam, this paper finds that more and more studies show that FDI can promote economic growth, poverty eradication, the transformation and upgrading of national industrial structure, the introduction of capital and technology and technology transfer, the improvement of enterprise management level and the increase of employment. Most topics are empirical discussions on the positive effect of FDI on economic growth or the negative effect of FDI on economic growth. Only a few studies try to test the causal relationship between them directly. And the research time is not in line with the current actual situation. Foreign direct investment plays a very important role in Vietnam's reform and opening up. At present, Vietnam's economy is at a stage of transformation and adjustment. The introduction of foreign direct investment has shifted from quantitative expansion to a focus on both quantity and quality comprehensive improvement stage. In this context, a comprehensive, systematic and in-depth study of Vietnam's introduction of foreign direct investment, an analysis of the changes in Vietnam's policy on the introduction of foreign direct investment, and exposure to the deep-seated reasons for the sole proprietorship of foreign direct investors in Vietnam are of great significance to reducing the internal conflicts and negative effects of joint ventures, improving the quality

of foreign direct investment introduced by Vietnam has very important theoretical and practical significance.

2. LITERATURE REVIEW ON FOREIGN DIRECT INVESTMENT IN VIETNAM

As V.N. Balasubramanyam and Chengang Wang from Lancaster University believe and state in their paper, the Vietnamese economy combines and depicts the different statistics, for instance, annual GDP, FDI inflows, FDI stock, the data is shown like this, where a clear correlation exists between the FDI and GDP. With the increase in FDI stock (US billion), the annual GDP of Vietnam is almost following the same pattern [1].

Nguyen has suggested that within the stocks of FDI, around 71.9% are wholly foreign founded and 22.11% as joint-ventured, with the top 10 investors in the world being Korea Republic, Japan, Singapore, Taiwan, British Virgin Islands, China, Malaysia, Thailand and Netherlands [2].

Thai Tri Do, the author of the paper *The Impact of Foreign Investment and Openness in Vietnamese Economy*, has stated that there are both long and short term effects between the GDP and FDI, which has shown its correlation upon various nations. Thai depicts Vietnam as a place with diversified resources, "gold forest and silver river", making it a large exporter of food and seafood in the world. As such, Thai concludes that Vietnam as a nation strongly attracts foreign investors to invest in the region. Three reasons mainly contribute to the conclusion. Since Vietnam is one of the fast growing nations, it has a certain potential; secondly, the Doi Moi policy is currently under liberalising the restricted FDI policies; thirdly, FDI participants were already in contact with the developments, for instance, America, Europe, and China [3].

Scholars like Pham Nguyen My Linh, Nguyen Thi Thu Huong, Nguyen Ngoc Ha, Nguyen Minh Hanh have seen foreign direct investment. Therefore, they advocate for the promotion of more foreign investment as they see it as beneficial. They describe foreign investment as a penetration of the market in the current Vietnamese enterprises, which provides positive capital inflows and outflows, and more chances to expand its market even internationally. In the massive developing era, FDI has great potential and create favourable conditions for Vietnamese agencies.

They have stated that within the overall promotion of foreign direct investments, there is still room for further improvement despite huge success since some of the corporations' others are still confused on many aspects of performing their strategies. The penetration takes a long process to make benefits for both Vietnam and the foreign businesses. Therefore, it requires mutual communication and requires Vietnamese companies to hold equivalent positions and the ability to achieve good results [4].

Nick J. Freeman has given an overview of the FDI investment in Vietnam, targetting the overall growth through the developing years. Through an objective view, he claims a number of factors that leads to an impressive rise in FDI inflows to Vietnam during the first half of the 1990s. The first was the Doi Moi policy, which has their reform and economic policy changed. Being open to western nations, foreign investor appetite was stimulated by the potential of this transitional economy and its (largely untapped) market of over 70 million people. Strong attributes such as the strong workforce within Vietnam, its culture, including strong working ethos and relatively higher levels of education, has determined it is a favourable place for foreign direct investment. Sectoral waves enter Vietnam, penetrating the different areas of business available. "Home country waves", meaning companies from different countries and regions enter Vietnam, further reinforcing the diversity of businesses in Vietnam and surrounded itself within the foreign investment development [5].

Even though it is said that the impact of foreign investment and openness may benefit the overall Vietnamese economy, some researchers have claimed the opposite. In the essay written by Le Quoc Hoi, Quynh Anh Do, Hong Chuong Pham, and ThanhDuong Nguyen, they have claimed that with the economic growth of foreign investment, there is potentially a risk of negative effects, specifically on income equality. The authors suggested that Vietnam's Gini coefficient ranges from 0.42 to 0.44 during the period 2010 - 2018, showing a steady increase. This may further decrease the human capital of Vietnam laborers, further undermining the Vietnamese economy [6].

Doctor Tran Dinh Lam has believed that the main connections between Foreign Direct Investment and the developmental effects on Vietnam are mainly through the balance of payments, capital inflows and the effect on competition. FDI is a significant source of capital for the development of the nation, which is necessary for its industrialisation. However, it may raise resources with host countries. The repatriation of profits may make capital outflows larger than the inflows created by new FDI. The instability of payments may also hinder the balance of payments. Within the case of Vietnam as a context, it may not be as valuable for developing foreign-exchange-constrained countries. The competition of FDI will not be obvious as they are often led by major multinational corporations, which may, in turn, have bad effects on efficiency, technological change and industry dynamics [7].

2.1. Summary

In considering the overall evaluation of FDI towards Vietnam, more scholars have given a positive attitude due to its job opportunities, capital inflows, and potential recognition for Vietnam as a developing nation with lots

of potentials. Certainly, drawbacks are also mentioned, which is specifically for the context of Vietnam. The supposed positive effects have not been maximised or even realised in Vietnam, such as the balance of payments and the lack of competition, which may lead to monopoly and stagflation of economy. Most importantly, it may make Vietnam heavily dependent on those foreign investments.

3. LITERATURE REVIEW ON THE PROBLEMS OF VIETNAM'S FOREIGN DIRECT INVESTMENT

3.1. Literature review on the importance of attracting foreign direct investment in Vietnam

Before the reform of the economy in the 1980s, the Vietnamese economy was almost solely reliant on domestic agriculture. In their article, Scholar Nguyen and Ngoc Anh mentioned that the Foreign Direct Investment in Vietnam is crucial for future economic developments because it adds more varieties into the economy, and Vietnam was lack FDI. Also, because there were many empty fields inside the Vietnamese economy, there should be more kinds of FDI going to those areas than a lot of other countries would have [8, 9].

3.2. Literature review on the obstacles of Vietnam's foreign direct investment

According to authors Pema-Chandra Athukorala and Tien Quang Tran, after the reform in 1987, the FDI laws were improving year by year, and from that, we can tell that Vietnamese is the will to attract FDI and worked hard on it. But what are the obstacles? According to John, "since a lot of areas that can potentially attract FDI are pretty much left in blanks, this difficulty and uncertainty make the FDI in Vietnam risky and difficult." Like we found out before, Vietnam had an agriculture-based economy, and many other parts of the economy were still undeveloped when the economy first reformed. For FDI is hard for foreign capitalists to decide whether to invest in Vietnam or not, and this uncertainty, said by John [10, 11].

3.3. Literature review on the status of FDI in Vietnamese Government

The weight of FDI in the Vietnamese economy has been increasing. Based on the study of scholars Bui Kieu Anh, Nguyen Quang Thai and Bui Trihn in the year 2017, the total contribution of FDI was 18% of the economy. Which, compared to years before, was much better. Also, "according to GSO," said by the author(s), the export of FDI sector is very large, with 72.5% in 2017." This also shows that the increasing FDI had made Vietnam more active in the global economy [11, 12].

3.4. Literature review on the importance of foreign direct investment in Vietnam

According to scholar Vintila Denisia, the FDI is more of the intention of a country's willingness to develop in a more balanced way. Also, as mentioned before, that FDI adds more variety to the economy, which can help the economy differently. As mentioned by scholar Vintila Denisia again, that FDI creates more job opportunities, which is one more good thing about FDI [13].

3.5. Summary

The Vietnamese economy has a rapidly growing in the past few decades, and the FDI is one of the important parts of its growth. One aspect is that the amount and the per cent of FDI of a country show its impact on the globe, and with the increasing amount of FDI, we see that Vietnam plays a much bigger role in the world economy than it used to. Even though there were some obstacles, both sides still worked their way out and made agreements accordingly.

4. LITERATURE REVIEW ON THE POSITIVE IMPACT OF FOREIGN DIRECT INVESTMENT IN VIETNAM

The academic research on the positive impact of foreign direct investment in Vietnam is relatively large in scale, quantity and perspective. Some scholars study the positive impact of Vietnam's FDI from the perspective of fiscal revenue and expenditure. From the perspective of foreign investment law, some scholars have analyzed that foreign investment law has promoted foreign direct investment and produced a series of positive effects. Some scholars also analyzed the positive impact of Vietnam's FDI on these aspects from the perspective of international economic integration, the balance of payments, technology development, employment, import and export.

4.1. Literature review on the positive impact of foreign direct investment on fiscal revenue and expenditure in Vietnam

By comparing the percentage of the total tax submitted by foreign-funded enterprises in the total national tax in 2014 and 2015, scholar PHAN THI HONG concluded that foreign direct investment is conducive to increasing Vietnam's fiscal revenue [14].

Wenshu Ruan, a scholar, summarized the relationship between the national budget of Vietnam's Thanh Hoa province and foreign direct investment activities from 2012 to 2014 and came to the following conclusions. At this time, the income from foreign direct investment increased rapidly and significantly contributed to the total budget income of Vietnam's Thanh Hoa province [15].

4.2. Literature review on the impact of foreign investment law on Vietnam's foreign direct investment and its impact on economic and social development

According to NGUYEN ANH DUC's research, the assessment of the foreign investment laws of Vietnam by foreign investment circles is more attractive. Vietnam's foreign investment law can promote foreign investment and stimulate Vietnam's economic development to increase capital investment and diversify investment entities and investment types. In addition, it is also conducive to the development of the following aspects: technological innovation, new product research and development, improving production capacity, promoting economic growth, promoting economic restructuring, promoting industrialization, modernization and trade, clarifying the direction of tourism and service industry, and creating favorable conditions for Vietnam to more actively integrate into the world economy [16].

4.3. Literature review on the positive impact of Vietnam's foreign direct investment on import and export

DO DUY TIN, a scholar, thinks that in recent years, the growth of foreign oriented import and export in Vietnam and the promotion of export growth have also strengthened domestic economic growth. Specifically, during the 2000-2015 period, the volume of exports continued to increase with time, and the proportion of exports also changed rapidly. With the rapid increase of export volume, the import volume of foreign investment projects has increased rapidly. Foreign investment has also indirectly promoted export through external influences, such as promoting information exchange, service supply, joint production, island marketing knowledge, and attracting enterprises into the global distribution network for enterprises in Vietnam. Sending to Vietnam promotes the development of import and export and plays a very important role in promoting the development of the economic and social field [17].

4.4. Literature review on the positive impact of foreign direct investment on human resources and employment in Vietnam

DO DUY TIN, a scholar found that foreign investment had a significant impact on developing human resources and employment opportunities in Vietnam. The impact of foreign investment on human resources development is through foreign investment inflow. Health and nutrition, education, professional training and management skills. Foreign investment in host countries is also an important source of job creation. In Vietnam, the number of people working in the field of foreign investment is increasing. In addition, more and more

employment opportunities for Vietnamese women have been created in foreign-funded projects. Unilever is a typical example of Vietnam [17].

Wenshu Ruan concluded that FDI has three positive effects on workers in Thanh Hoa Province, that is, to create employment opportunities for workers, improve workers' income and improve their professional and technical level [15].

4.5. Literature review on the positive impact of foreign direct investment on technology development in Vietnam

According to Nguyen Dinh Chien, a scholar, foreign investment capital has contributed positively to promoting the advanced technology transfer and developing some important economic branches of Vietnam such as telecommunications, oil and gas exploration, chemicals, mechanical electronics [18].

Scholar DO DUY TIN also mentioned that foreign investment is considered an important source of Technological Development in Vietnam. With the passage of time, the role of foreign capital has been proved through Vietnam. Vietnam has introduced more modern technology to improve business efficiency [17].

Wenshu Ruan, a scholar, also believes that the positive role of foreign direct investment in improving the technical level of Vietnam's Thanh Hoa province is embodied in the following aspects. (1) In the foreign direct investment projects in Vietnam, the investing countries have invested cash capital and physical capital, including scientific knowledge, management ability, and experience such as machinery, equipment, and raw materials. (2) Vietnam's foreign direct investment activities in Thanh Hoa province will also promote the development of new industries in the long run, especially in areas with high technological content. (3) The introduction of foreign direct investment has brought management experience, skills, and technical level to Vietnam's Thanh Hoa province. (4) The introduction of foreign direct investment also promotes the emergence of a high-quality labor force, which requires investors to have the ability to train high-quality human resources [15].

4.6. Literature review on the positive impact of foreign direct investment in Vietnam on other aspects

DO DUY TIN believes that foreign investment is also conducive to adjusting economic structure and the improvement of industrial production capacity [17].

Wenshu Ruan also believes that foreign direct investment activities help to promote the economic structure adjustment of Vietnam's Thanh Hoa Province because, through foreign direct investment, a variety of

new industries and new economic units have emerged in Vietnam's Thanh Hoa Province, thus promoting the development of industrial, commercial and service activities, and finally increasing the proportion of secondary and tertiary industries in the economic structure of Vietnam's Thanh Hoa province [15].

4.7. Summary

By summarizing the positive impact of academic circles on FDI in Vietnam, experts and scholars agree that FDI positively impacts Vietnam's economic and social development.

5. LITERATURE REVIEW ON THE NEGATIVE IMPACT OF FOREIGN DIRECT INVESTMENT IN VIETNAM

The academic research on the negative impact of Vietnam's foreign direct investment is large in scale and rich in research perspectives. Some scholars analyze the negative impact of FDI in Vietnam from the aspect of technological improvement. Some scholars also analyzed the negative impact of Vietnam's foreign direct investment on Vietnamese domestic enterprises and national industries through empirical research. Some scholars mentioned that Vietnam is attracting foreign direct investment while environmental ecology is serious.

5.1. Literature review on the negative impact of Vietnam's foreign direct investment on technology improvement

LAM THANH HA, a scholar, believes that although some foreign investors invest or joint venture with equipment and technology in Vietnam. But they just keep a firm grip on technology, instead of transferring technology, to delay Vietnam's localization process, control Vietnam's technological development, even disrupt Vietnam's technological innovation and occupy Vietnam's market, the purpose of seeking long-term profits. Real high-tech, upstream link technology and product development technology are rarely transferred or invested [19].

DO DUY TIN also believes that although Vietnam has done its best to attract some high-tech enterprises, the evaluation of the activities of foreign direct investment enterprises in Vietnam has not achieved the goal of improving technology level and technology transfer. According to the plan investment department, although technology transfer to Vietnam is mostly at the same level or higher than the existing technology in Vietnam [17].

Scholar Wenshu Ruan summed up three aspects of the negative impact of foreign direct investment on the technological upgrading of Vietnam's Thanh Hoa province. First, the effect of technology upgrading is poor and backward technology transfer. Second, under the

influence of the modern scientific and technological revolution, the renewal speed of machinery and equipment is accelerated. Therefore, when introducing foreign direct investment projects, the investing countries inevitably invest the backward machinery and equipment in Vietnam's Thanh Hoa province. Third, the introduction of foreign investment will crowd out local enterprises with backward technology and poor management level. Therefore, without appropriate policies and measures, Vietnam's Thanh Hoa province will face the risk of bankruptcy of local enterprises and the annihilation of traditional industries [15].

5.2. Literature review on the negative impact of Vietnam's foreign direct investment on Vietnamese domestic enterprises and national industries

Wenshu Ruan believes that a foreign direct investment enterprise has made a lot of contributions to the economic and social development of Vietnam's Thanh Hoa Province. Still, it has also brought many negative effects to local enterprises. Because local enterprises have less capital and poor technology and management level, foreign direct investment enterprises have greater competition for local enterprises. Foreign direct investment enterprises have invested in a series of small and medium-sized sewing enterprises in Vietnam, such as clothing and leather shoes in Thanh Hoa province [15].

Through analysis, scholar LAM THANH HA concluded that the monopoly degree of multinational corporations' monopoly giants in the Vietnamese market has gradually upgraded, Not only monopolize the market. It also monopolized the circulation channels to a certain extent. Foreign-invested enterprises rely on the strong capital, technical strength and preferential policies of the Vietnamese government. Adopt the strategy of "occupying the market first and then seeking the maximum profit", focus on circulation, strongly occupy the Vietnamese market, even lead to the monopoly of some domestic markets. It has seriously affected the healthy development of Vietnamese enterprises [19].

5.3. Literature review on the negative impact of Vietnam's foreign direct investment on environmental ecology

DO DUY TIN mentioned that although the investment law has clearly stipulated that foreign investors must strictly abide by the relevant national environmental regulations and commitments when investing in Vietnam. However, there is increasing pressure on the environment in the activities of foreign investment zones [17].

LAM THANH HA believes that to reduce production costs and unilaterally pursue economic interests, many enterprises transfer their obsolete products or heavily polluting enterprises from their home countries to the host countries. The deterioration of environmental pollution is becoming more and more serious, and this will do great harm to the sustainable economic development of many developing countries, including Vietnam [19].

Wenshu Ruan also came to the same conclusion. In recent years, many foreign direct investment production enterprises deliberately illegally discharged untreated toxic pollutants in pursuit of profit maximization, resulting in serious pollution of the ecological environment. Although Thanh Hoa province of Vietnam imposed administrative punishment on the enterprise's violation of environmental protection law, its environmental pollution still exists [15].

5.4. Literature review on the negative impact of foreign direct investment in Vietnam on other aspects

LAM THANH HA believes that a considerable part of Vietnam's goods surplus can only be used to offset the outward remittance of investment income from foreign investors. It shows that a considerable part of the actual resources exported by Vietnam become the income of foreigners and are occupied by foreigners. This greatly reduces the value and significance of utilizing foreign capital. This situation continues, depleting Vietnam's goods surplus, thus endangering the balance of payments surplus and balance [19].

5.5. Summary

Academic circles generally believe that foreign direct investment has a positive impact on Vietnam's economic and social development. Still, at the same time, it will also bring negative effects, and there is a consensus on the negative impact of technological development and the destruction of ecological environment.

6. LITERATURE REVIEW ON SUGGESTIONS TO IMPROVE VIETNAM'S FOREIGN DIRECT INVESTMENT POLICY

The academia has put forward more opinions and suggestions on improving Vietnam's foreign direct investment policy. Some scholars suggested that the government should create a stable and fair legal system and improve policies and policies. Some scholars have also made suggestions for improving economic and social development planning and city development planning, improving the infrastructure construction and investment soft environment construction in China. From

the perspective of human resources, some scholars suggest that the Vietnamese government and all sectors of society should improve the quality of human resources, prioritise the development of high-quality human resources and absorb talents' opinions.

6.1. Literature review on improving Vietnam's foreign direct investment laws and policies

Xiangchun Li scholars put forward suggestions for improving and perfecting their anti-corruption system and mechanism, regulating government behavior, building an honest government, lowering invisible costs for foreign investors, and setting up a good image for the country [20].

Hongqing Li scholars believe that foreign investors should provide reasonable preferential policies as far as possible. The "soft" approach is put forward to respond to the central policies and ensure compliance with the mechanisms and policies. At the same time, the city should create corresponding preferential policies and mechanisms and a more fair platform for developing investment enterprises [21].

Fangqiong Teng scholars also believe that efforts should be made to improve the public service level of government departments and establish the concept of foreign capital service and an efficient management system for foreign investment [22].

TRAN Ngoc Chien scholars believe that administrative reform should be carried out. Administrative reform. The Vietnamese government should implement the policies and regulations of FDI, strengthen cooperation with foreign investors in the process of approving and granting investment certificates, effectively support and coordinate the inspection work, supervise the law enforcement of investment law, and better manage foreign-invested projects [23].

Wei He scholars also suggested that the government should continue to improve the investment legal framework and ensure policy stability and consistency [24].

6.2. Literature review on improving the quality of human resources

Xiangchun Li, a scholar, believes that the investment of human capital should be strengthened. The government should further enhance the three basic fields of basic education, occupation education and higher education, improve the quality of national education, cultivate the innovative spirit and practical ability, and train talents and skills for employment in the labor to attract more enterprises with high technology and high added value to invest [20].

Hongqing Li scholars believe that we should not only improve the quality of human resources by improving training and absorbing talents but also pay attention to the rational use and distribution of high-quality human resources to create conditions for them to give full play to their abilities so that the city can retain talents for a long time [21].

Fangqiong Teng also believes that we should pay attention to the investment in human resources, explore the establishment of an international talent training and management mechanism, enhancing enterprises' ability to participate in international market competition [22].

TRAN Ngoc Chien scholars believe that some provisions in the supplementary labor law should be amended on the one hand to prevent illegal strikes. On the other hand, the labor relations can be healthily developed [23].

6.3. Literature review of other opinions on improving Vietnam's foreign direct investment policy

Hongqing Li believes that under the environment of the continuous development of the world economy and the continuous change of the global climate, to avoid risks and ensure the city's sustainable development, we must pay special attention to the ecological environment and urban landscape and environmental improvement. To achieve this goal, the city must plan regional protection for agricultural production. Pay attention to the development of urban agriculture, vigorously attract foreign capital to develop this industry and promote the sustainable development of cities [21].

Fangqiong Teng scholars believe that Vietnam should pay attention to the diversification of investment methods and countries to attract foreign direct investment and actively guide foreign investment in backward provinces and regions. Finally, The Vietnamese government need to comprehensively improve the quality and efficiency of foreign direct investment, such as guiding foreign direct investment from traditional industries to service trade, from simple processing trade to high value-added and high-tech industries, from the main investment to the simultaneous investment of management experience, advanced technology, excellent talents, marketing network [22].

6.4. Summary

Although academia has put forward many opinions on improving Vietnam's foreign direct investment, through combing the literature, it is found that there are two generalities in academic circles. On the one hand, scholars believe that the legal system and policy system of Vietnam's foreign direct investment should be perfected. On the other hand, Vietnam should improve the quality of human resources.

7. CONCLUSION

The introduction of foreign direct investment is an important part of Vietnam's national reform and opening up policy. It is an important means to accelerate Vietnam's industrialization and modernization. There are a large number of academic studies in the field of foreign direct investment in Vietnam, with a large scale and rich research perspectives. Scholars mostly use theoretical basis, empirical research and other methods to solve the important practical problems of foreign direct investment in Vietnam. By studying the current situation of foreign direct investment in Vietnam, academic research studies and analyzes the existing problems of foreign direct investment in Vietnam and puts forward targeted solutions. Academic research has important practical significance for the Vietnamese government to formulate foreign direct investment policy. The Vietnamese government has put forward the goal and determination of attracting foreign investment into high-tech industries and constantly improve the quality of human resources, improve infrastructure, and increase the use of new energy. For example, Vietnam's Bac Ninh province currently has 16 centralized industrial zones approved by the prime minister. Ten of them have been put into operation. Bac Ninh province also has a large area of land serving production and operation activities to welcome powerful domestic and foreign investors to invest and operate at any time. The Management Committee of the industrial zone of Bac Ninh City has been pushing ahead with administrative reform. Its breakthrough provides convenience for companies and enterprises to invest and engage in production and operation in Bac Ninh. Bac Ninh Province has effectively implemented the mode of "enterprise doctor" and "enterprise assistance working group", and established a provincial public administration center, which has made a breakthrough in the administrative reform work. These are the fundamental measures to effectively attract investment funds, including foreign investment.

By combing the literature, it is found that most of the research subjects in the academic field draw on past research results and statistical data used the theoretical basis and used empirical research methods to reach a consensus conclusion: FDI has not only promoted the long-term and rapid economic growth of Vietnam but also improved Vietnam's international status. While achieving development achievements, there are still some problems and shortcomings. Generally speaking, there are some problems in Vietnam's FDI, such as lack of technological innovation, unbalanced development of investment areas and industrial structure, environmental pollution, etc.

Although many academic research topics and rich research perspectives on Vietnam's foreign direct investment, there are still deficiencies. There are few academic studies on the influencing factors of foreign

direct investment in Vietnam. The research on the role of FDI in Vietnam's social and economic development is mainly based on normative research, and while empirical (case) studies are weak. From the existing literature on Vietnam's foreign direct investment, most of the analysis involves microscopic analysis, namely, Vietnam's market analysis and suggestions on how to enter Vietnam's market. For the macro analysis, compared to Vietnam's overall utilization of foreign direct investment development process, problems, policy recommendations and so on are very few. At the same time, there is not much or no deep analysis of the positive and negative effects of FDI on Vietnam's economic development. Lack of comparative study of Vietnamese foreign direct investment with other countries [25].

After novel coronavirus pneumonia has experienced a global economic downturn, Vietnam's foreign direct investment has encountered some difficulties and challenges in theory and practice. Vietnam's FDI policy has been adjusted according to the changes in domestic and international situations, and these problems have been clarified and formulated in a forward-looking and targeted manner. Operational policies and measures are important tasks for future academic researchers. In the future, academia should use the methods of theoretical analysis and empirical analysis, qualitative analysis and quantitative analysis to study the internal mechanism of Vietnamese foreign direct investment. Scholars should start from the national level and strive to further understand the positive and negative impact of Vietnam's attraction of foreign direct investment on economic development by exploring the relationship between foreign direct investment and Vietnam's domestic economic growth to provide some feasible references for promoting the sustained and healthy development of Vietnam's domestic economy And provide specific measures to optimize foreign direct investment according to the actual situation of various regions in Vietnam. Finally, the future academic circles should make a comparative study of Vietnam's foreign direct investment and other countries and draw on other countries' foreign direct investment.

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