

# **The Point of the Party on the Applying Surplus Value Theory Into The Socialist-Oriented Market Economy In Vietnam**

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## **Abstract**

*The article presents the basic content of the Surplus Value Theory in Marxism-Leninism and then analyzes the Party's viewpoints in applying the law of surplus value to a socially oriented market economy in Vietnam as expressed through Party congresses.*

**Keywords:** *Surplus value, Market economy, manipulat, manipulate, Socialism*

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## **I. Introduction**

The theory of surplus value by Karl Marx was developed based on the study of the capitalist mode of production. In this theory, Karl Marx made a scientifically predictive statement that remains relevant in contemporary society:

“The constant aim of capitalist production is to produce the maximum surplus value or surplus product with the minimum advance of capital. To the extent that this result is not achieved by overworking the laborers, it is a tendency inherent in capital to strive to produce a given product with the least expenditure of labor power and means of production. This economic tendency of capital teaches humanity to economize its expenditure of labor power and achieve the goal of production with minimal expenditure of means.” [2]

From the study of Karl Marx's Theory of Surplus Value, several major issues emerge in the current stage of national development:

*Firstly*, during the transitional period towards socialism in Vietnam, the exploitation relationship cannot be entirely and immediately eliminated through rigid and dogmatic approaches. As the multi-sector economy continues to expand, it becomes increasingly evident that as long as exploitation serves to liberate productive forces and foster the development of productive capacities, its presence must be accepted.

*Secondly*, in the context of Vietnam's socialist-oriented market economy, all attempts to rigidly quantify and mechanistically determine the extent of exploitation in policy formulation, or to adopt discriminatory attitudes toward the emerging entrepreneurial class, are detached from reality and impractical. What is most compelling at present is that distribution relationships must be institutionalized through legal frameworks to regulate social behaviors in general and exploitation-related actions in particular. Those who comply with the law are recognized and honored by society in accordance with the principle: “*A wealthy people, a strong country, democracy, fairness, and civilization*” [5]

*Thirdly*, in social governance, it is essential to strictly monitor personal and corporate incomes to both prevent tax evasion and ensure fairness in distribution through the State and various mechanisms for redistributing and regulating social income. This approach to the issue of exploitation helps us avoid dogmatic and unscientific perceptions of exploitation relationships, as well as enables their application within a specific historical context to liberate productive forces, foster economic development, and successfully integrate into the global economy.

*Fourthly*, when the Party and State's policies and guidelines are institutionalized into laws and legal codes, they not only contribute to the construction of a socialist rule-of-law state but also must protect the legitimate rights of both workers and employers through laws and specific sanctions. This ensures transparency, fairness, and sustainability. Conflicts of interest in labor relations are a reality, and addressing these conflicts in a way that prevents unnecessary disputes is an urgent requirement today, reflecting the essence of the new system. Protecting the legitimate rights, those safeguarded by law, of all parties involved in labor relations guarantees the rational application of exploitation relationships under current conditions. It also represents a fundamental contribution to the process of refining and building a socialist-oriented market economy model in Vietnam.

Today, from the perspective of the renewal of socialism, this theory holds significant importance in the mission of building and developing the economy during the transitional period towards socialism. In Vietnam, studying and applying the theory of surplus value in Marxism-Leninism has become a necessary task in the context of developing a socialist-oriented market economy.

## II. CONTENTS

### **2.1. The Theory of the Law of Surplus Value by K. Marx**

*“Produce more and increasingly greater surplus value by intensifying the exploitation of wage labor.”*

The goal of capitalists is to maximize surplus value; therefore, they employ various methods to increase both the rate and the amount of surplus value. Broadly speaking, there are two methods to achieve this goal: the production of absolute surplus value and the production of relative surplus value.

**The Method of Producing Absolute Surplus Value:** In the early stages of capitalist production, when technological advancements were still limited, the primary method for increasing surplus value was to extend the working day for laborers.

Absolute surplus value is the surplus value obtained by lengthening the working day beyond the necessary labor time (or by increasing labor intensity), while the productivity of social labor, the value of labor power, and the necessary labor time remain unchanged.

**The Method of Producing Relative Surplus Value:** The extension of the working day is limited by the physical and mental capacity of workers and is increasingly met with strong resistance from the working class. On the other hand, as capitalist production advanced to the stage of large-scale mechanical industry, technological progress significantly increased labor productivity. Consequently, capitalists shifted to a method of exploitation based on enhancing social labor productivity, known as the production of relative surplus value.

Thus, relative surplus value is the surplus value generated by reducing the necessary labor time through the enhancement of social labor productivity. This, in turn, increases surplus labor time while keeping the length of the working day unchanged.

In the early stages of capitalism, the production of absolute surplus value was the primary method. However, in later stages, as technology advanced, the production of relative surplus value became the dominant method. The historical development of productive forces and social labor productivity under capitalism has progressed through three stages: simple cooperation, manufacture, and large-scale mechanical industry. This progression also reflects the increasing degree of exploitation through relative surplus value.

The two methods of producing surplus value mentioned above are combined by capitalists to enhance the degree of exploitation of wage laborers during the development of capitalism. Under capitalism, the application of machinery is not intended to alleviate the intensity of labor for workers but rather to facilitate an increase in labor intensity.

Today, automation in production has led to greater labor intensity, albeit in a new form, where mental strain replaces the physical exertion of muscular labor.

In capitalism, competition among capitalists drives them to adopt the most efficient production methods to increase labor productivity within their enterprises. This allows them to reduce the individual value of goods below their social value, thereby generating super surplus value.

Super surplus value is the portion of surplus value obtained by increasing individual labor productivity, which results in the individual value of goods being lower than their market value.

Super surplus value is a transformed form of relative surplus value, as both are based on increased labor productivity. Super surplus value serves as the strongest motivation for capitalists to innovate in technology, adopt new production techniques, and optimize labor and production organization. These efforts aim to enhance labor productivity and reduce the value of goods.

### **2.2. The Necessity of Applying the Law of Surplus Value in Vietnam's Socialist-Oriented Market Economy**

Karl Marx's theory of surplus value was developed based on a historical study of the capitalist commodity production system. It was Marx, more than anyone else, who conducted an in-depth examination of the capitalist commodity economy, also referred to as the market economy.

In Vietnam's current socialist-oriented market economy, which includes various economic sectors—private enterprise being one of them—it is undeniable that private capitalist entrepreneurs, through legitimate production and business activities, have contributed to the development of productive forces and improved the living standards of workers.

However, dialectically speaking, the income of private capitalist entrepreneurs is profit (i.e., surplus value), meaning the exploitation of surplus value still exists. It must also be acknowledged that the appropriation of surplus value stands in contrast to the socialism we aim to build. Nevertheless, as long as it continues to play a beneficial role, it is necessary to allow its existence and even foster its growth.

Thus, the application of Marx's theory of surplus value in the development of Vietnam's socialist-oriented market economy is essential, focusing on the following key aspects:

Firstly, leverage Karl Marx's theoretical legacy on methods of producing surplus value within the capitalist commodity economy.

From its inception, capitalism developed a commodity economy through the market, enabling the bourgeoisie to acquire means of production and labor power, sell goods, and exploit the surplus value created by workers. Within the capitalist economy, under the influence of economic laws—including the law of surplus value—capitalists initially employed the method of producing absolute surplus value by extending the working day and increasing labor intensity. However, this method faced resistance from workers, prompting capitalists to adopt the method of producing relative surplus value. This was achieved by applying scientific and technological advancements to production to enhance social labor productivity.

Additionally, capitalists actively improved production organization, reduced production costs, and analyzed market demands. These efforts unleashed and strengthened potential resources such as capital, technology, and business management, making the economy more dynamic.

In the context of Vietnam's socialist-oriented market economy, all economic sectors should apply the methods of producing surplus value utilized by capitalists, particularly focusing on the method of producing relative surplus value. This approach aims to boost labor productivity, promote economic growth and development, and combine distribution based on labor and economic efficiency to improve the material and spiritual well-being of workers.

In recent years, Vietnam has made significant efforts to improve labor productivity (LP), resulting in notable improvements both in value and growth rate. According to the General Statistics Office, the labor productivity of the entire economy in 2023, at current prices, is estimated to reach 199.3 million VND per worker (equivalent to 8,380 USD per worker, an increase of 274 USD compared to 2022). At constant prices, labor productivity increased by 3.65%, due to improvements in the skill levels of workers (the proportion of workers with formal training, certificates, or diplomas in 2023 is estimated to be 27%, 0.6 percentage points higher than in 2022). In 2022, labor productivity at current prices was 188.7 million VND per worker, a 4.8% increase from the previous year.

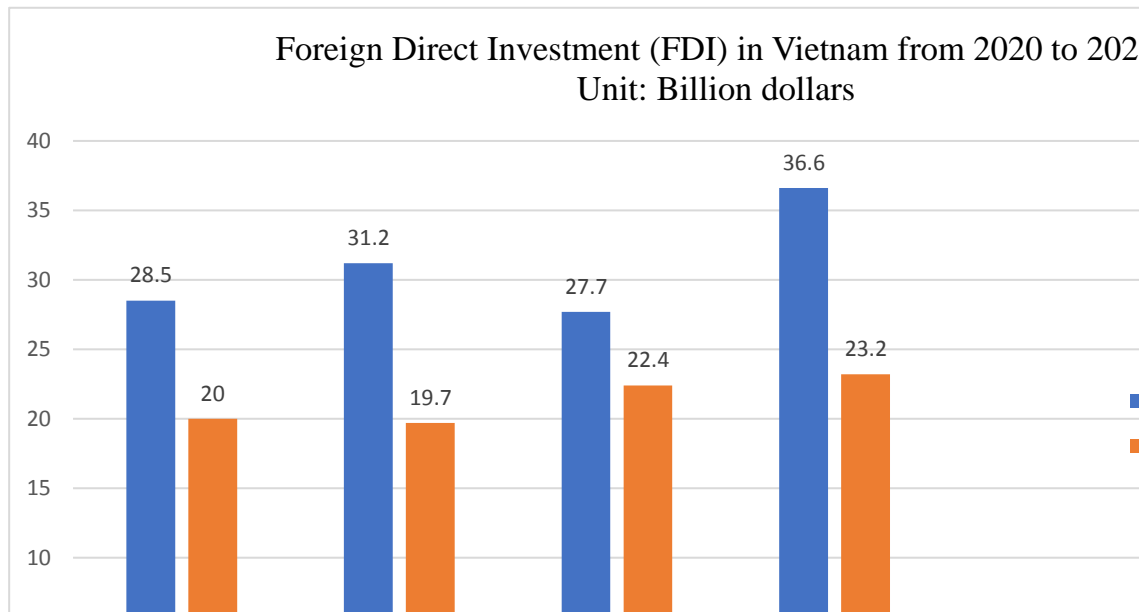
However, the increase in labor productivity in Vietnam remains very low compared to other countries in the region, and notably, the absolute productivity gap continues to widen. According to PPP (Purchasing Power Parity) data from 2017, Vietnam's labor productivity in 2020 reached 18.4 thousand USD, which was only 11.3% of Singapore's labor productivity, 23% of South Korea's, 24.4% of Japan's, 33.1% of Malaysia's, 59.1% of Thailand's, 60.3% of China's, 77% of Indonesia's, and 86.5% of the Philippines'. Labor productivity in Vietnam within Southeast Asia is only higher than that of Cambodia (2.4 times), Myanmar (1.6 times), and Laos (1.2 times). This shows that Vietnam must make even stronger efforts to improve national labor productivity [6].

The development goals of Vietnam, approved at the 13th Party Congress in 2021, are to become a developing country with modern industry and a high-income economy by 2030, and to achieve developed nation status with a high-income economy by 2045. The key to achieving these goals is improving Vietnam's labor productivity (LP). According to research from the University of Danang's Economics Faculty, in the period from 2020 to 2030, the digital economy is expected to contribute between 7% and 16.5% annually to the overall growth rate of labor productivity.

Therefore, the contribution of the digital economy is crucial to improving productivity and efficiency within the economy, serving as a new driver for boosting labor productivity. Accordingly, new business models and strategies need to be encouraged, not only to compensate for the decline of traditional models but also to prepare for the next phase of development. Vietnam must shift its mindset, embrace information technology, and treat digital transformation as a crucial push and foundational pillar to support recovery, enhance resilience, and improve the quality of growth in a more efficient, green, and sustainable manner.

Secondly, leveraging Marx's arguments on the measures and tactics employed by capitalists to extract greater surplus value to contribute to the management of the private economic sector and foreign-invested enterprises within Vietnam's economy. This approach should both encourage development and guide these sectors toward the trajectory of socialism.

This requires policies that promote the growth of these economic sectors, attracting more labor into the economy and utilizing diverse skill levels to produce goods that meet societal needs. In practice, more than 30 years since the Investment Law was enacted in 1987, which is the most important legal document formalizing the reception of foreign investment and creating favorable conditions for foreign-invested enterprises to enter Vietnam, the foreign direct investment (FDI) sector has become an indispensable part of the economy, making significant contributions to Vietnam's economic and social development over the past three decades.



To ensure the socialist orientation of the economy, the state must regulate these enterprises to limit the excessive exploitation of workers, such as extending working hours beyond the legal limits without workers' agreement, cutting wages, and reducing workers' benefits like healthcare, unemployment insurance, social security, and workers' compensation. The study of Marx's theory of surplus value shows that such exploitation cannot be tolerated as in capitalist systems, and that workers must be protected through Vietnam's legal system.

In practice, Vietnam has laws to protect workers, including the Labor Code, the Insurance Law, and regulations on minimum wages for enterprises. However, these laws are still not comprehensive enough. The main weakness in protecting workers today is the lack of strict enforcement and failure to address violations effectively, particularly with foreign-invested enterprises. There have been many strikes and labor protests in foreign-invested enterprises, with a record high of 857 strikes in 2011. Although the number of strikes has decreased, issues such as social insurance, wages, rest days, and meal quality continue to cause labor disputes. If these weaknesses are addressed, it will help promote economic development while ensuring workers' legitimate rights and maintaining the socialist orientation of the market economy.

Thirdly, studying the theory of surplus value in capitalism to establish a mechanism and policies for the fair distribution of surplus value in Vietnam's socialist-oriented market economy.

Karl Marx affirmed that surplus value is not generated by capital (money) invested in production or by machinery. Rather, surplus value is created through the surplus labor of workers. In today's socialist-oriented market economy in Vietnam, workers are not limited to those directly operating machines, but also include entrepreneurs and the managerial workforce. If an entrepreneur is also directly managing, their labor also contributes to the creation of surplus value. Managerial labor is often referred to as complex labor. Therefore, it is entirely justified for entrepreneurs to receive a portion of the surplus value generated by their businesses. The issue at hand is how to accurately quantify the surplus labor of each sector and each worker to ensure the fair distribution of surplus value within businesses today.

State-owned and private enterprises both use two forms of compensation for workers: wages and salaries, as well as benefits. The challenge lies in accurately quantifying both the quantity and quality of labor. While the quantity is relatively straightforward, determining the quality of labor is more complex. Although complex labor is considered a multiple of simple labor, the exact multiple is difficult to define.

To address this, two factors should be considered:

1. Labor agreements between employers and workers, which are regulated by market forces. These agreements should establish common wage levels and competition between businesses to attract labor through salaries and bonuses.
2. State regulation through policies on wages and labor laws. The government sets minimum wages and conditions for workers, including benefits such as insurance, within enterprises.

Thus, in Vietnam today, the purpose of studying political economy in general, and the theory of surplus value in particular, has evolved. Previously, the goal of political economy was to critique the capitalist mode of production, uncover the nature of surplus value exploitation in classical capitalism, and explore the trend of replacing capitalism with a better society. However, now, in addition to these objectives, we also study and exploit the theory of surplus value as a rich and profound system of thought, aimed at applying it to the process of building and developing a socialist-oriented market economy.

### **2.3. The Party's View on Applying the Law of Surplus Value in Marxism-Leninism to Vietnam's Socialist-Oriented Market Economy**

#### **2.3.1. Pre-Reform Period**

During this period, the Party and State of Vietnam adopted the policy of nationalizing production, recognizing only two main components of the economy: the state-owned sector (later referred to as the state economy) and the collective economy. At this time, the Party rejected the market economy and sought to quickly abolish private property and individual economic activities. The policy aimed to build a closed economy, without free commercial trade on the market, and the centralized planned economy operated in a manner where the state managed and subsidized the entire population.

Therefore, during this period, Vietnam's economy did not recognize the law of surplus value. This period marked an era of strict state control over production and an attempt to avoid capitalist elements, focusing on building socialism through centralized economic planning.

#### **2.3.2. Reform Period**

Since the 6th Party Congress, Vietnam has implemented comprehensive reforms to transform its economy, adopting policies for the development of a commodity economy and market economy. The Party recognized the objective existence of a market economy during the transition to socialism, and emphasized the necessity of developing a market economy to build socialism in Vietnam. In any country with a market economy, the law of surplus value exists. Therefore, this law also governs Vietnam's economy.

The 6th Party Congress marked the beginning of the reform process, with a focus on developing the market economy. The Congress introduced a development path that encouraged a multi-sector economy, reinforcing the socialist economy while utilizing all capabilities of other economic sectors. The multi-sector structure was defined as a characteristic of the transition period towards socialism. The 7th Party Congress reaffirmed that "the operational mechanism of the multi-sector commodity economy under the socialist orientation is a market economy managed by the State through laws, plans, policies, and other tools."

The 8th Congress continued to assert the need to develop a multi-sector economy, managed by the State with socialist orientation. It emphasized specific areas such as reforming the state-owned economy, promoting the cooperative economy, and implementing the privatization of state-owned enterprises. The 9th Congress defined the market economy with multi-sector components, operating under state management and socialist orientation, as the model for Vietnam during the transition period.

The 10th Party Congress outlined that the goal of developing a socialist-oriented market economy was to achieve "a wealthy people, a strong country, a democratic, fair, and civilized society." The 11th Congress defined the completion of the institutional framework for the socialist-oriented market economy as one of the three strategic breakthroughs for the nation's development. This Congress also affirmed that the socialist-oriented market economy operates according to market laws but is guided and controlled by the principles and essence of socialism.

At the 12th Congress, the Party continued to strengthen the understanding and fully clarify the content of the socialist-oriented market economy model.

The 13th Party Congress Report highlights the continuous development and improvement of the understanding of the socialist-oriented market economy. It points out that the legal system, mechanisms, and policies are being refined to meet the needs of building a modern market economy that is integrated internationally. The market elements and various types of markets are gradually developing in a coordinated manner, closely connected to both regional and global markets. Many barriers to market participation have been removed, investment and business environments have significantly improved, and creative startups and business development have been very active.

State-owned enterprises are gradually being restructured more effectively, while the private sector is increasingly recognized as a driving force in the economy. The collective economy is gradually adapting to market mechanisms, and foreign-invested enterprises are growing rapidly, becoming an important part of the national economy.

The socialist orientation in Vietnam's market economy has gradually been refined through the Party Congresses. The key elements of this orientation in Vietnam's market economy include:

- Achieving the goal of "a wealthy people, a strong country, democracy, fairness, and civilization."
- Development of various forms of ownership and economic sectors, with the state-owned sector playing a leading role, strengthening collective and cooperative economies, recognizing the private sector as an important driving force, and encouraging the development of foreign-invested enterprises in alignment with national economic development strategies and plans.[5]
- Achieving social progress and equity through each step and development policy; forming a stable, sustainable socio-economic structure. The distribution system should primarily be based on the results of labor and economic efficiency, while also considering capital contributions, other resources, and social welfare provisions.

- Promoting the role of the people as the masters of society, ensuring the role of the socialist rule-of-law state in managing and regulating the economy under the leadership of the Party.

The documents from the 13th Party Congress have affirmed that developing a socialist-oriented market economy is the overall economic model for Vietnam during the transition to socialism. This model is a modern market economy, integrated into the international system, fully operating under market laws but managed by the socialist rule of law, led by the Communist Party of Vietnam. It ensures socialist orientation with the goal of achieving "a wealthy people, a strong country, democracy, fairness, and civilization," in alignment with each stage of the country's development. [5]

### **The Party's View on the Development of the Private Sector as an Important Driver of the Economy:**

Since the 6th Party Congress, the Party has acknowledged the existence of small-scale commodity production, private capitalist economies, and state capital during the transitional period. The activities of these sectors are directed along the path of socialism through various forms of state capitalism, under the control of the government and linked with state-owned enterprises and the collective economy.

Consistent with the long-term development of the private sector throughout the transitional period, and to continue encouraging and making breakthroughs in the growth of the private economy, the 12th National Party Congress outlined several new policies and perspectives regarding the private economy.

Firstly, the Congress affirmed that the private sector is "an important driving force" in the country's development. In previous Congresses and many resolutions from the Central Committee, the Party has repeatedly recognized the private sector as "one of the driving forces." However, this is the first time the private sector has been identified as "an important driving force of the economy." This perspective not only confirms the new role of the private sector but also opens up new opportunities for this economic component to develop more strongly in the coming years.

Secondly, to continue encouraging and creating favorable conditions for the private sector to grow and become a true driving force of the economy, the documents from the 12th National Party Congress outlined an important solution: improving the institutional and policy framework. This includes encouraging and improving policies to support small and medium-sized enterprises (SMEs) and startups.

Both theory and practice in Vietnam confirm that the private sector will only develop in the right direction when the Party and State implement appropriate policies, measures, and management strategies. These efforts aim to create conditions for the private sector's growth while also addressing issues of spontaneity and ensuring alignment with socialist orientation.

During the period of socialist transformation in North Vietnam, Ho Chi Minh outlined four key economic policies to promote the development of various economic sectors: "Mutual benefit for both private and state sectors; mutual benefit for both employers and workers; cooperation between workers and peasants; and the free flow of goods both inside and outside the country."

In the Reform Period, to encourage and create favorable conditions for the development of the private economy, the Party and State have consistently focused on building and improving mechanisms, policies, and legal frameworks to ensure a full legal corridor for the private sector to thrive. The government has worked to strengthen its role in managing the economy, emphasizing the importance of political and social organizations in this process.

The 12th National Party Congress not only continued to stress the importance of "improving mechanisms and policies to encourage" private enterprise but also specifically prioritized small and medium-sized enterprises (SMEs) and startups.

Thirdly, a new step in the 12th Party Congress was the first-time policy of encouraging the formation of private economic conglomerates with diversified ownership and encouraging private capital investment in state-owned economic groups.

The 13th Party Congress emphasized: "Eliminate all barriers and prejudices, and create favorable conditions for the development of the private economy; support the private sector in innovation, technology modernization, and human resource development, as well as improving labor productivity. Encourage the development of large, strong private economic conglomerates capable of competing regionally and internationally." [6]

The Party's viewpoint is based on the practical development of the private economy. Over the 30 years of national renewal, the private economy has developed rapidly in both scale and quality. Many private enterprises have accumulated significant capital and assets, and they operate and manage using advanced methods. At the same time, there has been the initial construction and development of business models where enterprises are connected by capital, technology, and management, working across various industries without geographic limitations.

The emergence of private economic conglomerates is an inevitable trend in this development. Currently, many private economic groups have made significant contributions to the task of socio-economic

development in Vietnam. They are a crucial force, alongside state-owned economic groups, in fulfilling the economic and political tasks set by the Party and State.

However, the development of private economic conglomerates in Vietnam is currently lacking a legal framework and standards for assessing, managing, and directing the growth of these groups. In response to this reality, the Party's policy to "encourage the formation of private economic conglomerates with diversified ownership and allow private capital to invest in state-owned economic groups" is entirely objective and scientific. This policy will provide an important foundation for the state to complete the legal framework, enhance management, and provide timely support for the private economy to develop according to socialist orientation. It also reinforces the role of the private sector as a "key driver" of the economy.

However, to ensure adherence to the socialist orientation, the Party's policy emphasizes making the state-owned economy the dominant component. The collective economy is continuously strengthened and developed. Together, the state-owned economy and the collective economy are becoming increasingly solid foundations for the national economy.

#### The Leading Role of the State-Owned Economy

The issue of the "state-owned economy playing a leading role" has been clearly established in the Party's platform and the Constitution. While affirming that the socialist-oriented market economy encompasses multiple forms of ownership and various economic components, it is also explicitly stated that: "The state-owned economy plays a leading role." The state-owned economy includes state resources and state-owned enterprises. These enterprises, like those in other economic sectors, must operate according to market mechanisms, ensuring fairness and competition under the law.

The 12th Party Congress documents highlight: "Continuing to restructure state-owned enterprises with a focus on key, essential sectors; important regions, national defense, and security; and sectors that other economic components are unwilling to invest in." [5] Additionally, state resources (such as natural resources, land, the national budget, and national reserve funds) and the various tools and policies used by the State are instrumental in guiding and regulating the economy, ensuring progress and social equity.

In practice, when state resources and policies are concentrated in specific sectors or regions, they drive and encourage development in those areas. With such an important role, the state-owned economy remains dominant; state-owned enterprises are part of this system, operating under market conditions, competing equally with other private sector enterprises, and undergoing restructuring as described above.

In the 12th Party Congress documents, the Party reaffirmed that: "The state plays a guiding role in building and perfecting the economic system, creating an environment of fair, transparent, and healthy competition; using state resources and tools, policies to guide and regulate the economy, promote business operations, and protect the environment; ensuring progress and social equity in every step and development policy. It also emphasizes the role of people's ownership in socio-economic development." [5]

The Party's policy for the new period emphasizes the goal of "striving to fundamentally complete and harmonize the system of the socialist-oriented market economy" in line with international standards of modern market economies and integration into the global economy. It highlights the importance of ensuring coherence between the economic system and the political system, as well as between the State and the market. Furthermore, it stresses the need for a balance between economic growth and the development of culture, human development, social equity, social welfare, environmental protection, and sustainable social development.

As we know, at the 8th Party Congress (1996), the Party first introduced the concept of the state-owned economy instead of the earlier term state-owned enterprises. This broader concept encompasses all activities related to the management of national resources, infrastructure development, national funds, and state-owned enterprises, including both public service enterprises and commercial enterprises. This change helped address both practical and theoretical issues regarding the leading role of the state-owned economy.

State-owned enterprises (SOEs) that operate efficiently will contribute to strengthening the potential and power of the state-owned economy, reinforcing its leading role in the socialist-oriented market economy. Therefore, changes in the size, number, and productivity of SOEs reflect only a portion of the state-owned economy as a whole, rather than representing the entire state-owned sector with its dominant role in the national economy.

The 12th Party Congress documents clearly state: "Separate the tasks of production and business from political and public service duties. Distinguish between the ownership function of state assets and capital, and the functions of state management and business administration of state-owned enterprises. Gradually abolish the function of representing state ownership in SOEs by ministries and local governments... Strengthen the leadership and management staff, and improve the corporate governance of state-owned enterprises in line with international standards."

The Party's perspective on the development of the collective economy within the market economy is centered on the continuous innovation of the content and operational methods of collective enterprises and cooperatives. It emphasizes fostering links and cooperation based on mutual benefits and adopting advanced

management methods suitable for market mechanisms. The state provides support through policies that facilitate access to capital, human resource training, technology transfer, and market development, thereby creating favorable conditions for the growth of cooperatives, particularly through the strengthening of household-based economies.

At the same time, alongside the process of institutional reform, there needs to be more decisive leadership in the implementation and organization of these policies to ensure their success.

In today's era, the rapid development of science and technology has significantly advanced production. In response to this reality, the role of collective economies (cooperatives) is to create opportunities and methods for economic development for individual workers, small business owners, and households. By coming together, they can form a new collective strength to overcome difficulties and mitigate risks from market forces.

As a special economic institution, cooperatives can not only capitalize on their advantages and potential in the market economy but also help address some of the shortcomings of the market system. Cooperatives play a crucial role in ensuring economic equity and offering a model for mutual support that benefits individual workers and small businesses, helping them survive and thrive within the competitive market landscape.

The Party's perspective on the development of foreign-invested economies within the market economy After 30 years of implementing the open-door policy and attracting foreign investment with the issuance of the Foreign Investment Law in 1987, the foreign-invested economic sector has increasingly played an important role and made significant contributions to Vietnam's socio-economic development. Specifically, foreign investment has contributed to:

- Economic growth by boosting overall growth and improving the effectiveness of domestic investment resources.
- Structural economic transformation, driving industrialization and modernization.
- Job creation, improving the quality of the workforce, and reshaping labor structures.
- Technology transfer, serving as a critical channel for transferring technology and improving the technological level of the economy.
- Enhancing competitiveness at the national, enterprise, and product levels.
- Improving economic management capacity, business management, and adding pressure to improve the business environment.
- International integration, playing a crucial role in integrating Vietnam into the global economy.

The 12th National Party Congress continued to emphasize the need to enhance the effectiveness of attracting foreign direct investment (FDI). This includes focusing on technology transfer, adopting advanced management practices, and expanding access to product markets. The Party stressed the importance of actively selecting and offering incentives for foreign investment projects that feature modern management and technology, occupy effective positions in global value chains, and establish links with domestic enterprises.

Additionally, the Congress called for strengthening collaboration between foreign-invested enterprises and domestic companies to promote the development of supporting industries, large-scale, high-quality manufacturing, and integration into regional and global value chains.

## **II. CONCLUSION**

From the study of Karl Marx's theory of surplus value, we can clearly identify three major issues in the current phase of the country's development:

1. During the transitional period of our economy, to some extent, the exploitation relationship cannot be completely eradicated through dogmatic and rigid approaches. As the multi-sector economy continues to develop, it becomes evident that as long as the exploitation relationship still serves to liberate productive forces and drive the development of productive capacities, it must be accepted.

In practice, within Vietnam's current socialist-oriented market economy, efforts to rigidly and mechanically quantify exploitation levels in policy formulation, as well as adopting discriminatory attitudes toward new entrepreneurs, are detached from reality and unfeasible. A more convincing approach today is to institutionalize the distribution relationship through laws. The policies of the Party and the socialist rule-of-law state should use laws as tools and a basis to regulate social behavior in general, including exploitation specifically. Anyone who abides by the law should be recognized and honored by society.

From a general perspective, this could be considered the level of exploitation that society accepts, i.e., legal wealth creation. In social governance, there must be strict control over personal income and business profits, both to combat tax evasion and to ensure fairness in distribution through the state and through redistribution channels that regulate social income.

This approach to the issue of exploitation helps us avoid dogmatic, unscientific views on exploitation relationships, as well as applying them in a specific historical context where the focus is on liberating productive forces, creating economic development momentum, and successfully integrating into the global economy.



2. It is crucial to protect the legitimate rights of both workers and employers through laws and specific penalties to ensure transparency, fairness, and sustainability. Conflicts of interest in labor relations are a reality; deciding how to handle these conflicts to avoid unnecessary disputes is an urgent requirement today, reflecting the essence of the new system. Protecting the legitimate interests of all labor relations is a principle that ensures the rational application of exploitation relationships under current conditions and is also a fundamental contribution to the overall process of refining and building the socialist-oriented market economy model in Vietnam.

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