

# **Applying the law of relations of production in accordance with the development level of the forces of production in the development of the socialist-oriented market economy in Vietnam**

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## **Abstract**

*This paper explores the application of the law of production relations based on the Marxist-Leninist philosophy in the market-oriented socialist economy of Vietnam. Through a deep analysis of the roles of production relations and productive forces in the societal development process, the paper underscores the necessity of adjusting production relations to meet the needs of sustainable and equitable development. The economic and social context of Vietnam is evaluated, alongside an analysis of the challenges and opportunities in the transition process. Proposed future development directions include enhancing research efforts, suggesting specific policies, and fostering multilateral cooperation among relevant parties. In summary, the application of Marxist-Leninist philosophy could be a promising direction to ensure sustainable and equitable development for Vietnam in the future.*

**Keywords:** *production relations, productive forces, market economy, socialism*

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## **I. Introduction**

In the context of a market-oriented socialist economy in Vietnam, the application of the law of production relations in accordance with the level of development of the productive forces has become an extremely crucial factor, especially amidst the ongoing economic transformation and international integration. This poses a series of challenges and opportunities that our country must face, demanding a profound understanding of the philosophy and practice of Marx-Lenin, particularly in applying them to the economic and social realities of Vietnam.

Since the early years of the 21<sup>st</sup> century, Vietnam has witnessed significant upheavals in its economic and social transformation process. The opening up and international integration have ushered in new opportunities for development, yet concurrently presented numerous challenges to sustain and foster sustainable economic growth. After 37 years of renovating the market-oriented socialist economy, Vietnam has achieved commendable milestones. The economic growth rate has been consistently high, averaging from 4.45% per year in the period 1986-1990 to 8.19% per year in the period 1991-1995. Presently, the GDP for 2023 is estimated to have increased by 5.05% compared to the previous year, surpassing the growth rates of the years 2020 and 2021 during the period 2011-2023 due to the impact of the Covid-19 pandemic. However, considering the regional and global context, this growth rate is still highly encouraging amidst the current economic and political turmoil worldwide.

In this context, grasping and applying economic development policies, especially in the realm of production, in line with the Marxist-Leninist philosophy is immensely crucial.

The Marxist-Leninist philosophy on production relations has put forth fundamental and crucial concepts regarding the interaction between productive forces and production relations, and how they influence societal development. From the viewpoint of Marx-Lenin, production relations - namely, how humans organize and distribute labor - play a decisive role in shaping the structure and direction of a society. Therefore, comprehending and applying economic and social policies in accordance with this law are essential to ensure the sustainable and equitable development of a nation.

In the context of Vietnam, applying the law of production relations in line with the level of development of the productive forces is not merely a theoretical issue but also a practical challenge. Vietnam is striving to build a market-oriented socialist economy, an economic model that not only focuses on economic development but also emphasizes fairness and sustainable development. To achieve this goal, understanding and applying Marx-Leninist philosophy on production relations cannot be ignored.

In this paper, we will examine how the law of production relations is applied and adjusted in the context of the market-oriented socialist economy in Vietnam. We will focus on analyzing the ways in which policies and practical measures have been and are being implemented to reflect the level of development of the

productive forces and meet the needs of society. Through this approach, we hope to contribute to enhancing understanding and improving the quality of economic and social policy measures in Vietnam, while promoting sustainable and equitable development of the economy.

### **1. Relations of production and forces of production in the Marxist-Leninist Philosophy**

In Marxist-Leninist philosophy, the concept of production relations is considered a crucial factor shaping the structure and development of society. Production relations encompass the organization and distribution of labor, as well as how production factors such as technology, labor, and resources are utilized and interact with each other. According to Marx and Lenin, production relations are not merely a component of society but also the source of contradictions and development within it. The role of production relations in societal development is emphasized by Marx and Lenin through the theory of social history. In their view, production relations are the source of social contradictions and class division within society. These contradictions arise from the mismatch between the means of production (productive forces and production relations) and the fundamental forms of society (political systems, legal systems, culture, etc.). In capitalist societies, for example, production relations primarily rely on market relationships, leading to conflicts between the bourgeoisie and the proletariat. A deeper analysis of the interaction between productive forces and production relations from the perspective of Marx and Lenin reveals the complex relationship between these two elements. Productive forces include technological factors (including production technology and management), labor (human resources), and resources (including natural and material resources). Production relations are the way humans organize and distribute labor, and they also determine how productive forces are utilized and developed. Marx and Lenin argue that the relationship between productive forces and production relations is not a static one but rather a process of interaction and development. Technological and production development can impact the organization and distribution of labor, and conversely, the organization and distribution of labor can influence the development of productive forces. This creates an ongoing cycle of development in society, where each element interacts with and shapes one another in complex and multidimensional ways. In the current context of Vietnam, understanding and applying the law of production relations according to the Marxist-Leninist philosophy becomes extremely important in shaping and developing the economy and society. By understanding and correctly applying these principles, economic and social policies and measures can be designed and implemented effectively, ensuring sustainable and equitable development for the country.

### **2. Economic and social context of Vietnam**

The economic and social context of Vietnam has undergone a concerted effort to transition from a traditional management model to a socialist-oriented market-oriented model. This has been achieved through a series of economic and social reform policies implemented since the 1980s, with the emergence of renovation policies. This transition process has brought about both opportunities and challenges for Vietnam. From a poor and backward country with an economy primarily focused on agriculture, Vietnam has shifted towards a diversified economy and integration into the global economy. Renovation has opened up markets, encouraged foreign investment, and promoted private business and state-owned enterprise activities. This process has created a new business environment, driving economic development and creating numerous employment opportunities for the people. However, the transition process also faces significant challenges. Delay in adapting to the market environment and reforming management agencies, along with issues of corruption and discrimination in business, have delayed the development process. Additionally, ensuring fairness and protecting the rights of social classes is also a major challenge for this transition process. The socialist-oriented market economy model in Vietnam aims not only for economic development but also to promote fairness and sustainable development. Considering and adjusting economic and social policies to meet the needs of the people and ensure sustainable development is an ongoing challenge for the government and administrators. The development of Industry 4.0, especially digital technology, artificial intelligence, and biotechnology, requires Vietnam to quickly grasp and develop accordingly. Otherwise, the increasing disparity between regions and areas will continue to grow. In summary, Vietnam's economic and social transition from a traditional management model to a socialist-oriented market-oriented model has brought about many opportunities and challenges. Vietnam is steadily advancing on the path of development, with innovation and perseverance in adapting to the global business environment and meeting the needs of the people. In the new context, with the strong impact of the Fourth Industrial Revolution, particularly the economic and political upheavals worldwide following the COVID-19 pandemic, economic development faces significant opportunities accompanied by formidable challenges.

**Challenges:** The transition from a traditional centrally planned economy to a market-oriented one demands comprehensive reforms across all economic components, from state-owned enterprises to private businesses and cooperatives. This necessitates the flexibility and efficiency of management agencies, as well as the quick adaptation of managers and businesses. Adapting to the market business environment requires enhancing

competitiveness and innovation in management and production. Businesses need to develop flexible and effective business strategies to adapt to the rapid market and technological changes. During the transition, social conflicts between classes and regions, as well as between different economic sectors, may escalate. This calls for careful consideration and appropriate policy measures to ensure fairness and sustainable development for all social strata.

**Opportunities:** Applying the Marxist-Leninist philosophy in economic and social practice can help create a fair and transparent business environment, facilitating the development of enterprises and workers. By enhancing the fair distribution and management of labor and resources, Vietnam can optimize resource utilization and promote economic development. Applying the Marxist-Leninist philosophy provides a theoretical basis for evaluating and adjusting Vietnam's economic and social policies. By grasping and understanding the principles of production relations and social contradictions, the government can design flexible and suitable policy measures to meet the needs of the people and ensure the country's sustainable development. Applying the Marxist-Leninist philosophy not only creates opportunities for economic development but also builds a fair and democratic society. By ensuring the rights and voices of all social strata, Vietnam can create a sustainable and peaceful social environment.

Applying the law of production relations in Vietnam: In Vietnam's socialist-oriented market economy, the law of production relations is applied and adjusted through a series of policies and measures aimed at promoting fair and sustainable economic and social development. One way this law is applied is through building mechanisms and economic management policies to create favorable conditions for production and business activities of enterprises. The Vietnamese government has promoted enhancing the business environment by reducing administrative barriers and increasing transparency and accountability in business management. This helps strengthen competition and encourage the development of productive forces. Additionally, the law of production relations is also applied through promoting fairness and protecting the rights of labor. Policies to develop human resources and improve working conditions have been implemented to enhance labor productivity and improve the quality of life for workers. This helps create a stable and positive working environment, contributing to the sustainable development of the economy. Furthermore, the law of production relations is adjusted to ensure the sustainable development of the economy and society. Vietnam has focused on promoting sustainable development by building resources and infrastructure, protecting the environment, and enhancing the participation of stakeholders in policy decision-making.

In conclusion, the law of production relations is applied and adjusted in Vietnam through the construction and implementation of policies and measures aimed at promoting fair and sustainable economic and social development. This plays a crucial role in ensuring the country's sustainable development in the context of a socialist-oriented market economy.

In Vietnam, applying the law of production relations to reflect the development level of productive forces and meet the needs of society is implemented through a series of practical policies and measures: The Vietnamese government has promoted the development of high-tech industries to diversify the workforce. Policies encouraging investment in research and technology development, as well as supporting enterprises in applying new technologies and enhancing competitiveness, have been implemented. The government has implemented support and encouragement policies for businesses, especially small and medium-sized enterprises, to enhance production capacity and competitiveness. This includes providing preferential loans, tax reductions, and creating favorable conditions for business development. Training and developing human resources are crucial factors in enhancing the development level of productive forces. The government has invested in education and training, while also encouraging businesses to implement policies to attract and retain talent. To meet the needs of society and optimize the use of labor force, the government has promoted the application of labor management and distribution policies. This includes improving working conditions, enhancing labor safety, and ensuring fairness in wage payment. To ensure the sustainable development of productive forces and meet the needs of society, the government has also promoted the application of environmental protection policies and sustainable resource utilization. This includes implementing measures to reduce pollution, manage natural resources, and encourage energy-saving production activities.

These practical policies and measures not only reflect the development level of productive forces but also meet the needs of society. They help create a positive business and labor environment, promoting the sustainable development of the country in the context of a socialist-oriented market economy.

### **3. Vision and proposals**

The vision for applying the law of production relations in Vietnam's socialist-oriented market economy is a promising direction for the future. Vietnam can leverage Marxist-Leninist philosophy to build a fair and sustainable society where economic development goes hand in hand with social equity and environmental protection.

*This vision includes:*

Applying the law of production relations according to Marxist-Leninist philosophy can help create a fair business environment where enterprises compete on the basis of fairness and transparency. This ensures that everyone has equal access to resources and business opportunities.

Applying Marxist-Leninist philosophy in economic and social management ensures the protection and respect of labor rights. This includes improving working conditions, ensuring fairness in wage payment, and promoting personal development and skills transfer.

Applying the law of production relations according to Marxist-Leninist philosophy can help build a sustainable economic development and protect the environment. This requires a balance between enhancing production and environmental protection, as well as applying measures to protect the environment and promote sustainable resource utilization.

*To achieve this vision, we can propose specific approaches and measures such as:*

The government and relevant organizations need to enhance research and application of Marxist-Leninist principles in Vietnam's economic and social practices. This may require organizing training sessions and research activities, as well as facilitating collaboration between researchers and businesses.

To ensure the effectiveness of applying Marxist-Leninist philosophy, there is a need to strengthen the management and supervision of economic and social activities. This includes enhancing the management capacity of government agencies and creating conditions for the participation of stakeholders in policy decisions.

Encouraging community participation in economic and social management and development is also crucial. This may require creating opportunities and channels for people to participate in policy-making and social activities.

International cooperation and experience sharing play an important role in improving the effectiveness of applying Marxist-Leninist philosophy. Vietnam can learn from other countries about advanced methods in economic and social management by organizing workshops, training sessions, and establishing cooperative relationships with international organizations.

In conclusion, applying Marxist-Leninist philosophy in Vietnam's economic and social management can bring many benefits to the country's sustainable and equitable development. To achieve this, it is necessary to strengthen research, propose specific action plans, and enhance international cooperation. This will ensure the country's sustainable and equitable development in the future.

*Further development and research directions:*

To further develop the application of Marxist-Leninist philosophy in Vietnam's economic and social management, specific development directions and research orientations can be proposed as follows:

There is a need to strengthen research on production relations in the context of Vietnam's socialist-oriented market economy. This includes analyzing current production models, factors influencing production relations, and measures to optimize production relations.

Action programs should be proposed to optimize labor management and distribution according to the principles of Marxist-Leninist philosophy. This may include developing policies and measures to ensure fairness in wage payment and labor opportunities.

Research on production and distribution efficiency in the socialist-oriented market economy of Vietnam should be conducted. This helps evaluate and improve production and distribution processes to optimize resource utilization and enhance economic efficiency.

Specific policies and action programs should be proposed to promote the application of Marxist-Leninist philosophy in Vietnam's economic and social management. This may include developing training programs and human resource development, as well as establishing mechanisms to encourage business participation in social development projects.

Strengthening international cooperation and experience sharing with other countries can help Vietnam learn and apply advanced methods in economic and social management. This may include organizing workshops, training sessions, and establishing cooperative relationships with international organizations.

In summary, to optimize the application of the law of production relations in Vietnam, there is a need to strengthen research, propose specific action plans, and enhance international cooperation. This will help ensure the country's sustainable and equitable development in the future.

## **II. Conclusion**

In conclusion, applying the law of production relations in Vietnam's socialist-oriented market economy according to Marxist-Leninist philosophy is a highly promising direction to ensure the country's sustainable and equitable development. By focusing on optimizing economic and social management, Vietnam can build a fair business environment, protect labor rights, and ensure sustainable environmental development.

Through analyzing the current economic and social context of Vietnam, we can see that the country is facing many challenges and opportunities in the process of economic and social transformation. Applying Marxist-Leninist philosophy can help shape and promote the sustainable development of the country while ensuring that everyone benefits from this development.

However, to achieve this, close cooperation between the government, businesses, and the community is necessary. Continued research and training on Marxist-Leninist philosophy, as well as proposing specific policies and measures, are essential to promote the application of this philosophy in Vietnam's economic and social reality.

In conclusion, applying the law of production relations according to Marxist-Leninist philosophy is a highly promising direction to shape and promote Vietnam's sustainable and equitable development in the future. To achieve this, cooperation and effort from all stakeholders are required.

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