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## Economic Growth with Poverty Reduction in Vietnam (1986-2020): Current Situation and Solutions

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**Abstract:** Economic growth is a necessary condition but not a sufficient condition to reduce poverty. In contrast, reducing poverty promotes economic growth, but it can also hinder economic growth. In recent years, Vietnam has achieved great achievements in implementing economic growth, which has contributed to reducing poverty and is highly appreciated by the international community. However, the implementation of economic growth with poverty reduction in Vietnam is still limited. The economic growth model is outdated compared to other countries in the region and the world, and poverty reduction. Therefore, the Government of Vietnam needs to take specific and appropriate measures to ensure both economic growth and poverty reduction for development purposes. The article analyzes the current situation (achievements and limitations) of economic growth in poverty reduction and the formula for economic growth in poverty reduction in Vietnam in 1986 - 2020. Thereby, the article presents some solutions to promote economic growth to reduce poverty in Vietnam in the coming time, contributing to the successful implementation of the sustainable development goal to 2030.

**Keywords:** economic growth, poverty reduction, sustainable development, Vietnam.

### 越南减贫经济增长 (1986-2020) : 现状和解决方案

**摘要 :** 经济增长是减少贫困的必要条件, 但不是充分条件。相比之下, 减少贫困促进经济增长, 但也可能阻碍经济增长。近年来, 越南在实现经济增长方面取得了巨大成就, 为减少贫困做出了贡献, 受到国际社会的高度评价。然而, 越南经济增长与减贫的实现仍然有限。与该地区和世界其他国家相比, 经济增长模式已经过时, 减贫。因此, 越南政府需要采取具体和适当的措施, 以确保经济增长和减贫以促进发展。文章分析了1986-2020年越南减贫经济增长的现状 (成果和局限性) 和越南减贫经济增长的公式, 从而提出了促进越南经济增长减贫的一些对策。未来一段时间, 为成功实施到2030年的可持续发展目标做出贡献。

**关键词 :** 经济增长、减贫、可持续发展、越南。

## 1. Introduction

In human development, economic growth with poverty reduction is one of the basic problems of every age because it is posed with the existence of people, associated with dreams and aspirations for a happy life of humans. Therefore, the determination of the true value of development, and at the same time, gathering, using, and promoting resources effectively to resolve harmoniously between economic growth and poverty reduction, become urgent needs.

Over the years, Vietnam has achieved important achievements in realizing economic growth and poverty reduction. However, besides the achieved achievements, the implementation of economic growth with poverty reduction remains as the division of rich and poor, high unemployment, unsustainable poverty reduction, income inequality, increasing disparities in living standards. In this context, the continuation of economic growth research and poverty reduction in Vietnam in international integration is one of the necessary works, both theoretically and practically.

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The research questions in this study will be:

*Question 1:* What is the current situation of implementing economic growth with a reduction in Vietnam?

*Question 2:* What should be done to promote economic growth with poverty reduction in Vietnam in the coming time?

## 2. Related Works

It is common knowledge that the poor are a society that needs help so that they can get out of poverty. Therefore, the measure of poverty must be accurate to describe poverty. That is because it will provide a clear understanding of poverty so that the policies that will be formed are believed to solve the problems of poverty faced. In 1997, the Human Development Report and the 2000/1 World Development Report stated that poverty was a multidimensional phenomenon [1]. While the Millennium Declaration and the MDGs began discussing the issue of poverty in multidimensional since 2000 [1].

One of the multidimensional poverty measurement methods is to use the Alkire and Foster Method (AF Method). Poverty measurement using this AF Method contains the poverty dimension, the dimensional separating line to determine who is poor in that dimension. The poverty separation line is used to determine who is suffering enough to be classified as multidimensionally poor. This method is believed to be able to identify who is poor and, in turn, will be able to solve the problem of poverty faced [1]. Santos and Ura have applied the AF Method in their study on Bhutan. The study was conducted in rural and urban areas. Five dimensions have been used: income, education, number of available rooms, access to electricity, and drinking water. Two additional dimensions are only analyzed in rural areas: access to roads and land ownership [2].

Mussard and Alperin introduced a new methodology to measure the imbalance in multidimensional poverty between population groups and dimensions. The study was conducted in Argentina in 1998 on 28,511 households. The variables studied were: type of occupation and location of household residence, type of household, household size, toilet characteristics, flowing characteristic, total household income, level of education, stable employment, social contribution, and the ratio of the number of households to total income. The study's findings indicate that the main dimensions that contribute to poverty imbalance are toilet characteristics, household size, stable employment, and flowing characteristics [3].

Notten did a study in the Republic of Congo. This study attempts to identify the poverty patterns of the Congolese people and how they differ between women, men, and children (individual poverty). The study was conducted in 2005. The information collected included household expenses, living conditions, and individual characteristics. The eight indicators of well-being

studied are money or income (household level), education (individual level), nutrition (household level), health (individual level), employment (individual level), water and sanitation (household level), home/residence (household level) and integration (relationship) (household level). This Notten study found that the poorest dimensions of poverty were housing and water & sanitation, followed by poverty in finance or income [4].

In addition to foreign documents related to poor theme, domestic documents such as The author Luong Thi Hong presents the Party's new points on hunger eradication and poverty alleviation and basic concepts and formulas for the implementation of hunger eradication and poverty reduction in Vietnam. After 30 country renewal, the author says, the innovation company in Vietnam has made great achievements which means history. In particular, Vietnam and the international community are recognized as one of the 18 countries with the best achievements in hunger eradication and poverty reduction globally and one of the few countries that achieved 5/8 millennium development goals the century. With the right policy, the consensus, and support of all walks of life and social strata, the work of hunger eradication and poverty reduction in Vietnam has been beneficial [5].

Tuan, D. C has analyzed an overview of Europe's poverty reduction policies and clarified the needs and challenges in policy reform. Poverty reduction in Europe, at the same time, pointed out the successes, limitations, experiences in the implementation of poverty reduction of the German "social market" model; social security system model of "democratic society" of Sweden. Since then, providing many scientific arguments for the formulation and implementation of poverty reduction policies consistent with the current conditions of Vietnam [6].

"Economic growth with poverty reduction in Vietnam today" by Vinh, T.V analysis of theoretical and practical problems of economic growth with poverty reduction; assessing the implementation of linking the economic growth target with poverty reduction in Vietnam (the period 1986 - 2012), thereby proposing the leading solution to combine economic growth with poverty reduction. The work affirms, "Economic growth with poverty reduction has a close relationship with each other. High economic growth is a key factor in poverty reduction. Poverty reduction is a factor that ensures sustainable economic growth" [7].

In general, publications and concepts of some scholars are mentioned in all emphasized that the implementation of multidimensional poverty reduction is the measure to create conditions for all people to integrate into society, ensure social equity, and progress in the development process.

## 3. The Research Method

Economic growth is a category of economics, one of the topics attracting the attention of many different sciences, but up to now, there are still many different perspectives. According to the *Dictionary of Economics*, which has argued that "Economic growth is an increase in the potential output over time of an economy" [8]; According to Simon Kuznets, "Economic growth is the sustained increase in output per worker, or output per worker" [9]. Along with this point of view, in the *World Development Report* [10], the World Bank distinguished the difference between economic development and economic growth as follows: "Economic growth is a way fundamental to possible development, but in itself an incomplete representation of progress".

Thus, economic growth is an increase in gross national product or an increase in gross national product per capita over a given period (usually a year). The connotation of growth is expressed in scale and speed. The scale of growth reflects the increase more or less, while the growth rate is used with relative comparative meaning and reflects the rapid or slow increase of the periods. Economic growth is often expressed as value, measured by value indicators such as Gross domestic product (GDP); Gross national income (GNP); Per capita income (GDP/person/year). If the scale and growth rate of the indicators reflect a high total income and per capita income, it is a positive sign of the quantity of economic growth.

From the *World Bank's* point of view: Poverty is a shortage in many ways [10]. Limited income or lack of opportunities to generate income, assets to ensure consumption in times of difficulty and vulnerability to adverse mutations, inability to communicate needs and difficulties to those capable of dealing, insulted, and not respected by others. That's the aspect of poverty. At the conference on hunger eradication and poverty reduction in Asia - Pacific region organized by ESCAP in Bangkok - Thailand, in September 1993, the Asia - Pacific Economic and Social Committee introduced the conception: Poverty is the situation in which a population segment does not enjoy and satisfies basic human needs, but this need has been inherited by society depending on the level of socio-economic development, habits, and customs of the locality. From this, it can be understood: Poverty reduction is to make a part of the poor population raise their living standards and gradually get out of poverty. In other words, poverty reduction is the process of moving a part of the poor population to a higher standard of living.

Economic growth with poverty reduction is considered for the sake of human development, the subject of the development process, in which economic growth is a condition for poverty reduction and poverty reduction is a measure of social progress; poverty reduction is a driving force for high and sustainable economic growth; poverty reduction is an indicator of economic growth; Implementing appropriate poverty

reduction will become a driving force for high and sustainable economic growth, showing:

*Firstly*, it is necessary to affirm that economic growth is a necessary condition for poverty reduction. It must take economic growth, especially high, stable and long-term economic growth, for the State to have the physical strength to implement poverty reduction programs. In fact, in many countries, the high economic growth rate has positively impacted the poverty rate. For example, in the 1990s, East Asian countries experienced high growth rates (6.4%) and poverty reduction rates of 6.8%, while in South Asian countries, figures are 3.3% and 2.4%, respectively. Without economic growth or slow economic growth, the State will not have many resources to implement poverty reduction policies.

However, economic growth is only a necessary condition, not a sufficient condition to reduce poverty. Some countries have higher economic growth and per capita income, but poverty reduction results are less effective. In contrast, there are lower-income per capita countries, but poverty reduction is better. For example, in 2018, Mexico's per capita income was \$17,628 (calculated according to PPP 2011), but their national poverty rate reached 43.6%, the international poverty rate was 2.5%; the corresponding figures of Brazil are \$ 14,068, 26.5% and 4.8%; of East Timor is \$ 7,527, 41.8% and 30.7%. Meanwhile, Vietnam's per capita income reached only \$ 6,220, but the national poverty rate is only 9.8%, and the international poverty rate is 2.0%, the corresponding figures of China. These are \$ 16,127, 3.1% and 0.7% [11].

Thus, to promote poverty reduction, in addition to what is needed for economic growth, there must be sufficient *conditions for the role of the State*, expressed in the following aspects: (i) Select an economic growth model. Suppose the Government chooses a model of rapid economic growth, taking place in sectors and fields that require a high level of technology and human resources. In that case, it will not attract the poor to participate. Therefore they do not benefit directly from the results of growth. Or the Government accelerated industrialization, modernization, and urbanization, leading to the land acquisition of farmers' land, while not guaranteeing job change for them, pushing them into unemployment, which increases poverty; (ii) Distribute the results of growth. If the Government concentrates too many resources on the goal of economic growth, then it will reduce the resources for the goal of poverty reduction and possibly increase the poverty situation; or if the Government only concentrates its resources in key areas and key sectors to promote rapid economic growth, without paying adequate attention to disadvantaged and poor areas, it will lead to the development of the imbalance, the richer region is richer, the poorer the poor area, the rich-poor gap will become more severe.

*Secondly*, poverty reduction promotes economic growth but can also hinder economic growth. Poverty reduction has an impact on economic growth again. It can promote or hinder economic growth.

(i) Poverty reduction promotes economic growth. Policies to lend money to the poor at preferential interest rates, provide vocational training for the poor, develop infrastructure for poor areas, create opportunities for the poor to participate in economic activities. Contributing increase production capacity (increase investment capital, increase human resources, increase infrastructure for product development, etc.) and increase employment opportunities for the poor and poor areas, thus promoting economic growth. Poverty reduction also helps to stabilize society, facilitating rapid and sustainable economic growth.

(ii) However, poor implementation of poverty can hinder economic growth. If the Government attaches too much importance to measures to support the poor and poor regions that do not go along with raising production capacity for the poor and poor regions, raising the self-esteem, self-reliance, and the will to escape poverty may increase the dependence of the poor on the Government, losing the driving force for economic growth.

This research uses the document analysis method. The analysis is the published documents related to economic growth with poverty reduction in the vocational or vocational education sector, of the World Bank, the views of the Government of Vietnam to give some comments on recommendations. In the context of and suggestions for the Vietnamese Government, the proposal has to identify some directions for implementing economic growth with poverty reduction according to international standards in the process of international integration. Also described with the help of objective data from statistical and officially published sources.

At the same time, the article also uses a synthesis of specific research methods such as history, logic, comparison, analysis, synthesis, induction and deduction, data synthesis to serve the research and present articles.

## 4. Scope of Article Results

The paper researches the current status of economic growth with poverty reduction to meet the requirements of international integration in Vietnam in 1986 - 2020. The research results can be used to make policy recommendations of the Government and leaders of regions of the country in developing plans and strategies to link economic growth with sustainable poverty reduction, meeting the requirements of international integration in the future.

The article's novelty: From the theoretical research, analysis, evaluation of the achieved results, the limitation in the realization of economic growth with poverty reduction in Vietnam and propose solutions to

promote economic growth with sustainable poverty reduction in the coming time.

## 5. Results and Discussion

### 5.1. The Reality of Economic Growth and Poverty Reduction in Vietnam

#### 5.1.1. Achievement of Economic Growth with Poverty Reduction

*First*, Vietnam's economy, after 35 years of renovation, has made spectacular development steps and achieved many historical achievements. The economic growth rate has been quite high for many years, the scale of the economy has been much larger than before. Gross domestic product (GDP) grew at an average annual rate of 6.6% in the 1986 - 2017 period and reached 6% / year in the 2016-2020 period. Despite being greatly affected by the COVID-19 pandemic in 2020, with this growth rate, Vietnam belongs to the group of high-growth countries in the region and the world [12]. Compared to some countries with fast economic growth in the world over the past 35 years, Vietnam's average GDP growth is only 9.4% behind China, and 5 above South Korea and Malaysia 9%, 5.2% in Thailand, 2.6% in the US, 1.7% in Japan and 1.8% in Germany. Vietnam's economic scale has increased from 90th place in the world in 1990 to 171.2 billion USD, ranked 57th globally in 2013 [13]. Vietnam has become one of the low-middle income countries in 2008 after being in the world's poorest countries.

State-owned enterprise restructuring has been promoted, more substantive; Focusing on equitization, divestment, and improving operational efficiency. The number of state-owned enterprises was reduced, focusing on key industries and fields. The non-state economic sector achieved a good growth rate, making an important contribution to mobilizing social resources, transforming the economic structure, creating jobs, and increasing incomes for workers. The economic structure of the industry and intra-industry changed positively. The share of the agricultural sector in GDP will decrease from 18.9% in 2010 to 14.8% in 2020. To focus on agricultural development towards large, modern, high-value-added, and sustainable commodity production; develop production linkages along the value chain and build brands of several key agricultural products. Many factories processing agricultural products and foodstuffs with modern technology have been put into operation. The cooperative economy and agricultural enterprises have increased rapidly, with about 15,000 effective agricultural cooperatives and nearly 12,000 enterprises directly engaged in agricultural production. The proportion of processing industry, manufacturing, and application of high technology in branches and fields is increasing; The proportion of processed exports in the

total export value of goods increased from 65% in 2011 to 85% in 2020. Many industries and service sectors applying high technology were promoted and modernized step by step. Such as information technology, communication, e-commerce, finance, banking, insurance, securities, healthcare, aviation. That shows that Vietnam's economy has had outstanding development, openness, and high integration. That result has an important contribution to Vietnam's extensive international economic integration and opening up. International integration is an important factor promoting the development of Vietnam's economy.

*Second*, economic growth is constantly accompanied by a reduction in the proportion of poor households. With fast and stable economic growth, material resources have been created to reduce poverty for all Vietnamese people. Accordingly, the rate of poor households decreased rapidly from 28.9% in 2002 to 11.1% in 2012 and 5.8% in 2016. The proportion of multidimensional poor households also decreased rapidly from 9.2% in 2016 to 7.8% in 2017, 6.8% in 2018, and 2020 is estimated to be about 3%.

Table 1 Vietnam's per capita income and poverty rate in the 2002-2020 period

| Year | Per capita income<br>(VND thousand,<br>current price) | The rate of poor<br>households (%) |
|------|-------------------------------------------------------|------------------------------------|
| 1986 | 235,1                                                 | 30                                 |
| 2004 | 484,4                                                 | 18,1                               |
| 2006 | 636,0                                                 | 15,5                               |
| 2008 | 995,0                                                 | 13,4                               |
| 2010 | 1.378,0                                               | 14,2                               |
| 2012 | 2.000,0                                               | 11,1                               |
| 2014 | 2.637,0                                               | 8,4                                |
| 2016 | 3.098,0                                               | 9,2                                |
| 2020 | 6.389,0                                               | 3,0                                |

*Third*, economic growth is more beneficial to the poor. By comparing the growth rate of per capita income and the rate of poverty reduction in 2003 - 2018, it can be seen that in Vietnam, the impact of economic growth is more beneficial to the poor than with other population groups. On average, from 2002 to 2018, the rate of poverty reduction in Vietnam was 10.1% / year, greater than the growth rate of per capita income in the same period of 7, 8 years. That means that Vietnam's economic growth during this period "for the poor" is more beneficial to the poor. In other words, the consensus effect of economic growth on poverty reduction is strong and rapid poverty reduction. However, in 2009 and 2010 alone, the poverty rate did not decrease but increased, meaning that economic growth in these two years was more beneficial to the rich than to the poor.

### 5.1.2. Limitations in Realizing Economic Growth with Poverty Reduction

*First*, the positive impact of economic growth on poverty reduction is uneven among population groups

and ethnic groups. Vietnam's economic growth in recent decades has had a positive impact on poverty reduction in general. However, this effect is not equal among the population groups, and the rich groups benefit more from the fruits of economic growth than the poor. That is reflected in the growing income gap between the richest 20% of the population and the poorest 20% of the population. The proportion of the poorest 40% of the total population is getting smaller and smaller.

During 1995 - 1999, the income gap between these two groups was lower than 8 times (i.e., inequality in low-income distribution). From 2002 to 2008, the gap was 8.1 - 8.9 times (i.e., below the moderate inequality in income distribution). From 2010 to 2016, the gap increased to 9.2 - 9.8 times (i.e., near upper-moderate inequality in income distribution). In 2018, this gap increased by 10 times, which is a high level of inequality. Considering the World Bank's "standard 40", in the period 2002-2006, the income share of the poorest 40% of the total income accounted for > 17% (corresponding to low inequality), since in 2008, the ratio was between 12% -17% (i.e., moderate inequality) [14]. That shows that the gap between rich and poor increased; the poor benefited less due to economic growth than the rich.

The positive impact of economic growth on poverty reduction is uneven among ethnic groups. The positive impact of economic growth on poverty reduction for ethnic minorities is lower than for the Kinh people. In 2017, the proportion of poor ethnic minority households accounted for 52.66% of the total poor households nationwide and accounted for 27.55% of the total ethnic minority households. Some poor districts of 30a have a poverty rate of over 60%. In 2018, poor ethnic minority households accounted for 62.51% compared to the total poor households in 51 ethnic minority and mountainous provinces [15]. There are 10 ethnic minorities with high poverty rate from 45.7% to 83.9%, namely: La Hu (83.9%), Mang (79.5%), Chut (75.3%), O Du (66.3%), La Ha (47.7%), Co (65.7%), Kho Mu (59.4%), Xinh Mun (52.4%), Khang (46, 1%), Mong (45.7%) [16].

*Second*, the ability to access production factors of the poor is limited. Many poor rely on the support of the State, reducing the motivation for economic growth. According to the 2016 Living Standards Survey, the proportion of poor households receiving credit support in recent years has been declining. In 2010, this ratio was 9.9%; in 2012 it decreased to 9.1%; in 2014 it was only 3.4%, and in 2016 it was 1.0%. The proportion of poor households supported with residential land and productive land has also decreased, from 1.2% (2010) to 0.8% in 2012, 0.5% (2014), and 0.3% (2016). The rate of ethnic minority households allocated land and forests is very low, accounting for 11.5% of ethnic minority households; In 2018, 303,578 households lacked productive land;

96,256 households lacked capital and needed to borrow capital to develop production [16].

In addition, many poor households rely on the support of the State. Not consciously rising out of poverty is also an obstacle to economic growth. This situation occurs in 135 communes where the poverty rate is over 60%. In many La Hu villages, people mainly cultivate upland fields and go to the forest to gather for the seasons. That is also the community that always maintains a poverty rate of more than 80% in Lai Chau province. Over the years, food, shelter, seedlings, and livestock have been provided by the State, but many households have not escaped poverty [17].

*Third*, poverty reduction is not sustainable, and the risk of falling back into poverty is high. Despite impressive achievements, poverty reduction in Vietnam has not been truly sustainable. For example, in the two years of 2016 - 2017, the rate of households falling back into poverty accounted for an average of 5.17%/year of the total number of households escaping from poverty, particularly in the Northwest mountainous region, the rate of people falling back to poverty reached 26.86% (period about 12% per year in advance). Notably, the proportion of poor households arising is relatively large, equal to 22.98% of the total households escaping from poverty. In 2017, a high proportion of newly arising poor households (compared to households escaping from poverty) focused on ethnic minority and mountainous areas such as the Northeast mountainous region (24.67%); Northwestern mountainous region (39.21%); Central Highlands (31.74%). Some provinces have a very high rate of arising new poor households every year, such as Ha Giang (28.25%); Cao Bang (25.44%); Bac Kan (59%); Son La (52.31%); Dien Bien (41.5%); Dak Nong (44%); Kon Tum (41%) [18]. By March 2018, although 8/64 districts of 30a escaped from poverty, 14/30 districts enjoyed the 30a mechanism to escape the difficult situation but added 29 districts to the list of poor districts from 2018 to 2020. In particular, 12 provinces have seen a significant increase in the rate of falling back into poverty, increasing by 0.03% or more, including some provinces with favorable socio-economic development conditions such as Vinh Phuc, Khanh Hoa, and Kien Giang; the number of households falling back into poverty will be about 1/20 households escaping from poverty; the number of newly arising poor households is about one-fourth of the households escaping from poverty; Many provinces in areas affected by natural disasters and severe floods have a very high rate of generating new poor households every year [19].

## **5.2. Some Solutions to Improve Economic Growth with Poverty Reduction in Vietnam**

The above analysis shows that, to both promote economic growth and sustainably reduce poverty in

Vietnam, in the coming time, the Government should focus on the following solutions:

*Firstly*, to combine the economic growth model with width and depth, focusing on depth. This orientation not only ensures an increase in labor productivity, promotes sustainable economic growth, creates a solid foundation for increasing per capita income, increases capital for poverty reduction, but also creates opportunities for the poor people and poor regions to participate in the growth process and benefit directly from the economic growth process.

To do so, the Government needs to maintain a stable macroeconomic environment, promote the restructuring of the economy associated with innovating an important and intensive economic growth model; promote the development of agriculture, rural, deep-lying, remote, poor, and ethnic minority areas along the direction of diversifying agricultural production, developing rural economy, building new countryside, creating every opportunity associations for farmers, the poor and ethnic minorities to participate in economic activities directly; At the same time, encourage the development of private enterprises, especially those that provide input, output, processing and consumption of agricultural products, and promote the development of rural economy, remote areas, poor areas.

*Secondly*, improve the policy for distributing the fruits of economic growth to human-related fields. This solution aims to use the fruits of economic growth to improve aspects related to human and social development. The process of economic growth must be controlled regularly and strictly by social development indicators, in which the focus is on hunger eradication, poverty reduction, social justice, job creation, inter-sectoral targets related to the comprehensive development of people (such as education, health, physical training and sports, culture and art). At the same time, the economic growth policies associated with creating conditions are increasingly fair for everyone about development opportunities. That is related to the need to implement policies that enable everyone to participate in the implementation of economic growth; implement policies to ensure everyone can participate in economic processes to create growth. The results of economic growth are always associated with improving the living standards for the people through the policy of income distribution and redistribution. The human-growth model requires the effective use of two methods of income distribution: income distribution by function, that is, each person's income is determined based on the contribution of quantity and the quality of the resources they contribute to generating income for the economy; Income redistribution, in the form of direct (tax, subsidy) and indirect (through price policy access to public services) to contribute to the regulation of income among different strata of society.

*Thirdly*, increase production capacity for poor and poor areas. Increasing production capacity for the poor and poor areas is the root of ensuring sustainable poverty reduction. For this purpose, the Government needs to grasp the importance of "giving fishing rods more". Specifically, it is necessary to: (i) Build synchronous socio-economic infrastructure for poor areas connecting with developed regions, to create a foundation to promote product development in poor areas; (ii) Supporting education, training, improving people's literacy and professional and technical qualifications for the poor, so that they have the opportunity to find jobs, participate in the process of economic growth and benefit directly from this process; (iii) Support productive resources for the poor and poor areas, especially support for capital, production techniques, and product consumption, as these are weaknesses that the poor cannot overcome on their own.

*Fourthly*, fundamentally change poverty reduction methods, raise the sense of self-reliance, self-reliance, and proactively rise out of poverty. Poverty reduction cannot be accomplished without the personal efforts of poor households, the poor, and the poor. To this end, the Government needs to: (i) Reduce the policy of free support, increase the conditional assistance policy attached to beneficiaries, areas, and beneficiary duration to increase access to policies for the poor; (ii) Promulgate groundbreaking policies to encourage the active, proactive participation and promotion of internal resources of the poor, (iii) Enhancing communication, changing perceptions of poor households, eliminating ideas rely on and rely on the support of the State, especially to bring the poor from the "passive" position to "proactively escape poverty"; (iv) Directing provinces and cities to formulate detailed plans of poverty reduction programs and policies according to specific roadmaps with practical solutions, close to the assistance needs of the poor under specific conditions of provinces, cities, avoiding burning phase; review and classify poor and near-poor households objectively and accurately to take appropriate support measures.

## 6. Conclusions

Over the past years, Vietnam's economic growth has contributed to reducing unemployment, bridging the gap between the richest and poorest quintile, improving the country's material and cultural life, and status. We are constantly improving in the international arena. However, the negative side of the market economy and international integration has negatively impacted workers' lives, such as unemployment, rich and poor division, income inequality. Therefore, to well implement economic growth with poverty reduction in Vietnam, it is necessary to implement solutions such as: to combine the economic growth model with width and depth, focusing on depth; improve the policy for

distributing the fruits of economic growth to human-related fields; increase production capacity for poor and poor areas. Increasing production capacity for the poor and poor areas is the root to ensure sustainable poverty reduction; fundamentally change poverty reduction methods, raise the sense of self-reliance, self-reliance, and proactively rise out of poverty. The synchronous implementation of these solutions contributes to promoting economic growth and poverty reduction in Vietnam towards the successful implementation.

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