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Policy Recommendations for Fostering Economic Growth in Vietnam

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Abstract

Background: Countries worldwide consistently prioritise economic growth and extensively study the elements that contribute to it. This study presents the result of a policy suggestion for promoting economic growth in Vietnam.

Objective: The study aims to explore the key factors influencing economic growth in Vietnam. Besides, the authors proposed policy recommendations for fostering economic growth in the study area.

Methodology: The authors conducted a group discussion of economic experts with 15 people with doctoral degrees in economics, quantitative methods, and primary data collected directly from the sample size of 450 economic experts from five major cities in Vietnam, using a random sampling technique and online serving.

Result: The results show that five main factors affect economic growth with a significance level of 0.01, with fiscal and monetary policies strongly impacting them. Research results suggest that policy direction for fostering economic growth in Vietnam should focus on strengthening forecasting capabilities and developing timely response scenarios.

Conclusion: Studying the case of economic growth in Vietnam reveals that growth depends on two main groups of factors. The first group includes economic factors directly affecting the growth process, such as monetary and fiscal policies. The second group includes non-economic factors indirectly contributing to economic growth.

Unique Contribution: This study has provided useful information that could guide economic growth discourse in Vietnam and in developing countries.

Key Recommendation: Fiscal and monetary policies are fundamental macroeconomic policies every country implements. Each policy has distinct objectives and adheres to its regulations, yet all strive towards a common goal. Ensuring macroeconomic stability leads to substantial economic equilibrium. Simultaneously, it is essential to consider reciprocal interactions in both the immediate and extended periods before execution.

Keywords: Fiscal policy; monetary policy; economic; growth; digital transformation.

Introduction

A high economic growth rate will create the premise to promote the country's development in all aspects, such as increasing accumulated capital to invest in expanding production, improving people's living standards, and improving social welfare issues such as culture, education, and health. In addition, factors affecting economic growth such as capital, labour, education, health, institutions, and foreign investment capital, recently there have been studies confirming that geographical factors such as temperature, rainfall, altitude, proximity to large rivers, proximity to the sea have an impact on regional economic growth in the region and the national economy and these geographical factors help the regional economy and the national economy develop (Batrancea et al., 2020; Nga & Tam, 2024).

In the process of studying the case of economic growth in Vietnam, it can be seen that growth in Vietnam depends on two main groups of factors. The first group is economic factors that directly affect the growth process, such as capital (K), labour (L), natural resources (R), and technology (T); the second group is non-economic factors that indirectly contribute to the economic growth process: political and social institutions, cultural and social characteristics, ethnic and religious characteristics, and community participation (Andini, 2024).

Moreover, in 2022, Vietnam achieved an impressive economic growth rate of about 8.02%, the highest in the past 25 years. The strong recovery after the COVID-19 pandemic was the main driver of growth, thanks to the reopening of the economy, government support policies, and the recovery of manufacturing and exports. Besides, Vietnam's economic growth in 2023 is projected to slow down compared to 2022 but remains high compared to the region and the world, estimated at around 6.5%-7%. This slowdown is mainly due to rising inflation, international market volatility, and pressure from global interest rate hikes. However, the government's flexible fiscal and monetary policies, along with a boost in public investment and enhanced international trade, have helped the economy maintain its growth momentum.

The 13th National Congress of the Party has set out several specific goals for economic development in the 2021-2025 period, in which identifying key and central factors has always been of concern. The Party determined that the productivity growth rate has contributed significantly to economic growth in recent years and will play an even more critical role in the coming period. Labour productivity's contribution to economic growth reflects the progress of the knowledge and technology foundation.

Economic growth is always one of the top goals of every country in the world; it is one of the core issues of economic theory, and development measures a country's economic situation. Factors affecting economic growth play an important role and have great significance for the current economy, especially for the strength and stability of a country, especially in Vietnam in the current growth momentum period. This study aims to determine the factors that influence economic growth in Vietnam and provide policy recommendations for managers to foster economic growth.

Literature Review

Economic growth (EG)

Economic growth is a fundamental term in economics that pertains to the increase in the production of goods and services within an economy over a defined period. Economic growth is often evaluated by measuring the increase in gross domestic product (GDP), gross national income (GNI), or per capita income. Economic growth contributes to the rise in income and enhances the overall standard of living for individuals (Andini, 2024; Beyer & Milivojevic, 2020). Besides, economic development creates more employment possibilities and higher income levels, hence contributing to a decline in poverty rates. The increased economic growth results in a rise in tax revenue, which allows the government to allocate funds towards public services such as education, healthcare, and infrastructure. Nevertheless, economic growth must be enduring and avoid triggering social and environmental issues, such as disparities in wealth, exhaustion of resources, and contamination of the environment (Bishnoi, 2023; Nga & Tam, 2024).

Fiscal policy (FP)

Fiscal policy refers to the set of government policies related to finance that are planned and implemented throughout a fiscal year. Its purpose is to influence the direction of economic development by adjusting economic policies. Report the government's expenditures and income derived from taxes and fees (Bishnoi, 2023; Nga & Tam, 2024). Fiscal policy encompasses the perspectives, techniques, and strategies for gathering financial resources to establish the state budget and allocate the State's consolidated financial money for executing

state budget expenditures within specific timeframes. An optimal fiscal strategy must maintain an equilibrium between income and spending to prevent an excessive budget deficit. Experiencing a long-lasting budget deficit can result in a rise in public debt, which in turn can exert pressure on interest rates and restrict private investment, ultimately leading to a decrease in economic development (Andini, 2024; Beyer & Milivojevic, 2020; Parui, 2020).

Monetary policy (MP)

Monetary policy refers to the various strategies and tactics used by the State Bank to supervise and control the amount of money in circulation, as well as interest rates and credit. This is accomplished through regulating monetary flow and manipulating currency volume to fulfil macroeconomic management goals (Bishnoi, 2023; Chugunov et al., 2021). Implementing a loose monetary policy will expand the money supply, leading to a decrease in interest rates. This, in turn, will encourage investment and stimulate aggregate demand. However, it is important to note that excessive money creation might lead to inflation, surpassing the economy's capacity to provide goods and services (Anwar & Suhendra, 2020; Nga & Tam, 2024; Bernanke, 2020).

Quality of public service (QPS)

Public administrative services are a category of public services offered by government administrative agencies to fulfil the specific needs of individuals and organisations by legal provisions (Lopes et al., 2023; Jovetić et al., 2022). The service offers a variety of documents that meet the needs of both organisations and people in a popular format. Enhancing the quality of public services is consistently a matter of investigation for the government. Various regions are interested in the quality of public services since they play a crucial role in local competition and contribute to economic growth (Nga & Tam, 2024).

Digital transformation (DT)

The digital transformation is a pervasive process that impacts every area of the economy. Digital transformation has permeated various aspects of social life, such as economics, politics, society, culture, education, and health. This has significantly increased operational processes, production methods, and business strategies (Bharadwaj et al., 2013; Capello et al., 2022). Consequently, it has led to enhanced productivity, cost reduction across multiple industries, and the stimulation of economic growth. Digital transformation refers to using digital technologies in business and management practices to enhance efficiency, boost production, and foster creativity. This process not only alters how firms function but also significantly influences the entire economy (Chavez et al., 2022; Nga & Tam, 2024).

Political environment (PE)

Stabilising the political regime involves a unique type of social action that focuses on maintaining and strengthening the structures and functions that define the essence of the political regime. Ensuring political stability is crucial for the sustained growth of a nation as it helps prevent chaos and instability (Serbina et al., 2024; Radu, 2015). The political stability significantly influences the promotion of economic growth. Furthermore, a stable political environment establishes a firm basis for the enduring progress of the economy, directly impacting investor confidence, corporate growth, and overall quality of life (Aisen & Veiga, 2013; Nga & Tam, 2024). Economic progress and establishing a stable political climate have a symbiotic relationship and serve as catalysts for one another. Political stability and a clear trajectory will foster an environment conducive to economic expansion and facilitate sustainable economic growth. In contrast, an unstable environment will have a detrimental impact on socio-economic growth.

Theoretical Framework

Fiscal Policy and Economic Growth

The tax policy-based fiscal policy substantially impacts economic growth. Reducing tax rates can encourage businesses and individuals to increase their spending and investment, promoting economic growth. On the other hand, increasing tax rates might reduce the motivation for investment and spending, thus hindering economic growth. In order to minimise an unsustainable budget deficit, it is crucial for an efficient fiscal plan to emphasise maintaining a balance between income and spending. A prolonged budget deficit can increase public debt, which can put pressure on interest rates and limit private investment, thereby hindering economic growth (Bishnoi, 2023; Nga & Tam, 2024). During periods of economic decline, governments often utilise expansionary fiscal policy. This strategy entails enacting increased public spending or tax cuts to stimulate economic development and prevent a recession. Conversely, during periods of economic overheating, the government can implement strict fiscal measures, such as cutting spending or increasing taxes, to control inflation and maintain economic stability. Therefore, H1 is proposed in Figure 1.

Monetary Policy and Economic Growth

Monetary policy also impacts the inflation expectations of firms and consumers. The central bank may effectively manage inflation expectations by upholding a consistent and trustworthy monetary policy, maintaining low interest rates and fostering sustainable economic growth. In contrast, an increase in inflation expectations can lead to a rise in interest rates, which in turn can decrease investment and consumption, negatively affecting economic growth (Bishnoi, 2023; Chugunov et al., 2021). Monetary policy impacts the amount of credit and investment in the economy. When central banks implement expansionary monetary policy, they relax credit conditions, which leads to improved access to money for firms and consumers. This, in turn, stimulates economic growth. Nevertheless, an overabundance of credit expansion can result in the formation of asset bubbles and pose a significant threat of a financial disaster. Therefore, H2 is proposed in Figure 1.

Quality of Public Service and Economic Growth

Public services in the realm of infrastructure, encompassing transportation, power, water, and telecommunications, serve as the bedrock for fostering economic progress. Efficient infrastructure is crucial in lowering transportation expenses, enhancing connectivity to markets and services, facilitating economic operations, and enticing foreign investment. Insufficient or substandard infrastructure can impede the pace of economic growth and hinder development. High-quality public services, particularly in education, health, and security, foster social capital by establishing a stable, united, and reliable community (Lopes et al., 2023; Jovetić et al., 2022). High social capital is the basis for fostering collaboration, innovation, and information exchange, thereby establishing advantageous circumstances for economic expansion. Efficient public services, including social security systems, possess the capacity to reduce economic disparity and alleviate poverty. When individuals have equitable access to education, healthcare, and other social services, they are provided with increased opportunities to participate in economic activities, resulting in improved income and positive economic growth. This is shown by the authors' proposed H3 in Figure 1.

Digital Transformation and Economic Growth

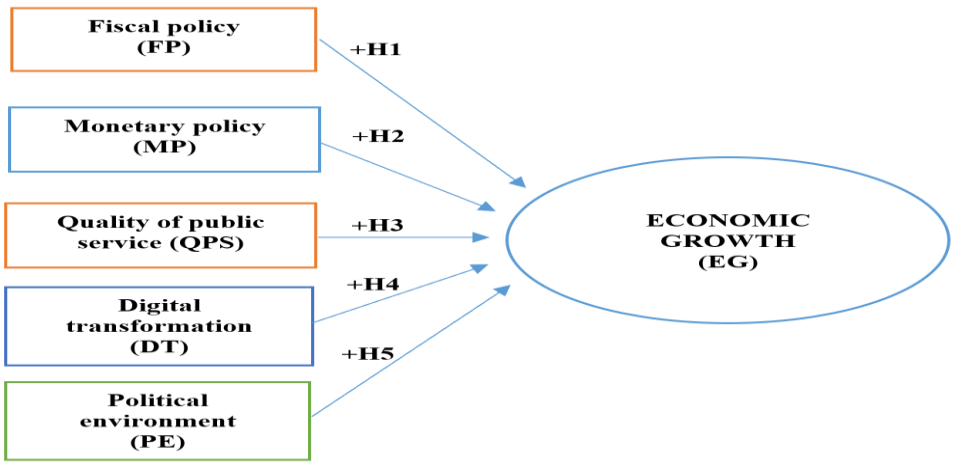
Integrating digital transformation in firms can improve their competitiveness by providing superior products and services with greater efficiency and lower costs. Improved competitiveness empowers businesses to maintain their market position, boost revenue, and

contribute to economic growth. Implementing digital transformation in the public sector improves the efficiency and quality of public services, simplifies administrative procedures, fosters transparency, and reduces costs (Bharadwaj et al., 2013; Capello et al., 2022). This increases individuals' happiness and creates a more favourable environment for business and investment, promoting economic growth. The digital transformation process requires a workforce with sophisticated digital capabilities, increasing the demand for specialised education and training. This enhances the workforce's capacity and creates new job opportunities in technological companies, contributing to economic growth and H4, as depicted in Figure 1.

Political Environment and Economic Growth

The political environment also affects international relations, including trade agreements, investment agreements, and economic cooperation with other countries. A favourable political environment that maintains good relations with international partners can expand trade opportunities, attract foreign investment, and promote economic growth. Conversely, tense international relations or economic sanctions could reduce this opportunity and hurt growth (Aisen & Veiga, 2013; Nga & Tam, 2024). The political environment also includes foreign policies directly affecting international trade, foreign investment, and economic cooperation. A friendly, open, cooperative foreign policy can open up business and investment opportunities, promoting economic growth. Conversely, a hostile, protectionist, or conflictual foreign policy can lead to sanctions, reduced trade and investment, and slowing economic growth. Therefore, hypothesis H5 is proposed in Figure 1.

Coordinating fiscal and monetary policy is crucial in effectively managing countries' economies, including Vietnam, to achieve the desired objectives. The proposed objective is expansion. Over time, Vietnam's reality has demonstrated that it is impracticable to disentangle these two policies when aiming to attain economic growth. Moreover, in theory, the relationship between economic growth and these policies is also indissoluble. Consequently, a research model is proposed herein, encompassing the analysis of the five factors mentioned above.



Source: The authors suggested

Figure 1: ***The framework for five key factors influencing the economic growth in Vietnam***

Figure 1 illustrates that there are five key factors influencing the economic growth in Vietnam following: (1) fiscal policy (FP), (2) monetary policy (MP), (3) quality of public services (QPS), (4) digital transformation (DT) and (5) political environment (PE).

Research Methods

These stages are essential for examining, assessing, and analysing the relationship between variables in a theoretical model and detailed contents, followed by 09 steps.

Step 1: The authors identified and conceptualized the problem based on the research question, and conceptual content was identified based on economic growth theories. This step includes Conducting a theoretical overview of concepts related to economic growth, establishing the relationships between the concepts within the research model, and developing an initial scale for factors affecting economic growth (Hair et al., 2018).

Step 2: The authors had conceptual measure development based on the conceptual measures developed through empirical research and group discussions involving 09 business managers from major cities and provinces in Vietnam, including Ho Chi Minh City, Can Tho, Hai Phong, Da Nang, and Hanoi. Additionally, 09 economic experts are interviewed to provide insights and suggestions on the economic growth scale. This step involves is adjusting and refining the scale of the concepts. Developing a new set of variables to include in the model, resulting in an adjusted scale termed the "adjustable scale.

Step 3: The authors had preliminary data collection based on the preliminary quantitative research conducted through direct interviews with 15 Vietnamese economic experts. The sample, comprising economic experts from various major cities, assesses economic growth using a questionnaire developed in Step 2 (Hair et al., 2018).

Step 4: The authors had a preliminary scale assessment based on the reliability and validity of the preliminary scale assessed using Cronbach's alpha and Exploratory Factor Analysis (EFA) based on the data collected from 413 processed responses (out of 450 distributed). The key techniques used include (i) Cronbach's alpha for scale reliability, ensuring a coefficient greater than 0.6. (ii) Exploratory factor analysis (EFA) to test the validity of the scale, adhering to criteria such as: Factor loading of $\geqslant$ 0.4. Ensuring factor distinctiveness with a loading of $\geqslant$ 0.3. Total variance explained $\geqslant$ 50%. (iii) KMO value $\geqslant$ 0.5 and Bartlett's test with statistical significance (Sig < 0.05).

Step 5: The authors had formal data collection based on formal data collection is carried out through direct interviews with 450 economic experts using a random sampling technique in major cities, including Ho Chi Minh City, Can Tho, Hai Phong, Da Nang, and Hanoi. The collected data are processed and analysed using SPSS version 20.0 and Amos software.

Step 6: The authors re-assessed the scales' reliability using Cronbach's alpha, based on the data from the formal research.

Step 7: The authors assessed the scale's validity, which is further evaluated using EFA and Confirmatory Factor Analysis (CFA) within the Structural Equation Modeling (SEM) framework. This step ensures that the scale is reliable and valid for the SEM analysis (Hair et al., 2018).

Step 8: The authors had structural model testing based on the SEM used to test the research model and hypotheses, examining the fit between the theoretical model and the collected data (Hair et al., 2018).

Step 9: The authors' policy implications and conclusions were based on the model testing results; the author proposes governance implications and provides conclusions aimed at enhancing economic growth. The research synthesises theoretical foundations and related studies, develops a research model, and constructs an expected scale. Preliminary data from 31 experts are used to assess the scale's reliability and validity. Following initial analysis, formal data collection and scale testing are conducted, leading to conclusions and policy recommendations to foster economic growth.

Study Results

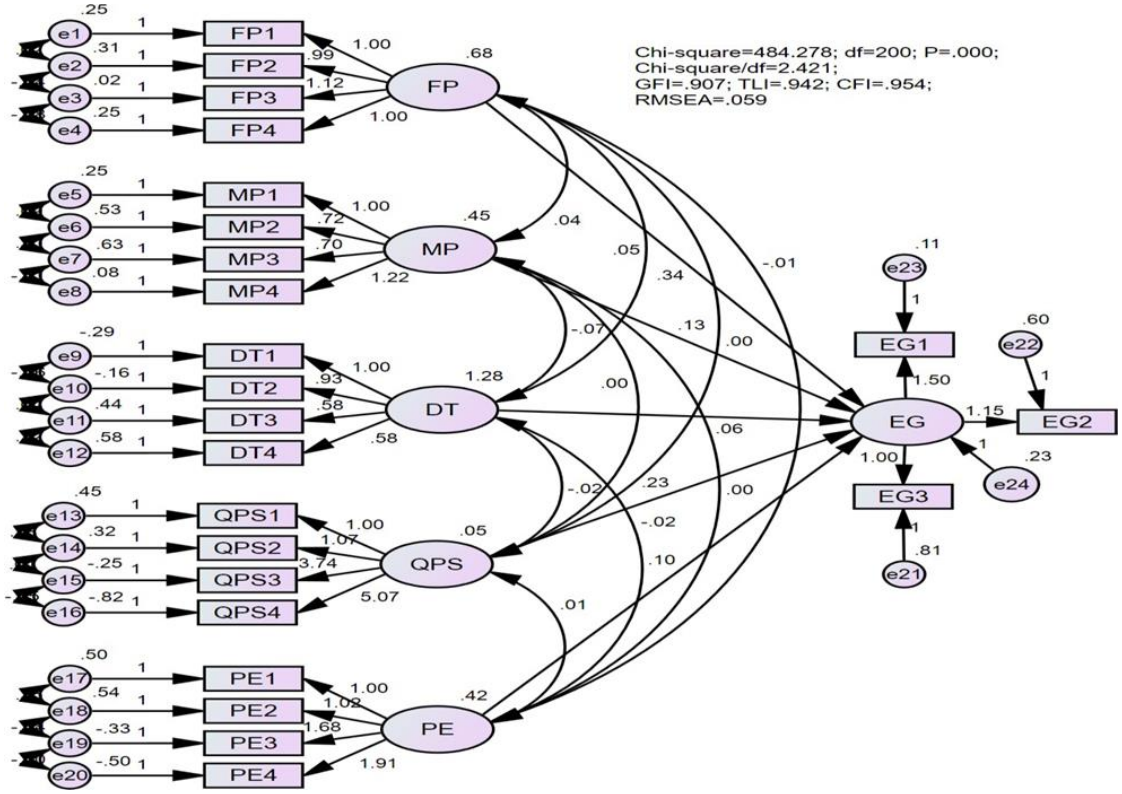
The research findings indicate that the economic expansion in Vietnam is impacted by various crucial aspects, namely fiscal policy, monetary policy, quality of public services, digital transformation, and the political climate. Refer to Table 1 for further results.

Table 1: ***The results of testing Cronbach's alpha and average value for critical factors***

Items	Cronbach's alpha	Mean	Standard Deviation
Fiscal policy (FP)	0.926	3.082	0.960
FP1	0.899	3.065	0.961
FP2	0.912	3.075	0.986
FP3	0.887	3.130	0.930
FP4	0.916	3.058	0.961
Monetary policy (MP)	0.836	3.498	0.877
MP1	0.783	3.530	0.840
MP2	0.776	3.583	0.879
MP3	0.827	3.401	0.923
MP4	0.782	3.479	0.868
Quality of public service (QPS)	0.806	2.408	0.679
QPS1	0.772	2.341	0.708
QPS2	0.722	2.414	0.619
QPS3	0.793	2.411	0.682
QPS4	0.737	2.464	0.708
Digital transformation (DT)	0.923	3.086	0.981
DT1	0.892	3.084	1.000
DT2	0.898	3.099	0.981
DT3	0.892	3.138	0.936
DT4	0.915	3.024	1.009
Political environment (PE)	0.940	3.031	0.975
PE1	0.914	3.021	0.961
PE2	0.925	2.995	0.992
PE3	0.931	3.089	0.929
PE4	0.916	3.019	1.019
Economic growth (EG)	0.751	3.283	1.006
EG1	0.597	3.486	0.931
EG2	0.656	3.249	1.018
EG3	0.751	3.113	1.069

Source: calculations by the authors

Table 1 demonstrates that all the components have Cronbach's alpha values exceeding 0.7, indicating a significant reliability ranging from satisfactory to exceptional. Furthermore, the political factor displays the maximum level of dependability, whereas economic growth showcases the lowest level. According to the respondents, monetary policy has the greatest impact on economic growth, as seen by its highest average score. In contrast, the average rating of public services is the lowest, suggesting that it has less impact. The standard deviations are often low, with economic growth showing the highest degree of variability, suggesting that respondents had a broader range of viewpoints on its impact. In essence, this research thoroughly comprehends how each component is perceived in connection to economic growth and the dependability of the measures employed to assess these impressions.



Source: The results from SPSS 20.0 and Amos

Figure 2: ***Testing key factors impacting on economic growth***

Figure 2 demonstrates that Vietnam's economic growth may be attributable to the combined and beneficial effects of effective fiscal and monetary policies, high-quality public services, rapid digital transformation, and a stable and positive political environment. Each of these factors contributes to creating a stable and sustainable growth trajectory for the nation.

Table 2: ***Testing five key factors influencing economic growth***

Relationships			Standardized estimate	S.E	C.R	P value	Result
EG	<---	FP	0.487	0.045	7.616	***	Accepted
EG	<---	MP	0.156	0.042	3.162	0.002	Accepted
EG	<---	DT	0.113	0.022	2.656	0.008	Accepted
EG	<---	QPS	0.090	0.066	3.485	***	Accepted
EG	<---	PE	0.111	0.032	3.107	0.002	Accepted

*The data was analysed using SPSS 20.0, Amos, and the significance level is ***, equal to 0.01.*

Table 2 displays the five crucial elements that substantially influence economic growth in Vietnam. These factors are statistically significant at the 0.05 level. All five elements have a favourable influence on economic growth, with fiscal policy exerting the most powerful impact. Policymakers must prioritise enhancing fiscal and monetary policies, as these exert the most substantial impact on economic growth. Furthermore, the ongoing allocation of resources towards digital transformation and public services and ensuring a stable political climate will provide additional backing for economic growth. The significance of supporting economic growth lies in adopting a comprehensive approach encompassing digital transformation, public services, and the political climate, as well as fiscal and monetary policy.

Table 3: ***Key factors impacting economic growth in Vietnam***

Code	CR	AVE	MSV	Results
PE	0.943	0.807	0.030	Very good
FP	0.927	0.761	0.264	Very good
MP	0.815	0.538	0.032	Very good
QPS	0.810	0.520	0.069	Very good
DT	0.919	0.739	0.069	Very good
EG	0.757	0.527	0.264	Very good

The data was analysed using SPSS 20.0, Amos

Table 3 indicates that all factors exhibit robust composite reliability (CR > 0.7), suggesting that they consistently and reliably measure the constructs. All of the AVE values are more than 0.5, indicating that each factor sufficiently accounts for the variability in its indicators. In addition, the maximum shared variance (MSV) values are consistently lower than the corresponding average variance extracted (AVE) values. This suggests that each factor is separate and different from the others, which is essential for ensuring the model's validity. The data presented in Table 3 clearly indicates that the political environment, fiscal policy, monetary policy, quality of public services, digital transformation, and economic growth are all highly defined and influential elements that impact economic growth in Vietnam. Every factor is both dependable and unique, making them powerful contributors to the entire model.

Table 4: ***The results of a Bootstrap test using 60.000 samples for factors that influence economic growth***

Parameter		SE	SE-SE	Mean	Bias	SE-Bias	CR	Results
EG <---	FP	0.061	0.001	0.339	-0.002	0.002	-1.00	Good
EG <---	MP	0.062	0.001	0.137	0.003	0.002	1.50	Good
EG <---	DT	0.024	0.001	0.062	0.002	0.003	0.67	Good
EG <---	QPS	0.083	0.002	0.207	-0.002	0.003	-0.67	Good
EG <---	PE	0.044	0.001	0.108	0.001	0.001	1.00	Good

The authors used SPSS 20.0, Amos, as a data source.

Table 4 displays the elements that consistently and reliably impact economic growth, as evidenced by their little bias, consistent average estimates, and statistically insignificant CR values. Furthermore, fiscal and monetary policies are especially remarkable for their significant impact on economic growth, as evidenced by their average estimates and consistent outcomes. Thus, authorities should prioritise the maintenance and enhancement of these crucial sectors, as they have consistently demonstrated their influence on economic growth in Vietnam.

Discussion of Findings

The aforementioned analysis elucidates the essential aspects that impact economic growth in Vietnam. The data presented from all of the tables provided valuable insights into the correlations between fiscal policy, monetary policy, digital transformation, quality of public services, and the political environment with economic growth and an analysis of these discoveries:

(1) Through rigorous testing, it has been continuously found that fiscal policy is the most influential element in generating economic growth in Vietnam. The high standardised estimate and excellent composite reliability further emphasise the significant role that fiscal policy plays in this regard. In addition, the Bootstrap test provides further confirmation, demonstrating that fiscal policy has a significant and consistent effect on economic development, with minimal distortion and a dependable average estimate. Hence, this discovery implies that the government's fiscal strategies, encompassing taxation, public expenditure, and debt administration, are pivotal in fostering economic expansion. Maximising the effectiveness of these policies could lead to even more substantial economic advantages.

(2) Through testing, it was determined that the monetary policy exhibited a substantial positive correlation with economic growth, albeit with a less prominent effect than fiscal policy. The factor's reliability and validity were validated in all analyses, demonstrating strong composite reliability and average variance extracted and consistent outcomes. Furthermore, the findings emphasise the significance of the State Bank of Vietnam's responsibility in overseeing interest rates, inflation, and exchange rates to promote economic stability and growth. Although the influence of monetary policy is not as potent as fiscal policy, it nonetheless plays a crucial role in Vietnam's economic structure.

(3) Through rigorous testing, it was determined that the digital transformation process had a favourable albeit moderate effect on the economy's growth. The findings indicate that although digital transformation is a significant element, its impact is less potent than fiscal or monetary measures. Nevertheless, the fact that digital transformation is consistently included in many evaluations suggests it is becoming increasingly important in the economic environment. This discovery highlights the necessity for ongoing investment in digital infrastructure and technologies. As Vietnam continues to advance in the digital age, improving its digital skills can greatly enhance its impact on economic growth, especially in the technology and service industries.

(4) Empirical analysis indicates that the impact of public service quality on economic growth is consistently positive, albeit relatively modest, when compared to the effects of fiscal and monetary policy. The findings indicate that enhancements in public services can potentially contribute to economic growth, although additional variables may constrain their influence. Thus, improving the calibre of public services, including healthcare, education, and infrastructure, is crucial to bolster economic development. Nevertheless, it is crucial to incorporate these enhancements into more comprehensive economic policies to optimise their impact.

(5) Rigorous testing demonstrated that the political climate exerts a favourable and consistent influence on economic growth, exhibiting robust dependability and validity. The test with little bias emphasises the stable and considerable influence of the political environment. Hence, political stability and a conducive regulatory environment are crucial in upholding investor trust and fostering economic expansion. This discovery emphasises the significance of keeping a steady and foreseeable political atmosphere to promote economic growth.

Conclusion and Recommendations

Economic growth is a crucial determinant for every nation as it establishes the material framework and foundation for the existence and advancement of civilisation. This is manifested through an increase in GDP, the enhancement of fundamental economic structures and institutions, and the improvement of both per capita income and quality of life. This statistic is vital for governments to evaluate and scrutinise the economic growth of countries on a worldwide scale. Currently, the global economies, including Vietnam's economy, are encountering numerous challenges. Hence, to attain the desired economic growth objective, it is imperative to diligently execute the suggested procedures with the collective endeavours of all economic stakeholders. Quantitative research results from 450 economic experts show five

factors affecting economic growth. Moreover, the findings emphasise the multifaceted nature of economic growth, with fiscal policy emerging as the most influential factor, followed by monetary policy, digital transformation, quality of public services, and the political environment. To optimise economic growth in Vietnam, policymakers should prioritise:

Fiscal policy strongly influences economic growth, with a standardised estimate of 0.487. This positive and significant relationship suggests that improvements in fiscal policy are likely to lead to substantial economic growth. Therefore, the government is steadfast in achieving and sustaining macroeconomic stability, effectively managing inflation, fostering economic growth, and preserving key economic balances. It is imperative to comprehend the situation, enhance analysis and forecasting, swiftly implement suitable and efficient policies, and refrain from being reactive, caught off guard regarding strategy, or abruptly altering the condition.

Monetary policy also positively influences economic growth, though its impact is 0.156 is smaller compared to fiscal policy. Therefore, implement a firm, proactive, flexible, timely and effective monetary policy with a reasonable, focused and key expansionary fiscal policy. Manage exchange rates and interest rates flexibly and appropriately; focus on directing the banking system to reduce costs; strive to continue reducing lending interest rates; ensure the liquidity of the credit institution system; strictly control credit quality; limit bad debts; promote non-cash payments... Strengthen the management of state budget revenue; ensure correct, sufficient and timely collection; thoroughly save expenditures, especially regular expenditures.

Digital transformation positively impacts economic growth, with a standardised estimate of 0.113. Although this influence is modest, it is statistically significant, underscoring the role of digital advancements in supporting the economy. Therefore, promote economic restructuring associated with growth model innovation and improve productivity, quality, efficiency and competitiveness. Strengthen research, development, and application of science and technology, and vigorously promote the startup ecosystem, innovation, digital transformation, development of digital economy, green economy, and circular economy.

The quality of public services has a positive but smaller impact on economic growth (0.090). The relationship is statistically significant, indicating that enhancing public services contributes to economic growth, albeit less than fiscal or monetary policy. While its impact is more minor, the quality of public services should not be overlooked. Improving these services can contribute to more sustainable and inclusive economic growth.

The political environment also positively influences economic growth, with a standardised estimate of 0.111. This significant impact suggests that political stability and favourable policies are essential for economic progress. Therefore, a stable political environment fosters economic confidence and growth. Ensuring consistent and transparent policies will be key to sustaining economic development.

Limitations and future research: The study examines five crucial factors: fiscal policy, monetary policy, digital revolution, quality of public services, and political environment. Nevertheless, important elements like foreign direct investment, labour market dynamics, international trade, and technological innovation, which are crucial for economic growth, were omitted. This may restrict the thoroughness of the analysis. Furthermore, it is crucial to do future research that broadens the range of analysis, utilises longitudinal data, and investigates the interconnections between various components. This will be vital in developing a more thorough comprehension of the dynamics of economic growth. In addition, including qualitative methodologies and comparative analyses could provide more comprehensive and specific understandings, ultimately informing more efficient policy formulation and economic planning.

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