

Allocating a Surplus Value in the Socialist-Oriented Market Economy of Vietnam

Thua Huynh Kim¹, Tinh Do Phu Tran²

¹MA, Mien Tay Construction University, Vietnam, huynhkimthua@mtu.edu.vn

²Associate Professor, University of Economics and Law, Vietnam, tinhhdpt@uel.edu.vn

ABSTRACT: This paper is based on the views of Marx, as well as the economists before and after Marx, regarding surplus value. The authors analyze the allocation of surplus value in a socialist-oriented market economy in Vietnam. The result shows that in Vietnam, capitalists do not occupy the entire surplus created by workers, as Marx mentioned, so the existence of surplus value in Vietnam today is not contrary to the socialist direction because of its necessity. Additionally, the authors identify problems in the distribution of surplus value that need to be addressed in the practice of the social-oriented market economy in Vietnam today. Some recommendations are also proposed to effectively allocate surplus value for Vietnamese enterprises, workers, and labor unions.

KEYWORDS: allocation, surplus value, market economy, Vietnam

1. Introduction

The theory of surplus value is at the core of the economic theories of Marx, who founded Marxism and was one of the world's typical economists. The concept of surplus value is essential because it has shown the labor class the exploitation from the capitalism, leading to the Revolution and dramatic transformations in the capitalistic society. This theory still maintains its powerful influence until today, especially in the form of arguments between Marxists and those who hold contradictory viewpoints. Modern economists' opinions have indicated that the contribution from capitalists is increasing, and surplus value does not exclusively belong to them. Therefore, theorists base on this to reconsider Marx's view about surplus value. On the contrary, Marxists assume that to be merely capitalists' more sophisticated method to exploit surplus value, which is a new phenomenon in today's society, cloaked under the cover of employees' dividends or social welfares. Vietnam is a Marxism and Leninism based country, which builds its market economy with socialist orientation and accepts multi-component commodity economy, including the private sector. This means the necessity to accept the existence of surplus value, leading to unavoidable dubiety towards socialist orientation. However, on the basis of the Communist Party's route and undertakings, as well as the Socialist Republic of Vietnam's government's policies and laws, the socialist orientation has been distinctly expressed under the form of accepting surplus value in order to make "wealthy citizens, a powerful nation with democracy, equity and civilization".

With the aim to clarify those matters, the authors recognize the necessity to pinpoint the dissimilarities between business owners' distribution of surplus value in Vietnam's socialist-oriented market economy and Marx's viewpoints. Additionally, they seek to confirm that respecting surplus value is completely uncontradictory to the socialist directionality in Vietnam, thereby encouraging evaluating Marx's opinions on surplus value in order to assess practical incurred matters to a country aiming at socialism, such as Vietnam. Some authors have researched aspects of Marxist surplus value theory. Bernardo (1985), for example, believed that the proletariat is considered an input that generates surplus value and is regarded as an output representing surplus value. Paulani (2016) used Marx's theory to think about the relationship between contemporary phenomena (modern ways of operating capitalist systems such as goods, knowledge, added value of brands, talents) and the nature of the process of capital accumulation today. Marquetti (1999) illustrated that the behavior of these variables in the Brazilian manufacturing industry for the 1949-1985 period corresponds to Marx's

predictions. Lopesa and Araujo (2013) showed the concepts of absolute and relative surplus value with a view to specifying how these categories are used by the Latin American Marxist, Ruy Mauro Marini in his theory of labor power superexploitation and subimperialism. Lynch, Groves and Lizotte (1994) argued that grounding the radical approach in Marx's theory of surplus values creates an empirically testable Marxian theory applicable to understanding rates of criminal offending and official responses to criminal behavior. Moseley (2018) addressed at the level of abstraction of competition is the distribution of surplus value, or the division of the total surplus value into individual parts (first the equalization of the rate of profit across industries and then the further division of the total surplus value into commercial profit, interest, and rent).

The subject of surplus value and surplus value exploitation in the socialist-oriented market economy of Vietnam always attracts researchers' attention. Specifically, the authors are absorbed in interpreting the following matters: The existence of surplus value exploitation, in the same sense of this theory, both in Vietnam and in the world, has been illustrated in the works of authors like Bui (2005) who has affirmed that surplus value exploiting still exists in capitalism and in Vietnam as well as emphasized its importance to Vietnam. Besides, Le (2012) has shown the necessity of surplus value in establishing a socialist-oriented market economy in Vietnam. In addition, Chu (2017) has introduced an opinion on demonstrating that Marxian theory of surplus value maintains its power until today and that capitalism's exploiting nature still exists as a worldwide system regardless of the workers who receive shares and dividends as they just account for a small proportion of the new value created by workers.

There are studies to emphasize the role of surplus value by authors like Le Thanh Hai (2016), who has pointed out its importance in the intertwined economy in which the creation of surplus value and development is not exclusively based on a traditional element - economic capital, but also on cultural and social capitals as well as relationships in Vietnam. The works by Nguyen (2018) and Duong (2018) both illustrate the vitality of this theory in the socialist-oriented market economy of Vietnam by analyzing its contents. Studies applying the theory of surplus value in Vietnam have also been conducted. Nguyen (2018, 203) has clarified the values and contents of implementing Marxian surplus value theory into the socialist-oriented market economy of Vietnam, consisting of: the argumentation of labor power; the category of capitalism and the matter of exploitation; the category of revolving and flowing capital; the category of accumulating and converging capital; the category of profit and ground rent; etc. Do Lam (2018) also refers to the implementation of this theory as a motivation for the economy, which can restrict its downsides.

From these studies, the authors are engaged in handling the matter of exploiting surplus value and confirming the essentiality of Marx's theory about surplus value, through which to show argumentation about the matter of sweating surplus value in Vietnam. As a result, the authors recognize the need to analyze the distribution of surplus value in the socialist-oriented market economy of Vietnam to address two questions which are still discussed by previous theorists. Those are: Do capitalists occupy the entire surplus value created by workers, like in Marx's viewpoints? Does Vietnam's acceptance of surplus value in today's market economy contradict the directionality of socialism?

2. Analyzing the allocation of surplus value in the socialist-oriented market economy in Vietnam

2.1. The theories of economists about surplus value

2.1.1. The viewpoints of classical and post-classical bourgeois economists

The mercantilism viewpoint (mid-15th century to mid-17th century). Mercantilism claims that profits are born through the business of trafficking and purchasing goods, which are the result of buying cheap and selling expensive.

William Petty (1623–1687) spotted the relationship between wages and profits. The value created by workers lies only proportionally in their wages, while the other part, the profits, is taken over by the owners. In his opinion, this is an inverse relationship since the wages' increase will reduce the profits. He is opposed to high salaries because it is reasonable in an inchoate capitalist society where labor productivity is low, and the owners' profits can be increased merely by minimizing the workers' wages.

The peasantry viewpoint with the typical representative - F. Quesney (1694–1774), who proposed the theory of "pure products". Pure product is the difference between the total product number and production cost. It is created in the field of agricultural production, not in the industrial field. However, pure products are obtained only through major capitalist agricultural production as small agricultural production does not create pure product. Thus, the total labor product of an agricultural worker includes wages (labors' income) and pure product (capitalists' income) – the profits. In other words, profit is non-labor income brought by workers.

Adam Smith (1723-1790) has divided society into three basic classes associated with ownership of production materials and income: (1) *Working class* – whose income is their salaries; (2) *Capitalist class* (including: industrial, agricultural, and commercial capitalists) – whose income is profits; (3) *Landowner class* - whose income is ground rents. *About salary*, he assumes that salary is a worker's income attached to their labor, which is their labor's reimbursement. The salary needs to be sufficient for the workers to afford the means to survive, to live and even more than that. *About profit*, on the one hand, he realizes the robbing essence of profit when stating that workers create two separate parts of material value: his wage and the capitalist's profit. On the other hand, he denies the exploiting nature of profit in the notion that profit is created by the whole advance capital ($C+V=K$ creates P). He occasionally assumes profit is the compensation for the capitalists' adventurousness. He concludes that the purpose of capitalist production is profit since it is consistent with social benefits. He considers *ground rents* a part of the labor product. There are ground rents in agriculture because agricultural labor has higher productivity than in other fields. It is the impact result of nature, the payment for the land's service. From this point of view, the nature of ground rents is not exploitation.

David Ricardo (1772–1823) states that a worker creates a greater value than his received salary, which makes the capitalist's profit. This means he has noticed the exploitation. However, he does not admit it because he does not buy the idea of surplus value (profit). He considers profit is the capitalist's income compared to advance capital (P is born by K).

Jean Baptiste Say's view (1767–1832): In his opinion, there are three factors in the process of value production, which are workers' labor, capital, and land. Each of them has its significant role in creating value. The workers' labor produces salary; capital creates profit; land brings about rents. Say refers to profit not as the consequence of labor exploitation, but as the result of capital investment. He also distinguishes lending capitalists and businessmen. Revenue is the income brought by loaned capital, which is comparatively stable; business profit is the reward for the businessmen's operational capacity, and is the effort of managerial labor.

2.1.2. Opinions of the neo-classical economists

John Bates Clark's viewpoint (1847-1938): Based on Say's theory of "three production factors" and the theory of "limited benefit" by Vienna school, J.B. Clark makes his theory of "limited productivity". The limited productivity of production elements tends to gradually decrease. When the other production factors are constant, the productivity of additional elements decreases. For instance, if the capital element is unchanged, the additional labor is limited worker as his productivity will be lower than that of the previous one, with an unchanged condition of technical

development. Thus, the productivity of a limited worker is called ‘limited productivity’; his created products are called ‘limited products’. The limited productivity decides other workers’ productivity. Based on this theory, John Bates Clark invents the theory of distribution. He claims that wealth allocation in the capitalist society is rather fair, based on the production elements’ “responsibility capacity”. The workers have labor; the capitalists have their capital; they all receive corresponding limited products. In his opinion, workers’ salary is equal to labor’s limited production while the other part is the excess of labor employers. Other workers, too, receive the same amount of salary as that of a limited worker; therefore, they are not exploited. This principle is applied to the revenue and ground rents.

Alfred Marshall’s opinion (1842-1924). He divides an enterprise’s profit into two parts: one is the compensational part for labor expenses of managerial, production and commercial efforts; the second part is the reimbursement for the enterprises’ risks when they join an unknown market. He denies capitalism’s exploiting nature and believes that all the members who take part in the production process with different contributions receive a reasonable level of income according to their dedication.

2.1.3. The views of modern bourgeois economists

The opinion on theory of “capital performance”: regarding profit as the result of capital investment, as a basic factor in the process of production, now compounded with new production factors like technical improvements, technology science, and the role of the government, etc. Paul A. Samuelson believes profit is the income from inventing new things and implementing different technical advancements. While *The opinion on theory of “moderation”*: considering profit the reward for the capital owner because he has been “thrifty” in spending, accepted risks in business, faced challenges while waiting for his investment result in production. And *The opinion on theory referring profit as “labor income”*: assuming profit to be capitalist’s labor income, which is intellectual labor – the creativity in production and business. In other words, the common detail among these modern bourgeois points of view is the refusal of the exploiting nature of the capitalists; their income is ‘natural’ income in society.

2.1.4. Karl Marx’s perspective on surplus value

First, Marx discovered the duality of goods production labor, which is the basis to complete the theory of value, making a foundation to form the theory of surplus value. In his opinion, commodities have two properties - value and use value – decided by the duality of goods production labor. Marx is the first to realize the duality of goods production labor, which is concrete labor and abstract labor.

Concrete labor is a useful type of labor in forms of some professional careers. Every concrete labor has its own labor objects, labor aims, labor methods and production results. Those significant factors are to differentiate types of concrete labor, as each typical labor creates a specific use value, and more types of typical labor create more various use values. Concrete labor is a permanent phenomenon, a crucial condition in any socioeconomic morphology. Along with the development of science and technology, specific types have become more diverse and plentiful, reflecting the development level of social labor allocation.

Abstract labor: is the type of labor in which commodity producers have eliminated its specific form of expression to come in the homogeneous one, which is human’s usage of labor, energy, mind and muscles. Abstract labor creates commodity value, and only commodity production labor has the quality of abstract labor. Therefore, abstract labor is a historical phenomenon. The discovery of goods production labor’s duality has a significant meaning, bringing about a true scientific basis for labor value argumentation. Marx’s discovery of this duality has explained some complicated situations in the reality: the opposite movement of material mass gradually increases, accompanied with its value volume which is

decreased or constant; or else, the duality of goods production labor has a relation to labor's quality of being private and social. Moreover, this is also the foundation for Marx to build up his theory of surplus value.

Second, Marx has discovered a special commodity which can create a greater value than its self-value - labor power commodity. Marx presented the general formula of capital as $T - H - T'$ and pointed out the general contradiction in capital formula – “Capital cannot appear from circulation and either outside circulation, it has to appear in circulation and not in circulation simultaneously.” With the ambition to solve this conflict, one condition to turn money into capital is the existence of a type of goods while its usage can create a bigger value than its self-value – that is labor power. Marx was the first to distinguish between labor and labor power. Labor power is human's working capacity, is the whole sum of physical, intellectual and mental abilities of a specific human being which can be used to create some benefit. Just like ordinary goods, labor power commodity has two attributes.

The use value of labor power is presented in the process of labor power use, meaning the process of working to produce a specific type of commodity. During this process, a worker with his abstract labor creates a new value bigger than its self-value, the added value compared to labor power value is called surplus value. This is a distinctive feature of labor power commodity and also a key to solving the conflict of the general formula for capital.

The value of labor power, just like of other types of goods, has its quality crystallized from the labor power of producers and reproducers, has its value decided by quantity of social workers needed to produce and reproduce it. This type of commodity is claimed to be “special” because it is the living power existing in every human body; therefore, producing and reproducing that living power means people's spending their necessary living materials. As a result, the value of labor power is the value of the whole living materials needed to produce and reproduce labor power, and to maintain hired workers' life.

Being a special type of commodity, the value of labor power is different from other normal types of goods because it includes spiritual and historical elements. Workers do not only need materials, but they also have spiritual demands. Their needs also depend entirely on historical background, habits, traditions of the nation, and the achieved civilization level.

The value of labor power includes: (i) The value of living materials needed to maintain workers' labor power at their normal living status; (ii) Training costs vary according to the complexity of labor power; (iii) The value of living materials for the replacement ones – workers' children. The advent of the commodity of labor power has marked the qualitative transformation of the commodity economy, which is a definitive transition from simple commodity production to market economy.

Third, Marx analyzed the process of producing surplus value. Marx wrote: “As a unity between working process and the process to create value, manufacturing process is the one to produce commodity; as a unity between working process and the process to add value, the manufacturing process is the one to produce capitalism, and is a form of capitalism in commodity production”. This manufacturing process bears two characteristics: (i) workers working under the supervision of the capitalists; (ii) the manufactured products are the capitalists' ownership, not workers'. In order to analyze the process of producing surplus value, Marx has researched a yarn manufacturing process in a private capitalist factory, with assumptions:

Assumption 1: Assuming that the capitalist purchases production factors with their true value. To be more specific, producing 1pound of fiber requires 1 pound of cotton with the price of 4 shillings per pound, depreciation of machinery is 2 shillings per pound of yarn produced; the value of a worker's labor power in an eight-hour working day (salary) is 8 shillings.

Assumption 2: Social labor productivity at the time we analyze allows that, in every 4 hours, a worker with his typical labor creates 1 pound fiber and he, with his abstract labor, also adds a new value of 2 shillings to the products per hour.

The process of analyzing:

In the first 4 hours of working, the worker produces 1 pound of yarn with the price including: 4 shillings cotton + 2 shillings depreciation + (2 shillings new value/1h x 4 h (8 shillings)) = 14 shillings. If the production process ends here, the capitalist receives 1 pound of yarn to sell in the market with its true price of 14 shillings - which is just equal to the amount of money he has paid, then there is no surplus value creation and money has not yet turned into capital. However, the capitalist has the right to use labor in 8 hours, not 4 hours, thus he can force the worker to work for the other 4 hours.

In 4 hours later, with unchanged labor productivity, the worker produces 1 pound of yarn = 4 + 2 + 8 = 14 shillings.

A working day really ends here. The result is 2 pounds of yarn, which is sold by the capitalist with the price of 28 shillings, in which the old value (manufacturing factors including cotton and machinery depreciation) is 12 shillings and the new value created by the worker in 8 hours is 16 shillings (consisting of the worker's labor power value and 8 shillings in the hands of the capitalist, called surplus value).

Marx has made three conclusions: (i) Surplus value is a part of new value exceeded of the labor power value created by the worker and under the capitalist's governing; (ii) Surplus value production is the act of lengthen a working day to above some limits, which is past the needed amount of labor time. This shows the condition to create surplus value is that the social productivity has to reach a certain accepted level in a working day, the worker just needs to use some of his labor hours (necessary labor time) enough to create the compensating value for his labor power value, the other part is surplus labor time to bring about surplus value to the capitalist; (iii) The secret of increasing the value of capital is mainly when capital can dominate a certain number of free-of-charge workers from others. This is also the exploitative nature of capitalism.

Fourth, in Marx's opinion, in order to get the surplus value, the capitalist used two basic methods, one to produce absolute surplus value and one to produce relative surplus value.

The method to produce absolute surplus value is the way in which the value is created by making the working day longer than the essential labor time while labor productivity, labor power value and essential labor time are unchanged. When the length of the working day has been determined, the capitalist will find a way to increase the worker's working intensity, which means to spend more labor power in a given period of time. Therefore, lengthening the working day and increasing worker's intensity are the two methods to produce absolute surplus value.

The method to produce relative surplus value is the way in which surplus value is created by shortening necessary labor time, which is to lower the value of labor power, leading to an increase in surplus labor time within a constant working day. Labor power value is determined by the value of consumer materials and services to produce and reproduce labor power. Therefore, lowering the value of labor power also means to lower the value of the necessary consumer materials and services for the worker. This can only be done by increasing social productivity in the industries of consumer materials and of production materials to produce consumer materials.

Normally, production improvement and technological innovation just take place in factories with advantageous conditions of manufacturing while most factories do not meet the conditions to implement. From this comes the "super" surplus value, which means the surplus value obtained by applying advanced technology, lowering its specific value than its market value. When many factories have improved their skills and technology, this "super" surplus

value no longer exists. Marx called this another form of relative surplus value because both of them based on the increase of labor productivity, and a difference is that one side is to increase individual productivity and the other is to increase social productivity. In each factory, super surplus value is a temporary phenomenon, but in society, it is a regular existence. This super surplus value is the strongest motivation encouraging capitalists to improve technology to increase individual labor productivity and defeat their rivals in competition.

2.2. Outcomes and discussion

2.2.1. The development process and the characteristics of a socialist-oriented market economy in Vietnam

Vietnam determined to choose the path of building the country towards socialism; therefore, before the renovation in 1986, private business and market factors were not accepted. As a result, the economy was in crisis and stagnated, people's life was really fierce. The 6th Congress of the Vietnamese Communist Party (1986) had a clear acknowledgement of the inappropriateness in building production relationships when emphasizing that because production relationships do not develop synchronously, some factors had gone beyond the development level of production force, constraining the development of the production force. Because of that, the Party initiated a renovation strategy, setting out a multi-sector economic policy, which is a breakthrough in awareness and action in boldly accepting private property, to make the most of the achievements from the private economy.

By the 7th Congress (1991), the Vietnamese Communist Party made the point that it was necessary to take steps in establishing socialist production relations from low to high with a variety of forms of ownership - the ownership of the entire population, group ownership and private ownership. With the orientation of developing a multi-component commodity economy in the direction of socialism, it was needed to operate under the market mechanism under the management of the state, as well as to make a right combination of private benefits, collective benefits and social benefits, by which to overcome the defects of the previous public regime.

At the Congress VIII (1996), the Vietnamese Communist Party emphasized the building of production relations which are improved and in line with the level of development of production forces to promote resources, create a strong motivation to encourage economic growth and implement social justice. Moreover, it could also help to overcome one of the four risks raised by the Mid-term National Assembly Conference (January 1994), the risk of further economic lag, of which a part is due to the leadership and construction of the new production relationships were "both confusing and indulgent"; thus, it was not yet possible to encourage and promote the operational efficiency of all economic sectors.

At the Congress IX, the economic policy of the Vietnamese Communist Party (2001, 89), determined the priority for developing productive forces along with building appropriate production relations in line with the socialist orientation. At the same time, the Vietnamese Communist Party also identified the constructing and developing of a socialist-oriented market economy as a general model of our country during the transition to socialism. This model was formed to develop a modern production force associated with building a new production relationship that is appropriate on all three aspects of ownership, management and distribution. In terms of ownership, the public regime of means of production is established step by step and will prevail completely when the socialist regime is basically built up.

The Congress X (2006, 390) XI (2011) of the Vietnamese Communist Party continued to develop and perfect the form of socialist-oriented market economy. The XII (2016), XIII (2021) Congress of the Vietnamese Communist Party affirmed: focusing on perfecting socialist-oriented market economy, building a market economy which is modern, internationally integrated, having many forms of ownership, many economic sectors,

operating fully, synchronously and effectively under the rules of market economy with transparent and fair competition.

Thus, the socialist-oriented market economy in Vietnam is a type of economic organization, both based on the principles and rules of the market economy, and on the basis of, as well as being guided, governed by the principles and nature of socialism, expressed on all three sides: ownership, distribution and management.

About ownership regime and economic sectors: The economy has many components with many forms of ownership. Thus, all economic sectors are important components to compose a socialist-oriented market economy. They develop in long-term together, maintaining healthy cooperation and competition because of the laws of the state, in which the state economy plays a leading role. The state economy together with the collective economy is gradually becoming a solid foundation of the national economy; the private economy is the driving motivation of growth.

About distribution: In the socialist-oriented market economy of our country, the allocation by labor results and economic efficiency is essential; at the same time, there are other forms of distribution (distributions based on capital, talent and other resources contributed to production and business), both encouraging labor and ensuring basic social welfare, ensuring equitable, reasonable distribution and limiting inequality in the society.

Regarding management role: the socialist-oriented market economy, the management and regulation of economy of the socialist rule of law state are under the leadership of the Communist Party of Vietnam. Therefore, the state management in a market economy must be effective in guiding the economy to develop effectively on the basis of ensuring the national interests and the interests of the working citizens through the legal system along with strategies, zoning, planning, and policies for economic and social development; at the same time using the market mechanism to stimulate production, liberate production capacity, promote positive aspects and limit negative aspects of market mechanism.

2.2.2. The allocation of surplus value in the socialist-oriented market economy in Vietnam

Addressing the first problem: in the socialist-oriented market economy in Vietnam, whether the surplus value created by workers belongs entirely to the capitalist or not? Based on the consideration of the distribution aspect of surplus products, the authors assumed that in Vietnam, capitalists do not completely occupy the whole value of surplus (m), because:

First, the surplus value is allocated to the boss's management wages - m_1 . On analyzing Marx's process of surplus value production above, Marx assumed that the capitalist was not involved in the production of surplus value; while in the socialist-oriented market economy in Vietnam, most of the business owners are involved in managing and running the business, they must put a lot of enthusiasm, energy and intelligence into the operation of their enterprises. It can be seen that this is intellectual labor, which creates a great value. Therefore, in m there is partly m_1 – the salary paid for the managerial labor of the owner (the capitalist).

Second, the surplus value distributed to the corporate income tax - m_2 . Marx's analysis did not mention that the capitalists had a duty to the state (tax deduction); while in the socialist-oriented market economy in Vietnam, the capitalists must annually pay corporate income tax to the state. So, in m there is partly m_2 - corporate income tax. Through tax revenues, the government implements social policies. As such, workers receive a share of the surplus value they have created through the social policy. These are the phenomena that go beyond the relationship between capital and labor.

Third, surplus value is distributed to the employee's welfare - m_3 . In the business operation in the socialist-oriented market economy in Vietnam, annually, business owners offer welfare programs to workers, such as housing, health checkups, travel vacation schedule ... Thus, there is partly m_3 in the m - benefits for workers.

Fourth, the surplus value allocated to social welfare - m4. Enterprises in operation in the socialist-oriented market economy in Vietnam, every year, business owners participate in welfare programs for the social community, such as program for the poor, scholarships for students, other humanitarian programs, etc. In these programs, the largest part of funding is often from business owners. Therefore, in m there is partly m4 - welfare for the society.

Fifth, the surplus value of dividend distribution to employees - m5. Nowadays, in the socialist-oriented market economy in Vietnam, there are many joint stock companies, in which a part of the shareholders are workers. Thanks to holding shares, every year the employees receive a part of dividends. Therefore, in m there is partly m5 - dividends of shareholders who are employees.

Besides, analyzing the distribution of surplus value into different parts of businesses in Vietnam today also shows the necessity, suitability and does not conflict with socialist orientation. On the contrary, it also helps Vietnam gain practical benefits, such as stimulating scientific and technological advances, creating economic incentives for workers and production business units, making an important contribution to economic growth. Most importantly, it is a great contribution to the industrialization and modernization of the country in order to build material and technical facilities for socialism.

2.2.3. Recommendations

From considering the process of distributing surplus value in the socialist-oriented market economy in Vietnam, a few recommendations to access the difficulties can be drawn as followed:

For Vietnamese enterprises: enterprises should focus on improving science and technology, expanding production and business links in order to compete with large economic corporations of foreign-invested economic sectors. As for small and medium-sized businesses starting up with loans, goods sold through intermediaries, rental premises, lacking business skills and weak management, etc., the government should create more supportive conditions to avoid trendy start-ups, quickly established and rapidly dissolved.

For workers: the government needs to build an education system in a way that helps workers to be aware of their role and position in current production industry. They must be modern workers with knowledge, skills and passion; they do not have to work like a machine, nor do they have to work just for their salaries. They should be the ones responsible for improving their capacity to contributing to the national economy and to human civilization.

For labor unions: it is necessary to consider the authorities and actual activities of labor unions regarding the protection of workers' rights, avoiding the situation in some places today where the head of trade unions takes a stance, a view that protects business owners rather than workers, even though those policies are not even beneficial for workers.

3. Conclusion

Nowadays, in the socialist-oriented market economy in Vietnam, the capitalist does not fully occupy the surplus value created by workers as Marx's view. In this earned value of surplus, they must be responsible for paying taxes to the state, taking care of the welfare of workers and society, paying dividends to employees who are shareholders. The remainder is the capitalist's profits, including a portion paid to the managerial labor of the capitalist. At the same time, the acceptance of surplus value in Vietnam does not conflict with the socialist orientation, because of the benefits brought by surplus value.

3.1. Contribution

The paper has addressed the controversial issues of surplus value, which are still in argument in the socialist-oriented market economy in Vietnam today, in which the authors have provided the basic theory of surplus value based on the views of Marx and economists before and after Marx's

time. By these, the authors have analyzed the distribution of surplus value leading to the conclusion that the capitalist does not own the full surplus value, resulting in some certain benefits of the existence of surplus value for the economy, thus it is not contrary to the socialist orientation in Vietnam.

3.2. Future research direction

The paper is based on the method of ‘abstractifying’ science in order to draw out the most common problems of surplus value in a socialist-oriented market economy. In fact, there are still many companies that are exploiting surplus value from Vietnamese workers, especially in places where low-skilled labor, child labor and rural workers are accepted, such as food stalls and small-scale manufacturing units hiring temporary workers. This is the limitation of the paper and also a direction the authors will study further in the near future to clarify the issue of surplus value in the socialist-oriented market economy of Vietnam.

References

- Bernardo, João. 1985. “The proletariat as a producer and as a product.” *Revista de Economia Política* 5, 3(19).
- Bui, Ngoc Chuong. 2009. “Marx’s surplus value theory and its meaning today.” <https://thongtinphapluatdansu.edu.vn/2009/06/13/3069/> Accessed on January 16th, 2020.
- Chu, Van Cap. 2017. “Marx - Lenin economic theory cannot be rejected.” Available at <http://tapchiquptd.vn/vi/phong-chong-dbhb-tu-dien-bien-tu-chuyen-hoa/khong-the-bac-bo-hoc-thuyet-kinh-te-mac-%E2%80%93-lenin/10266.html> Accessed on January 16th, 2020.
- Do, Lam Hoang Trang. 2018. “Apply the theory of surplus value in the context of socialist-oriented market economy development in Vietnam.” *Conference: Karl Marx and today’s era*, Ho Chi Minh city, May 5th, 2018.
- Duong, Thi Thanh Hau. 2018. “Research and apply the theory of surplus value in the socialist-oriented market economy of Viet Nam.” *Conference: Karl Marx and today’s era*, Ho Chi Minh city, May 5th, 2018.
- Le, Quang Dien. 2012. “The need and exploitation directions when applying Marx’s theory of surplus value in the process of building a socialist-oriented market economy in Vietnam today.” *Science Journal*, Hue University, vol 72B.
- Le, Thanh Hai. 2016. *Surplus value in connected economy*. Ha Noi: National Political Publishing House.
- Lopesa, Tiago Camarinha and Elizeu Serra de Araujo. 2013. “Marx and Marini on Absolute and Relative Surplus Value.” *International Critical Thought*, 3(2): 165–182. <http://dx.doi.org/10.1080/21598282.2013.787272>.
- Lynch, Michael J., W. Byron Groves, and Alan Lizotte. 1994. “The rate of surplus value and crime. A theoretical and empirical examination of Marxian economic theory and criminology.” *Crime Law Soc Change* 21: 15–48. <https://doi.org/10.1007/BF01307806>.
- Marquetti, Adalmir. 1994. “The rate of surplus value, the composition of capital, the rate of turnover of capital, and the rate of profit in the Brazilian manufacturing industry: 1949-1985.” New York: Departement of Economics, Graduate Faculty, New School for Social Research.
- Marx, Karl. 2018. *Capital critique of political economy*. Vol 1. Ha Noi: National Political Publishing House.
- Moseley, Fred. 2018. *Capital in General and Competition*. Oxford Handbooks Online. doi:10.1093/oxfordhb/9780190695545.013.151, accessed on February 21st, 2020.
- Paulani, Leda Maria. 2016. “Renstism and capital accumulation: rescuing Marx’s theory of rent to think about contemporaneous capitalism.” *Revista de Economia Política* 36 (3): 514-535.
- Nguyen, Dinh Binh. 2018. “Intense vitality of the surplus value theory in the socialist-oriented market economy of Viet Nam.” *Conference: Karl Marx and today’s era*, Ho Chi Minh city, May 5th.
- Nguyen, Thanh Tuyen. 2003. Private ownership and private capitalist economy in a socialist-oriented market economy in Vietnam. Ho Chi Minh City: Tong Hop.
- Nguyen, Van Trinh. 2008. *History of economic theories*. Ho Chi Minh city: Viet Nam National university Ho Chi Minh City.
- The Communist Party of Vietnam. 2001. *Document of the 9th National Congress*. Hanoi: Chinh tri quoc gia.
- The Communist Party of Vietnam. 2006. *The Complete Party Document*. Hanoi: Chinh tri quoc gia, volume 47.