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**Considerations of the government's role in its efforts to boost the
tourism industry in Vietnam with some attention to regional factors**

DOCTORAL DISSERTATION
(Summary)

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Abstract

To focus on Vietnam's post-war recovery, agriculture and industry have become the two main economic sectors of Vietnam. In particular, the Doi Moi Policy 1986 (comprehensive innovation policy) has helped the government gradually increase economic openness and cooperate in technology transfer to extend access to the vibrant international market. Consequently, Vietnam is gradually becoming an attractive destination for great investors, the growth has risen steadily over the years and quality of life has improved.

Vietnam's long-term development strategy aims to boost the service industry's contribution to the GDP, with a particular focus on the tourism sector. Over the past three decades, the industry has seen a significant increase in domestic and international travellers, total revenue and its contribution to the GDP. In 2017, the government issued the Tourism Policy, which aims to promote the tourism sector as a key economic sector alongside agriculture and industry. This is the first official policy that illustrates the government's comprehensive research into the resources, potential and competitive advantages of Vietnam's tourism industry.

Research into Vietnam's tourism sector has been flourishing since 2012. The main topics include the potential of resources and proposed solutions; planning a strategy for sustainable tourism development; and the benefits of tourism development such as reduction of poverty, creating more jobs for women and improving equality and empowerment. Many studies focus on as communities have more first-hand experience regarding the cost and benefits of tourism development, they are more willing to lend their support and increase their participation in related activities. In addition, there are various studies on the potential and development of types of tourism, namely eco-tourism, cultural tourism, community-based tourism, rural tourism, etc. *Topics such as micro- and macro-environmental factors affecting the growth of tourism industry are not popular.* Although tourism has been identified as a key economic sector since the launch of the tourism policy in 2017, there has not been any research to analyse, measure and discuss the effectiveness of this policy. While, in general, the literature reviews affirm the vital role of the government in orienting and launching development strategies for economic sectors in Vietnam, and it has a large gap in research on government intervention in tourism. Moreover, there also seems to be a lack of studies measuring government efficiency in managing and operating the tourism sector, i.e., the governance put great effort in practicing good governance since the Declaration of Independence, and has these efforts positive impact on tourism development so far?

Vietnam's tourism industry has developed for six years with the priority of investment and development as the key economic sector. Furthermore, during 34 years of development (1990-2023), there have been no studies that officially assess the role of government in promoting the development of the industry. To fill this gap, this dissertation is conducted to have in-depth discussions of the following two questions: *Has all the government's efforts in practicing good governance (improving public administration, government competitiveness and public policies; raising economic openness and maintaining political stability) during these 34 years (1990-2023) increased the motivation to travel and tourists' spending which leads to the growth of revenue for a whole? And recently, has Tourism Policy 2017 positively boosted the tourism industry?* Due to the broad scope of the research question, this dissertation employs a multi-method approach, integrating diverse datasets and econometric models. Firstly, a systematic literature review is to identify the research gaps and research questions. Afterward, a semi-structured interview, spatial models and ARDL models are applied, respectively, to work on these research questions. The six chapters, respectively, stick to the main purposes and provide insightful reports related to the operation of the tourism industry in the studied period.

Vietnam's tourism economy has achieved significant success, which demonstrates the government's capacity for governance. This research hope to prove that effective institutions and good governance are key factors in the success of the tourism industry. Additionally, the government's wise interventions, such as sound and timely policies, play a central role in economic activities. Measuring the impact of good governance on the tourism industry and estimating the success magnitude of the tourism policy are to better understand the government's mindset, vision and governance. These research findings draw the framework of Vietnam's tourism industry and then serve as the ground for decision-making and new policy promulgation in the future.

I. Introduction

1.1 Research development proposals in Vietnam

The Vietnamese tourism industry and the achievements of 30 years of development

Since the launch of Doi Moi in 1986, a policy promoting national comprehensive innovation, Vietnam's tourism industry has developed rapidly: it has grown in scale and improved the quality of its services. The increasing number of tourism businesses translated into stable revenue growth while cooperation between tourist accommodation establishments contributed to the birth of the Vietnam brand. Both the state and the private sector have invested in tourism infrastructure. Vietnam is becoming an attractive international destination. In general, the flow of domestic and international tourists and total revenue continuously grow at a high rate, leading to an increasing contribution to GDP. The tourism industry diversifies livelihoods, increases income for residents, especially in remote areas with few opportunities for development and then improves living standards. The tourism sector succeeds in preserving the value of cultural heritage and natural resources while taking these advantages to promote Vietnam's image and level up its position first in the region and then globally.

The following **Table 1** provides information showing the development of the tourism sector over the past three decades. Notably, the contribution of this industry to GDP has increased significantly since 2015.

Table 1: Vietnam's tourism industry from 1990 to 2023

Year	1990	1995	2000	2005	2010	2015	2017	2019	2022	2023
Domestic tourists (thousands)	1,000	6,000	11,200	16,100	28,000	57,000	74,000	85,000	101,300	108,100
International tourists (thousands)	250	1,400	2,200	3,500	5,050	7,944	12,920	18,000	3,500	12,600
Contribution to GDP (%)	0.5	3.2	3.3	4.2	5	6.3	7.9	9.2	2.1	7
Tourism revenue (thousand billion VND)	1,34	8,73	17,4	30	96	356	515	755	495	700
Source: Statistical office of Vietnam, https://www.gso.gov.vn/en/										

Resolution 08-NQ/TW (Tourism Policy 2017, **Appendix 2**) outlines the country's strategy for tourism development until 2030. *The policy aims to boost the tourism industry develop as a*

key economic sector, creating jobs, reducing disparities between provinces, improving quality of life and promoting the development of other industries and the country as a whole.

Tourism is a complex economic sector, which relies heavily on the system of public and social services and develops in concert with other industries. Because of this interconnectedness, a stable, dynamic but predictable, and attractive economic environment has particular significance for the growth and sustainable development of the tourism industry.

The Vietnamese government emphasizes tourism development is a shared responsibility of the whole political system and all economic sectors. The goals of tourism development must align with the broader goals of socio-economic development. As a key economic sector, the tourism industry must (1) always renew itself to transform from "one-season" into "year-round" tourism, (2) change the mindset of entrepreneurs and provincial governments, making them focus more on product and service quality, differentiation opportunities and competitive advantages, (3) develop safe, green, clean, civilized, modern and attractive tourism products and services, but preserve Vietnam's cultural heritage. In addition, tourism development should focus more on building regional linkages and mutual assistance between provincial governments, while working together with other countries in Southeast Asia to seek new development opportunities.

So far, Vietnam's tourism sector has been promoting its role as a key economic sector through its increasing contribution to the economy. The contribution of this industry to GDP has grown steadily from 1990 to 2023, reaching 9.2% in 2019. Although it dropped to 2.1% by 2022 as a result of the COVID-19 pandemic, it rebounded soon after to 5% in 2023.

1.2 Gaps in the literature and research questions

Searching for the role of the government in tourism development initially yielded 223 articles in total. The two keywords relating to government intervention (public policies and tourism policy) also have the highest frequency of occurrence. These studies confirm the important role of the government in setting direction, planning, formulating strategies and promoting programs. Moreover, other important contents indicate the intervention of the government in improving awareness and participation of communities, types of tourism and the role of tourism in economic development. The government is a decisive factor in the tourism sector's success: the government is the originator of ideas, the inspirer and also the conductor of the orchestra (Tse and Prideaux, 2016; Syssner and Hjerpe, 2017; Ndivo and Okech, 2019). Obviously, research into the role and

intervention of government is to understand the fastest way to the prosperity and sustainability of the tourism industry.

Research into Vietnam's tourism sector has been flourishing since 2012. The main topics include the potential of resources and proposed solutions; planning a strategy for sustainable tourism development; and the benefits of tourism development such as reduction of poverty, creating more jobs for women and improving equality and empowerment. Many studies focus on as communities have more first-hand experience regarding the cost and benefits of tourism development, they are more willing to lend their support and increase their participation in related activities. In addition, there are various studies on the potential and development of types of tourism, namely eco-tourism, cultural tourism, community-based tourism, rural tourism, etc. *Topics such as micro- and macro-environmental factors affecting the growth of tourism industry are not popular.* Although tourism has been identified as a key economic sector since the launch of the tourism policy in 2017, there has not been any research to analyse, measure and discuss the effectiveness of this policy. While, in general, the literature reviews affirm the vital role of the government in orienting and launching development strategies for economic sectors in Vietnam, and it has a large gap in research on government intervention in tourism. Moreover, there also seems to be a lack of studies measuring government efficiency in managing and operating the tourism sector, i.e. the governance put great effort in practicing good governance since the Declaration of Independence, and has these efforts positive impact on tourism development so far?

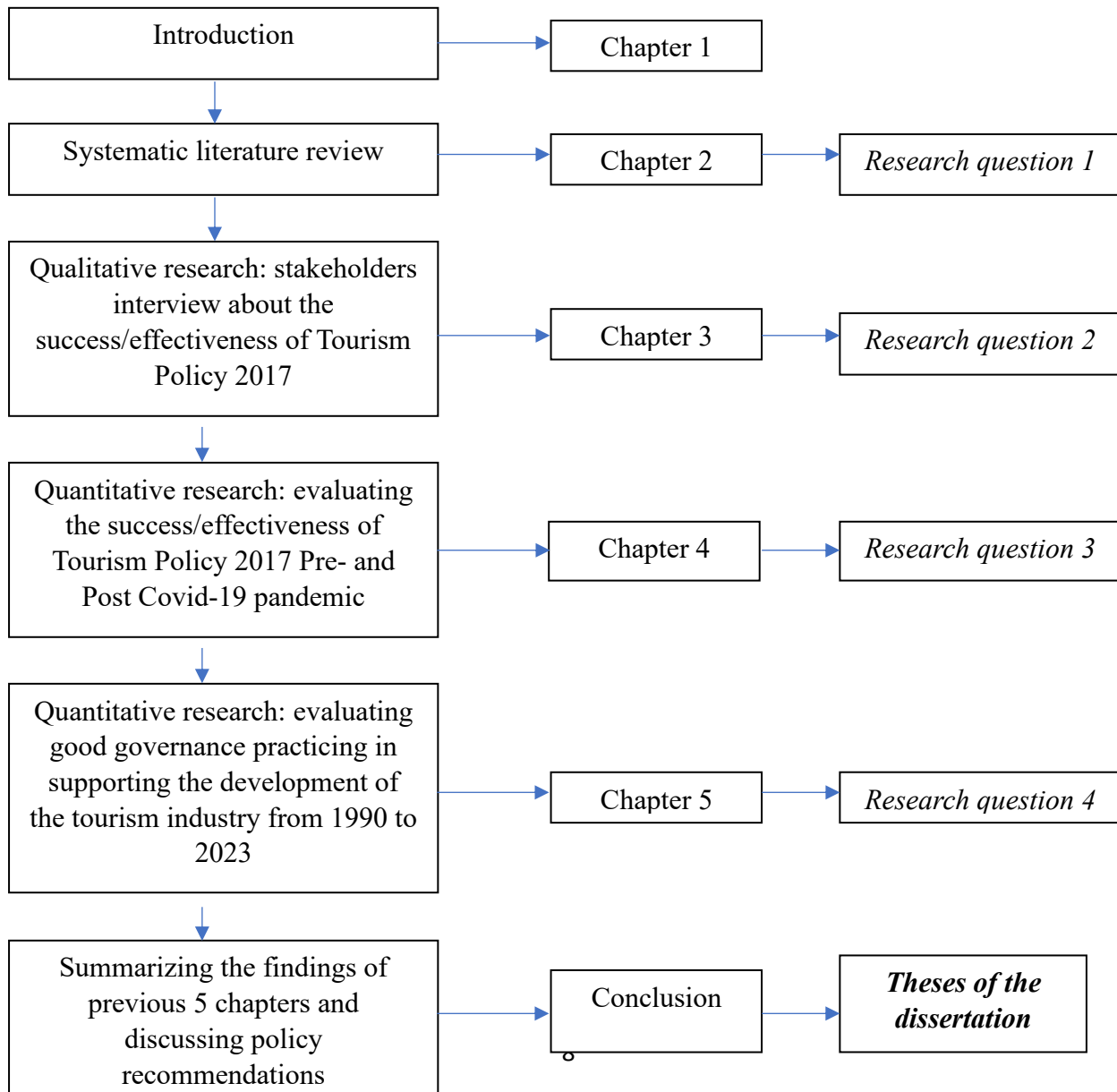
Vietnam's tourism is experiencing impressive growth. In order to sustainably benefit from the tourism industry long term, in-depth assessments of the development process, especially of goal setting, strategy making and implementation are needed. Therefore, these four research questions below become the main direction of this dissertation:

- (1) a - How can Vietnam develop its tourism potential by building on the experience of other countries?*
- (1) b - What are the most pressing issues that still need to be addressed by the research community?*
- (2) How has the government successfully promoted the tourism industry to become a key economic sector as stated in Tourism Policy 2017?*
- (3) How was the spatial spillover in tourism revenue of the 63 provinces both pre- and post-Covid-19 pandemic?*

(4) *To what extent have the Vietnamese government's efforts to practice good governance affected tourism revenue over the past three decades?*

Studies focusing on the above questions would demonstrate how successful the government has been in boosting the growth of the tourism sector and point out challenges that need to be immediately resolved in order to eliminate obstacles to future sustainable development. The 5 chapters will work on these questions, respectively. This dissertation focuses on analysing the role of government and assessing the effectiveness of related policies to promote tourism revenue, therefore the background theories applied in the empirical chapters are policy implementation theory, institutional theory and theory related to good governance.

1.3 The dissertation's structure



II. Conducting empirical research and main findings

Research question 1: (a) How can Vietnam develop its tourism potential by building on the experience of other countries and (b) What are the most pressing issues that still need to be addressed by the research community?

To answer this first question, a systematic literature review (SLR) is conducted. The history of research on tourism development shows that research on the role of government and government intervention is important for future strategic planning and has been studied quite widely in many countries. Analyzing and evaluating tourism development strategies or tourism development policies helps the government to identify resources, capacities, strengths and weaknesses, and thus to make appropriate adjustments. This SLR aims to identify the main research topics related to tourism development from the past 48 years (1975-2023) with a particular focus on the role of government and find research gaps related to the role of government in promoting tourism development, specifically what the government in Vietnam has been doing in order to increase tourism revenue.

Firstly, government intervention promotes the development of the tourism industry, specifically increasing tourism revenue through 149 research papers grouped into 7 clusters including the efforts of the government in tourism development (*Cluster 1*), making a tourism development strategy/ plan (*Cluster 2*), implementing a tourism promotion program (*Cluster 3*), selecting and developing tourism types that are suitable for natural resources (*Cluster 4*), launching policies related to tourism development (*Cluster 5*), researching to determine factors that influence the decision-making of the government (*Cluster 6*) and researching to find out factors that boost tourism revenue (*Cluster 7*). Secondly, it revealed a pressing need to assess the effectiveness of the Vietnamese government's current efforts in tourism development. In order for the tourism industry to become in reality a key economic sector of Vietnam with sustainable growth, increasing contribution to GDP and a competitive edge over neighbouring countries, the government needs to rethink its policies and strategies. Therefore, three research questions are laid out and became the next tasks in this dissertation:

(1) How has the government successfully promoted the tourism industry to become a key economic sector as stated in Tourism Policy 2017?

(2) *How was the spatial spillover in tourism revenue of the 63 provinces both pre- and post-Covid-19 pandemic?*

(3) *To what extent have the Vietnamese government's efforts to practice good governance affected tourism revenue over the past three decades?*

This dissertation concentrates on describing the practical operation of the tourism industry and making recommendations to support policymakers in future planning. In order for the Vietnamese tourism industry to truly become a key economic sector, have sustainable growth, increase its contribution to GDP and be able to compete with strong neighbours around, the recommendations focus on:

(1) *How to perfect the governance apparatus*

(2) *How to improve policy, development strategy and promotional activity.*

Research question 2: How has the government successfully promoted the tourism industry to become a key economic sector as stated in Tourism Policy 2017?

To answer this second question, a quantitative study using semi-structured interviews was conducted, which developed from policy analysis. Two essential components underpin the tourism industry's efficiency and competitiveness: a viable development strategy and a high-quality workforce. Obviously, having a sound strategy from the early stage of development is a crucial element for the tourism industry's success. Based on the principles of policy analysis, this survey is conducted to respond to the questions below:

(1) *How has Tourism Policy 2017 contributed to the development of the tourism industry in Vietnam?*

(2) *Does the actual performance of the industry reflect the effectiveness of the policy?*

(3) *Have stakeholders fulfilled the roles envisaged in Tourism Policy 2017?*

(4) *Which aspects of the Vietnamese tourism industry need improvement?*

The responses from 20 interviewees, leading experts in training, prominent tourism businesses, local authorities and travel enthusiasts provided a synthesis of information, perspectives and contributions in order to have a higher effectiveness of Tourism Policy 2017 in the future.

In terms of assessing the success of Tourism Policy 2017, some achievements are recognized: (1) facilitating investments in provinces, especially those lagging behind, (2) streamlining administrative procedures for activities related to tourism development, (3) uniting all parties involved in tourism, (4) involving society as a whole in tourism activities, (5) improving the quality of tourism products and services, (6) leveling up the destination image to the international market.

In addition, as contributions to improve the tourism policy, respondents provided some important recommendations regarding (1) central government should perfect the governance apparatus from central to local (expertise, working spirit), support provinces in resource planning and develop strengths to become "unique destinations", support lagging- provinces in tourism in improving basic infrastructure to be able to cooperate with neighbouring provinces in developing tourism products and perfect regulations related to international visitors (visa) to warmly welcome EU countries and The Americas; (2) provincial government on the one hand quickly and fully announces the tourism policy to local communities and closely connects with businesses and universities to have the benefits of the Tourism Policy 2017 widely spread. On the other hand, the provincial government also always updates the local situation to the central government to ask for funds and timely support from the government, and lastly (3) all stakeholders must always be in a supportive and cooperative relationship to provide the best and most highly competitive products leading to stable revenue growth for provinces and Vietnam in general. Looking back at the 6 years since the launching of Tourism Policy 2017, all stakeholders seem to be focusing their efforts and working hard to have the tourism sector develop as a key economic sector. This study constitutes the first conversation with all stakeholders about the outcomes of Vietnam's tourism policy. Respondents' recommendations for improving its effectiveness are summarized in this chapter which policymakers could find useful in the future.

Research question 3: How was the spatial spillover in tourism revenue of the 63 provinces both pre- and post-Covid-19 pandemic?

To simultaneously boost tourism revenue across provinces, the Vietnamese government focused its efforts on strengthening the linkages and fostering cooperation between regions regarding tourism policy. Furthermore, the government also invests heavily in improving the efficiency of

the administrative apparatus in the provinces and has launched many policies to improve living standards, both of which are vital for tourism development in individual localities. The government's tourism policy needs to be updated on a regular basis, and that academia fills all research gaps in order to be in a better position to advise policymakers in that process. As a contribution, the author investigates how well the government's strategies are working in promoting regional connectivity and attempts to quantify it as spatial spillover effects on tourism revenue in the 63 provinces for the years 2019 and 2022. Building on the theory of policy implementation and based on preliminary research on the subject, the author attempts to provide an answer to the query: *whether the government of Vietnam has been successful in increasing tourism revenue in neighbouring provinces by improving regional connectivity (which is one of the important strategies of Tourism Policy 2017)*. To do this, the spatial regression model is an effective tool to analyse and test the spatial dependence between area units. In many cases, the traditional ordinary least square (OLS) regression method is not effective because it does not take into consideration the existence of spatial relationships of the data set. Therefore, a hypothesis is posed:

H1: *Tourism Policy 2017 produced positive spillover effects on the tourism revenue of the 63 provinces in 2019 and reproduced similar results in post-pandemic 2022.*

At the 99% confidence level, the Spatial-Lambda value is 0.481 by 2019 and 0.57 by 2022, indicating there is positive spatial dependence between the 63 provinces in terms of tourism revenue in both studied years. ***In other words, Tourism Policy 2017 succeeded in connecting provinces in order to have tourism development in tandem in 2019 and in 2022. In addition, the magnitude of positive spillover effects between provinces increased significantly sharply from 2019 to 2022. This indicates that the policy of regional integration had a positive impact, especially in the post-pandemic recovery period.***

Accordingly, in the process of identifying and measuring regional connectivity characteristics, the spatial models also simultaneously examine the relationship between the number of enterprises, skilled workers, income levels, public healthcare, basic infrastructure, safety, business support policy, proactive leaders, transparency, agricultural resources and tourism revenue both by 2019 and (post-Covid) by 2022. ***'The number of enterprises' and 'skilled workers'*** (which is related to the government's policy aimed at creating a favourable economic environment), ***'basic infrastructure' and 'safety'*** (which is related to the government's policy

aimed at improving public-service delivery at the provincial level), ‘business support policy’ (which is related to the government’s policy aimed at improving provincial government competitiveness) and ‘agricultural resources’ (which is related to the government’s policy aimed at linking economic sectors) had positive impacts on increasing tourism revenue both by 2019 and (post-Covid) by 2022. In contrast, ‘Transparency’ (which is related to the government’s policy aimed at improving provincial government competitiveness) had a negative impact on increasing tourism revenue by 2022.

Research question 4: To what extent have the Vietnamese government’s efforts to practice good governance affected tourism revenue over the past three decades?

Vietnam successfully escaped from the "poverty trap" and has gradually moved towards economic prosperity thanks to the implementation of the Doi Moi Policy 1986. In line with striving to ensure a stable political economy, the government has gradually increased the country’s trade openness and constantly strengthened cooperation with the most powerful economies in Asia (Japan, Singapore, China, etc.). Vietnam has successfully built a "highway" connecting Vietnam to the world with the current economic opening. These strategies have gradually increased Vietnam’s weight in the global economy. In addition, Vietnam’s economy has been repeatedly restructured within the frame of consecutive five-year strategic plans and hence, currently, the services sector generates a significant part of the country’s GDP. The tourism industry also benefits from these favourable conditions, as demonstrated by its impressive growth results.

Due to the purposes of the analysis and in the light of ground theory (institutional theory and theory related to good governance), all variables are highly relevant to good governance dimensions: economic openness (exports-to-GDP ratio and share of FDI in total annual investments in Vietnam’s economy) is a proxy of strategic vision, the Human Development Index (HDI) is used as a proxy for equitable and inclusive governance, the Government Effectiveness Index is used as a proxy for government effectiveness, ‘Rule of Law’ and ‘Political Stability and Absence of Violence/Terrorism’ are also considered in the analysis. Building on the previous studies using the same observed variables, an in-depth statistical analysis was conducted, utilizing an autoregressive distributed lag (ARDL) model, an error correction model (ECM), the Granger

causality test and time series from the interval 1990-2023, in order to give a comprehensive respond to the above research question. Aiming for a sufficient answer, a complex hypothesis is laid out:

H2: *A higher exports-to-GDP ratio, the share of FDI in total annual investments in the economy, Human Development Index, Government Effectiveness Index, score of 'Political stability and absence of violence/terrorism' indicator and score of 'Rule of Law' indicator had a positive influence on Vietnam's tourism revenue for the period 1990 to 2023.*

This hypothesis is partly accepted. The results of the component factors in this complex hypothesis are as follows. Based on the probability of the factors “Human Development Index” and ‘rule of law’ are in the 99% confidence interval, the hypothesis related to these two variables is accepted:

A higher ‘Human Development Index’ and ‘rule of law’ score had a positive influence on Vietnam’s tourism revenue for the period 1990 to 2023.

In contrast, based on the probability of the factors ‘export-to-GDP ratio’, ‘the share of FDI in total annual investment in the economy’, ‘political stability and absence of violence/terrorism’ and ‘Government Effectiveness Index’ are in the 99% confidence interval but on the negative side with the expected hypothesis, the author comes to the state:

A higher ‘Export-to-GDP ratio’, ‘the share of FDI in total annual investment in the economy’, ‘Political stability and absence of violence/terrorism’ and ‘Government Effectiveness Index’ had a negative influence on Vietnam’s tourism revenue for the period 1990 to 2023.

III. Key conclusions

The ultimate objective of this dissertation is to investigate whether the efforts of the Vietnamese government to boost tourism revenue are paying off. The preliminary findings discussed in research question number 2 and 3 confirm the success of Tourism Policy 2017 and of government efforts targeted at building a favourable macroeconomic environment, which, in turn, creates momentum in the tourism industry. Research question 4 discusses government efforts to adopt good governance practices and their effect on tourism revenues, which can be concluded that the central government has truly assumed the role of ‘central management’ within the tourism

industry. It has the means to exploit the industry's full potential, and thus transform it into a key economic sector.

However, the study also figures out some challenges that the government is facing. For higher performance in the future, the government should focus on improving the solutions related to the following issues:

- (1) *to support provinces in formulating their own development strategies to meet the overall goals of Tourism Policy 2017.*
- (2) *to support provinces that are lagging behind in infrastructure development, developing products and services, and improving the standard of public services.*
- (3) *to support provinces in formulating development strategies, long-term and short-term plans, and identifying specific types of tourism that can increase their competitive advantage.*
- (4) *to support provinces in developing products and services that meet international standards.*
- (5) *to raise the standard of healthcare services at the provincial level and promote proactive and creative provincial leadership in order to facilitate private-sector development.*
- (6) *to promote cultural tourism potential in Northern Vietnam to fully exploit the region's potential*
- (7) *to broaden the geographic reach of tourism-development policies.*
- (8) *to design policies for employees in order to develop the labour force and increase employee dedication.*
- (9) *to design training programs matching the needs of the tourism industry.*
- (10) *to increase on-site exports of the tourism industry and FDI flows in the tourism industry.*
- (11) *to improve government effectiveness with respect to the tourism sector.*
- (12) *to improve tourism governance at all levels of government (the central government and in all 63 provinces).*

IV. Policy recommendations

The following policy implications are summarized from the detailed analysis in each chapter. All four research questions focus on the role and performance of government in formulating development policies and building an effective governance environment.

First and foremost, the government needs to perfect tourism development policies to create a favourable institutional environment for tourism development, and then launch preferential policies on land, tax and credit to mobilize investment capital in areas with potential for tourism activities. The government should support the development of strategies and long-term and short-term plans that are specific to individual provinces. In addition, government bodies should re-evaluate how easy it is for stakeholders to access information on tourism development policies and should assess the viability and effectiveness of these policies for the tourism industry. Moreover, government capacity should be strengthened at the provincial level to ensure effective policy implementation across provinces. Furthermore, since the tourism industry is characterized by seasonality and is susceptible to external shocks, related policies should be regularly revised, inviting input from all stakeholders.

Scientific planning is crucial for attracting investment and increasing the efficiency of investment capital. Provinces in Vietnam should assess their tourism potential and prioritise investments in the sector based on the findings. Furthermore, the central government should also guide regions in formulating their resource exploitation strategies to help avoid duplication of tourism products and services at the national level.

In order to generate equal development opportunities for all localities, and thus significantly enhance the competitiveness of provinces that are still lagging behind, it is necessary to identify the strengths and weaknesses of each province and formulate appropriate policies. In addition, the central government should encourage closer cooperation between neighbouring provinces. Each region should identify the province where investments could generate the highest return and invest heavily in that province in the hope that this would also fuel economic growth and tourism development in neighbouring provinces.

The central government should annually assess the administrative apparatus from the national to local level to ensure that officers are qualified, engaged and have a passion for working in the tourism sector. Simultaneously, to address one of the challenges of the tourism industry, which is the lack of a skilled workforce, the government should hold regular consultations with educational institutions to update human resource training programs, bearing in mind the need for a highly specialized workforce, that is able to adapt to a dynamic working environment. These training programs should come out of a collaboration between the government, universities and businesses. More importantly, the government should allocate more funds to scientific research in

the tourism industry. Targeting to develop the tourism industry to become an effective and sustainable economic sector, scientific research activities must play an important role in formulating and implementing strategies, long-term and short-term plans, and training programs.

The government should perfect the mechanisms for supporting provinces in improving their basic infrastructure, public transportation, information systems and the quality of tourism services. This improves connectivity and enhances cooperation between localities. To achieve this, the government should quickly complete a more appropriate expenditure plan for the tourism industry. Supporting underdeveloped provinces in developing more attractive tourism products necessitates heavy investment from the government. Thus, local governments should also propose sound expenditure plans (including the allocation of their own resources and asking for funding from the central government) in order to meet international standards and attract more tourists in the future.

It is essential to adopt new public management practices in order to facilitate cooperation between the public and private sectors, entrepreneurs and local communities to make sustainable development. The government plays a central role in creating a favourable business environment and stimulating innovation. The regression model in chapter 4 demonstrated the positive impact of enterprises, therefore it is important to increase their efficiency in the future, especially by supporting the development of tourism businesses with well-known and enduring brands. The government also needs to pay more attention to small and medium-sized businesses, including family businesses. It should provide financial support packages, facilitate technology/ knowledge transfer, speed up digital transformation and connect them to the business ecosystem.

In terms of the international market, the government needs to make efforts to increase openness and flexibility in welcoming international visitors. It is necessary to revise administrative procedures to make entry, exit and travel less stressful for international tourists. There is also an urgent need for sound regulations that can facilitate the opening of new routes by domestic and international airlines in order to connect Vietnam with key and potential tourism markets. Not less importantly, the Vietnamese government should strengthen educational and cultural cooperation with major countries in Europe to create new opportunities and to attract more tourists. This would also promote trade relations, attract major investors in the tourism sector which would facilitate knowledge transfer and would help integrate tourism development into the process of overall economic development. However, having a domestic market of 100 million residents with

increasing disposable income, the Vietnamese government should consider this as the main target market to ensure sustainable development. Obviously, not only Vietnam, but all nations turn to the domestic market to revive their tourism industry in the new era of post-Covid-pandemic and other external shocks.

Good risk management is also an effective instrument in safeguarding the achievement of tourism development. Risk response solutions should be put in place following consultations with all parties involved in tourism activities. Related procedures should be annually revised to ensure a fast and effective response under all circumstances. In addition, these procedures should regularly be benchmarked against the risk management systems of other countries. Regularly consulting with and learning from other countries will help Vietnam develop solutions and strategies more effectively. Tourism is a lucrative, but high-risk industry which is susceptible to external shocks. Therefore, policymakers should also always have plans in place to minimize damage and speed up recovery following crises.

Finally, policies that promote development should also incorporate the concept of sustainability. According to the UNWTO (2023), "sustainable tourism development is aimed at meeting visitors' needs while making optimal use of environmental resources, respecting the socio-cultural authenticity of host communities and ensuring viable, long-term operations". Vietnam's biodiversity is the 16th richest in the world. Preserving natural biodiversity and maintaining local agricultural ecosystems are crucial for sustainable development and can greatly benefit the tourism sector. Rural tourism and eco-tourism are typical products, that could make Vietnam one of the most attractive destinations in Asia. Therefore, agricultural activities associated with tourism should be given priority in funding schemes and in training programs for experts in research and development. In the future, local governments will need to integrate the concept of a "green economy" into their development strategies. Government officials should promote green practices and support businesses in adopting green criteria, especially in the case of products and services that need to meet international standards.

V. Novelty of this dissertation

This dissertation addresses the issue of assessing the role of government in the operation and management of an economic sector, which is a research gap in the tourism sector as identified in the literature review section. Each chapter, in turn, presents the most recent findings on the status

of Vietnam's tourism industry. The new findings serve as references and then suggestions for future research as an overall.

Chapter 2 - a SLR - is an effort to provide the Vietnamese government with a list of references on the work of other governments across the world regarding various aspects of tourism development. Useful lessons from governments that developed the tourism sector successfully together with the reasons why tourism development policies were ineffective in some other countries, are discussed. Also, the factors that enable the government to be successful in developing and pursuing sound strategies for sustainable tourism development are analysed. They are all considered to be the first discussions on this subject. Furthermore, this SLR visualizes the micro and macro environments of the tourism industry in Figure 10, thus indicating the research gaps that the Vietnamese research community needs to consider.

Research on Vietnam's tourism activities is becoming increasingly exciting due to the industry's emergence and the task of seeking solutions for better future performance and higher revenue. Micro studies related to product quality, customer behaviour and strategic analysis of enterprises have become popular. However, macro studies related to government policy analysis are not yet available. In addition, literature review has also insisted that the success or failure of the tourism industry heavily relies on the governance capacity of the government and on sound government intervention (judicious and on-time policies) as well as measuring the effectiveness of tourism development policy is essential because it provides important information insights for making future adjustments. Meanwhile, the effectiveness of Tourism Policy 2017 in Vietnam has not been assessed, not even six years after its launch. *Chapter 3* comes to fill this task by surveying and collecting feedback from all stakeholders six years after the launch of Tourism Policy 2017 in Vietnam. Feedback from respondents relates to the benefits of the tourism policy and stakeholders' actions in their task to maximize their contribution. This research is an initial assessment of the necessity and effectiveness of Tourism Policy 2017, thus it is a valuable complement to formulate policy recommendations for the future.

Chapter 4 employs spatial models and utilises provincial data from 2019 and 2022 to investigate the question of whether the Vietnamese government has been successful in increasing tourism revenue in neighbouring provinces by improving regional connectivity. In addition, this chapter takes PCI data and PAPI data to assess whether government policies related to improving

quality of life, government competitiveness, macro-environment and integration of 'agricultural resources' have a positive impact on tourism revenues. The novelty of this chapter is not only in the econometric model applied but also in the databases collected. The PCI and PAPI datasets provide many indicators of government efforts to enhance the quality of public administration and the governance environment. However, their utilisation in research remains relatively limited, particularly within the tourism sector. In terms of findings, preliminarily, the Vietnamese government has been successful in increasing tourism revenue in neighbouring provinces by improving regional connectivity. Furthermore, government policies related to improving human resources, the economic environment, administrative procedures and the quality of life also demonstrated a positive effect on tourism revenue. In order to have an accurate and adequate assessment of the effectiveness of this policy, it is essential to combine observations with time series. Consequently, these findings serve as a starting point for further research in this field. Moreover, the application of spatial regression models in Vietnam tourism research has been relatively limited, despite their widespread apply in economic section. In addition to providing correlation relationships, spatial regression enables the description of observations in the form of maps, thereby demonstrating the capacity of localities to cooperate and link to gain economic development as a whole. This study hopes to provide supplementary data for previous studies on the spatial spread of tourism revenue in 63 provinces, thereby establishing a basis for comparison and improvement in future research.

Chapter 5 describes the relationship between government intervention and changes in the tourism industry in the short and long term through an Autoregressive Distributed Lag (ARDL) regression model, thereby becoming a valuable reference for policymakers to improve future development policies. The preliminary stages of this research identified research gaps in the domain of public sector institutional quality. In addition, it revealed a dearth of studies applying time series methodologies to analyse governance practices in Vietnam. Thus, while the primary aim of the present study is to investigate the relationship between government intervention and changes in Vietnam's tourism industry for 34 years (1990-2023) and hence, provide input for policymakers, it also introduces novel analytical methods that, to the best of the author's knowledge, have not yet been applied in this field. The findings of this chapter provide insights on the government's role in promoting the development of Vietnam's tourism industry. Notably, the values of HDI and the 'rule of law' indicator increase annually and that has a positive impact on

tourism revenue. Thus, one of the main goals of the Vietnamese government, that is, to build strong institutions and promote human development in all respects, has successfully contributed to the development of the tourism industry. The higher of 'export-to-GDP ratio', 'FDI capital flows', 'political stability and absence of violence/terrorism' and 'government effectiveness' indicators did not show any positive support for Vietnam's tourism industry. These findings become the basis for formulating proposals for the government to improve the advantages of FDI capital flows into the tourism sector as well as solutions to increase on-site exports of tourism products.

VI. Limitations and future research directions

This research has some limitations. Since Vietnam's web portal is under construction, only a limited number of datasets are currently available. This puts constraints on the author's choice of variables. This is also the reason why provincial-level studies are virtually not available. Since almost all previous studies on Vietnam were conducted at the national level, detailed descriptions of localities were lacking. Effective plans and strategies depend on highly detailed observations and assessments. In addition, data related to tourism revenue, the number of tourist attractions and the number of full-time and part-time employees in each province have not been made public. To collect such data, it is necessary to contact each province's government directly. This is a major limitation due to its time and cost requirements. These issues should also be addressed by the government in the coming years. Easy access to official data would definitely give a boost to scientific research on Vietnam. Due to the scope of this dissertation, only a limited number of econometric models were used in the analysis. In contrast, making viable policy recommendations requires an in-depth understanding of government behaviour. Therefore, the ideas put forward here should be considered preliminary. In addition, research on synergies between tourism and other economic sectors of Vietnam such as industry and agriculture further our understanding of the tourism economy. In addition, models that can forecast future shocks and consequent changes in tourism revenue with relatively high certainty should be constructed to help both the government and stakeholders minimize damage to Vietnam's tourism.

Due to the complexity and breadth of this topic, future studies with different sets of variables and econometric models are needed. As summarized in Figure 10 in Chapter 2, important topics that need to be addressed by the research community are R&D, human capital development, cooperation between stakeholders, the role of technology/knowledge transfer and innovation in

the development of new products and services for the tourism sector. Furthermore, as a development based on this dissertation, factors affecting Vietnam's tourism industry from the international environment should be counted in the analysis and the comparison regarding Vietnam and other countries in Southeast Asia which promise many insight findings.

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