

NIGHT-TIME ECONOMY DEVELOPMENT IN VIET NAM

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Abstract

Night economy is not a new concept in many countries around the world but it is still not popular in Viet Nam. The night economy contributes significantly to the economic growth of a country, creating many jobs, and better serving people's lives. In Viet Nam today, the night economy is receiving the attention of many experts and policy makers, although this activities is still in its formative stage. This study assesses the current economic situation at night and then proposes a number of solutions for night-time economic development in Viet Nam.

Keywords: night economy, night- economy development

1. Introduction

Night economy is services, business and activities that are held from 6 pm to 6 am. These activities are entertainment business activities that satisfy the needs of tourists and also activities take place at night to serve the business, consumption and entertainment needs of local people. Economic development at night is increasingly concerned because it contributes to making the most of time, diversifying economic activities. Moreover, it serves people's lives better, attracts tourists and creates more opportunities for economic growth. The diversified night-time economic services require a large number of workers in many different job positions, thereby creating many jobs. Furthermore, the development of the night-time economy could attract more investors into entertainment and shopping facilities, increase economic resources for local economy.

The night-economy has been interested in many countries to develop and considered as a part of the economic development strategy. In the UK, the night economy contributes 66 billion pounds, creates jobs for millions workers and attracts a large number of tourists annually. In Australia, the night economy also creates jobs and averages \$ 102 billion per year. Sydney is one of the most famous night cities in the world. For that success, Sydney formed a Night Economic development Committee, applying measures such as opening night services including arts, culture, retail and entertainment to establish Sydney culture network. Sydney government cooperates with enterprises to expand public transport infrastructure and subway system, plan and redesign the city to suit night economic development. Night economy is also developed in Asian countries like Japan, South Korea, and China. Night-time economy development efforts have helped Japan attract more and more tourists and increase their spending, contributing 400 billion Yen for Japan per year. In China, the night economy is being strongly promoted with many policies. While Beijing has built a night economy development area, prolonging the business life, improving public transport services, promoting night restaurants, many other localities also plan to build areas that operate overnight with many support of the local government.

In Viet Nam, the night-time economy has been still new term. There are some night-time activities in big cities, but no large and attractive night-time entertainment complex is established. Although the government has started to concern about night-time economic development via issuing project due to its benefits, their solutions are just at the urgent problem level. It is lack of long-term and comprehensive solutions for sustainable development of night-time economy. This paper has studied on the potential of night-time economy and recommended some solutions to develop night-time economy in Vietnam.

2. Literature review

The researches on night-time economy have not diversified. Studies mainly mentioned to the features, benefits, costs and the management of night-time economy. There have not been many researches on the night-time economy in Vietnam.

There are several researches that demonstrated the benefits and costs of night-time economy. It is difficult to reject the benefits of night-time economy when it creates income for the state budget and benefits for business besides many problems related to social safety. James Farrer (2018) pointed to diversified night-time entertainment trend in China. It also raised some controversies and debates on night-time leisure activities. Brabazon et al (2007) showed challenges of night-time economy, analyzed the contradictions between the production, regulation and consumption of nightlife. Talbot et al (2007) studied on cases of London and Manchester about racism, criminalization and the development of night-time economies. Night-time economy could be considered as a source of economic regeneration but contains many problems. Authors examined the fate of black cultural forms, venues and licensees in contemporary nightlife. It is opinion that due to historical criminalization of black youth, black cultural spaces have been subject to a process of exclusion in the night-time economy. The implication of this for social cohesion was examined. In addition, the urban regeneration plans directed at the creation of the city centre contributed to the development of night-time economy (Maris, 2009). Infrastructure such as layout of the street, traffic, dimensions of terraces, public illumination provisions, cameras, parking areas are factors that determine the ability to develop night-time economy. The paper of Maris (2009) suggested some solutions for both municipal servants and the investors in the night-time economy.

About night-time economy management, the study of Ashton et al (2018) researched on a framework for managing night-time economy through the approach of a prospective Health Impact Assessment in Wales. It analyzed the process of a HIA that could be applied to difference sectors. Roberts (2004) studied the problems posed to public authorities by evening and night-time activities in town, city and urban sub-central in England and new policies to respond to these problems of Government. The UK Government encouraged the development of night-time economy by creating a suitable environment. Good management of the night-time economy requires the participant of many agencies working on the part of public bodies, and the commitment of entertainment and service business. Studying on the effectiveness of policies and regulations governing the night-time economy, Wadds (2013) focus on four specific active nightlife from 2008 to 2013. Sydney's contemporary night-time economy is the product of an intersection of both local and global transformations, private and public regulations.

3. The research's results on situation of night economy in Viet Nam

Viet Nam does not have a real night economy, but mainly activities at night. Although there are no specific measurement assessments of contributions of night activities to the overall economy, night economy activities in Vietnam have also achieved some positive results.

Firstly, night service activities are increasingly expanding. Some areas for night services activities are formed.

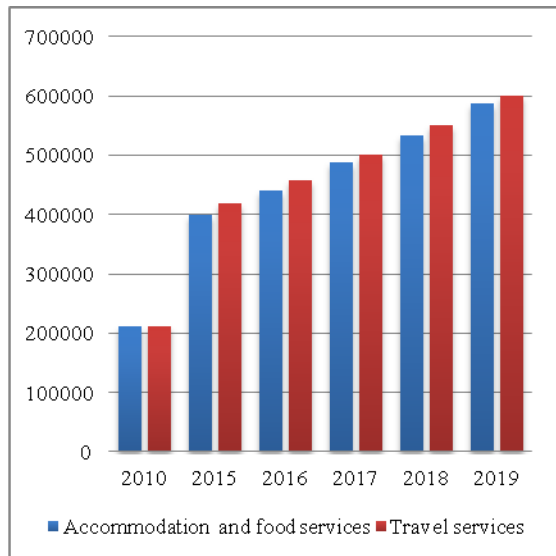
Walking street in Hoan Kiem Lake area and old town night market is an attractive place for many people and tourists coming to Ha Noi. Few years ago, it was just Hang Dao- Dong Xuan night market with stalls serving the people and tourists shopping or Ta Hien beer street. After that, the pedestrian street area was increasingly expanded, surrounding the Hoan Kiem lake area with longer opening times, more cultural events and art shows attracting more and more people and visitors. According to the People's committee of Hoan Kiem district, the number of visitors to this area at night during weekend is about 15000 to 20000 people. Since 2016, when Ha Noi city allows Hoan Kiem district to pilot a number of bars and restaurants that are open until 2 am with conditions to ensure environment sanitation and social safety, the revenue of business have increased. Hoan Kiem district is also cooperating with tourism businesses to build night tourism programs such as visiting historical monument, exploring night food, enjoying art performance. As a result, since the launch of night service, Hoan Kiem district has recorded a significant increase in the number of tourists coming to the area, more than 2.5 times in 5 years.

In Ho Chi Minh city, Bui Vien pedestrian street is a familiar place for tourists visiting the city. This is also the destination of many city dwellers on weekends. Nearly 200 households business restaurants, hotels.. each year contribute billions dong to the state budget through tax payment. Ho Chi Minh city also has many other nightlife business places focusing on food, coffee, performing arts, bars, and dance hall. Night tourism products in Ho Chi Minh city are diversified, including tourism associated with urban culture at night discovery in the streets and enjoying food, tourism products associated with waterways on Sai Gon River, and art shows in theater, water puppet theater, music shows and cinema. Ho Chi Minh city is considered as the city of night activities in Asia in 2019 (vote by website Nodmalist.com), ranked 19th in Asia and 3rd in ASEAN.

In addition to Ha Noi and Ho Chi Minh city, other cities have also begun organizing night-time economic activities, mainly pedestrian streets and night markets. According to statistics from the Ministry of Planning and Investment, there are more than 20 night markets operating in many provinces in Vietnam, mainly big cities and tourist destinations such as Ha Noi, Sapa, Ho Chi Minh city, Da Nang, Da Lat, Phu Quoc...

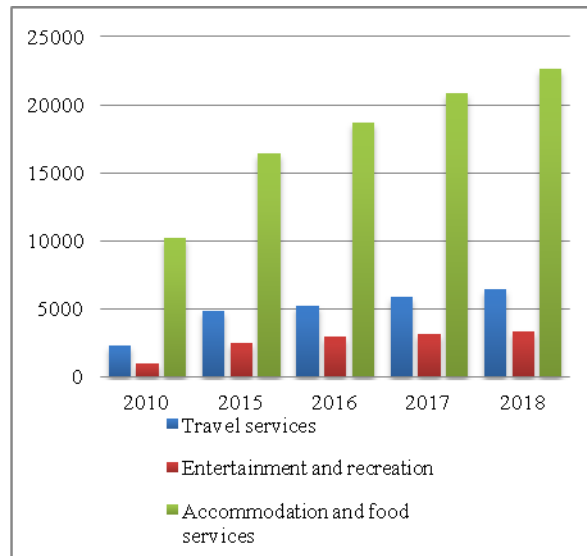
Secondly, night-time economic activities have contributed to the economy. Excluding 2020 due to the impact of pandemic Covid 19, in recent years, revenue from accommodation and food services and travel services, which are the core night economic services, have grown well. Compared to 2010, the total revenue of each sector in 2015 has increased 2 times, and by 2019 it has increased by nearly 3 times. These services have growth faster in recent years. The travel services has growth significantly due to the strong influence of the tourism industry which are invested a lot in Vietnam in recent years. Although this is the overall growth of the industry, the contribution of night service activities could be recognized. This situation also showed the ability

and momentum for rapid development of night-time economy in the near future. The survey of foreign experts showed that revenue from tourism products and services only accounts for 30% during the day, while the remaining 70% belongs to the night-time activities (according to industry and trade magazine). The survey results collecting from business demonstrated that average revenue from night activities was 62.3%. It is opportunity for night-time economy development.



Graph 1: Revenue from accommodation and food services and travel services (unit: VND billion)

Statistical Year Book 2019

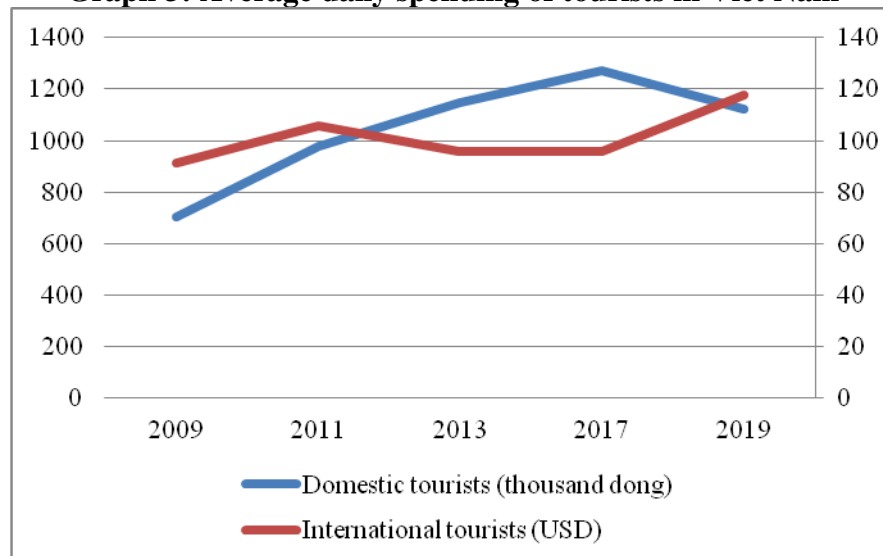


Graph 2: Number of enterprises in the sectors related to night-time economy

Statistical Year Book 2019

Along with the increase in revenue, the number of businesses operating in travel services, entertainment and recreation, accommodation and food services has also increased over years. The number of accommodation and food services enterprises have increased significantly by over 2 times while the travel services and entertainment and reaction increased by nearly 3 times within 9 years. Although these enterprises not only include night service operations, it also shows the potential for night economy development of Viet Nam.

Regarding to the average daily spending of domestic and international tourists in Viet Nam, it can be seen that for a long period from 2009 to 2019, the expenditure increased only slightly but not evenly. This spending is low compared to other countries in the region. In the expenditure structure, accommodation, foods and transportation cost is the biggest spending. The average daily spending of international visitors increased sharply in 2019 while domestic visitors decreased. This may be due to the contribution of night-time economy in addition to the improvement in tourism quality. Foreign tourists are more likely to participate in night activities due to their culture.

Graph 3: Average daily spending of tourists in Viet Nam

Statistical Year Book 2019

Thirdly, Viet Nam has oriented night- economy development with supporting policies. In July 2020, the Prime Minister approved the night economic development project in Viet Nam under decision 1129/QD-TTg with two main goals promoting domestic consumption and developing tourism. This project focus on developing culture services, entertainment and food services, shopping and travel services, which take place from 6 pm to 6 am. According to the project, the Government allows to extend time to organize night services to 6 am next day at some attractive tourist places where have good condition to manage risks of night activities such as 10 big cities Ha Noi, Ho Chi Minh city, Da Nang, Quang Ninh, Hai Phong, Hoi An, Hue, Can Tho, Da Lat, Phu Quoc. Moreover, it is necessary to build a number of separate night entertainment complexes in Ha Noi, Ho Chi Minh city and Da Nang in the period of 2021-2025. The Decision 1129/QD-TTg of the Prime Minister is a new step showing new perspectives on the night-economy.

Besides these achievements, the development of night activities in Viet Nam is also limited.

Firstly, it can be seen that the real night economy has not existed in Viet Nam. Night activities such as night markets and pedestrian streets are mainly concentrated in big cities. Night services is still small-scale, fragmentary, and not synchronous. The policy of space planning is inadequate. Moreover, most night services, shopping malls in Vietnam operate for a limited time, to midnight only, only few bars and restaurants in some areas are open until 2 am. Some convenience stores operating 24/7 have gradually become familiar to Vietnamese people like Circle K. It is not enough for night-time economy development.

Secondly, night services in Vietnam are quite simple, not diverse, one color and could not show the characteristics of local areas. There are mainly food services at night while culture, art and entertainment activities are still limit. It is boring and less attractive to tourist and people. Entertainment and festive

Thirdly, the legal system still has obstacles to night-time economic development. The current policies have reflected the imposition of managers' thinking on economic activities, not taking into consideration the needs of domestic and foreign tourists. Vietnam lacks the specific, long-term policies for night-time economy. Vietnam has not had many policies to promote and create favorable conditions for businesses and business environment in night-time economy. Some potential night-time entertainment services such as casino, karaoke, bars, and dance hall...are managed too tightly to limit negative impacts, but inadvertently hinder the development of economic activities at night.

Fourthly, the infrastructure conditions for night economic activities are limited and not synchronous. Public transport services and transport infrastructure are weak. Visitors have many difficulties when accessing public transport at night or have to pay high parking price. In addition, because it has not been properly planned and managed, there are still street vendors, spontaneous parking lots...

Fifthly, night services could create negative impacts on social security, environmental pollution, and noise. Many night-time businesses are too close to residential areas. It is also happened in the early stages of night-economy development in other countries such as Europe, America, or China. These results prevent people and visitors from participating in night services and also affect the lives of surrounding people.

4. Discussion about solution for night economy development in Viet Nam

Night-time economy development in Viet Nam is essential because it only provides jobs, but also brings economic value. Viet Nam has a unique culture, art and cuisine, diverse regions and many attractive tourist destinations, which are favorable conditions for the development of the night economy. Understanding the current situation of the night economy in Viet Nam, there are some solutions for night-time economy development.

Firstly, the night-time economy development requires a clear strategy.

In order to develop night-time economy, it is important to plan carefully. The Government could establish an authority or delegate management role to a specialized authority responsible for night-time economy development.

Besides, in order to develop the night economy, the role of state government is very important (Hobbs, 2003). In the construction and development plan, state government should make specific plans for areas that could concentrate on developing night economy. The development plan could be implemented in one or several areas, then evaluate the effectiveness of plan and complete before scaling up.

Each night economy area should have its own characteristics, avoid duplication and one color, from which it could attract residents and visitors. In addition, it is necessary to decentralization for localities in night economy development. Some countries in Europe have applied this method. There is no general policy on night economic development but the central Government delegate the management right to state governments. Depending on the potentials and development strategies, each area will deploy the incentive programs for night economy development. Cities and localities need to establish regulations and frameworks for night-time

economy activities that are suitable to their local characteristics in order to preserve traditional culture values.

Furthermore, the UK Government experience is that developing night economy requires to balance the willingness of people who work at night, who want to have fun, shopping and party and who want to rest. Vietnamese Government also suggested that night-time economy development must be based on the balance of supply and demand, pay attention to the different needs of residents. Therefore, it is recommended that building night-time economy area should separate from residential areas in order to limit influence on people's lives.

Secondly, expanding and diversifying products and services at night, from dining, entertainment, art to shopping. Statistics of night-time economy structure in New York (United State) show that art fields such as museums, galleries, theater generate the second largest revenue after cuisine, then bars and discos. Depending on the local characteristics, different night businesses could be deployed. The night-time economy exploitation must be associated with the local cultural, art, sports and food strengths. Therefore, it is necessary to have close coordination between authorities to develop attractive, suitable, synchronous entertainment programs.

In addition, travel companies need to deploy night tourism services based on local cultural factors and widely advertise on the mass media to attract tourists. Moreover, the participant of commercial, service and entertainment enterprises should be encouraged. The shopping malls that are open overnight not only be attractive places for tourists and residents, but also stimulate night economic development. Cooperation between the government and enterprises should be considered in term of the form of cooperation, the duration of the cooperation, the rights and interests of each party.

Thirdly, to develop the night economy, it is necessary to formulate framework and policies that encourage healthy night activities with broad participation of all ages. It is suggested to review policies and legal frameworks related to night-time economy activities, focusing on regulations on the night-time economy areas, prioritized products, operating time, operating permission, operation conditions for firms and household business. For example, the management of casino, one of the potential night entertainment services, is still inadequate. Customers could play 24 hours, accompany by many complicated procedures to prove financial capacity. Casinos are not allows to be widely advertised to visitors. Other services like karaoke, dance hall, and bar are managed tightly that are a barrier to night-time economy development. Therefore, it is possible to consider easing some conditions for these services to develop night-time economy. Services that satisfy tourists have to be allowed. At the same time, the capacity of manage authorities should be strengthened to avoid complications and evils.

Furthermore, policies related to working conditions at night and protections of employees also need to be considered. Enterprises and employers engaged in night-time economy activities are required to ensure working conditions and the health of workers.

Fourthly, it is necessary to raise awareness of the Government, officials, citizen about the benefits and risks of night-time economy development through propaganda, training or research activities. The Government management agencies need to change the mindset, so that the unmanageable mindset is not allowed to restrain the development of the night-time economy. When local authorities, officials have better understanding and awareness of night entertainment

activities, there will be policies to promote night-time economy and control risks. It is suggested to eliminate the opinion that forbids night-time activities due to difficult control. In addition, it is also necessary to educate and propagate people to understand the important role of night economy development, eliminate negative preconception about night activities and raise people's awareness of vigilance, denouncement and self-protection.

Fifthly, it is recommended to facilitate public infrastructure for the night economy, including social security, traffic and health care system...to improve comprehensive and safe access to night-time activities.

Night-time economy development requires strengthen measures to ensure the safe social security environment with the participation of police and militia in the area in order to minimize negative impacts such as drunkenness disorder, anti-social behavior, crime. Traditionally, night-time economies have been managed using reactive approaches to problem occurring. However, in recent times, a proactive and preventive approach through surveillance patrols has been applied to night-time economy management in many countries in order to immediately stop negative problems even when it does not happen (Ashton et al, 2018). Therefore, it is necessary to install the surveillance camera systems and apply software to manage night-time economy activities.

It is suggested to increase service time at night of public transport services such as buses, trains to meet the transport demand of people and tourists. In Viet Nam, bus routes often end early at 9 to 10 pm, hindering night-time economy development.

Developing night-time economy requires ensuring the healthy management of night-time economic activities, control and limit the negative impacts from those activities, and ensure the safety of participant.

Sixthly, implementing financial solutions to support night economy development

The night economy creates significant revenues for the state budget from taxes on services or business, value added tax, environment protection tax... To promote night economy development, the government may consider implementing tax exemption and reduction policies for businesses and service households, or exemption from renting premises, renting land, land use... Besides, the policy of supporting electricity and water bills for eligible restaurants and night time businesses. Each shop operating at night may be considered for a reduction of its electricity bill per kWh of electricity consumed at night. It contributes to reducing the cost burden for night-time business. Furthermore, subsidies for night-time business or improve ability to access bank capital are also recommended solutions to promote night-time economy development. The supporting policies have to be transparent about the conditions to receive.

Besides, the Government needs to diversify forms of investment, creating favorable and open mechanism for infrastructure investment project and tourist and entertainment resorts, promote and attract foreign direct investment and capital from overseas Vietnamese community.

5. Conclusion

Night-time economy has become a growing trend for countries and cities around the world. It also contributes to the economic growth of a country. For Vietnam, night-time activities was born several years ago, however, it has not real night economy and not strongly developed. In

order to encourage night-time economy, it is recommended to understand the situation of night-time activities and implement comprehensive solutions.

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