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Natural resources limitation and the impact on sustainable development of enterprises

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Abstract

Sustainable development is currently the pioneering trend in the world and in Vietnam. Manufacturing businesses need raw materials and natural resources as inputs. Once these resources are limited they will negatively affect the sustainable development of businesses. The paper analyzes the limitations of natural resources in the context of Vietnam and how to overcome their limitations on the sustainable development of businesses. The paper provides a number of policy implications for authorities and business managers on the issue of sustainable development under conditions of limiting natural resources.

Keywords: natural resources, sustainable development, business, Vietnam

1. Introduction

Natural resources play an important role for economic development. It not only provides raw materials and space for social production but also serves the direct needs of human life. The development and richness of each country depends quite a lot on resources. Many developed countries rely on exploiting natural resources to export foreign currencies and modern technology equipment. It can be said that natural resources in particular and the natural environment in general have a decisive role for the sustainable socio-economic development in each country, each territory and every locality.

The issues of rational use of natural conditions, natural resources, inefficient use and exploitation of natural resources for the purpose of economic development are of utmost importance such as exploiting natural resources, at the same time improving and protecting the environment for sustainable development. In order to solve the issues raised, one of the important content areas that needs attention and participation of geographers in general and landscape researchers in particular is research and consideration that fully and synchronously characterizing the natural conditions by regions, analyzing and evaluating them in an aggregate manner for specific practical application purposes, for production and economic development, maximizing the use of natural resources and protecting the environmental and ecological conditions of the territory at the same time. At the same time, it is necessary to have the intervention of local authorities at all levels, join hands with businesses and people to exploit, renovate and protect natural resources for the country, for life and for sustainable economic development of firms.

Vietnam is one of the countries with rich and diversified natural resources in the world. However, due to lack of synchronous management, obsolete exploitation technology, especially the exploitation and use of unreasonable groups of resources are the causes leading to the waste of national resources, their degradation, exhaustion, that threatens the sustainable development of the country.

With a natural area of more than 331,000 km², a coastline longer than 3,260 km, Vietnam has a variety of geology, topography, relatively abundant mineral resources, some of which have large reserves such as oil, gas, coal, iron, copper, bauxite, lead, zinc, tin, apatite, rare earth, minerals used as construction materials. Many kinds of minerals have been exploited for domestic demand and some for export. At the same time, Vietnam also has many forest ecosystems, with a variety and abundance of animal and plant species, with more than 42,000 species identified.

Experts in this field said that: Although Vietnam has many types of minerals, the reserves are

not much. The total amount of surface water (about 830 billion m³ / year), underground water (about 63 billion m³ / year) is quite large, due to the narrow topography, many sloping areas to the sea, especially more than 60% of the surface water comes from from abroad, local and regional water shortages often occur, sometimes, very harsh places in many localities. The statistics of the Ministry of Natural Resources and Environment show that: The whole country has more than 1,000 large and small mines, but due to scattered small mineral mines not uniformly and uniformly managed, leading to the situation of loss of resources, exacerbation of environmental pollution, especially exploitation by outdated technology, have caused deforestation, soil erosion, sedimentation and pollution of rivers, streams and coastal areas. Results of surveys and studies on losses in mineral exploitation and processing conducted by the Ministry of Natural Resources and Environment show that: The recovery of gold ore in processing (total recovery) is only from 30 to 40%; the level of losses in apatite mining ranges from 26 to 43%; metal ore exploitation of 15% to 30%; building materials from 15% to 20%... Natural resources in Vietnam are abundant but not endless and it directly affects the economic development of Vietnam in general, and businesses in particular. In order to better understand the current situation of Vietnam's natural resources, the importance of natural resources to enterprises, from that, propose some solutions to solve outstanding problems, the author decided. Select this topic as the research topic.

2. Theoretical framework

2.1. Natural resources

Natural resources are the total value of material available in nature (materials and raw materials created by humans that humans can exploit and use in life and production). These are necessary conditions for the development of human society. Natural resource classifications included.

Natural resources are an important resource element of the production process. On the scale of the planet, without natural resources, there would be no human existence

Natural resources are the basis for capital accumulation to help develop stably in almost all countries. Capital accumulation requires a long process closely related to domestic consumption and foreign investment attraction. Many countries, thanks to the nature's favor, have abundant natural resources. By mining raw products for sale or can diversify the economy. Create initial sources of capital accumulation for industrialization and modernization of the country.

Thus, it can be seen that natural resources play an important role. In the development of processing, mining and raw material supply industries fuel other economic sectors and help transform the domestic economic structure. The abundance of natural resources will help countries to be less dependent on other countries. That country can grow more stably and independently, especially when the world natural resource market is unstable.

Natural resources commonly classified include as renewable and non-renewable resources. Renewable resources (soil, organisms, fresh water) are type of natural resources that sustains and replenishes continuously when used and managed appropriately. However, if not used properly. This

resource type can be degraded and become non-renewable resources. Non-renewable resources include limited natural resource. May disappear and transform after use. For example, the mineral resources of a mine will be exhausted after mining. Genetic resources will be lost with the destruction of rare creatures

2.2. Natural resource and development of enterprises

The operation of the economic system to create wealth for human society is shown in the figure.

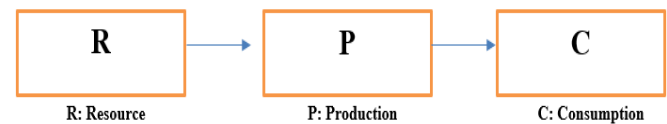


Fig 2: Natural resources and enterprise

The operation of economic system Resources (R) are exploited by people from environmental systems such as coal, wood, oil, etc. The exploited resources are used to process products serving people. This process is production (P). The products are distributed circulation and the next process is the consumption process (C). Thus, the economic system has formed an energy flow from resources to production and consumption. The enterprise is an organization that uses resources to produce products for consumers.

3. Natural resources' contribution to national economic growth and development

3.1. Current state of natural resources

With population growth and the number of industries, the demand for natural resources is increasing continuously over the years. The use of natural resources in the world in general and in Vietnam in particular is taking place in a negative direction. Our natural resources are now shrinking in both quantity and quality. There is an always-on danger that these resources will soon run out if we do not find ways to conserve them in the future.

Vietnam has more than 39 million hectares of natural land. The area of land used for socio-economic purposes is 18,881 million hectares, accounting for 57.04% of the natural land fund, of which agricultural land accounts for 22, 20 % of natural land and 38.92% of land area in use. There are still 14,217 million hectares of unused land, accounting for 43.96% of the natural land fund. The special location and topography make the Vietnamese soil have a common nature of the humid tropics but it is very diverse and clearly differentiated from the plains to the high mountains, from the North to the South and from the East to the West. The potential land for agricultural cultivation of the whole country ranges from 10-11 million hectares, the area used is only 6, 9 million hectares, of which 5.6 million hectares are land for annual crops (rice: 4, 144 million hectares; annual crops, cash crops: 1, 245 million hectares) and 1.3 million hectares of land for growing fruit trees and other perennial trees (coffee, rubber, rolling trees, pepper, orange, lemon, tangerine).

The fertile alluvial soil has created favorable conditions for Vietnamese enterprises to export the second largest rice in the world. Large feralite soil and concentrated distribution are conditions for the development of industrial crops,

bringing Vietnamese enterprises to the second position. The world's largest pepper export is one of the world's major exporters.

If considered in the whole country, our country's surface water resources are relatively abundant, accounting for about 2% of the total flow of rivers in the world, while the land area of our country only accounts for about 1,359% of world.

Our country has a dense network of rivers and streams with 2345 rivers with a length of over 10 km, an average density of 1.5 - 2 km of rivers / 1 km of area, going along the coast about 20 km to meet a door river. The total flow of all rivers flowing through the territory of Vietnam is 853 km, of which the total number of streams generated in our country is only 317 km. The proportion of outside water flowing into our country is relatively large, up to 60% of the total river water nationwide, particularly for the Mekong River is 90%.

Our country has an abundant amount of underground water, about 130 million m³ / day, meeting 60% of the country's fresh water needs.

Our country has also developed 35 sources of mineral springs, including 169 sources of water with temperatures above 300°C.

Abundant water resources are development opportunities for businesses to exploit and develop transportation, hydropower, husbandry, and capture fisheries.

Vietnam has 3260 km of coastline with a territory of 226,000 km², an area of aquaculture capacity of 2 million ha, of which 1 million ha of fresh water, 0.62 million ha of brackish water and 0.38 million ha salt water. Most of this area has been put into use for fishing or aquaculture. Our country also has 2,028 species of marine fish, including 102 types of high economic value, 650 types of seaweed, 300 species of mollusks, 300 species of crabs 90 species of shrimp, 350 species of coral. Vietnam's sea has a fish reserve of about 3.6 million tons. There are also 40,000 hectares of coral reefs 250,000 hectares of coastal mangroves with high biodiversity. At the same time, our country has 290,000 hectares of marshes and 100,000 hectares of lagoon. It is advantageous for seafood enterprises to develop marine resources.

Vietnam has up to three-fourths of the area covered with hills and forests, covering more than 30% of the area. Vietnam's forests are a valuable resource store and an important part of the forest ecological environment, making fresh air and regulating the climate.

There are about 8000 species of vascular plants, 800 species of moss, 600 species of mushrooms, 275 species of mammals, 820 species of birds, 180 species of reptiles, 471 species of freshwater fish and over 2000 species of marine fish living in the territory of Vietnam.

High and reasonable forest cover reduces surface runoff immediately after rainfall, slows down floods, regulates flow between the rainy and dry seasons, etc.

Vietnam is located between two major mineral belt of the world, Pacific Ocean and the Mediterranean. Geological exploration in the last 40 years has discovered and assessed the reserves of 5000 mines and ore points, belonging to 60 types of mineral floor minerals accounting for 40% of the total value of natural resources.

Large-scale minerals such as coal, bauxite, tin, iron, apatic,

copper, chrome, gold, gemstones, glass sand and especially oil.

Mineral resources play a very important role in the development of industry, regulating the development of industries, based on the strengths of minerals that some industries in Vietnam have developed quite strongly such as petroleum, metallurgical construction materials production.

The main types of minerals exploited are still oil, gas and coal, accounting for 90% of the mining and quarrying output. The untapped resources are storage assets, providing long-term advantages for the country and future generations. Minerals are an important source of industrial production, indirectly for services, contributing significantly to the economy as well as a driving force for economic development. The contribution of minerals has been on an upward trend in recent times, due to the increase in the market price of these resources and the increase in mining output, with deep investment in exploration activities to discover more new mines.

3.2. Impact of natural resource on sustainable development of enterprises

Natural resources and the environment are hot issues, becoming one of the special concerns of society. The natural resources of our country continue to decline, depleting in both quantity and quality. The destruction of forests, including watershed forests and protection forests for timber extraction or arable land, has not been completely prevented; New plantations need a lot of money, have time, moreover, their economic value and biodiversity cannot be compared to natural forests. Agricultural land fund is also declining due to the rapid pace of urbanization and industrialization. The situation of hanging and deserted planning wastes land resources, while farmers lack cultivation land. That's not to mention the immediate and long-term consequences of global climate change. According to scientists, Vietnam is now one of the countries directly affected by climate change (in the past 40-50 years, the annual average temperature of Vietnam has increased from 0.5 - 0.7 Celsius degree, the sea level rise will be 20 cm, the sea level rise will have a strong impact on economic sectors, firstly agriculture. Scientists have warned that if the agricultural land is flooded due to the effects of climate change, it will affect 15% of the population, equivalent to 12-15 million people. It also means that the quality of life of many people will be significantly affected, and clean water is now an urgent issue in urban areas - places considered to have a higher level of development, not to mention rural and remote areas.

Besides, environmental pollution has reached an alarming level. According to a report by the Ministry of Natural Resources and Environment, Vietnam currently has 110 industrial parks in operation, of which nearly 1/3 have appropriate systems to treat wastewater and other hazardous waste. In general, the pollution of water, air and land environment due to wastes of all kinds from production, business activities and human activities has reached an alarming level.

Facing this situation, sustainable development has become a top concern of countries around the world, in which businesses play an active role in realizing the nation's sustainable development goals. Economic growth is

considered the basis for poverty reduction and human development. The concern is the sustainability of this growth process. Some of the current growth models are depleting and destroying natural resources, leading to increased inequality. Therefore, the green growth model associated with economic development, sustainable environmental protection is a new direction for businesses towards sustainable development in accordance with the current development trend.

3.3. Green growth as new business orientation

Green growth is a new approach that not only brings economic benefits, but also aims to restore and conserve self-study ecosystems, minimize the impacts of climate change and ensure sustainable development.

There are many approaches to promote green growth but mainly include: sustainable production and consumption; reducing greenhouse gas emissions and adapting to climate change; greening production and business activities through green technology development. Besides, attaching importance to developing high industries, using less resource and applying clean production measures; building sustainable infrastructure; protecting, exploiting and effectively using resources; reform and application of economic instruments; developing and implementing ecological indicators.

Since 2012, the Government of Vietnam has signed a Decision approving the National Green Growth Strategy and on March 20, 2014, the Prime Minister approved the National Action Plan on Green Growth for the period 2014-2020. These are important legal bases for Vietnamese businesses to set and implement a green growth strategy.

In fact, although green growth has been paid much attention by many localities and applied by many businesses, its importance has not been really appreciated compared to promoting economic growth. The main reason is that most people and businesses do not fully understand the urgency of green growth. This will be a special weakness for Vietnamese enterprises in the context of globalization today, when companies want to attract capital and seek customers and partners from abroad. Today, professional financial institutions have green growth targets in their investment assessments and citizens are becoming more and more sensitive to businesses' environmental impact.

A green economy is defined as an economy that improves people's lives and social assets, while focusing on reducing environmental hazards and resource scarcity (United Nations Environment Program, 2010). That is what businesses pursue. But in Vietnam, for every business executive, green business is an open category where each has its own interpretation. Therefore, there have been different behaviors in the business direction of the business. Many businesses when putting this strategy as a long-term vision, the fact that the immediate activities are not associated with the orientation of sustainable development and environmental protection, green business only stops at the slogan. Because in fact, the program "Vietnam Green Label" has been implemented since 2009, but so far only two businesses meet the standards.

In fact, there is a certain difference between growth and sustainable development. When pursuing sustainable development, businesses are also forced to sacrifice benefits

over a period of time. However, businesses should be aware that accompanying the challenge is an opportunity for businesses to develop products and services that meet the needs of society to implement a green growth strategy, innovating technology and enhancing production efficiency. According to experts of the Ministry of Planning and Investment, the implementation of greening in the production process in enterprises will play an important role to promote a green economy. More than anyone else, businesses and workers will directly participate in the production process, promoting economic development.

Green economy is one that brings happiness and equality to society and mitigates climate change. Therefore, green business must be responsible for the community of each business, each person. For businesses, green elements include green technology, green products and even green human resources; thinking so that everyone understands and understands social responsibility, managerial thinking and policymakers to have sanctions to ensure everything is complied with and ensure businesses are encouraged to be responsible for their business.

4. Solutions and recommendation to use natural resource in sustainable economic development

Vietnam's development goals have been determined by Party and State: from now to 2020, striving to make our country basically become an industrialized country towards modernization. However, at a high rate of economic development, rapid population growth will lead to a large amount of natural resources being exploited and increasing production and consumption wastes. This shows that, in order to develop economy and improve human life, it is necessary to promote research and application of scientific and technological advances, and on the other hand, to promote the economicization of natural resources and environment. Dialectical combination between these goals is an indispensable and indispensable requirement of the sustainable development of the country and the cause of strong industrialization and modernization of the country.

4.1. Solutions

Firstly, it is to change the perception of economic entities in the direction of the new direction needed for economic development (both macro and micro) in preventing the rapid change in ecological awareness in their economic activities, disrupting the way of thinking: an economy in harmony with the environment will damage the profit target, high economic growth is the central issue to do first while protecting the environmental resources. The school will implement later and have more money to correct if environmental pollution occurs.

Secondly, the inclusion of environmental resources issues in the development of national development plans in general and in the development of the spoken-language economy must be considered as one of the important solutions to overcome the challenge of environmental resources; It is necessary to soon turn environmental resource protection into an economic sector and economic policy to regulate development activities. That is both a goal and a condition for the economy to grow fast and sustainably.

Third, it is to minimize the limitation of conflicts between the economic system and the ecological system through the

adaptation of economic objectives and the challenge of impacting it on ecological needs. Exploiting and using resources in natural systems, renewable systems in economic growth. It is important to understand that the rules of development are limited in each ecosystem used on the principle of protection and sustainable development. Developing and stimulating the goal of harmonizing economic growth and protecting the environment by using new technologies, implementing technology transfer, implementing green and clean technologies in international business activities.

Fourthly, the application of economic measures in environmental management taxing possible products and causing environmental pollution to collect fees on economic activities that pollute the environment and ban the operation of production facilities which cause environmental pollution, resolutely handle environmental violations committed by organizations and individuals according to the environment law; investment incentives for friendly economic activities, improving the natural environment.

4.2. Recommendation

In addition to the recommendations of the WB, to manage mineral resources well, the authorities need to take timely and synchronized measures. The first thing to do is to soon complete and announce the mineral plan in the new period clearly. That is a very important basis for relevant departments and localities to formulate plans, programs and plans for implementation.

The inspection and examination needs to be stronger and more frequent. Resolutely suspend and strictly handle illegal mining, transportation and trading of minerals in the area. It is necessary to clearly identify the responsibilities of the heads if letting the exploitation, transportation and sale situation without any preventive measures be strictly handled in their respective localities.

Whether natural resource management is strengthened or not is due to a full-time staff. Therefore, the concerned ministries and branches as well as localities must attach importance to the human resource training process; fostering and reorganizing the existing staff appropriately in order to gradually raise the initiative, efficiency and responsibility of officials.

4.3. Conclusion

Natural resources are extremely important factors in the input stage of the production process as well as the needs of human life. Its role is further enhanced in the current social conditions, when knowledge and technology are products that are solved by policies of technology transfer, production modernization, etc. Originally, a country's proprietary medicine would be an advantage for that country, if the right use of this resource would help that country grow and its businesses would benefit from that resource. This is for long-term, more sustainable development.

Particularly for Vietnam, although it is endowed with abundant resources, the current exploitation situation is facing an alarm, the risk of inadequate resources waste and inefficient exploitation, polluted environment. The Government needs strict management measures before this situation to ensure the economy for long-term sustainable

development.

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