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IMPACT OF GLOBALIZATION ON INDUSTRIAL AND SERVICE DEVELOPMENT IN VIETNAM

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This study uses the Johansen co-integration test method and error correction model to assess the impact of globalization on the development of industry and services in Vietnam during 1995-2016. Research results show that globalization has an impact on promoting the development of industry and services in Vietnam towards industrialization and modernization. In addition, foreign direct investment, trade balance and exchange rates have a positive impact on the development of industry and services in both short and long term. The research results also show that reserves have a positive effect on long-term industrial and service development. However, this effect is not significant in the short term. Based on the analytical results, the paper proposes a number of recommendations to promote the development of industry and services in Vietnam in the current globalization trend.

Keywords: *Globalization, industrial and service development, co-integration, error correction model.*

1. Introduction

Globalization is a concept that reflects the changes in the world society and economy, created by the growing links and exchanges between countries, organizations and individuals from a perspective of economic, politics, culture, society... on a global scale. The process of globalization is associated with the increase in the number and intensity of mechanisms, processes and activities in order to promote cooperation between countries in the world as well as the integration of economic, politics, culture, society at the global level.

Since the late 1980s, globalization has been at an unprecedented pace and intensity, and has made great changes in the global economy as well as the economy of each nation when participating with varying degrees in this process. Structural change has taken place strongly, the agricultural sector in industrialized countries has shrunk and made way for the industrial and service sectors.

Vietnam is not out of that trend. The economic development of Vietnam in recent years has been associated with the strong development of industries and services. In recent years, industry and services have always accounted for over 80% of the total annual output of the economy. Globalization is believed to not only bring important and necessary resources to developing countries such as Vietnam to develop industry and services, shorten the industrialization process, catch and adapt to modern development trends, but also drastically change the content and steps of the process of industrialization and modernization. Therefore, an asked question is whether Vietnam can exploit the benefits of globalization for industrial and service development? To answer that question, this study uses co-integration techniques and error correction models to assess the impact of globalization on the development of industry and services in Vietnam.

This paper is organised as follows: after a short literature review of relevant studies on the impact of globalization on the development of industry and services in countries around the world, the methodology of the study is presented, the next section exposes the main findings, and the final section concludes the paper with important issues on policy recommendations.

2. Literature review

Impacts of globalization are topics of particular interest to research in both developed and developing countries. The system of available research on the impacts of globalization is quite diverse and plentiful. Studies often focus on analyzing the impact of globalization on economic growth, poverty and inequality, the environment, human development, and the development of a number of industries and services, especially manufacturing sector. Research documents often assess the impact of globalization mainly through various channels such as: foreign direct investment, trade openness, exports, exchange rates, foreign labor, technology, financial liberalization...

The relationship between globalization and industrial development, especially the manufacturing sector, has been a subject of considerable research in recent years. The system of research papers on the impact of globalization reports conflicting results on the relationship between globalization and the development of the industrial sector. Some studies find globalization has a positive impact on the industrial sector, while others claim that globalization has a negative impact on industrial development. Here are some typical studies:

Analyzing the impact of globalization on the total factor productivity (TFP) of manufacturing sector in Malaysia between 1990 and 2008, Sulaiman (2012) used variables representing globalization, including: foreign workers, foreign direct investment, technology, openness of the economy. The results show that foreign direct investment and the openness of the economy have a positive and statistically significant impact on TFP of manufacturing sector. The foreign labor variables and the number of technology agreements are not statistically significant, so the author argues that these two factors do not contribute to the manufacturing sector's TFP. Analysis for sub-industries in the manufacturing sector, globalization has the strongest impact on TFP in three sectors: manufacture of machinery products and equipment; manufacture of measuring and scientific equipment; manufacture of electrical and electronic products.

Ashuamah et al. (2016) studied the impact of economic globalization on the productivity of manufacturing sector in Ghana from 1961 to 2013. The results of the study indicate that globalization has a positive but not statistically significant effect on the productivity of the manufacturing sector in the short and long term. Therefore, the authors argue that Ghana's manufacturing sector does not benefit from globalization.

In addition to studies confirming the positive effects of globalization, some studies have suggested that globalization has the opposite effect on industrial development. Warburton (2012) examined the impact of globalization on structural changes in the US manufacturing sector during 1987-2010. The author argues that the productivity of the manufacturing sector has increased but the performance of this sector largely depends on national income. Change in the output of the manufacturing sector responds adversely to shocks associated with the national income and imports of the manufacturing sector.

Research results of Aluko et al. (2004) on the relationship between globalization and the manufacturing sector, a case study for Nigeria's textile industry, show that globalization has a strong negative effect production on capacity of manufacturing sector. Similarly, the study of Wilson (2010) also shows that globalization has an impact on industrial growth in Nigeria during 1986-2008. Research results indicate that trade openness has a negative effect on industrial growth, meaning that the higher Nigeria's openness, the worse the industrial sector is. Besides, the exchange rate has a positive impact on industrial growth in Nigeria during the studied period. Analyzing the effects of globalization on industries in Nigeria's economy from 1962 to 2009, Umaru (2013) concluded that globalization has negative effects on manufacturing, gas, solid minerals; and has a positive impact on agriculture, transportation, information and communication.

In addition, some documents show a mixed effect of globalization on the industrial sector. Studying the impact of globalization on industrial development in Nigeria in five decades 1960-2010, Ebong et al. (2013) concluded that globalization has an impact on industrial development in Nigeria. In particular, openness has a positive effect on industrial development, while financial globalization has an opposite impact on industrial development in the country during the research period. Results of Ojo et al. (2014) show that although Nigeria's manufacturing sector benefits from globalization, its level of development is modest. These results imply that globalization had a negligible impact on the manufacturing sector in Nigeria between 1980 and 2009. Similarly, when analyzing the impact of globalization on industrial growth in Nigeria from 1981 to 2014, Bynuyo et al. (2017) concluded that Nigeria did not benefit enough from globalization despite trade openness tends to increase industrial growth. The authors concluded that trade openness, foreign direct investment and exchange rates have a statistically significant effect on industrial growth. However, industrial growth in Nigeria is heavily dependent on imported goods.

Atta (2017) examined the impact of globalization on manufacturing sector in Ghana between 1985 and 2013. Using FDI as a channel to reflect globalization, the author finds a negative correlation between FDI and the manufacturing sector in Ghana. This negative effect stems from the liberalization of trade, finance and exchange rates. It realistically reflects fierce competition, increasing production costs, and the loss of confidence of local investors.

The relationship between globalization and the development of service sector is a new topic that has been studied in recent years. The number of studies on this topic so far is quite limited. Moreover, the research papers draw conflicting conclusions about the impact of globalization on the development of service sector. Goldar (2014) argues that globalization has a positive impact on service sector. Goldar's research results show that globalization increases output and improves the quality of the service sector, reducing costs in high-cost service sectors. However, Nyamekye (2016) concluded that globalization has a negative impact on the development of service sector. In his study, Nyamekye demonstrated that globalization has a negative impact on service sector output in Ghana in the period 1961-2013. Sekar (2006) argues that globalization has both positive and negative impacts on service activities. On the positive side, globalization tends to reduce service prices in high-cost areas, increasing output and improving service quality. On the negative side, globalization increases the level of competition, which can create turmoil as uncompetitive companies lose market share and their employees are laid off.

In summary, the system of available research on the impact of globalization on the development of industry and services in countries around the world is an important source of references that can be applied to analyze for Vietnam. From these studies it can be drawn that when considering the impact of globalization on the development of industry and services, it is necessary to consider the characteristics of globalization such as foreign direct investment, trade, exchange rates... However, the number of quantitative studies on the impact of globalization on the development of industry and services in countries around the world, including Vietnam is still quite modest. Therefore, this study is expected to complement previous studies by using quantitative models to analyze the impact of globalization on industrial and service development. Unlike previous studies, this study uses a comprehensive globalization index developed by Dreher (2006) and calculated annually for countries around the world.

3. Data and methodology

Data used in the study was aggregated from the database system of the websites: data.worldbank.org, ceicdata.com and kof.ethz.ch (updated 2019) is taken for the period from 1995 to 2016 (Table 1). This restriction on the period of data is due to unavailability of data on globalization. (In 2019, KOF released the data on globalization up to 2016).

To explore the impact of globalization on the development of industry and services in Vietnam, this study uses both the two-step method of Engle and Granger and the co-integration method of Johansen. The steps are performed as follows:

First, the time series used in the study will be tested for stationary properties by Augmented Dickey-Fuller unit root test (ADF). If the original series X_t is non-stationary then the ADF test contin-

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Table 1: *Variable description and data sources*

Variables	Description	Data source
IS	Industrial and Service value added (billion USD)	The World Bank Development Indicators Database
KOF	Overall globalization index	KOF Index of Globalization
FDI	Foreign Direct Investment is measured as a percentage of GDP	The World Bank Development Indicators Database
BOT	Balance of Trade is measured as export minus import	The World Bank Development Indicators Database
EXR	Foreign Exchange Rate which is the value of local currency units per dollar	The Ceic Database
Log(RES)	Reserves of Vietnam which include its holdings of foreign currencies and gold	The World Bank Development Indicators Database

Source: Authors' collection.

ues on ΔX_t (the first difference of the original series). If ΔX_t is stationary then X_t is integrated of order 1 or I(1).

If all the time series used in the study are integrated of order one, the Johansen test is performed to check for cointegration. Cointegration involves a certain stationary linear combination of variables which are individually non-stationary but integrated to an order. The Johansen test is performed on the original series of variables showing that for a set of non-stationary series, how many of their linear combinations are stationary. The two statistical methods used to determine the number of co-integrated equations among time series are Trace statistic and Maximum-Eigenvalue statistic.

If co-integration exists among the considered variables, in the next step, the optimal lag of the model will be determined based on the AIC (Akaike information criterion), SC (Schwarz information) standards criterion) and HQ (Hannan-Quinn information criterion).

Based on previous studies and test results, the model assessing the long-term impact of globalization on the development of industry and services in Vietnam is specified as follows:

$$IS_t = \alpha_0 + \alpha_1 KOF_t + \alpha_2 FDI_t + \alpha_3 BOT_t + \alpha_4 EXR_t + \alpha_5 log(RES)_t + u_t \quad (3.1)$$

where, α_0 is constant; α_i ($i=\overline{1,5}$) are parameters; u_t is error term.

To determine the short-term relationship between globalization and the development of the industrial and service sectors in Vietnam, equation (3.1) is transformed into an error correction model:

$$\Delta IS_t = \beta_0 + \beta_1 \Delta KOF_t + \beta_2 \Delta FDI_t + \beta 3 \Delta BOT_t + \beta_4 EXR_t + \beta_5 \Delta Log(RES)_t + \beta_6 u_{(t-1)} + \varepsilon_t \quad (3.2)$$

where, Δ is the first difference; β_i ($i=\overline{0,6}$) are parameters and β_6 is the speed of adjustment;

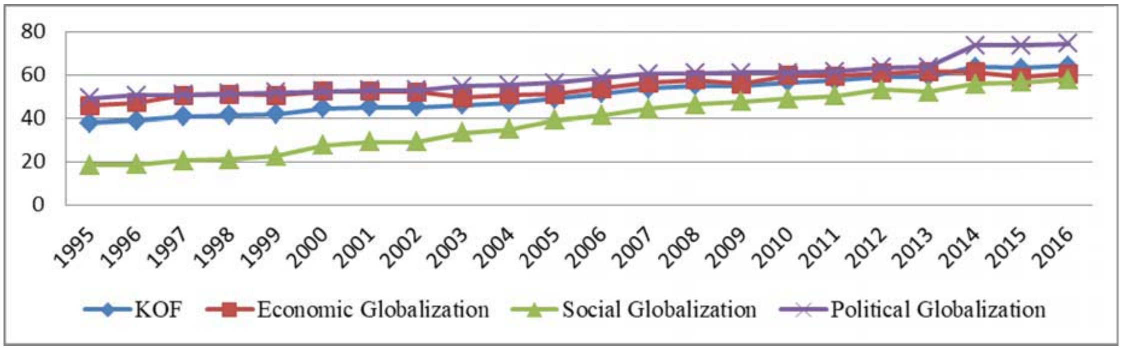
$u_{(t-1)}$ is one year period lag of error term of the model (3.1); ε_t is error term of the model (3.2).

Finally, there are some tests on the quality of the models and the reliability of the estimation results.

4. Results and discussion

4.1. The development of globalization level in Vietnam

Following the globalization trend, Vietnam has made positive progress in the process of global integration. In the period 1995-2016, the globalization level of Vietnam tended to increase. The KOF globalization index increased gradually from 37.94 in 1995 to 64.27 in 2016 (Figure 1). Among the three dimensions of globalization, the level of political globalization is the highest and always keeps a stable upward trend from 49.12 in 1995 to 74.32 in 2016; the economic globalization level ranked second, increasing more slowly and showing signs of decreasing in recent years; The level of social globalization ranked third and also gradually increased from 18.27 in 1995 to 57.77 in 2016. In 2016, Vietnam ranked 82/203 in the ranking of globalization. Of the three components of globalization, Vietnam ranked 92/203 in economic globalization, 75/203 in political globalization, and 129/203 in social globalization.



Source: www.kof.ethz.ch.

Figure 1: *The development of globalization in Vietnam, 1995 - 2016*

4.2. Industrial and service development in Vietnam

Globalization has shown clear values to Vietnam, the most populous globalized country in modern history. Vietnam's GDP per capita increased from 1,500 USD in 1990 to 2,587 USD in 2018. The value added of industry and services increased rapidly from 15.1 million USD in 1995 to 151.17 million USD in 2016, that foster the economy shifting towards industrialization and modernization. In recent years, industry and services have always accounted for about 80% of the total annual output of the economy.

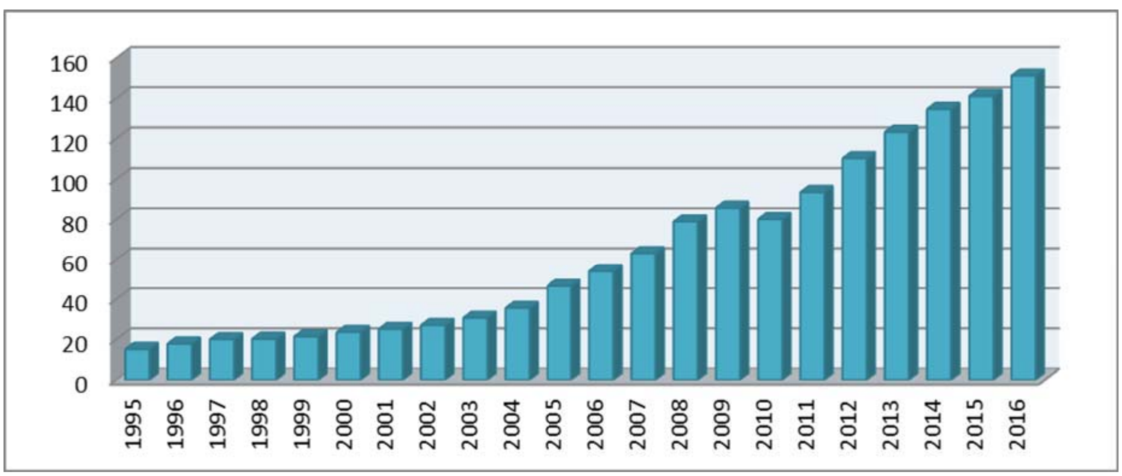
4.3. The estimation results of the models that analyze the impact of globalization on the development of industry and services in Vietnam

4.3.1. Unit root test results

The results of unit root test (Table 2) show that the time series IS, KOF, FDI, BOT, EXR and log (RES) are non-stationary at level. The results also indicate that all variables are stationary at the first difference and integrated of order 1.

4.3.2. Johansen cointegration test results

Johansen test results show that the hypothesis that no co-integration vectors does exist is rejected at 5% significant level (Table 3). Trace and



Source: Authors' calculations

Figure 2: *Industrial and service value added in Vietnam, 1995-2016*

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Table 2: *ADF unit root test results*

Variables	Level		1st Difference		Results
	t-statistic	Prob.	t-statistic	Prob.	
IS	-1.253069	0.8716	-4.686465	0.0074	I(1)
KOF	-3.180751	0.1149	-6.387872	00002	I(1)
FDI	-3.052740	0.1435	-3.624099	0.0533	I(1)
BOT	-1.426374	0.8221	-3.925940	0.0303	I(1)
EXR	-3.144654	0.1234	-3413245	0.0793	I(1)
Log(RES)	-2.094669	0.5176	-3.476472	0.0727	I(1)

Source: Authors' calculations based on Eviews software.

Maximum-Eigenvalue statistics both show that there are four co-integration equations among variables with 5% significance level. These results demonstrate the existance of long-term equilibrium relationship between IS and the explanatory variables in the model (3.1), and the relationship between variables can be represented by the error correction mechanism.

4.3.3. Optimal lag length

The optimal lag length of the model is selected based on AIC, SC and HQ criteria. The results in Table 4 show that the optimal lag of the model is 1.

4.3.4. The relationship between industrial and service development and globalization in short-term

Table 5 presents the results of estimating error correction model (3.2). The symbol ECT(-1) denotes the error correction term u_(t-1) of the model (3.1). The estimation results show that in the short term, globalization has the effect of promoting the development of industry and services. The estimated coefficient of the variable D (KOF) is 1.862305 with a 5% statistical significance which implies that in the short term, globalization has a positive impact on the development of industry and services.

Moreover, foreign direct investment, trade balance and exchange rates all have a positive impact on the added value of industry and services in the short term. The estimated coefficients of the variables D(FDI(-1)), D(BOT(-1)), D(EXR(-1)) are all positive and statistically significant. The coefficient estimation result of variable D(FDI(-1)) shows the strong impact of foreign direct investment on industrial and service added value at 1-period lag (1 year thereafter) in the short term. In addition, the estimation results show that log (RES) has a positive impact on the value added of industry and services in the short term, but the estimated coefficient of this variable is statistically insignificant.

The results in Table 5 clearly show that the error correction variable ECT(-1) is significant validating the error correction model specification. The coeffi-

Table 3: *Johansen cointegration test results*

Series: IS, KOF, FDI, BOT, EXR, Log(RES)							
Hypothesized No. of CE(s)	Eigenvalue	Trace			Maximum-Eigenvalue		
		Trace statistic	0.05 Critical Value	Prob.	Max-Eigen statistic	0.05 Critical Value	Prob.
None	0.968673	189.2780	9575366	00000*	69.26534	40.07757	0.0000*
At most 1	0.938697	120.0127	69.81889	0.0000*	55.83857	3387687	0.0000*
At most 2	0.799083	64.17409	47.85613	0.0007*	32.09731	27.58434	0.0122*
At most 3	0.670467	32.07678	29.79707	0.0269*	22.20158	21.13162	0.0353*
At most 4	0.387103	9.875196	15.49471	0.2905	9.791159	14.26460	0.2260
At most 5	0.004193	0.084036	3.841466	0.7719	0.084036	3.841466	0.7719

Source: Authors' calculations based on Eviews software.

Table 4: *Optimal lag length results*

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-5559376	NA	56.39355	6.843751	7.140542	6.884675
1	-44.83699	13.14717*	19.39453*	5.759665*	6.105921*	5.807409*
2	-44.75781	0.087981	21.99299	5.861978	6.257699	5.916543
3	-43.40398	1.353822	21.83251	5.822665	6.267851	5.884050
4	-43.40113	0.002536	25.46319	5.933459	6.428110	6.001665

Source: Authors' calculations based on Eviews software.

Table 5: *Estimation results of the error correction model (3.2)*

Independent Variables	Coefficient	Std.error	t-Statistic	Prob.
C	-0.285232	1.728034	-0.165061	0.8716
D(IS(-1))	0.293827	0.157347	1.867386	0.0865
D(KOF)	1.862305	0.649828	2.865844	0.0142
D(FDIR(-1))	377.0637	67.29702	5.602978	0.0001
D(BOT(-1))	0.663164	0.263884	2.513088	0.0273
D(EXR(-1))	0.005612	0.001561	3.593849	0.0037
D(LRES(-1))	1.542044	0.865640	1.781391	0.1002
ECT(-1)	-0.803083	0.320281	-2.507434	0.0275
R-squared	0.830125	Ramsey test (Prob.)		0.2413
Adjusted R-squared	0.731031	Breusch-Pagan-Godfrey test (Prob.)		0.9722
F-Statistic	8.377151	Breusch-Godfrey Serial correlation LM test		
Prob (F-statistic)	0.000809	(Prob.)		0.5962
Durbin-Watson stat	1.743462	Jarque-Bera probability		0.2226

Dependent Variables: D(IS).
Source: Authors' calculations based on Eviews software.

cient of error correction term has negative sign (-0.803083) as expected and it is significant at 5% level. Error correction term shows how fast the model returns to stability at any disturbance or shock. The speed of adjustment between short run dynamics and long run equilibrium value is 80.3%, meaning that about 80.3% of the discrepancy between long term and short term IS is corrected within a year (yearly data). The significance of the coefficient of ECT(-1) connotes the existence of a long run equilibrium relationship between IS and the explanatory variables in the model (3.2).

Furthermore, the coefficient of determination of the model (3.2), represented by R-squared value of 0.83, implies that 83 percent of changes in the dependent variable is explained by the included explanatory variables. The model pass the Ramsey tests for functional form misspecification (p-value is 0.2413). The model is free of autocorrelation in the specification because p-value of the Breusch-Godfrey Serial correlation LM test is 0.5962. The model is also free from heteroskedasticity problem, the Breusch-Pagan-Godfrey test show the variance of unobserved error is constant (p-values is 0.9722). The normality test indicates the score of Jarque-Bera probability (0.2226) is larger from α=5%.

The stability test is conducted by employing the cumulative sum of recursive residuals (CUSUM) and cumulative sum of squares of recursive residuals (CUSUMSQ). Fig.3a and Fig.3b plot the results for CUSUM and CUSUMQ tests for the stability of the model. The results indicate the absence of any instability of the coefficients because the plot of the CUSUM and CUSUMQ statistic fall inside the critical bands of the 5% confidence interval of parameter stability. The null hypothesis of all coefficients in

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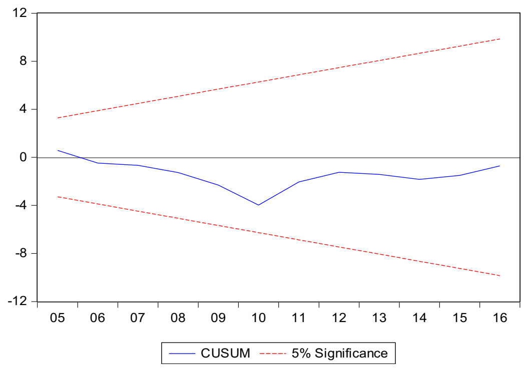

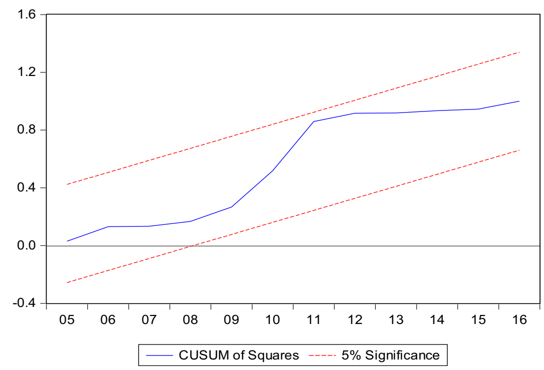

Source: Authors' calculations based on Eviews software.

Figure 3a: *Plot of cumulative sum of recursive residuals*

Figure 3b: *Plot of cumulative sum of squares of recursive residuals*

the given regression is stable and cannot be rejected, thus short-run and long-run coefficient estimation is reliable at 5% significant level.

4.3.5. The relationship between industrial and service development and globalization in long-term

The results of estimating the model to assess the impact of globalization on industrial and service development in long-term are presented in Table 6.

The overall globalization index significantly and positively influenced the industry and service value added in Vietnam on real degree 1%. The estimated results of the model (3.1) indicate that an increase of overall globalization index level as big as 1 unit will enhance the industry and service value added by 2.09 million USD, ceteris paribus. Thus, globalization has generated greater value added for industrial

Table 6: *The estimation results of the model (3.1)*

Independent Variables	Coefficient	Std. Error	t-Statistic	Prob.
C	-157.128	29.29903	-5.36289	0.0001
IS(-1)	0.257133	0.143207	1.79553	0.0942
KOF	2.091865	0.624709	3.348542	0.0048
FDIR(-1)	349.2593	78.05929	4.474282	0.0005
BOT(-1)	0.858153	0.258992	3.313428	0.0051
EXR(-1)	0.004811	0.001182	4.070684	0.0011
LRES(-1)	1.973297	0.974055	2.025857	0.0623
R-squared	0.996722	Ramsey Reset test		0.1086
Adjusted R-squared	0.995318	Breusch-Pagan-Godfrey test (Prob.)		0.2671
F-Statistic	709.5884	Breusch-Godfrey Serial correlation LM test		
Prob (F-statistic)	0.0000	(Prob.)		0.6633
Durbin-Watson stat	1.694589	Jarque-Bera probability		0.4176

Dependent Variables: IS.
Source: Authors' calculations based on Eviews software.

and service sector in Vietnam. It could be concluded that for Vietnam to achieve accelerated industrial and service development, it is highly necessary to fully integrated the economy into global economy.

Foreign direct investment has a positive and statistically significant effect on industry and service value added in Vietnam with an impact coefficient of 349.2593. This result implies that foreign direct investment has a strong impact and plays an important role in the development of industry and services in Vietnam during the research period.

The estimation results of the model (3.1) show a positive and statistically significant coefficient of the trade balance and exchange rate. In addition, reserves have a positive effect on industry and service added value. Therefore, international trade, exchange rates and reserves have a positive impact on the development of industries and services in Vietnam in the long run.

The R2 adjusted results reveal that more than 99% of the total variation of industrial and service development can be explained by changes in the level of globalization and other key macroeconomic variables. The results of the diagnostic tests demonstrate that the basic conditions of the reliability of the estimated results are guaranteed. Furthermore, the ADF test result on the stationary property of the error term of the model (3.1) shows that the unit root hypothesis is rejected with a 5% significance level (p_value of ADF test equals 0.0163), thus, the error term of the model (3.1) is stationary.

5. Conclusions and recommendations

This study uses the Johansen co-integration test method and error correction mechanism to analyze the impact of globalization on the development of industry and services in Vietnam during 1995-2016. The results show some remarkable findings as follows:

i) Firstly, globalization has a positive and significant impact on industrial and service development in Vietnam in the short run as well as in the long run. Vietnam has enjoyed certain benefits from globalization. The industrial sector and the services are exploiting the benefits of globalization to create growing value added and expanding share in the structure of the economy. The findings of the results revealed that the Vietnamese economy is gaining from globalization and the presence of globalization could enhance industrial and service development in particular and economic development in general.

ii) Secondly, foreign direct investment has massive effect on the development of the Vietnamese industry and services sectors in the short run as well as in the long run. Globalization has helped increase foreign direct investment and Vietnamese industry and service sectors can harness benefits of globalization. Moreover, globalization has also helped increase foreign trade. The trade balance has contributed positively to the industrial and service development. In addition, exchange rate was found to be positively influential toward industrial and service development. The study further showed that reserves positively affects industrial and service performance in the long run but it has insignificant impact in the short run.

Thus, the analysis results show the positive signals about the development of industry and services under the impact of globalization, that help us to have an optimistic view on the benefits of globalization and international integration in the current context. To promote the development of industry and services in Vietnam and exploit the benefits brought about by globalization, some recommendations based on the analysis results are proposed as follows:

First, in the coming time, the government should continue to support the development of Vietnam's globalization level to promote the development of industry and services, thereby promoting the development of the economy.

Second, the process of globalization has a significant impact on FDI inflows into Vietnam. On the one hand, globalization provides an opportunity for the economy to access a broad capital market, increase the competitive advantage for a number of existing investment attraction factors, and create a

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number of factors that attract new investment. On the other hand, the globalization process also creates more fierce competition pressure to attract FDI and reduces the comparative advantage of some factors that have attracted FDI such as natural resources and cheap labor costs due to plentiful young human resources but lacking in skills. Therefore, the government needs to have strategies and policies to encourage and promote foreign direct investment in order to attract qualitative, sustainable and high value-added FDI with stronger positive spillover effects to take advantage of the trend of moving capital, technology and management skills in the region and global, creat a breakthrough for industry and service development.

Third, globalization, trade and financial liberalization continue to grow in level, scale and form of expression with positive and negative impacts, very complex mingled opportunities and challenges. Therefore, in the coming time, trade policies, including export policies, need to be completed in line with international practices, continue to contribute to promoting the development of industry and services towards contributing more on improving the quality of growth of the economy. Exchange rate management policy also needs to be proactive, flexible and appropriate, ensures macroeconomic stability, creates a platform to increase exports, and has an impact to promote industry and services development in a more practical way.◆

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Summary

Nghiên cứu này sử dụng phương pháp kiểm định đồng tích hợp Johansen và mô hình hiệu chỉnh sai số để đánh giá tác động của toàn cầu hóa đến sự phát triển công nghiệp và dịch vụ ở Việt Nam giai đoạn 1995-2016. Kết quả nghiên cứu cho thấy toàn cầu hóa có tác động thúc đẩy sự phát triển công nghiệp và dịch vụ ở Việt Nam theo hướng công nghiệp hóa, hiện đại hóa. Bên cạnh đó, đầu tư trực tiếp nước ngoài, cán cân thương mại và tỷ giá có tác động tích cực đến sự phát triển công nghiệp và dịch vụ trong cả ngắn hạn và dài hạn. Kết quả nghiên cứu cũng cho thấy dự trữ có ảnh hưởng dương đến sự phát triển công nghiệp và dịch vụ trong dài hạn. Tuy nhiên, ảnh hưởng này không có ý nghĩa trong ngắn hạn. Dựa trên các kết quả phân tích, bài viết đề xuất một số khuyến nghị nhằm thúc đẩy sự phát triển công nghiệp và dịch vụ ở Việt Nam trong xu thế toàn cầu hóa hiện nay

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