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Further Analysis of Economic Innovation Models

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ABSTRACT

This article focuses on analyzing **Further Analysis of Economic Innovation Models** in recent years. Method: Methodologies include Qualitative research method: synthesis and inductive methods. Yashoda, et al. (2022) stated that Frugal innovation has become popular in value and implementation of frugal innovations throughout the globe and has shown the benefits it offers to underserved customers in both developing and developed countries. We also expand SWOT model by adding Value part analysis on it. Results: Authors stated opportunities **for values adding including but not limit to:** levels of R&D will influence benefits/values of global commerce among countries; hence, we need suitable model for sustainable development toward green criteria, as well as transforming smart cities and enhancing connection among urban areas in regions.

Keywords: SWOT; Factors; R&D; Economic innovation; Technological change.

1. Introduction

Covid-19 has provided a good opportunity to test the ability of smart solutions to solve social problems at the urban scale as well as create more momentum for the development of smart cities. In the fight against the pandemic, many smart technologies have been used to replace conventional implementation methods. Real-time monitoring and big data analysis have brought impressive results, forecasting and making effective decisions to respond to situations that arise.

Sustainable urban development: The Covid-19 pandemic in particular and future pandemics in general pose an urgent need to develop cities in a sustainable, resilient and environmentally friendly direction.

On the urban economy, the pandemic has reduced the revenue of many cities, reducing the ability to implement urban development plans. The pandemic has also exposed the vulnerability of cities globally. Cities with major economies based on industrial or tourism development, and cities dependent on food supply chains, have suffered heavy losses. This requires a transformation of urban development models towards a more diversified economic structure and better self-sufficiency of cities (source: moc.gov.vn).

2. Previous studies

Large Western corporations frequently collaborate with their subsidiaries in developing countries to develop products that meet local needs (Immelt et al., 2009), allowing them to combine advanced knowledge with local know-how to create appropriate solutions. We summarize in below table:

Authors	Year	Content, results
Bhagavatula et al.	2010	Developing countries are increasingly seeing new types of innovation that provide high value at a low cost.

George et al.	2012	Typically, innovations are created in developed countries and then transferred to developing countries.
Ahuja et al.	2021	However, in recent decades, there has been a tremendous increase in innovation in resource-constrained environments, particularly in developing countries.
Apa et al.	2021	Absorptive capacity is therefore an all-important input to expand the innovation capacity and to maintain the sustainability trajectory of the innovation landscape.

(Source: Author Synthesis)

3. Methodology

3.1. Methodology

- Qualitative research method: We also uses comparison and synthesis method, combined with analytical and inductive methods, whereas we take advantage of historical (combined with) dialectical materialism method for our qualitative analysis.

- Quantitative research methods: Authors use scientific results as reference.

4. Main findings

4.1. Background

For Vietnam, 2020 was considered relatively successful in terms of fighting the pandemic and economic targets with a growth rate of 2.91%. However, in 2021, with the complicated developments of the Covid-19 pandemic caused by the Delta variant, our country's growth targets had to be adjusted and were lower than the set plan. As an economy with a high degree of openness (over 200% of GDP), the world economic developments due to the impact of the Covid-19 pandemic have been deeply affecting Vietnam's economy. In the economic field, the Covid-19 pandemic has had a negative and direct impact due to social distancing, isolation, and blockade measures at home and abroad, disrupting trade, investment, and production activities. The impact also comes from the fiscal and monetary solutions of countries to cope with and recover the economy. More importantly, Covid-19 has changed the perceptions and behaviors of the Government, businesses and people about globalization, economic independence, consumption, investment, national governance, etc. Thereby changing economic and geo-economic trends in the long term and these trends are forecast to have multi-faceted, complex and profound impacts on Vietnam's economy not only in the short term but also in the medium and long term.

The prospects for global economic growth and major partners greatly affect Vietnam's economic growth. Vietnam's economy is affected in two directions by reduced growth and export demand from countries due to Covid-19 as well as measures to restore growth after the pandemic.

In the difficult context of the global economy, Vietnam needs to be very proactive in terms of development resources in the short and medium term. In the short term, it is necessary to focus on building a strategy for economic recovery and sustainable development. In the medium and long term, it is necessary to continue to promote efforts to improve the investment and business environment, restructure the economy, accelerate the

development of the digital economy and national digital transformation, improve the quality of national governance, innovate the industrialization model, promote urbanization and rapid, effective and sustainable urban development in harmony with rural agricultural development (source: moc.gov.vn).

4.2. Innovation models

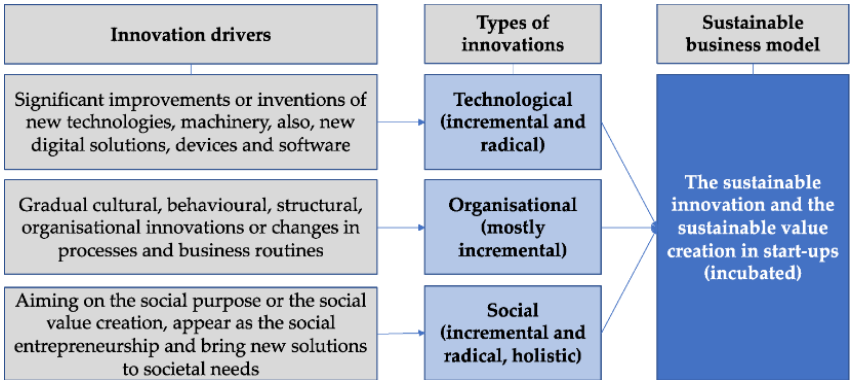

Figure 1. Types of innovation (Source: Iveta et al., 2022)

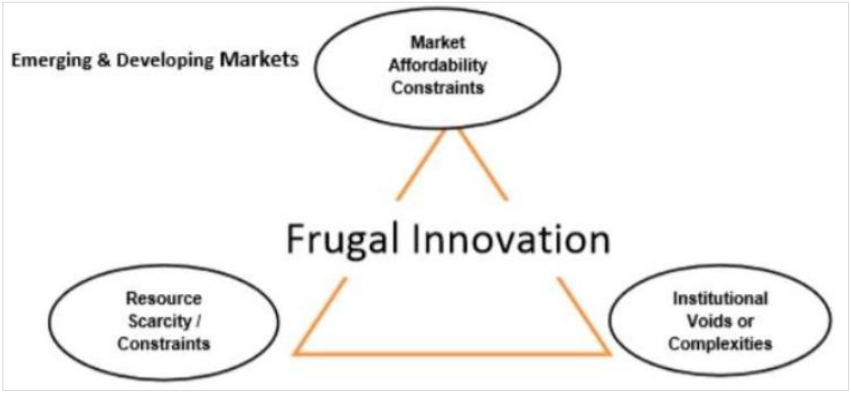

Figure 2. Frugal innovation model (Source: Frugal, 2018)

Frugal innovation (FI) has evolved as a modern approach to providing products, services, and business models to low-income consumers.

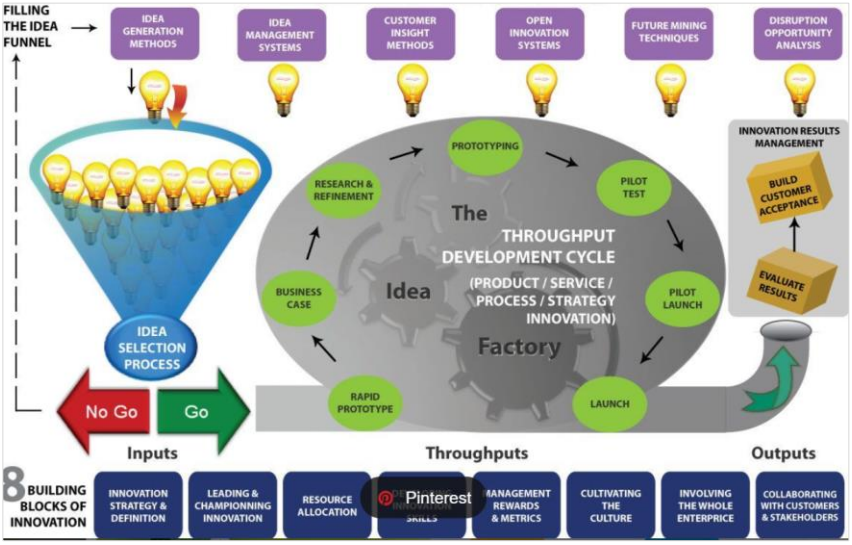

Figure 3. Tucker innovation model (Source: Collaboration with Dr. Peter Chee, ITD Group)

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4.3. SWOT analysis

Table 1. SWOT analysis and Values

Values	- levels of R&D will influence benefits/values of global commerce among countries.
Strengths - the deep level of R&D will affect commercial activities (and of enterprises).	**Weaknesses** - using many old technologies. - somehow new technological change does not bring any success.
Opportunities - technological innovation will bring or improve productivity, esp. In long term econ growth/development. - Covid 19 bring opportunities for smart solutions for social issues in smart cities.	**Threats** - Covid 19 reduces turnover/revenue of many regions (municipals). - Urban Flooding seriously affects production, daily life and activities of people; damages construction works, destroys technical infrastructure works, disrupts traffic, pollutes the environment.

(Source: Author Analysis)

5. Conclusion

For an agricultural country, he proposed an agro-industrial economic structure; considering agriculture as the leading front to ensure food security for industrialization and a solid rear for the revolutionary cause.

President Ho Chi Minh pointed out: The economy we are building is a socialist economy with modern industry and agriculture, advanced science and technology. “On the basis of an increasingly developed socialist economy, capitalist exploitation is gradually eliminated, the material and cultural life of the people is increasingly improved”.

The socialist economy must be established on the basis of public ownership of the means of production. In the transitional period, that economy still has four main forms of ownership: “State ownership means ownership of the entire people. Cooperative ownership means ownership of the collective of working people. Ownership of individual workers. Some means of production are owned by capitalists”, in which “the state-owned economy is a form of ownership of the entire people, it leads the national economy and the State must ensure its priority development”. Thus, Ho Chi Minh was the one who soon proposed the policy of developing a multi-sector economic structure during the transition period to socialism in our country.

He emphasized: Our first important task is to build the material and technical foundation of socialism and affirmed the necessity of industrialization: “To ensure a happy life forever, we must industrialize socialism”, “industrialization of socialism is still the common goal to strive for, the path to true prosperity for our people”. He talked about the role of heavy industry: “To successfully build socialism, we must be determined to develop heavy industry well”.

President Ho Chi Minh paid great attention to the work of researching and disseminating science and technology to serve production. He pointed out: “Science must come from production and must return to serve production, serve

the masses, in order to increase labor productivity and constantly improve people's lives. The task of science and technology is extremely important, so all sectors and all people must participate in scientific and technical work" (source: hcmcpv.org.vn).

Last but not least, Authors stated opportunities **for values adding including but not limit to:** levels of R&D will influence benefits/values of global commerce among countries; hence, we need suitable model for sustainable development toward green criteria, as well as transforming smart cities and enhancing connection among urban areas in regions.

Declarations

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This study did not receive any grant from funding agencies in the public, commercial, or not-for-profit sectors.

Competing Interests Statement

The authors declare no competing financial, professional, or personal interests.

Consent for publication

The authors declare that they consented to the publication of this study.

Authors' contributions

All the authors took part in literature review, analysis and manuscript writing equally.

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