FACTORS AFFECTING ECONOMIC DEVELOPMENT POLICIES IN NEW RURAL CONSTRUCTION: A REGULATORY IMPLICATION

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Abstract

Economic development in new rural construction is necessary to improve agricultural communities' quality of life and income while enhancing rural sustainability (Wang, 2022). This study aims to find the factors influencing the economic development policies in new rural construction in Vietnam, thereby discussing several aspects that contribute to improving the implementation efficiency of economic development policies in new rural construction. The methods used included descriptive statistical data analysis, exploratory factor analysis, and structural regression analysis. The analytical data were collected through a survey of 544 citizens in the Mekong Delta region of Vietnam. SPSS_20 and AMOS_24 software were used for data analysis, scale estimation, and hypothesis testing. The study results show that there are six factors influencing the economic development policies in new rural construction, including 1) infrastructure; 2) innovating agricultural production; 3) financial support policy; 4) labor market and employment policies; 5) diversified economic development; 6) local policies and management of local governments. The results of this study can help administrators understand and implement economic development policies in new rural construction (Wu et al., 2023). We can refer to this study to conduct further studies that require a large number of survey subjects in large areas.

Keywords: Factors, Economic Development Policies, New Rural Construction, Vietnam

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1. INTRODUCTION

Building new rural areas in the urbanization process aims to orient planning, infrastructure investment, and economic environment and social services development by urbanization orientation (Ao et al., 2020). We are gradually preparing for regional urbanization while avoiding the waste of investment resources. The development of cities, industries and services helps create more jobs, transform the labor structure, reduce the rural labor force and increase the area of arable land (Chia et al., 2014). The development of industries and services will help increase people's incomes, creating conditions for investment in agriculture and rural areas (Tang, 2021). At the same time, the development of agriculture and manufacturing areas will support the development of industry, services, and labor in urban areas.

The economic development policy in new rural construction has attracted the attention of many researchers. However, many aspects such as infrastructure and technology for economic development have not been analyzed in depth, which reduces the ability to access and apply scientific and technological achievements in production and management (Prus & Sikora, 2021). Another gap is the need for mechanisms to ensure the participation of local communities in the planning and implementation of development projects. Current research needs mechanisms for policy evaluation, monitoring and adjustment. This makes the policies unable to quickly adapt to changes in reality. Current policies need solutions to strengthen regional economic linkages, which leads to localized development and lack of mutual support between regions (Yin et al., 2022). To overcome these gaps, there should be innovation in the approach, formulation, and implementation of new rural economic development policies, ensuring close links between sectors and regions and the participation of all relevant subjects.

Building new rural areas gradually connects them with modern socio-economic infrastructure and financial structure, connecting agriculture with industrial and service development and rural development with urban areas according to planning. People's material and spiritual lives are increasingly improving (Bryden & Munro, 2000). The pace of urbanization is happening quite rapidly in many localities. Building new rural areas combined with the urbanization process to form progressive residential areas has infrastructure suitable for the operation of industrialization and modernization of agriculture. We should restructure the agricultural economy, creating momentum for the development of commodity production (Curry, 2010). Economic growth in new rural construction contributes to shifting the labour structure from agriculture to non-agriculture, gradually creating conditions and environments to use the on-site labour force (Xuefeng, 2007). The purpose of this study is to explore factors affecting economic development policies in new rural construction. The research questions are as follows:

RQ1: What factors influence the rural economic development policy?

RQ2: What solutions does the government have to implement the rural economic development policy?

The study was conducted through an experimental method by surveying residents within a selected area in Vietnam. Feedback from the respondents was collected and assessed for relevance. In recent years, localities in Vietnam have actively changed the direction of production and business, creating economic development and poverty reduction movements. Many households have become pioneers of effective economic development models. People have built new rural areas, creating the appearance of rural regions with many innovations (Do & Park, 2019). Economic development will strengthen and promote many aspects of rural development. Improving living standards will promote the transition of labor from agricultural to non-agricultural occupations (Yang et al., 2019). Faster acceleration of urbanization and the movement of high-quality labor from the agricultural sector will reduce the efficiency of agricultural production development (Xue et al., 2023).

The study will help policymakers, administrators and local governments consider rural infrastructure, energy and environmental criteria when creating new rural areas. More attention should be paid to economic development and positive change of rural life when creating new rural areas (Yurui et al., 2021). It promotes the leading role of cooperatives and enterprises in terms of investment capital, workforce development, and production and consumption markets. Thus, it will achieve the goal of efficient and sustainable construction of new rural areas.

Currently, many rural areas have not grown similarly for many reasons, including differences in geographical location, traditional industries, resources, and market advantages. Local authorities are not interested in implementing economic development solutions and increasing people's income (Bisogno et al., 2023).

The remainder of the paper is structured as follows. Section 2 includes a theoretical overview of the study. Section 3 describes the research method, including sample selection, data analysis, and research steps. Section 4 presents the research results using quantitative methods, including testing the scales and the structural model performed. Section 5 discusses the results and recommendations. Section 6 concludes the paper with relevant suggestions for future research.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Currently, most countries divide their territory into rural and urban areas, differentiating them according to criteria and standards (Hausmann & Rodrik, 2003). Governments have used means of size and population density to differentiate between rural and urban areas, and Vietnam has relied on standards for regulation (Ao et al., 2020). According to the above statement, rural areas often have lower population and population density than urban areas (Lee & Gordon, 2005). However, historically, there are different points of view on the criteria for dividing into rural and urban areas. Some researchers believe that the main criterion for dividing should be the indicator of the level of infrastructure development (Ellis & Biggs, 2001). Another point of view is that one should rely on indicators of market access and product development to define rural areas. They believe that rural areas have lower levels of product production

and market access than urban areas (Murdoch, 2000). Incompatible concepts about rural areas have a negative impact on research on rural issues, which causes difficulties in planning policies for rural economic development.

2.1. Theoretical foundation

2.1.1. Building new countryside

According to Mei et al. (2022), the construction of modern villages is conducive to high-quality economic development in rural areas by improving farmers' ability to cooperate, including the prospects of improving production capacity, protecting the environment, and enhancing farmers' culture and awareness. However, traditional rural areas also need to be transformed into new, more developed, stable and sustainable forms of rural areas. Therefore, it is necessary to determine the overall structure to form a type of rural organization in line with modern standards consistent with social development, which is more progressive than traditional rural areas in all aspects. At the same time, many researchers believe that new rural areas aim to improve rural facilities (Asher & Novosad, 2020).

According to Do and Park (2019), there are many perspectives on the concept of new rural areas, including the vision of new rural areas as modern, civilized countryside that still retains traditional beauty. The pristine countryside can also be rural; it also includes the functionality of villages and communes where farmers gather and mainly engage in agriculture (Hoang et al., 2021).

According to Bryden and Munro (2000), new approaches are needed to develop rural economy. New rural areas have characteristics different from traditional rural areas. People's material and spiritual life is improved, traditional cultural values are preserved and developed, and social security and democratic governance are achieved (Bryden & Munro, 2000). However, technological capabilities, technological level, leadership ability and organizational culture significantly affect the construction of new rural areas.

Long et al. (2009) suggest that new rural areas should focus on building infrastructure to leverage economic development from other sectors and apply new science and technology to increase people's income. The researchers propose a new rural formula, a unique rural area that integrates new farmers and agriculture.

2.1.2. Economic development policy

Economic development is the process of development and progress in all aspects of the economy. It includes economic growth and, at the same time, completeness in terms of structure, financial institutions, and quality of life (Tang, 2021). The development of the economy is determined by the corresponding policies that create the primary conditions for economic growth and increase the production scale of the economy (Long et al., 2010).

According to Yin et al. (2022), the change in economic structure is reflected in the proportion of regions, agriculture, industry, services sectors, and financial sectors. The balance of rural and urban areas has changed in favor of urban regions, with an increasing proportion of service and industrial sectors (Yin et al., 2022). The quality of life of people in society has been improved, including education, health care, caring for people's spiritual life and guaranteeing living environment (Liu et al., 2015). Therefore, economic development policy is a process implemented over time and is determined by many internal factors that determine the entire development process.

According to Mróz et al. (2023), the rural economic development policy is a system of interacting factors in agriculture, forestry, fisheries, industry and rural services, combined with a program for the creation of rural areas as such. The economic development policy is a set of economic relations that are organically linked to each other in rural areas and in the entire region, locality and national economy. It helps rural areas to have a reasonable economic structure and form of production organization, linking agricultural commodity production with industrial and service development. In addition, it helps to combine agricultural development with urban development in accordance with planning; people's material and spiritual lives are increasingly improved (Hai, Le, et al., 2023).

The economic development policy in new rural construction aims to build modern agriculture linked to the development of industry, handicrafts, and pastoral services, transforming the economic structure and labor structure in a positive direction (Li et al., 2020). Science and technology are a breakthrough in economic development policy for building new rural areas, promoting the transformation of the agricultural financial system towards sustainability (Pettersson et al., 2024). In this context, it is necessary to diversify the forms of production organization and develop modern socio-economic infrastructure to serve rural economic development, forming industrial and service clusters, export processing zones, ecotourism zones, modern socio-economic infrastructure, and rural-urban development (Jie et al., 2023).

According to Wang (2022), rural reconstruction is important for building a new development model. Social and economic development policies should be implemented to promote rural reconstruction and development. Economic and social policies focus on rural recovery, promoting growth in rural areas to promote rural economic development (Wang, 2022). Promoting rural development and improving economic and social life in rural areas is a group of policies, including economic recovery and growth, implementing financial procedures beneficial to social development, and implementing public policies and social policies that create conditions for integrated development (Cooke & Leydesdorff, 2006). All these policies will contribute to the overall prosperity of rural areas.

According to Phuong (2023), the National Target Program for new rural construction in Vietnam has achieved significant results in terms of the scale and speed of implementing new rural construction standards. It promotes the construction of new rural areas and the development of the country's economy and society (Phuong, 2023). However, some limitations are yet to be identified in the structure of local standards, sustainability of criteria, investment resources for new rural construction, quality and value of products and

policies. Therefore, solutions and factors that affect this result should be found. The implementation of the National Target Program for new rural construction in Vietnam should be considered from an economic and political perspective. By assessing the achievements as well as the nature and causes of the limitations, our study proposes solutions that will promote the effective implementation of the new rural construction policy across the country.

According to Wu et al. (2023), the authors argue that rural development depends on the construction industry's success due to the industry's high employment rate. The development role of the construction industry in rural areas and this phenomenon need to be researched. Therefore, the infrastructure factor is interesting. Deller et al. (2001) examine the impact of the construction industry and policies on sustainable rural development. Revenue, the growth rate of the construction industry, construction policy, and industrialization are positively associated with sustainable rural development (Wu et al., 2023). As a country's infrastructure improves, rural development will increase. Policymakers should consider how to effectively apply improvements in the construction industry to promote sustainable rural development (Ozkan et al., 2012).

According to Yao and Sun (2023), the advancement of information technology and digital technology has quickly penetrated all areas of the economy and is accelerating the process of rebuilding the infrastructure. It becomes a new driving force to promote economic growth and lead rural development. Applying information technology achievements to infrastructure development is necessary (Yurui et al., 2021).

According to Wei and Claire (2022), economic policy will promote agricultural development through promoting green agrarian development. According to the authors, appropriate economic policies should be built in the process of global integration, combining the digital economy and agriculture (Wei & Claire, 2022). The government should improve governance and formulate economic policies to create a suitable legal environment for green agricultural development (Xuefeng, 2007). At the same time, it should help farmers build financial awareness and professional skills to become economic professionals. Local conditions should develop agricultural development policies (Henisz, 2000).

In addition, a number of studies are interesting in the context of mentioning the theory and practical experience of sustainable development, which brings high economic benefits to local communities and protects the environment (Ricket et al., 2023). This is also important for the analysis of factors influencing economic development policies in new rural construction and their application within the research model of this work.

2.2. Conceptual framework of the study

The framework of economic development policies in new rural construction is based on the available research. The study initially models the framework that there are six factors affecting the economic development policies in new rural construction, including 1) infrastructure; 2) innovating agricultural production; 3) financial support policies; 4) labor market and employment policies; 5) diversified economic development; 6) local policy and local government governance.

The following hypotheses were proposed based on available research theories for factors influencing economic development policies in rural areas.

H1: Infrastructure factors affect the economic development policies for new rural construction.

H2: Agricultural production innovation factors affect the economic development policies for new rural construction.

H3: Financial support policies affect the economic development policies for new rural construction.

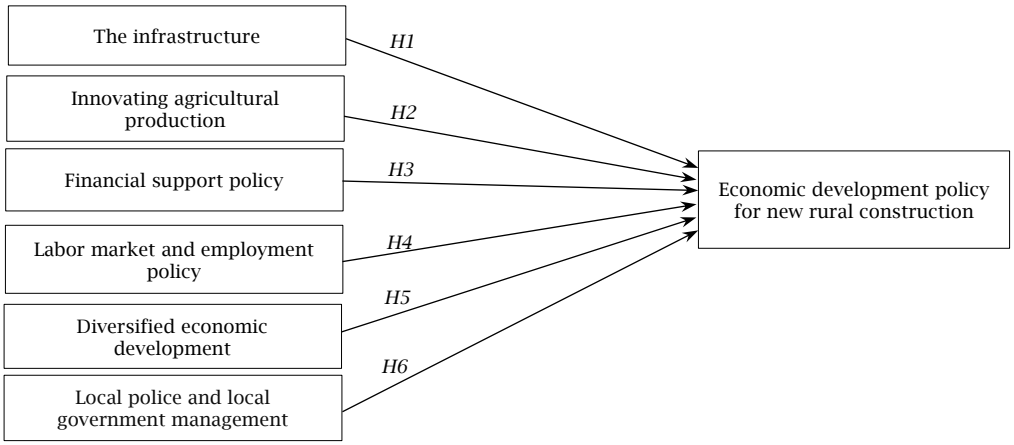
H4: Labor market and employment policy factors affect the economic development policies for new rural construction.

H5: Diversified economic development factors affect the economic development policies for new rural construction.

H6: Local policy and local governance factors affect the economic development policies for new rural construction.

The research structure is shown in Figure 1.

Figure 1. Conceptual framework



Source: Authors' elaboration.

3. RESEARCH METHODOLOGY

The method of data gathering was used for this article. A questionnaire was developed on factors affecting economic development policies for new rural construction. The questionnaire contains questions assessing (on a Likert scale) factors influencing economic development policy in rural construction, including infrastructure factors, innovative agricultural production, financial support policy, labor market and employment policy, diversified economic development, and local policy factors and local government management.

The demographic characteristics of the respondents are presented in Table 1.

Table 1. Demographic characteristics of the sample

Characteristics and survey area	*Number of respondents*	*Percentage*
1. Survey area	**544**	**100%**
Hau Giang	45	8.3
Soc Trang	70	12.9
Bac Lieu	48	8.8
Can Tho	98	18.0
Tra Vinh	59	10.8
An Giang	94	17.3
Ca Mau	58	10.7
Kien Giang	72	13.2
2. The gender	**544**	**100%**
Male	276	50.7
Female	268	49.3
3. Age (years old)	**544**	**100%**
< 30	141	25.9
30–40	135	24.8
40–50	82	15.1
> 50	186	34.2
4. Education	**544**	**100%**
Master or PhD	34	6.3
College or Bachelor	170	31.3
Professional diploma holders	116	21.3
Other	224	41.2
5. Occupation	**544**	**100%**
State employees	48	8.8
Company leadership	65	11.9
Researchers	36	6.6
Business staff	110	20.2
Technical staff	59	10.8
Teacher	94	17.3
Freelance labor	58	10.7
Other	74	13.6
6. Monthly income (million VND)	**544**	**100%**
< 10	125	23.0
10–20	151	27.8
20–30	82	15.1
> 30	186	34.2

To achieve the aim of the current research, the questionnaire was adapted from prior studies such as Do and Park (2019), Hai et al. (2023), and Phuong (2023). A 5-point Likert scale was used, ranging from "Strongly Disagree" (marked 1) to "Strongly agree" (marked 5). The questionnaire was distributed to 550 people in the Mekong Delta, Vietnam. A total of 544 valid responses were collected. The data collection process lasted four months (May to August 2023).

To evaluate the data collection for the research factors influencing economic development policy in new rural construction, the research method including scale appropriateness testing, exploratory factor analysis and structure testing were used. Survey responses were coded and analyzed using SPSS Version 20.0 and SPSS Amos 24.0 software to check the consistency of scales and factors, including the reliability of the Cronbach's alpha rating scale. Cronbach (1951) proposed the alpha coefficient to measure the internal consistency of variables within the same group. Cronbach's alpha can be used to assess the reliability of a scale and eliminate unreasonable variables from a research model (Cronbach, 1951).

Exploratory factor analysis (EFA) was conducted to assess the convergence and discriminant values of each variable within the factor group. The Kaiser-Meyer-Olkin (KMO) test should reach a value of 0.5 or higher ($0.5 \leq KMO \leq 1$); Bartlett's test should be < 0.05; total explained variance ≥ 50%; factor loading > 30% (Hair et al., 2010). Confirmatory factor analysis (CFA) to test the representativeness of the observed variables was assessed based on criteria such as unidirectionality, reliability, convergence, and specificity (Hu & Bentler, 1999).

Structural equation modeling (SEM) on AMOS was used to test the structural validity. The model has the index CMIN/df ≤ 5; CFI ≥ 0.8; RMSEA ≤ 0.08; PCLOSE ≥ 0.01 will be accepted (Hu & Bentler, 1999).

4. RESEARCH RESULTS

Cronbach's Alpha coefficient was used to check the strong correlation between rankings. Data analysis results in Table 2 show that all seven scales have high reliability. Cronbach's alpha coefficient is > 0.8, and the total correlation coefficient is > 0.3 (Cronbach, 1951). It demonstrates appropriateness for the scales.

Table 2. Results of testing the measurement scales

Scales of measurement	*Encode*	*No. of items*	*Cronbach's alpha*	*Corrected item-total correlation range*	*Mean*
The infrastructure	*INF*	6	0.914	0.664–0.860	2.977
Innovating agricultural production	*IAP*	6	0.885	0.634–0.826	3.366
Financial support policy	*FSP*	6	0.901	0.635–0.892	3.674
Labor market and employment policy	*LEP*	6	0.963	0.817–0.918	3.093
Diversified economic development	*DED*	6	0.930	0.681–0.890	3.974
Local police and local government management	*LPM*	5	0.944	0.749–0.915	3.620
Economic development policy for new rural construction	*EDP*	5	0.949	0.795–0.882	3.768

Source: Authors' calculation. Analysis of survey data by the authors in 2023, n = 544.

KMO test result = 0.864. Bartlett's test, Sig. value = 0.000 (< 0.05). The analysis results show that Eigenvalue = 1.408 (≥ 1). The sum of squares of the cumulative factor loading = 75.532% (≥ 50%), showing that the EFA model is appropriate (Hair et al., 2010). Therefore, all seven factors are retained in the research model, shown in Table 3.

The rotated matrix results in Table 3 show that 40 observed variables are classified into seven factors, and all observed variables have factor loading coefficients greater than 0.5 (Baumgartner & Homburg, 1996). Therefore, all seven factors are retained in the research structure.

Table 3. Rotated component matrix

Factor	Variable	Component						
		1	2	3	4	5	6	7
1	LEP5	0.927						
	LEP6	0.926						
	LEP3	0.894						
	LEP4	0.889						
	LEP1	0.886						
	LEP2	0.849						
2	DED5		0.932					
	DED6		0.930					
	DED1		0.853					
	DED4		0.840					
	DED2		0.763					
	DED3		0.737					
3	INF5			0.871				
	INF6			0.843				
	INF3			0.804				
	INF4			0.791				
	INF1			0.739				
	INF2			0.715				
4	LPM4				0.952			
	LPM5				0.933			
	LPM3				0.927			
	LPM2				0.851			
	LPM1				0.787			
5	FSP5					0.902		
	FSP6					0.899		
	FSP3					0.807		
	FSP2					0.728		
	FSP1					0.687		
	FSP4					0.653		
6	IAP6						0.890	
	IAP5						0.828	
	IAP4						0.811	
	IAP2						0.725	
	IAP3						0.717	
	IAP1						0.703	
7	EDP4							0.808
	EDP2							0.797
	EDP5							0.778
	EDP1							0.766
	EDP3							0.664

Source: Analysis of survey data by the authors in 2023, n = 544.

The test result determined Composite reliability (CR) > 0.7 means that the reliability of the scale is guaranteed: Average variance extracted (AVE) ≥ 0.5, Maximum shared variation (MSV) < AVE, Square root of AVE (SqrtAVE) > Correlation between constructs. Thus, the results of reliability and convergence testing in the structure (see Table 4) are guaranteed for all scales (Baumgartner & Homburg, 1996).

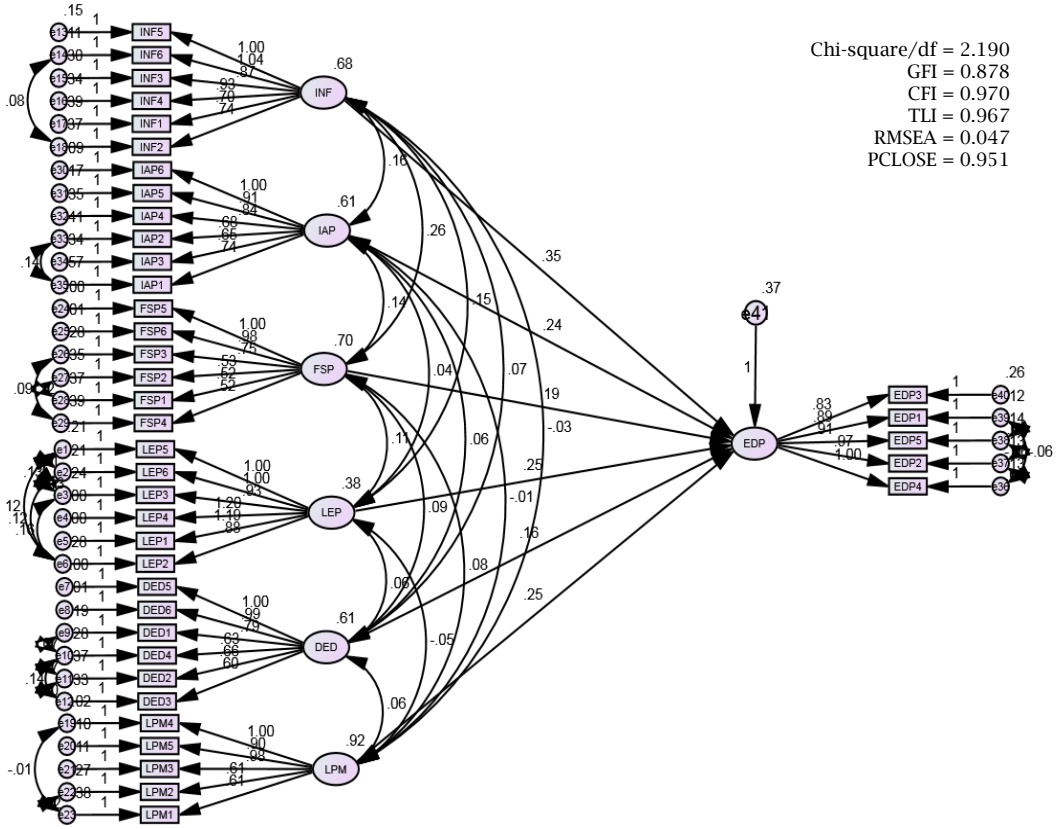
Table 4. Results of testing reliability and convergence in structure

Variable	CR	AVE	MSV	MaxR(H)	LEP	DED	INF	LPM	FSP	IAP	EDP
LEP	0.941	0.729	0.113	0.998	0.854						
DED	0.918	0.658	0.079	0.999	0.125	0.811					
INF	0.914	0.643	0.274	0.940	0.290	0.113	0.802				
LPM	0.941	0.764	0.084	0.980	-0.083	0.084	-0.029	0.874			
FSP	0.895	0.602	0.198	1.002	0.208	0.143	0.370	0.097	0.776		
IAP	0.886	0.571	0.141	0.926	0.091	0.102	0.256	-0.016	0.218	0.756	
EDP	0.950	0.791	0.274	0.954	0.336	0.281	0.524	0.291	0.445	0.375	0.890

Source: Analysis of survey data by the authors in 2023, n = 544.

Structural equation modelling (SEM) analysis (in Figure 2) shows Chi-square = 2.190; CFI = 0.970; GFI = 0.878; RMSEA = 0.047; TLI = 0.967; PCLOSE = 0.951 were both satisfactory and accepted according Schumacker and Lomax (2004). The results of the linear structural model analysis in Figure 2 show the consistency in the research design. The results of testing the linear structure of the model of factors affecting economic development policy for new rural construction, shown in Figure 2, also show a significant value (*p-value*) for LEP = 0.000 (< 0.05), DED = 0.000 (< 0.05), INF = 0.000 (< 0.05), LPM = 0.000 (< 0.05), FSP = 0.000 (< 0.05), IAP = 0.000 (< 0.05), EDP = 0.000 (< 0.05). The significant value has proven an impact relationship between the independent and dependent variables (Hu & Bentler, 1999).

Figure 2. Results of testing the structure



Note: CMIN/DF — Chi-square divided by degrees of freedom; RMSEA — Root mean square error of approximation; GFI — Goodness of fit Index, CFI — Comparative fit index; TLI — Tucker-Lewis index.
Source: Authors' elaboration.

The standardized regression coefficient results in Table 5 show factors affecting economic development policies for new rural construction, including *INF* = 0.332, *IAP* = 0.217, *FSP* = 0.181, *LEP* = 0.178, *DED* = 0.147, and *LPM* = 0.273.

Table 5. Results of testing reliability and convergence in structure

The relationship direct effects	*Estimates*	*Sig.*	*Standardized estimates*
INF------> EDP	0.349	0.000	0.332
IAP------> EDP	0.240	0.000	0.217
FSP------> EDP	0.187	0.000	0.181
LEP------> EDP	0.251	0.000	0.178
DED------> EDP	0.162	0.000	0.147
LPM------> EDP	0.247	0.000	0.273

Source: Analysis of survey data by the authors in 2023, n = 544.

5. DISCUSSION

The study's findings show that six factors affect economic development policies for new rural construction: infrastructure, innovative agricultural production, financial support policy, labor market and employment policies, diverse economic development, local policies, and local government management.

Testing hypothesis *H1* confirms that infrastructure has an impact on economic development policies for new rural construction (standardized coefficient is 0.332). Therefore, *H1* is accepted. Infrastructure such as roads, electricity, and clean water are essential to stimulate economic development and rural people's lives. The government provide stable and efficient energy sources, including electricity, biofuels, and renewable energy, to ensure sustainable development and reduce environmental impact (Trung et al., 2021). In addition, building a wastewater treatment system protects the environment and water sources while reducing health risks. The construction and infrastructure support of education and health systems enable the provision of quality education and health services to the community, as well as promote the construction of rural infrastructure and enable farmers to benefit from basic public services. It also represents a new way of promoting rural urbanization, replacing the traditional practice of living within the village (Wang et al., 2019).

The government should create retail outlets and markets to enable people to buy and sell goods and services conveniently. Support farmers with agricultural infrastructure such as equipment, cold storage and product handling facilities to add value

to agricultural produce (Nayyar & Malhotra, 2023). The construction of cultural infrastructure such as libraries, cultural centers and theatres contributes to the cultural development of society. Investments in infrastructure are therefore necessary to create a new, attractive and sustainable rural living environment. Quality infrastructure helps improve living conditions and increase the competitiveness of rural areas.

Testing hypothesis *H2* confirms that agricultural production innovation's impact on economic development policy for new rural construction (standardized coefficient is 0.217). Therefore, *H2* is accepted. Agricultural support policies and the application of new technology in agricultural production can improve rural people's productivity and income. Innovations in agricultural production are an integral part of creating new rural areas, increasing the productivity, efficiency, and sustainability of the farming system.

Transition to organic and sustainable agriculture helps reduce the use of chemicals and protect the environment. Investing in research and development in the agricultural sector helps create innovative solutions that are tailored to local conditions and stimulate innovation (Van der Ploeg et al., 2012). Promoting cooperation between farmers and enterprises helps farmers access new markets and access information to improve production efficiency (Tshikovhi et al., 2023). Policy support and incentives from the government help create a favorable environment for innovation and sustainable agricultural development. Innovation in agricultural production helps increase farmers' incomes and contributes to the sustainable development and modernization of rural areas (Cao & Solangi, 2023).

Testing hypothesis *H3* confirms that the financial support policy affects the economic development policy for new rural construction, (standardized coefficient is 0.181). Therefore, *H3* is accepted. The government should have policies to support farmers in changing careers by providing financial support and training to farmers who want to change jobs or expand their businesses to areas other than agriculture. In addition, the government should develop policies that specifically support women farmers, including providing training, capital, and information to engage them in business and professional activities; and formulate social security and labor insurance policies to protect their rights and ensure a stable living standard of rural workers (Madaki et al., 2023).

Testing hypothesis *H4* confirms that the labor market and employment policies influence economic development policies for new rural construction (standardized coefficient is 0.178). Therefore, *H4* is accepted. Creating employment opportunities and improving working conditions can enhance rustic attractiveness and reduce urban pressure. The labor market and employment policies are essential in building new rural areas. Creating and maintaining stable employment opportunities in rural areas helps improve community income and promotes sustainable development (Nguyen, 2022).

Testing hypothesis *H5* confirms that the impact of diversified economic development on the policy of economic development of new rural construction (standardized coefficient is 0.147). Therefore, *H5* is accepted. Encouraging diversity in economic activities such as agriculture, food processing, and services can create stability and increase resilience to fluctuations (Ozkan et al., 2012). Diversified economic development in the building of new rural areas is an important goal to enhance the stability and sustainability of rural communities. Economic diversity helps reduce risks from different challenges and creates opportunities for innovation and growth.

The government should encourage diversity in agricultural production, including crop farming, animal husbandry, and processed food production; develop agricultural product processing solutions to create additional value; develop agricultural tourism to attract visitors to the community by providing unique agricultural and folk-art experiences (Rangarajan et al., 2012); support the development of the arts and crafts industry and create products with rural cultural characteristics for sale in the market; develop supporting services in rural areas, such as tourism development, guided tours, hotel services and professional education.

The state encourages the development of renewable energy projects such as solar power, wind, or bioenergy to generate new sources of income and protect the environment (Pham et al., 2023). The government should develop policies to support and fund startups and potential projects in rural communities. The diverse economic development process in rural areas must be considered comprehensively and integrated with economic, social, and environmental factors (Shiu & Lam, 2004).

Testing hypothesis *H6* confirms that local policy and local management affect economic development policies for new rural construction, (standardized coefficient is 0.273). Therefore, *H6* is accepted. Local government should have appropriate land management and distribution policies to ensure fair and sustainable agricultural and other land use (Pan et al., 2017). Create support programs to encourage collaboration between farmers and communities, including supporting the formation and development of cooperatives.

Local government policies and administration should be designed and implemented flexibly to reflect each rural community's specific needs and conditions (Peng et al., 2022). Local authorities' support and commitment are essential in creating a sustainable and positive development environment in new rural construction. Local government decisions and policies can influence how rural communities develop and exploit opportunities (Peng et al., 2021).

6. CONCLUSION

The hypothesized research structure was tested on the scales to show the appropriateness of the factors. The results of the study verified the structural model of factors affecting the policy of economic development of new rural construction. Among them, six factors show the level of influence affecting economic development policies in new rural construction, including 1) infrastructure, 2) innovating agricultural production, 3) financial support policy, 4) labor market and employment policies, 5) diversified economic development 6) local policy and local government management. Thus, the results achieved in the study have satisfied the set objectives.

Some contents were discussed and proposed to help policymakers understand the relationship between independent factors such as infrastructure, innovative agricultural production, financial support policy, labor market and employment policy, diversified economic development, local policy, and local government management with economic development policy in new rural construction. Policymakers should make adjustments in infrastructure development investment, improve the lives of people in the area, link economic development with society and environmental protection, and develop diverse markets.

Researching factors affecting economic development policies in new rural construction has many essential advantages; it helps identify the main factors affecting economic development in rural areas, such as infrastructure, education, health, and the environment. This helps governments and regulatory agencies develop more appropriate and effective policies. The research results provide a scientific and practical basis for developing specific economic development strategies for each region suitable for each locality's conditions and characteristics. Understanding the influencing factors helps optimize resources and invest in areas that impact economic development most, avoid waste, and increase budget efficiency.

Economic development policies based on scientific research will contribute to improving the living conditions of rural people by increasing income, creating jobs, and improving public services. Understanding economic factors related to the environment and society helps develop sustainable development policies, ensuring economic development goes hand in hand with environmental protection and social development. Thus, researching factors affecting economic development policies in new rural construction provides essential scientific knowledge in implementing policies for effective and sustainable economic development.

In addition, research findings may need more diversity in approach and methods, omitting important factors or not fully reflecting reality's complexity. In many rural areas, economic, social, and environmental data may need to be completed; accurately assessing factors' impact on economic development is a big challenge. These limitations require researchers and policymakers to have a flexible approach, diversify research methods, and continuously update data on emerging factors, which will ensure the effectiveness and feasibility of economic development policies in new rural construction.

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