

TODAY'S VIETNAM - SOCIAL PROJECT AND REALITIES

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It is important to follow the events of the social, economic, political and cultural life of Vietnam. It is hardly easy, as it deals with a complex and very diversified society, full of dynamism and presently going through a process of deep going transformation that it is not always easy to perceive in all its contours. In fact, as everywhere else, the facts do not correspond to the intentions and a number of contradictory realities intermingle.

I. The Project

Vietnam had got out of the war situation since 1974, yet it was still living in international isolation. The aspirations of the population to action a better standard of living was becoming more pressing. The weight of the state organization was becoming an obstacle to economic and social progress. From 1981 reforms in the organization of economy were introduced. These took the form of a decentralization of productive work - mainly transferring more responsibility from the rural co-operatives, to family units.

However, it was in 1986 that the most spectacular reform was made. This was in the same direction as previously though it amounts to a considerable advance (the first steps having served especially as a test). Thus in the countryside, the tool of the co-operatives (in the North, as they never really functioned in the South) became essentially bodies of service and collective organizations

to perform certain tasks (irrigation, labour).

Small scale businesses were liberalized. A segment of the economic activities of the state was privatized, especially in favour of small and middle local enterprises. The opening to the foreign capital increased, with the classic advantages in the fiscal sphere, but maintaining the rule of 51% of Vietnamese equity.

At the most one can offer ways of reflection, based on factual observations. A gap of several years was necessary before these measures were actually implemented and the unforeseen consequences of these measures took some time to appear.

(I) The positive effects

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In brief, one could say that:

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In the face of the collapse of the East European societies, it is an idea that has become very attractive. This permits the escaping from the rigidities of the previous models and avoiding the adverse effects of capitalism, which are very widespread in the countries of the South.

2. The temporary lessons of the experience

It is of course too early to pass judgement on the experience in pro-

dynamism they resulted in.

Vietnam remains a very poor country, yet it is moving forward. Hanoi has become a big market, to the point one wonders who is buying, as everyone is selling! The construction of houses multiply everywhere, in the towns as well as in the countryside, unfortunately without much consideration for an architecture covering the landscape and respecting the codes of culture. Agricultural production has progressed to the point of making Vietnam the Third World's biggest exporter of rice. Oil too has become an important factor of the economy.

Moreover, the country equips itself and will begin producing in new fields: motor cycle, TV sets, household electrical goods, even motor cars soon. Of course, these are almost always foreign investments: Japanese, Taiwanese, Singaporean, Chinese of Hong Kong, South Korean, French, Australian.

(2) Disruptive elements of the project

A certain number of objective situations external to the Vietnamese society are disrupting the full implementation of the project.

In the first place, there is the drastic decrease of the co-operation coming from East Europe. It is not necessary to explain this element. For Vietnam it means several million dollars loss of profit each year and this manifests itself above all on the State revenue. Then there is the continuation of the American embargo. Even though the possibility of the embargo being lifted exists, it still remains in force.

It has progressively become an obstacle to American investors who press on Washington, frightened by the advance made by their Asian and European competitors. More serious however is the veto which the United States exercises on the International Financial Organization which could finance the restoration and development of infrastructure and communications (roads, railroads, ports, telecommunications) in Vietnam. Infrastructure and communication has not improved on par with the needs of economic development, as they were handicapped by the ravages of the war.

One should also point out the enormous pressure from the Asian capitals, notably from the recently industrialized countries (the NIC's or the 4 dragons: South Korea, Taiwan, Hong Kong and Singapore). Hunting for comparative advantages, faced with the relative increase of the prices of the man-power and with the development of an ecological conscience, the capitals of these countries are

looking to invest elsewhere in Asia, in Latin America and in Africa. Vietnam, with its abundant and hard-working man-power and its stable political regime, offers in the neighbourhood unexpected potentialities.

But because of the multiplicity of the fiscal concession made to attract foreign investment has resulted in the State hardly deriving any short middle term benefits in term of revenue increases etc.

Finally there's the enormous amount of smuggled merchandise coming from these neighbouring countries, including China. Their flow is extremely difficult to control (because neighbouring Vietnam's coastal line is

of the Vietnamese Communist Party and of a number of socialist thinkers.

Yet one should always remember that the market is a social link and not only an economic mechanism. It puts two poles into relationship: buyer and seller from whom one has to measure and analyze the relative force in the midst of society. Yet, in the dominant economic system of our epoch, Market Economy represents a logic of accumulation that requires an inequality between the poles, especially between capital and labour. Hence, for example, the search for comparative advantages for investing in the low salary zones.

One of the most important positive effects of these measures was undoubtedly the economic dynamism they resulted in.

about 3000 k.m.) and it also satisfies the desire for consumption of a population which is just overcoming penury. But it imperils the plans to produce goods internally for a immediate consumption and drains the already very modest savings towards sectors which do not accord any collective benefit, notably for the State coffers.

(3) The concurrent negative effects

Beyond all the good intentions, various objective factors, together with the bureaucratic heaviness, produce adverse effects, which are partly unforeseen and partly controllable with difficulty. Among them we would like to mention some.

1. The introduction of the logic of Market Economy

The market is a mechanism controlling economic changes which, in principle, is not incompatible with socialism. In any case, this is the conviction

Once this logic is introduced into a society, it is very difficult to control it. Thus a study made in the region of Hochiminh City points out that 80% of new enterprises, essentially nations, respect neither the minimum salaries nor the rules of Social Security. Moreover, the necessary performance, faced with the competition, requires norms of productivity and the use of latest technologies (especially in foreign investments) that lead to the increase of unemployment.

Within the same logic is the privatisations, notably in favour of foreign investments and the acceptance of their parameters that are theirs. It becomes difficult too to control the prices and the result is inequality in the face of the possibility of consumption. With the privatisations, the State loses its power in the economy. Without doubt, according to the official sources, at least one third of the State enterprises were functioning at a loss

and another one third without any profits, but there exists other mechanisms too for making them more profitable.

2. Impoverishment of the State

For the diverse reasons cited, external and internal, the State has grown poorer considerably. Important consequences result from it, among which one has to mention the following:

- a. The difficulty to invest in improving communications and the existence of bottlenecks for economic development.
- b. The deterioration of the education system. Thus, a study made in the South points out that 30% of the children from the countryside do not go to school any more. In towns the phenomenon of 'street children' is on the rise. A number of primary school teachers are giving up their profession to earn more and faster in business or small craft industry. The State, incapable of paying the teaching staff, a decent salary asks for a contribution from the parents and the poorest cannot afford it. The opening of private schools is encouraged currently. When it comes to schools served by religious and voluntary teachers for the poorest children the parents of whom can no more pay for schooling, it can be defended. But that also opens the door to elitist schools which are also a 'business' within the logic of Market Economy. It is notably the case in the field of higher schools and even private Universities financed partially by various American foundations.
- c. The deterioration of the health system and especially the network of hospitals. Again due to the lack of adequate finances the government has been forced to appeal to the public for contributions. Only those who have means can have recourse to certain treatment or to certain operations. The doctors to be paid for the salary they get from the state is quite insufficient.

d. The corruption spreading to all levels of society. Before being an ethical problem, it is a structural problem. An agronomist, having studied for 5 years at the UCL and working in a State organ intended for foreign investments, earns 8 dollars per month, or 250 Belgian Francs. with this, he can pay for his electricity. To live, he must either have a second job which was more profitable or he must take bribes. More serious is the corruption of some upper level civil servants who construct big houses or invest on hotels or restaurants.

goes without saying). The richest person even has a car and his wife runs the co-operative shop: he lends money at an interest. On the other hand, about 8% of the families have become poor for diverse reasons: family problems, incapability to manage. But the district has organized ways to support and aid these families. At this level, the consequences are limited, yet in the towns and especially in the South, it is different.

4. The loss of the credibility of the Party

It is inevitable that in such circumstances the CVP has lost its credibility. No doubt, a good number of people

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3. The social polarization

Market Economy carries in its present logic the needs of social inequality. Vietnam does not escape from it. Some well placed or cleverer people largely benefit from it, by legal or illegal means. the latter are widely spread, not only due to the flaws of the judicial system (an adequate legal system does not exist yet) but also due to the fact segment of the people who are in control can be bribed.

In the district of Hai Van, at the Red River delta, which G. Lemercinier and myself had the opportunity to study in 1981, this polari exists, but it comes true within relatively feeble limits, thanks to the existence of co-operatives. Thus, of about 700 families, 24 have become 'rich' (relatively it

are satisfied with the economic plan. There is a new dynamism. But prices have gone up, inflation is at a very high level, poverty has increased, the public services have deteriorated. with some, the tendency is to attribute what is good to the Market Economy and what is bad to the government and the party - though on the whole one does not notice a desire to overthrow the present political system. The corruption of certain party members, denounced daily in the newspapers, is another factor which has contributed to the discrediting of the party. This is especially noticeable with the young. The official figures indicate that the recruitment to the party has dropped from 100,000 to 36,000 within four years.

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5. The Ideological hardening:

Faced with the danger of loss of cohesion, the reaction of certain circle and some highly responsible people of the party is to react ideologically. It is true that what is happening in East Europe makes one tremble. The current reactions of the party turn to some literary groups. There was also a decline of tolerance vis-a-vis religious circles, probably according to the role which some of them played or claimed to play in the fall of the socialist regimes of East Europe.

6. The future

In the face of the present difficulties described above, the political system tries to react by using economic and political measures. It shows a knowledge of the importance of these problems and even their gravity. The regime is progressively becoming conscious of the limits to its decision making powers. Its concerns are notably of social and ethical order. Nobody doubts its solidity, yet the party and

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the government run serious risks of not being able to achieve the objectives of the above mentioned project.

The main thing will be to make people partners in progress through economic growth, the maintenance of the quality of the collective services and the re-establishment of a code of political ethics. Within the scope of the presently dominant Market Economy, this triple objectives are contradictory. It is not easy to invent socialism with market elements. China experiences it too by confronting problems on the scale the scale of its

dimension. Yet the stake is worth it and Vietnam could contribute positively to a new reflection based on a genuine experience despite the fact that it could not control all the factors enabling project to succeed completely.

The international co-operation of the progressive circles with Vietnam must compare everything that permits to pursue this objective, in the support of the social projects and in the intellectual exchanges alike. There exists a vast field of possible realizations.