

VIETNAM – VISION FOR 2050

TRẦN XUÂN KIÊN. **Vietnam – Vision for 2050.**

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Summarized by
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After more than twenty years of transforming the economy into a market system, known as the period of *Đổi mới*, Vietnam has made great economic achievements and solved urgent social problems, especially hunger eradication, poverty alleviation, and social justice. These achievements prove the sound development of the market economy in accordance with socialist policies and initiatives in international economic integration.

With the awareness of changes taking place in Vietnam concerning development opportunities and challenges, the book's main contents are as follows:

Part 1: Accumulating capital

On the basis of a number of the economic theories from past and present, the author makes a definition of capital and domestic capital as a fundamental element with an important

and decisive role in creating wealth, materials and social progress in restructuring and hastening the economic growth rate.

“Capital is the financial potential of each individual, each enterprise and each country. It includes, in a broad sense, human and financial resources, grey matter, trade names, and the accumulated market relations of an individual, enterprise, or nation.”

“Domestic capital is all the necessary elements constituting the production process, which is formed by economic resources and a surplus of products and people through generations in each family, each enterprise and the whole nation.”

According to the author, the process of accumulating and collecting capital in Vietnam has two fundamental characteristics, the first one is a large-scale and rapid increase (illustrative

data extracted from Vietnam Economic Times on 6 December 1997). The second is that the State's capital controls and regulates all of the capital in industry, though capital accumulated and collected from households and economic sectors is an increasing portion of the total capital invested to develop industrial enterprises. Demonstrating these characteristics, analyzing the demand for capital in Vietnam, and relaying the experiences of other Southeast Asian countries and China in accumulating and collecting domestic capital, the author mentions six ways for Vietnam to accumulate and collect capital in order to develop industry:

- 1) Effectively using domestic resources (human resources, information and copyrights, technology and solutions to manage resources and minerals), to turn latent capacities into real capital.
- 2) Balancing domestic and foreign investment to develop industry.
- 3) Soundly addressing the relationship between accumulation and consumption and gathering and collecting in order to develop domestic sources of capital.
- 4) Encouraging thrift and individual investment to develop production.
- 5) Addressing the relationship between accumulation, investment and re-investment to develop industry.

From these points, the author mentions the main solutions for speeding up the accumulation of domestic capital through the State budget, stock market, and from non-state enterprises while continuing to reform and develop the banking system and credit agencies, effectively making use of domestic resources. The author also mentions continuing to reform state-owned enterprises in the industrial sector, and establishing corporations with general and diversified forms of business.

This section also includes an analysis of the role of the State in accelerating the process of capital accumulation in the industrial sector.

- In the establishment of the legal environment, the State should create conditions for private enterprises, social and professional organizations to easily borrow money with interest and rent space. It should continue economic renovations more rapidly and restructure the national economy so that it operates effectively, step up the equitization of state-run enterprises, support and create conditions for entrusting press agencies and the mass media with the task of disseminating and explaining the State and Party's policies of economic development to enterprises, organizations and the population.

- When working out an investment strategy, the State should continue to ensure political stability and

consistency in market economy development and open-door policies, perfect the legal system, implementing it at all levels and in all industries, step up administrative reforms to overcome bureaucracy and reduce troublesome processes, modernize communication systems, rapidly train and retrain civil servants and management of enterprises, reduce pluralism in the workforce, regularly organize exams to enhance qualifications and create promotional opportunities for the State civil servants, bring new blood into a contingent of civil servants at all levels.

- When working out the strategy of industrial development, fostering industrial sectors, organizing market expansion, the State should clearly define the key industrial sectors, develop promising industries, increase competitive ability, reduce monopolies, expand markets and establish strong trade names.

Part 2: Vision for 2050

While analyzing the great achievements of historical significance after 20 years of *Đổi mới*, the author judges, “these achievements are very modest compared with potentials of the economy and the general standards of the world economy. This requires us to take a deeper look at strategy for the long range of 20, 50, 100, or 500 years or more.” Long-range strategies must rest on the basis of economic knowledge to form the process of

economic restructuring, administrative reforms and the implementation of social justice objectives, and building a society that rests on the basis of talented people, the law, and rule of virtue.

This part goes deep into the analysis of the economic, political, cultural, social and educational development of Vietnam, while attaching special importance to presenting concrete solutions for the realization of the country’s fundamental objectives of industrialization and modernization.

1. Theory and general reality

We are entering a stage of speeding up the country’s industrialization and modernization, which requires all members of society to study both theory and reality of the country and the world, drawing valuable and practical experiences to apply to development in Vietnam.

In order to strengthen the summary of realities, develop theory, and promote socialism in Vietnam, the author mentions sixteen main solutions including, increasing research, heightening the degree of study, and the ability to analyze, developing theory for staff who are party members, and staff of natural and social sciences, strengthening investment for the promotion of socialism, inheriting the essence of social science in Vietnam and in the Asian region, especially the science

that studies human potential, renewing research methods and theory development, having policies that develop social science in every location, and investing expenditures in the publishing of popular books on natural and social sciences, and more.

II. In economics

1. To impulse the capacity of inland investment

From analysis and assessments of recent trends in domestic investment, the author proposes solutions to effectively encourage and strengthen investment capacity in Vietnam on the foundation of open economic policies. These solutions include the expansion of credit fund networks to give loans with interest so that they have capital for their businesses, reduce taxes for individuals and enterprises that invest in remote regions, deduct taxes for projects that invest in Vietnam in general, have preferential policies on capital for Vietnamese companies that invest in foreign countries in order to encourage Vietnamese enterprises to integrate with the international market, reduce the lending procedures of the bank system, and have policies to create conditions for private enterprises to be equal with state-run enterprises and premises so that they can actively take part in the development of the economy.

2. Developing the agricultural economy

According to the author, the industrialization and modernization of Vietnam in general, and agricultural and rural areas in particular, we must attach special importance to developing the farm economy by investing effort, capital, brainpower, marketing, and encouraging the accumulation of capital and land in order to promote good business and productivity. In order to realize this objective, we should pay more attention to restructuring the economy and establishing farms, strengthening investment for agricultural projects, increasing the development of rural infrastructure, finding markets for agricultural goods, improving land policies, borrowing and lending, turning farms into economic and cultural centers, and providing jobs for people in rural areas.

3. Encouraging the consumption of goods

One of the difficulties facing the Vietnam's economy is low buying power and limited solutions to encourage investment and consumption. In addition, administrative procedures, examinations and approvals of foreign investment are troublesome and complicated. Enterprises and local governments have not provided solutions to increase buying power and investment for development. In order to overcome the existing difficulties enterprises should sell on credit, let

customers defer payments or have the local government act as a guarantee for buyers, renew the management system in enterprises, encourage thrift, increase capital accumulation in enterprises, expand and diversify markets, increase product quality, and improve customer service.

According to author, governmental solutions to encouraging demand are to increase spending for infrastructure development projects in mountainous and rural areas, to invest credit so that enterprises can allow customers defer payment or buy on credit, to invest in the construction of factories, to encourage households and local enterprises to use their capital to invest, do business and develop the economy, culture, and society in their own localities, to host seminars, fairs, or international sports contests to stimulate the development of domestic services, to invest in the sea economy, and to encourage enterprises to expand commercial relations with foreign partners.

The author is also interested in studying the advantages and difficulties of craft villages, proposing strategies to restore and develop them as a way to eradicate hunger and reduce poverty for women in rural areas, while managing the competitiveness of enterprises in the domestic and international markets and increasing labor productivity, which are decisive elements for the

development of the economy of Vietnam.

III. Education and training

1. Making use of human resources in Vietnam

In the 21st century, Vietnam must try its best to foster competition in the economy and the most important advantages of competition are increased brainpower, the method of organization and management. The author thinks that this depends on the increased intelligence of the Vietnamese community and especially in the work and theories of the Party. We need:

- To invest in short-term training courses on the market economy, macro-level management, working practices and theories;
- Encouraging Party members to do business;
- Encouraging the movement of self-study and research of staff and party members;
- Bravely bringing new staff members and researchers to continue renovating the mechanisms of promoting young and capable cadres;
- Creating policies for recommending talented people with regulations that should clearly stipulate the responsibilities of agencies, enterprises and vocational organizations in recommending the talented young people to serve the country;

- Increasing administrative reforms, abrogating the mechanism of “asking – giving” and replacing with the request mechanism to implement (this solution is concretized by the author in a part of the content with a desire to improve quality, effect of the system of civil authority agencies which connect, harmonize social relations, create equal opportunities for all people to get rich and promote in all fields, bring into play talent of the whole community, prevent crime and inequality in society);
- Attaching special importance to devolution, decentralization, and the sharing of interests and responsibilities among all levels;
- Increasing the innovation of management mechanisms in enterprises and government offices;
- Training and disseminating methods for fostering creativity so that cadres and party members may be encouraged to be creative with the management, organizing, and more.

2.Strategies for developing education, science and technology

Discussing the impact of technology, knowledge, and ability to organize and manage the economy, the author thinks that Vietnam has the elements of a knowledge economy but it is still simple and on a small scale. The knowledge economy requires education in order to be effective, updated, and dynamic. It requires

organizations and enterprises that satisfy flexible linking, and have the ability to be renewed. And knowledge requires that each member of the society ceaselessly study and update their knowledge of science and technology if he/she does not want to be behind the times.

According to the author, these steps need to be implemented as part of the strategy for developing education, science, and technology in order to progress the knowledge economy of Vietnam include:

- Continuing to update practical knowledge into textbooks and lectures from the primary level to university;
- Renovating the methods of teaching and learning, encouraging research, independent thinking, and creativity;
- Promoting educational socialization and developing a network of remote training;
- Building and cultivating political and scientific ideas in young people;
- Encouraging enterprises to apply the progress of science and technology into production;
- Enhancing the role of the intellectuals, businessmen and workers in the economy;
- Attracting more knowledge and capital of overseas Vietnamese to Vietnam.

IV. Strategy for developing the knowledge economy of Vietnam in the 21st century

In analyzing the context for developing the knowledge economy in Vietnam, the author sees numerous problems with the change of economic processes and restructuring of branches as part of regional and global integration. These changes would include the fields of education, health care, consultancy, information processing, employment and work methods, enterprise management, government offices, administrative procedures, and behaviors in families. The diversified changes in every field of social life would force Vietnam to have “a more composed look at the issues in order to form a strategic itinerary for development”. According to the author, the following points are necessary to develop the knowledge economy in Vietnam:

1. To value talent, and to regard the talents as a treasure of the country.
2. To encourage enterprises and offices to make use of the advantages of new information technologies.
3. To build viewpoints and management methods at micro and

macro levels, appropriate to the knowledge economy.

4. To speed up the reporting process, researching new models, and developing theories based on emerging contexts.

In addition, the author includes solutions for innovating the leadership methods of the Party, State, social organizations and professional associations, paying attention to studying the technological characteristics of the administrative system, on education, science and technology, finance, banking, administrative structure, public services, infrastructure, labor market, e-commerce, and the family.

The author ends the book with the hope that the knowledge economy will become a key that could open intellectual potential, capital, resources and relations to bring about a successful economy in Vietnam in the 21st century. The important thing is that we have to overcome the gap of common thought to grasp new information, effectively use available resources, and create goods and services with high profits for enterprises and the country.