

INFORMATION

Conference: Innovation and development of the system of private schools in Vietnam

The conference on “Innovation and development of the system of private schools in Vietnam” was held in Hanoi on 29th of February, 2012, hosted by Central Department of Propaganda, Hoa Binh University and Institute of Eastern Development Studies. Representatives of Central Department of Propaganda, Ministry of Education and Training, Association of Universities and Private Schools as well as educational specialist and near 40 universities, colleges and high schools, have taken part in the workshop.

According to the statistic of Ministry of Education and Training about private schools, Vietnam has 4,097 kinder garden schools, 444 secondary schools, 91 high schools, 30 colleges and 50 universities. They accounted for 20% of total schools as well as number of students in whole country, and significantly contributed to the improvement of education and training quality.

Private schools have played two big missions since their establishment. Firstly, they mobilize the resources outside of state budget, and then build training foundation with public schools to strongly develop the education of Vietnamese universities. Secondly, the high autonomic and self-reliant mechanism helps building a dynamic

and effective model of management, in comparison with the restrained and stagnant mechanism in public schools. These two missions, however, have not effectively worked since the birth of first private university.

In fact, most of private schools had been established even they did not meet all the requirements and planned a suitable training programs. They only focused on educational accreditation such as college level accredited to university, resulting in the quality limitations. On the other hands, the progress of education and training growth asks for a right idea of private schools, however, they are mostly underestimated. The common assumption of private schools is they work for profit purpose; ignore quality, and only attracting more students to earn money. The establishment of private schools is lack of transparency as well, resulting in education, particularly private schools, received lots of complaints. Despite the changes achieved from the innovation of mechanism, system as well as programs' concepts, private schools still are major concern and worry for society.

Many recommendations and solutions were given in order to find a new pathway for private education at the conference. Firstly, for State departments, they need to speed up the education progress for high schools and universities in the types of private schools with reasonable support by State. Private schools' existence and

growth benefit society, hence State should release a good investment and funding policy. On the other hands, State can use investment as a leverage to encourage private schools. Ministry of Education and Training also needs to early publish a transparent mechanism for the fairness of schools. It is also the time for State to issue policies on land, tax, providing schools spaces which already paid compensation and done site clearance as well as free tax treatment for non-profit schools. The collaboration of private and public resources in human and mechanism operations, in an objective way, can make education system more dynamic and effective. For schools themselves, they need to ensure the quality of teaching equipments, teaching staff and the unique advantages in training programme. Those factors are the foundation of building a brand name for school with a stable number of new coming students. Schools should not randomly open to guarantee the trust of students, their parents as well as whole society. Their first priorities are to invest in human resources by various ways to improve quality along with focusing on research works. New knowledge from this progress can promote schools and attract more money. Training methods used information and communication application, lessons meet students' demand, or the diversification of activities based on needs and favorites of students and teaching staff. It is essential to flexibly apply market regulations in creating schools' images throughout quality, teachers, schools' views as well as equipments.

Representatives also discussed about the

innovation of teaching philosophy. Teachers are asked for creating excitement for learning.

HÀ LAN

**National scientific conference:
Competitive ability of Vietnamese
businesses after 5 years joining in WTO**

A national scientific conference on “The competitive ability of Vietnamese businesses after 5 years joining in WTO” was held in Hanoi in March, 9th 2012, by Communist Magazine, Ministry of Industry and Trade and the National Committee of International Economic Collaboration. Its purposes are to make evaluation of the competitive ability of all Vietnamese business types after 5 year as a WTO official member (2007 – 2012); to make clarification of the stated issues as well as recommendation for Communist Party and States in how to improve the competitive ability, especially in the growth of socialist oriented market economy and the international integration.

After 5 years in WTO, Vietnam’s GDP has approximately reached 120 billions USD (2001), 2.3 times higher than 53 billions USD of 2006. The average GDP per person is 1300 USD, two times higher in comparison with 640 USD of 2006. Vietnam has stepped out of the low developed country and joined in those countries which have the medium level of income.

Despite of the above achievements, the ability to compete of Vietnamese businesses is considered as weak and highly instable. The best evidence is Vietnam does not have many international brand names except some leading agricultural exports such as

pepper, rice, raw coffee bean even transitioning into the market economy. They, however, are processed products and we still have to import materials at the total value as 8.5 billions USD. Either the quality or competitive ability of management is weak because the business owners, directors and business management team are lack of managing knowledge as well as skills. The low quality of labor, high cost of production and high price of products have also limited the competitive ability of Vietnamese businesses. Moreover, many of them have not built up effective competitive strategies, not gained the reputation, quality and market share in the area and worldwide market.

In order to correct the above situation, the conference has agreed with increasing the productive ability together with maintaining the sustainable growth speed so that improve the ability to compete of Vietnamese businesses. Higher productivity will positively impact on businesses' returns, however, the synchronized solutions of Government relating to organizations and industries are essentially required. These solutions are relevant to factors that affecting the competitive ability of businesses such as the level of human resources, fund raising and the effective usage of capital. The targets of investments in technology and equipments reformation, researches, growth development as well as Government policies' collaboration are to improve the business environment.

Thus, Government needs to keep completing, the law, regulations, monetary policies, exchange rates policies as well as other policies. These will

develop types of market, create convenient business environment as well as help businesses taking new chances, reducing risks and negative influences. At the same time, it is necessary to have a mechanism to encourage businesses in developing new local market. Supporting mechanism to increase the competitive ability of the industry and domestic businesses, focusing on all industries in the economy including those have low level of competition, is required.

For organizations, it is necessary to diversify resources of raising capital in operating activities as well as to cooperate with credit institutions in disbursements. Working with universities, institutions in improving the quality of human resources therefore meet the production's demand and the application of high technical equipments of businesses. It is necessary to prepare all knowledge of integration, research and ability to be aware of the advantages and disadvantages of international economic integration, the application of modern and advanced technology, expanding markets like coming close to exporting market together with developing the domestic one.

These first achievements of Vietnam's 5 year – WTO member could be seen as the motivation of the raising economy which has made Vietnam into one of the strong economy in the area. The relevant issues, however, ask for the collaboration of all ministries, departments and businesses which enables the long term and sustainable participation in WTO of Vietnam.

KHÁNH HÀ

Scientific conference on “Securing Maritime Peace in East Asia”: Experiences and Research results

Vietnamese Academy of Social Sciences has worked with Northeast Asia History Foundation of Korea to hold a scientific conference on “Securing Maritime Peace in East Asia: Experiences and Research results” in Marc 23rd, 2012 in Hanoi. Many researchers, scholars from both sides have joined in the conference so that they can share experiences on securing maritime peace in East Asia.

Scientists have discussed about some following topics as the experience of securing maritime peace in East Asia together, adjustments (changes) of policies of maritime security in East Asia, maritime security in Asian/Arf and the collaboration in protecting sovereignty in East Asia.

. It is the highly increasing degree of dependence of East Asia on the economy and security the seas and maritime routes has made this area expensive, particularly when East Asia started growing.

The growth of East Asia has improved the strength and expanded the space benefits such as lands and seas of surrounding countries. It, however, has led to the overlapping of benefits, conflicts and disputes due to the shortage of a strong common security framework. Big countries as China, America, Japan, Russia and India have been also changing their policies to strongly join in maritime security issues in East Asia and raise the competitive strategy interest here up to a higher level of complication and pressure.

According to researchers, the prior responsibility now is to establish a transparent mechanism of defense modernization plans, then step by step building up a regional collective security mechanism so that securing maritime peace in East Asia. For ASEAN, some scholars considered that this association needs to have new ideas in creating forms of institutions and peace as what Philippines’s solution on “An area of peace, freedom, friendship and the collaboration of ASEAN and China” in 2011, or “Joint Maritime Cooperation Commission” which is similar with “Mekong River Commission”. Otherwise, ASEAN and its members need to strongly improve the exploration and application of various resources, particularly on the ARF and EAS forum by which create pressure to force relevant sides sitting down for a negotiation and solution to maintain a peaceful East Sea.

Scientists have totally agreed with creating a regional collective security which can secure the East Sea peace. For ASEAN countries, they need to establish more cooperative strategies together with implementing security policies as well as foreign relations in the next period on the basis of credibility accumulated up to now.

CHU HUONG

Taking stock: an update on Vietnam’s recent economic development

(Executive summary)

i. The authorities’ determined implementation of stabilization measures over the past year has helped to avert a macroeconomic crisis.

Vietnam entered 2011 in a phase of heightened macroeconomic vulnerabilities. This was characterized by high and rising inflation rate, extreme volatility in the foreign exchange market, rapidly dwindling international reserves, a sharp rise in country risk following default by one of its biggest state-owned enterprises, high levels of fiscal and trade deficits, and weaknesses in the banking and corporate sectors. In the past twelve months many of these negative trends have been reversed, helping Vietnam to gradually enter a more stable macroeconomic environment. Though the country remains susceptible to future bouts of macroeconomic instability, there is little doubt that Resolution 11 - containing measures to stabilize the economy and ensure social stability - has helped to stem the tide of instability and to rebuild the Government's economic management credentials.

ii. If the deterioration of the macroeconomic environment in 2010-11 was rapid, the improvement in the situation in the past twelve months has been equally swift. Inflation (y/y) has fallen for the ninth consecutive month — from a peak of 23 percent in August 2011 to 8.3 percent in May 2012. The current account deficit is estimated to have declined to 0.5 percent of GDP in 2011, from 4.1 percent in 2010, and a peak of 11.9 percent of GDP in 2008. The unofficial exchange rate has traded within the ± 1 percent band around the official exchange rate for most of the past year. The increased supply of US dollars in the market has enabled the

State Bank of Vietnam (SBV) to replenish foreign exchange reserves in the first months of 2012, which are reportedly close to 9 weeks of

imports. There has been a sharp decline in credit growth, from 32.4 percent at end-2010 to 14.3 percent at end-2011. Fiscal deficit (by GFS definition) is estimated to have declined to 2.7 percent of GDP in 2011 from a peak of 7.2 percent of GDP in 2009.

iii. Regaining macroeconomic stability has been costly, but not stabilizing the economy would have led to even bigger losses. Real GDP growth has decelerated from 6.8 percent in 2010 to 5.9 percent in 2011, and further to 4 percent in the first quarter of 2012 — as higher prices has lowered domestic demand, affecting sectors such as construction, manufacturing and utilities. Industrial production has slowed, inventory for key industrial products has accumulated, and a number of small and medium enterprises have either closed, been liquidated or temporarily suspended their operations. While the stabilization efforts may have contributed to a cyclical slowdown, Vietnam's trend growth rate has been on a downward path for the last 5-6 years, largely on account of the slow pace of structural reforms. Inefficiencies in state-owned enterprises, banks and public investments have been a drag on the country's long-term growth potential.

iv. With gains from macroeconomic stabilization still recent and fragile, especially in an external environment that is fraught with uncertainty, the government needs to be careful not to

shift to an expansionary stance prematurely. In a move to shore up domestic demand, SBV has reduced policy rates by 300 basis points in a period of eight weeks. With rapid disinflation and negative credit growth during the first four months of the year, such a decline in interest rates was perhaps justified. Similarly, Government's Resolution 13 tries to support affected enterprises by deferring tax payments and lowering land lease fees, whose fiscal impact will be limited to less than 0.5 percent of GDP. But given Vietnam's history of premature loosening of policy, there are reasons to exercise caution. First, there is a 3-4 months lag between policy change and outcome, which means the effect of recent expansionary policy will be felt by the end of the third quarter of 2011 not only through higher growth, but also higher inflation. Second, with public debt at a more elevated level, there is less room for fiscal stimulus in 2012 than was the case in 2009. Finally, with lingering inefficiencies in state-owned enterprises and weaknesses in the banking system, stimulus measures will contribute to preserving an inefficient growth model, going against the Government's own desire to move towards a more productive and competitive economy.

v. Implementing a credible restructuring program - involving deep and sustained structural reforms - therefore can provide the best stimulus the economy needs. In October 2011,

the Government announced its intention to restructure state-owned enterprises, the public investment regime and the financial sector. Blueprint for reform in each of these areas already exist or are being developed. For example, MPI is working to develop a restructuring plan for public investment including the formulation of a Decree on medium-term investment planning, a new law on public investment, and a law on spatial planning. A report by National Steering Committee for Enterprise Restructuring and Development (NSCERD) was published in December 2011 with ambitious targets on SOE equitization. It was followed by a draft restructuring plan for SOEs for 2011-15 by MOF's Steering Committee which includes measures on management and supervision of state capital and performance monitoring of SOEs. Decision 254 on "Restructuring credit institution system in the 2011-2015 period" provides a framework to deal with weak banks and sets out a number of restructuring options. But what is perhaps missing is a 'restructuring roadmap' with a clear timetable and an effective oversight mechanism for implementing it. Without these reforms, especially in a context of continued global economic uncertainty, the economy is unlikely to shift to a higher growth path and at the same time avoid recurring macroeconomic imbalances such as those seen in the past four to five years.

(www.worldbank.org)