Twenty Years After the Adoption of the Doi Moi Policy

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Introduction

It has been twenty years since the Doi Moi Policy was adopted during the 6th National Congress of the Communist Party of Vietnam, which was held in the end of December 1986. Vietnam achieved normalization of diplomatic relations with the United States in 1995 and joined ASEAN as a full member. Admission into APEC was also granted in 1998. This is how Vietnam has become a member of the global society and as a member of the Southeast Asian region one step at a time. After eleven long years of negotiations following the applications for membership, Vietnam was admitted for accession into WTO (World Trade Organization) in December 2006, which is exactly twenty years after the policy was adopted. Vietnam has completely integrated with the international society, where globalized capitalism is the mainstream, in both good ways and in bad ways. To put it in another way, it can be said that Vietnam has resolved further development under these conditions.

This text aims to get an overview of the transformations that have occurred in Vietnamese society during the twenty years that have passed since the adoption of the Doi Moi Policy. What exactly is Doi Moi? What aspect of Vietnamese society has changed, and how has it changed since the policy’s adoption? Have the people of Vietnam become happy? Have their lifestyles changed for the better? Are there any negative affects that have arisen? Where is Vietnam headed now? What kind of society, nation, etc. are they aspiring for? Let us examine these subjects.

1. What is the Doi Moi Policy?

What the Doi Moi Policy was has already been explained in numerous discussions (note 1), so this text will begin with a simple explanation of just the basics for readers who have become acquainted with this term for the first time.

First of all, let us take a look at the Vietnamese words “doi” and “moi”. “doi” means “change”, and “moi” means “new”. It is purely Vietnamese, rather than a derivative of written Chinese characters, which is used in daily life by the Vietnamese people. They express renovation through the term “Doi Moi”.

Now let’s take a historical look at what exactly “Doi Moi Policy = renovation policy” refers to. To put it simply, it was a policy that abandoned doctrinaire socialist theories, introduced a market economy, and opened the country to the global economy. This was not a feature that was exclusive to Vietnam. The neighboring China has introduced a very similar “reform and openness” line under the leadership of Deng Xiao Ping in 1978. Even in the Soviet Union, which is the home of socialism, Gorbachev was elected General Secretary of the Communist Party of the Soviet Union and instituted glasnost (disclosure of information) and perestroika reforms, and set up bold political and economic reforms that significantly changed the fundamentals of the socialism of the past. Seen in this light, it can be said that while casting a sidelong glance at the developments that could be seen in China and the Soviet Union, which were ahead of Vietnam in terms of socialism, Vietnam’s Doi Moi Policy
was commenced subsequently. Of course, the Communist Party of Vietnam still emphasizes on their individuality.

However, the people did not place their faith in it right away. This is because they had experienced a time when they were punished for freely criticizing the Communist Party when they believed in the policy of “the freedom of expression” that was enacted in the 1950s. Since the decision to introduce the Doi Moi Policy was made at the end of 1986, three to four years was necessary for it to actually take firm root. Changes in the external environment were what the decisive factor became. 1989 saw the fall of the Berlin Wall and the end of the Cold War. The Vietnamese people understood that the world was undergoing fundamental changes as they saw the collapse of the Soviet Union, which was viewed as the model of socialism by Vietnam under Ho Chi Minh.

The transition from a planned economy to a market economy was not easy. Transactions where distributed coupons were the mainstream switched to transactions with cash payments. Commodities stopped appearing in the markets, prices suddenly rose, and the economy became hyper-inflated right away. Help from international financial institutions of the West such as the World Bank was needed in order to suppress this.

Senior members of the Communist Party of Vietnam who only knew about the Soviet Union, China, Eastern European countries, and countries such as Cuba were astonished at the gaps in the economic developments that they found when seeing the situations that western industrialized nations were in. They had looked down upon nearby ASEAN countries such as Thailand and Malaysia until then with their traditional Vietnamese version of Sinocentrism, but had no choice but to change their outlook on the current situation upon seeing the actual developments that were taking place. Having been scarred by a many years of war, influenced by socialist ideologies, and not having been able to see things from an international viewpoint, Vietnam did not realize that the world had greatly changed during the 1970s and 80s. They realized how colossal the changes were only after they started the Doi Moi Policy and opened their doors to the world.

2. Advances in the Doi Moi

The Doi Moi Policy started to fully get on track from late 1989 to the beginning of 1990. The markets started to overflow with commodities. One reason why is because cross-border trade relations with China resumed in 1989 and there were domestic products or products from countries such as China and the Soviet Union at first. However, general merchandise from Southeast Asian countries such as Thailand and Malaysia started to appear. Electric appliances from Japan such as Sony televisions and electric fans by Sanyo or the Honda Cub, which is synonymous with motorcycles in Vietnam, were beyond the reach of the general public at the time. This is because in addition to the national land having been devastated by warfare, which continued for over thirty years in Vietnam, there were military conflicts from 1978 with the invasion of Cambodia and the
The Sino-Vietnamese War, postwar reconstruction could not be conducted, and the economical situation was so bad that there was a state of mass starvation in the central areas from 1980 to 1981. Vietnam was one of the world’s poorest countries in the world in 1990 with GDP (General Domestic Product) per capita figures of about 200 US dollars.

The 7th National Congress of the Communist Party of Vietnam was held in 1991 and the ratification and strengthening of the Doi Moi Policy were decided on. The Constitution of 1992, which was adopted in April of the following year in 1992, is what represents these factors. The greatest characteristic of this constitution was that the Doi Moi Policy was stated in the set of supreme laws of the nation in statutory form. Issues concerning economic matters such as the introducing of a market economy, the approval of freedom in proprietary rights and private enterprises, the approval of long-term land-use rights and joint enterprises with foreign countries, and the assets of foreign companies not being nationalized were specified in the constitution. It then became known as “The Doi Moi Constitution”. This is how an environment that allows foreign companies to invest in Vietnam was made in a legal sense.

Vietnam, which had no money, had to rely on ODA (Official Development Assistance) from foreign governments and direct investments by foreign companies to gather funds for a while. As the Cold War came to an end and assistance from countries such as the former Soviet Union and Eastern European countries could not be counted on anymore as the USSR was undergoing restructuring, there was nothing left to do but to establish friendly relations with western industrialized nations and receive their support. In order to do this, it was essential to restore relations with other countries starting with the United States and other countries such as Thailand and South Korea, which were enemy nations during the Vietnam War. That is why efforts were being concentrated on peace with Cambodia as of 1986, which had been diplomatically difficult.

Peace with Cambodia was achieved in 1993 through the transitional rules of UNCTAC (United Nations Transitional Administration in Cambodia) after the Paris Peace Agreements of 1991. The international environment took a favorable turn as a result of this. However, the restoring of relations with the United States could not be achieved so easily and therefore required many years. However, Japan lauded Vietnam’s peace efforts with Cambodia and the Japanese government resumed its ODA program, which had been suspended in 1979 due to the invasion of Cambodia. Japan has been fervently assisting Vietnam and has been their greatest or second greatest assisting nation in the world ever since. As of 2000, Japan has been providing Vietnam with at least a hundred billion yen a year in ODA.

Furthermore, the New Foreign Investment Law was enacted in December 1987, the conditions were further relaxed, and foreign companies were called upon to invest in Vietnam. This was followed by advances into Vietnam by foreign companies from 1989. But troubles such as companies abandoning their advancement efforts because of small problems taking too long to solve
due to particulars in laws not having been designated yet, progress not being made because of local governments responding with bureaucratic approaches without knowing how to accept foreign companies, and the operation of companies not running smoothly because of frequent power failures due to poor power supply conditions occurred one after another at first. As a result, the actual number of companies advancing into Vietnam and the amount of investments made into the country were much lower than those officially announced by the Vietnamese government.

The exporting of petroleum and food products such as rice and shrimp is what redeemed the situation. Petroleum is drawn from an offshore oil field off the coast of Vung Tau in the southern part of the country, and 2.5 million tons of crude oil were exported in 1990 and 5.38 million tons were exported in 1992. This has contributed largely to the national income. The crude oil that was exported was refined in Singapore, and ninety percent of it was purchased by Japan. In addition, Vietnam, which can grow rice with dual cropping, can harvest rice in abundance if the climate is tranquil without any natural disasters such as typhoons or floods, and is a country that possesses sufficient exporting capabilities. It made its comeback as an exporter of rice for the first time in fifty years and exported 1.4 million tons of rice in 1989. It leapt to No. 3 in the world as a rice exporter, following the United States and Thailand.

3. Changes in People's Lifestyles

Definite changes in people’s lifestyles started to appear in the early 1990s, when the Doi Moi Policy started to take firm root. The greatest change was the gentler expressions on people’s faces. They used to be edgy from the hard and tiresome living that came from the tensions of war and poverty, with stern looks on their faces. Their expressions became softer and a lot of smiles appeared on their faces when the economy improved and life became a little easier.

The changes particularly had an effect on babies. There were many cases where mothers didn’t have any food to eat and could not produce enough milk for their babies. Furthermore, raw milk was not being distributed in this hot and humid country because distribution channels were not sufficient. Powdered milk was being imported, but it was too expensive for many average homes to buy. Water was also a problem in terms of sanitation. There were babies that got diarrhea from drinking powdered milk that was mixed with tap water because there were many mothers who didn’t know about the sterilizing of water by boiling it before mixing it with the powdered milk. This may be why many babies in Vietnam were generally small, skinny, and often crying. There were many babies that appeared either sickly or frail even at first glance. Mothers were distressed by the fact that they could not fully take care of their babies.

This changed drastically and there was a sharp increase in bigger babies. There were even babies who became oversized due to intakes of excess nutrition. Overweight children have even become a present social issue.

The buildings are what changed the next. Many people in Hanoi lived in standardized and
cramped Soviet-made workers’ apartments. A rush of new construction took place as the buildings were becoming decrepit. New residential areas have started to appear in suburban areas everywhere. And this is in a truly striking way. Perhaps in an effort to achieve lifelong dreams, buildings with fancy designs such as a structure that strongly resembles Gaudi’s Sagrada Familia in Spain’s Barcelona, homes modeled after French nobles’ mansions in France’s Chateaux, and tile-roofed homes with many traditional decorative Chinese carvings are being newly-built like a forest of mushrooms growing.

Furthermore, the number of motorcycles and automobiles increased. The Honda Dream, which costs at least 2,000 US dollars each, was an extremely popular motorcycle. With GDP per capita figures of about 200 US dollars, how high-class motorcycles that cost 2,000 dollars can be bought remains a mystery. But it is said that it is easier to ask girls out on dates if one has such a motorcycle. Automobiles have started to be produced domestically with even an increase of luxury cars such as those manufactured by TOYOTA, BMW, and Mercedes-Benz.

However, it must not be forgotten that drastic changes in consumption are only limited to big cities such as Hanoi, Ho Chi Minh, Da Nang, and Hue. In a country where at least 70% of the population lives in rural areas, the disparity between the urban areas and the rural areas is great. The disparity has been expanding even further ever since the Doi Moi Policy started to get underway. Of course its effects have been shared on an equal basis and the economic benefits have been gradually spreading to even the rural areas, but it is a slow process. The people who received the benefits of infrastructure development through factors such as foreign companies and ODA have quickly grown richer, but it can be said that the many people who haven’t received these benefits have comparatively grown even more impoverished. People who are in a state of concealed employment in rural areas are rushing into cities such as Hanoi and Ho Chi Minh in large numbers seeking employment, opportunities, etc. Poor farmers who left rural areas to find jobs can even be seen all over the place in Hanoi.

4. The Turning Point of Doi Moi

Diplomatic relations with the United States were normalized in July 1995 and Vietnam joined ASEAN (Association of South East Nations) with approval of the United States. Vietnam’s normalizing diplomatic relations with the United States signifies the ending of the Vietnam War and its complete return to the global society. This was a major step both politically and economically. For example, it indicates that the United States no longer sees Vietnam as an enemy and that they appeal to all international organizations that they do not object to Vietnam’s becoming a member. Vietnam has since been granted approval for accession into APEC (1998) and WTO (2006). In economic terms, The Coca-Cola Company, Motorola, and many other American companies have started investing in Vietnam.

Above all, the greatest benefit of Vietnam’s being able to take part in the process of regional
integration was that it allowed the country to learn how to function in the global society. This is because ASEAN frequently holds regular meetings according to different matters by category to exchange opinions between its members. For example, meetings concerning the stockbreeding category when discussing agriculture are conducted through conferences that are sequentially held ten times a year in rotations by commissioners, deputy managers, department managers, section managers, and subsection managers of the livestock bureaus of the agricultural ministries of each member nation of ASEAN at each of their countries. Discussions are generally conducted in English and they contact each other by email on a day to day basis. The younger bureaucrats can learn about the affairs of each others’ countries and improve their English skills through this. An intellectual network is then formed before they know it. By having over 200 officials in total that play important roles in government administrations participate, improvements are naturally made in governance and they become more internationally-minded.

In addition, ASEAN has established sub-systems such as ARF (Asia Regional Forum), ASEM (ASEAN EU Meeting), and ASEAN Plus Three (China, Japan, South Korea), and is conducting progressive activities. Ties with China, Japan, South Korea, the United States, Russia, and EU countries have become closer, and not only many political leaders, but also a great deal of bureaucrats have become able to possess a worldwide vision by participating in these activities. In particular, the Asian financial crisis that started in Thailand in 1997 brought about the realization that it was difficult to counter such huge international financing speculations with a single small country and initiated further strengthening of unity within ASEAN.

Also, the negotiations that were conducted for accession into WTO, which was applied for in 1995, took eleven years to complete. Accession into WTO required comprehensive and detailed examinations on overall conditions that concerned economics and trade. All legislative, judicial, and governmental aspects of how the nation is to be run such as how the nation’s economic administration should be conducted, the fiscal structure, the situation with state enterprises, what kind of financial reforms would be developed in the future, the developing of laws, and judiciary systems were examined to see if they met international standards. This is how developments in concerning foreign relations became the driving force behind the total reforms of the various domestic systems (note 2: “Development Strategy of Vietnam” p.94).

The widespread use of personal computers in the late 90s also had a strong impact. The Internet and email became generalized and the people became able to gather information from abroad. The Vietnamese government and the Communist Party check email exchanges for anticomunist messages in fear of a “peaceful and democratic overthrow”. However, they cannot check every single email message and general websites as email messages are able to be freely used for correspondences. Therefore, the nation cannot actually manage and control the information that is being circulated anymore. The people have become able to freely criticize the government and the
Communist Party because of this, and the government and party will find themselves in a position where they can be criticized right away and at any time unless they develop more transparent policies.

5. Problems

By 2005, the GDP per capita had risen up to 600 dollars. This was three times greater than what it was fifteen years earlier. The rate of impoverished households based on the poverty line showed a decrease from 58.1% to 28.9% in 2002 (note 3). One of the UN’s Millennium Development Goals are to decrease poverty by half from 1990 to 2015, but Vietnam had already reached this goal by 2002 (note 4). The Vietnamese government plans to increase GDP figures per capita to between 1,050 and 1,100 US dollars by 2010 according to the “Five-Year Socio-Economic Development Plan (2006-2010)”, which was established in 2005, and has resolved to completely diminish poverty and become a more developed country. It is a plan to double income in five years.

However, the possibilities are scarce when observing the situation closely. This is because the fundamentals of industry have not changed much. It is true that the industrial infrastructure has become organized and that resources such as main roads bridges, harbors, and airports have been more structured. A tunnel was dug through the rock-ribbed Hai Van Pass, which once separated Vietnam north and south between Hue and Da Nang, and was open in 2005. A steep pass that used to take about three hours of exhausting efforts to conquer became a path that takes only twenty to thirty minutes to pass. Joint ventures with foreign companies have increased and exports have flourished.

However, steel manufacturing, which is said to be “the rice of industry”, is not done in Vietnam, and all steel works must rely on imported steel. Crude oil can be produced, but no petroleum refinery plant that is large-scaled enough to refine it all has been constructed yet. Crude oil is sent to Singapore and much money is being spent on the refined petroleum products such as gasoline, diesel oil, and fuel oil. A foundational industrial infrastructure for achieving full-scaled industrialization is lagging behind. That is why exports of primary goods such as petroleum, rice, shrimp, crab, coffee, and rubber must be relied on even though it has been twenty years since Doi Moi was initiated. The Communist Party of Vietnam is always employing “Modernization and Industrialization” as its slogan but the foundational bases of industrialization have not been established yet.

This is not just limited to materials such as steel and petroleum, either. An even greater issue is the issue of human resources where it is undecided which people are to be entrepreneurs. Of course there are many members of the Communist Party who are highly skilled, but there are none who have basic knowledge of areas such as international financing and the international economy, or have even had actual experience in management. This is because members of the Communist Party of Vietnam were forbidden to manage companies until the 10th party congress of 2006. And although there are many Vietnamese people who have fled to countries such as the United States and
France and been successful in managing companies, a system where they can return to and assist their home country has not been developed yet. Thirty years have already passed since the end of the war, but there is still a mutual sense of distrust among the people who lived under a socialist system.

The gaps enlarging between the rich and the poor in urban areas and rural areas remains a problem, but what is even more serious is the fact that stratifications between residents in urban areas are also arising. This is because only those who can have access to authority in one way or another can become a part of the wealthy or middle class. Authority in Vietnam is commanded only by the Communist Party because the political system is that were the country is ruled only by this one single party. This means that one cannot rise in society unless they are members of the Communist Party or someone such as their family member or relative, except in extraordinary cases. Basically, the Communist Party is in a privileged position and non-members are not given any authority. However, there are problems in the Communist Party’s single-party rule. Polito-bureaus and the Central Committee, which center on the General Secretary of the party, have all of the ultimate power of decision because a single party commands the hierarchy of authority in all legislative, judicial, and governmental aspects. An arbitrary rule over the people rather than a rule over the law is enforced there. Fundamentally, this is no different from Kim Jong Il’s dictatorship in North Korea.

Furthermore, there is frequent corruption between officials of state organs, politicians, etc., and this is almost becoming an unavoidable phenomenon. The reasons behind this corruption have already been explained in a different text (note 5), so the details will be left out here. However, a case that was recently revealed will be introduced next to show the seriousness of this matter.

Commissioner Bui Tien Dung of the Ministry of Traffic and Transportation, Department of Construction of Roads and Bridges, Project Management Unit 18 [MU18] was arrested on January 20th, 2006 on suspicion of embezzling public funds. It became clear that he had bought a condominium in Hanoi City for his superior’s mistress, endowed executive members of other government agencies with forty four official vehicles, and more. It has been confirmed that not only Project Management Leader Dung and executive members of PMU18, but also executive members of the Ministry of Traffic and Transportation were involved in the misuse of public funds as well. Vice Minister Nguyen Viet Tiet of the Ministry of Traffic and Transportation was arrested also on April 4th on suspicion of endowing executive members of government agencies with gifts such as automobiles and money in hopes of becoming a member of the Central Committee (note 6).

This MPU18 scandal attracted international attention not only because of how much money it involved and the fact that it was systematic corruption, but also because it raised the question of whether or not some of the donations such as ODA and aid money from Japan, Australia, EU, the World Bank, and other sources were misappropriated. The corruption issue became one of the focal points of the 10th party congress because it just happened to be scheduled for April 18th. Many people observed with grave concern because it was discovered that General Secretary Nong Duc
Manh’s son-in-law was also an executive member of the Ministry of Traffic and Transportation, and they wanted to know if he too was involved in the scandal or not. Many newspapers in Vietnam gave detailed reports every day. In Japan, Upper House member Hiroyuki Tani of the Democratic Party also had some questions.

The Minister of Traffic and Transportation ended up resigning to take responsibility for the scandal and regulations for preventing further offences were enacted. However, the scandal is being put to rest as it is a matter that concerns a single portion of the PMU18 agencies, and not the entire ODA program. This reveals that public funds can be systematically embezzled at high levels within the government without monitoring functions being operated if attempted under the single-party rule of the Communist Party.

The Vietnamese government and the Communist Party dispatched the “Anti-Corruption Investigation Committee” to Japan in November 2006, and even asked me for my opinions for reference.

6. Future Prospects

The following three points are important for Vietnam to become richer and attain social fairness.

The first is the democratization of their politics. A single-party rule of the Communist Party that has no monitoring functions is surely a system that structurally breeds corruption. Social fairness can never be achieved with such a system. Furthermore, the problem lies in the fact that there is basically no “freedom of expression”, and particularly, the freedom to criticize authority. Criticism toward authority is not permitted even when corruption does occur because such cases are just dismissed a few corrupt elements having fallen from the tree. That is when crimes start to get glossed over because all senior members have to do in order to flee from responsibility is discharge the bad apples and find new subordinates.

A member of the “Anti-Corruption Investigation Committee” who is also a young member of the Vietnamese Governmental Auditing Committee asserted a bold “Doi Moi II” at an unofficial meeting. In other words, Doi Moi I is a policy for economic reforms and initiated a complete transition from a planned economy to a market economy. However, Doi Moi II is a policy for political reforms where the single-party rule is changed to a multiparty system, and it should be proposed even if it means that the Communist Party itself is faced with the possibility of losing its power base. I was surprised to find that elite members of the party with promising futures were taking the “Doi Moi II” into consideration, and saw this as a sign of how serious the situation really is. I was also able to see for myself how sound Vietnamese society actually is.

The second point is in industrial strategy. As mentioned earlier, an infrastructure for industrialization centering on the manufacturing industry has not been developed yet. Therefore, the government has a policy of following India’s example and attempting to place an IT-related software industry at the core of its growth. Japan has also been asked to provide IT-related assistance. The
Vietnamese alphabet is called “Quoc Ngu” and it is phonogramic, which makes it easy to type quickly. A lot of software in the Vietnamese language that is easy to use is being developed by Vietnamese people who are highly capable in sciences and have fled to the United States. Furthermore, there are many young students who study sciences that are interested in the communication industry and have much knowledge in software technology. This makes it quite a promising industry, but various other measures must be implemented if status as a global center in IT is to be reached as has been done by Bangalore. There must be thousands who have English skills that allow them to at least keep up with international business, and cooperation from Vietnamese technicians in the United States is inevitable in gaining knowledge in the latest trends in software development. That is why the people must be given the chance to migrate to other countries more freely. Therefore, it is directly related to the democratization of politics, which is the number one issue.

The third point is the social issue of how to reduce gaps between the rich and the poor. A market economy has been introduced, economic activities have started to take effect, and the country has finally been able to break free from being the poorest country in the world. But Vietnam was ranked 112 out of the 117 countries in the world listed in the Human Development Index (UNDP) in 2004. As stated above, the disparity between urban areas and rural areas is great, and the social gaps between the wealthy class, the middle class, and the poor even in urban areas are increasing.

Furthermore, the observing of international rules based on the principles of a market economy has become necessary due to accession into WTO. In a way, cutbacks or the abolishing of subsidies from the government for maintaining less competitive industries has been enforced. This particularly affects the agricultural sector because this means that cheaper agricultural products from overseas start to come directly into Vietnam. There is the fear of facing international price competitions with a decrease in wages and the possibility of rural areas becoming impoverished. Also, the Vietnamese government is faced with the difficult question of what kinds of rural development measures should be taken because the rural population covers the majority of the country’s population.

Conclusion

There is no doubt that people’s lives have improved over the past twenty years since the Doi Moi Policy was adopted. The scars of war have been healed and it can be said that Vietnam has finally become a “normal country”. The expressions on people’s faces have become gentler and babies have been getting fatter. However, the basic structure of the country has changed neither politically nor industrially.

On the political front, the single-party rule of the Communist Party continues, with restrictions on freedom. Some claim that communist rule and economic growth are compatible because China is
maintaining high economic growth even though they are also under communist rule. However, China’s communist rule is far detached from socialism on the other side of the Rubicon River and is a system of capitalistic developmental dictatorship. It may be referred to as “socialism” or “a single-party rule of the Communist Party” as the system is referred to in Vietnam, but it is different in content. Furthermore, Vietnam has several problems that are exclusive only to Vietnam. One is that the people were divided through war and no reconciliations have been made between the over three million people of the former “South” who have emigrated abroad and the current regime of the former “North”. Further democratization is needed to achieve this racial reconciliation. And the significant economic and political progress that is being made by Vietnam’s enormous neighboring country, China, is definitely an issue to be focused on. This is also a threat to Vietnam. Vietnam must have its entire race, including the Vietnamese people overseas, unite and make developments that can keep up with China’s, if not for the sake of avoiding being swallowed up by China. “To protect national independence and not be swallowed up by China”. This was a top priority even in historical terms, and is still the same, even though it might have changed shape.

On the industrial front, Vietnam has a fundamentally thin structure of industry where there is no system that allows the country to domestically produce basic necessities of life on its own. They have basically not emerged from rural society. Historically speaking, the reasons behind this are their economic structure being subservient to colonialism and the fact that their industrial infrastructure was destroyed through warfare. Even when taking a broad view of their society as a whole, the Vietnamese have a disadvantage which cannot be found in any other country; which is not having anything to build on because the warfare that they have gone through has been disastrous both economically and culturally. Economically speaking, funds are absolutely insufficient and no more can be procured from within the country. It is nearly impossible to build an internationally competitive industry in a world that is becoming smaller with increasing competitiveness under these conditions. There is no mistake that an IT-related software industry can serve as an axis. However, there will still be limits on its development as long as it is conceived by the country as a nation state. There will perhaps be better future prospects if divisions of labor within a regional integration with ASEAN or ASEAN Plus Three = “East Asia Community” were considered.

At any rate, Vietnam, which has excellent human resources, possesses high capabilities for development. The emergence of a leader who has visions of the future thirty and fifty years ahead, and can see things through the viewpoint of not a single country, but through the framework of the regionally-integrated ASEAN can be anticipated in order to utilize this capacity.

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* アジア経済研究所’s English appellation is “Institute of Developing Economies” and it has merged with JETRO in recent years so please inscribe it as “IDE-JETRO”.

(note 3) Sakada, Op cit p.139

(note 4) Sakada, Op cit p.152


(note 6) Sakada, Op cit pp.145-153