

# RENEWING ECONOMIC THOUGHT A FEATURE OF THE TRANSITION TO THE MARKET ECONOMY IN VIETNAM

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As we know, changing to the market economy is central to the renovation policy which was adopted in the 6th National Congress of the VCP (1986). Thus, studying basic features of the market economy could be considered as a prerequisite for the affirmation of government's role and intervention in the economy. In this article, we only discuss one of these features of the transition to the market economy in Vietnam, it's the change in our economic thought.

Unlike limited reforms which aim at perfecting or renovating the mechanism for economic management in the centrally planned economy in the past, the overall renovation policy can be considered as a revolution in Vietnam economic thought, a re-perception of the mode of economic development, or as V.I. Lenin puts it "our conception of the socialism has changed basically" (V.I. Lenin, *Toàn Tập*, vol 45, p.428).

Looking back on the history, we saw that since the socialism came into being and developed into an international system up to the 1980s, the existence of the commodity production in the socialist regime has

been a problem discussed by those who studied Marxism. Generally, the dominant viewpoint in some past decades maintained that the economy had to develop according to the plan and other economic laws of the socialist regime. The government played the decisive role in producing and distributing goods regardless of the buyer-seller relationship in the market. The real economy was considered as a characteristic of the capitalism which should be limited and removed. In practical aspect, the commodity

and money relationship along with market economic laws weren't applied to the process of making policy and controlling the economy. This was one of reasons why the planned economy became stagnant and certain socialist economies came to crisis and collapsed.

In Vietnam, before the renovation policy (1986), because of a dogmatic, voluntarist and impatient interpretation of the socialism and of the socialist mechanism for economic management; because of the distrust of and preju-

dice against the market mechanism; and because of the long and violent war, we had built a non-market mechanism which was too centralized and bureaucratic. Although this mechanism is acceptable at that time but it proved to be more and more defective and ineffective. It had created great obstacles to the economic development, produced bad effects and put the economy to prolonged crisis.

Since 1989, basing on new concepts of the real economy, the market mechanism, the multi-sector economy, etc, the government and the Party came to the conclusion (in the 7th VCP National Congress in 1991) that the centrally planned economy should be removed and the market economy under the management of the government should be adapted.

However, the centrally planned economy, after its too long existence, has affected deeply the way of thinking, the way in which the government ruled the country, and the way by which everybody carried out their tasks (or did their business).

Therefore, one of the most outstanding features of the economic renovation







in Vietnam is the innovation in the economic thought of the Party and the Government. In this renovation process, the Party's way of thinking is continuously improved and perfected basing on the Marxist-Leninist methodology. The renovation of economic thought in Vietnam shows itself in the following conclusions accepted by the Government and the Party:

1. The market economy isn't the staple product of the capitalism. The market economy has existed in different stages of development and co-existed with various regimes, so it's impossible to identify the market economy with the capitalism, or to consider the market economy as a counter to the socialism. Such a perception will certainly lead to a dogmatic belief that it's impossible to reach targets of the socialism by going through the market economy.

2. The real economy, or the market economy, isn't the remains of the past, or a part of the socialist economy. Contrarily, the commodity-money relationship is one of the main relations of the socialism. The socialist economy is

certainly the real economy with socialist orientation. This economy aims at achieving targets of the socialism.

3. In the evolution of the humankind, the market economy is a natural economy, a self-supporting economy. It is not the planned economy which is the inevitable product of the large-scale production.

4. The collapse of certain socialist economies recently is due to wrong perception of the socialism and the socialist economic model. This collapse didn't show that the socialist economy was inferior to the capitalist economy, but it showed that the centrally planned economy was less effective than the market economy under the government management.

5. The market economy is an achievement of the human evolution. It's the way to develop productive forces quickly, therefore underdeveloped countries should adopt and develop it in order to accelerate the economic growth.

6. Each nation has got different economic, historical, social and political conditions, so the market economy in each nation has both common and specific

features. There is no model of market economy applicable and appropriate to all nations. If we don't recognize its common features, we will become too metaphysical; and if we don't see its specific features, it will be a mistake in principle.

7. The transition from small-scale production to large-scale one, or the process of industrializing and modernizing the economy in Vietnam isn't the repetition of different stages of development of the capitalist economy, but this process must inevitably go through the development of market economy.

Based on these conclusions, the new way of thinking forced us to examine, and study again a series of basic economic problems of the socialist-oriented economy such as: ownership, structure of industry, management mechanism, mode of distribution, macroeconomic instruments used by the government, role of the Party, political regime in the market economy, etc. In short, our economic thoughts should be continuously perfected and adjusted and made into guidelines on the renovation process of our

country.

We should realize that the greatest obstacle to the process of renewing economic thought is the old way of thinking. This old way, although it has been criticized severely but it has been firmly rooted in many conservative policies and regulations, while the new thoughts on the socialist-oriented market economy is still too novel and isn't justified by historical records or by realities. Therefore the process of renewing our economic thought will take place for a long time and in a complicated manner. Moreover, this process is based on experiments, that is, it will be proved by its application to reality, so there must be many mistakes. In such conditions, it's very easy for us to become bewildering or even to go away from the socialist orientation. So the leadership qualities and thinking power of the Party, along with the Government capability of managing the economy must be enhanced incessantly in order to ensure success for the renovation process.