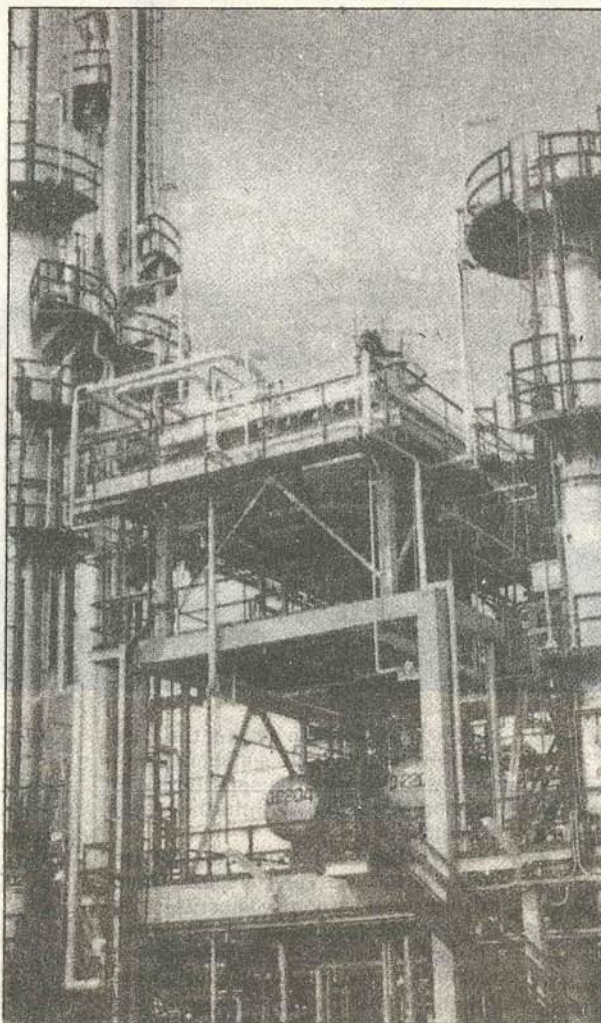


SOME OPINIONS ABOUT INTERNATIONAL CO-OPERATION AND FAST DEVELOPMENT

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In the world today, many countries such as the US or Japan have reached the post - industrialization stage while the others such as Vietnam have just come to the first stage of economic growth. Thus their economic structures are different from one another. In Vietnam, there was a shortage of capital, the monthly wage of workers was low (from US\$ 30. to 50) in comparison with their counterparts in the US. The market prices were different also: in Vietnam, the prices of locally - produced agricultural products were dirt cheap, while those of imported manufactured goods were too high. In the US or Japan, contrarily, the capital is abundant, the worker's wage is high, the prices of manufactured goods are low and of

agricultural goods high. For example, in Japan, the price of US\$1.5 for a kilogram of rice made the farmer dissatisfied,

whereas in Vietnam, rice was exported at US\$0.25 per kg. If the price were US\$0.50 per kg, the rice output in the Mekong Delta

could increase to 40 or 50 million tonnes a year easily. In OPEC countries such as Saudi Arabia, the wage is higher in comparison with the US or Japan. These countries have got used to having their factories, buildings, roads, bridges built by foreign workers. They have got some billions of petrodollar annually and become the lender of the world.

The marked difference between the developing country such as Vietnam and developed countries is in the level of technological development. In Japan, all manufactured goods are mass - produced by high - capacity and automatic production lines, whereas in Vietnam, most goods are made manually, their output and quality are low but their prime cost is high.

1. International market and co-operation

Many people praised the fair competition of the market economy. If there's perfect competition in the world market, all sources of capital, labor or technology are free to move from place to place, then a lot of Vietnamese workers will go working in other countries for a higher wage instead of earning some US\$50 in Vietnam every month. This movement will reduce the level of unemployment in Vietnam and cost spent on labor of foreign factories. Manufacturers from developed countries will build their factories in Vietnam with a view to reducing costs on labor and materials. Many consumers, especially Japanese, will buy rice from Vietnam instead of paying US\$1.5 for a kg of rice sold at Japan market.

Thus, the basic problem is to create the fair and free competition in the world market. This will bring about benefits for both Vietnam and its partners.

But there is a big gap between speaking in praise of the free market and realizing it. Japan suffered bad rice harvest last year and had to import rice at some hundred dollars per tonne, but the Japanese government imposed a heavy import duty and pushed its price up to over US\$1,500 per tonne in order to help Japanese farmers sell their crop and increased the budget income. As for the labor market, in the US and Japan as well, there are strict regulations limiting the flow of emigrant laborers. There couldn't be a community of over one million Vietnamese people in the US if there were no Vietnam war.

The international labor, money and commodity markets are divided into blocs. Quota and other restrictions are imposed. So it's very difficult for developing countries, such as Vietnam, to gain a foothold in

these markets.

Take the market in rice as an example. In principle, it's a free market, but the Vietnamese exporter had to sell rice at a price of some dozen dollars lower than that of Thai rice in order to find new markets for their goods. As for high-tech manufactured goods, developed countries always sell fully assembled articles at low price and spare parts at higher one with a view to preventing developing countries from manufacturing spare parts, and then, fully assembled article.

Recently, Vietnam has exported garment in large quantities with reason that certain quotas were given by the former USSR and EU countries. We didn't receive quotas for our garment from the US and Japan. The Japan-Vietnam trade relation has developed well recently, but Japan only bought cheap agricultural products from Vietnam and sold expensive high-tech manufactured products.

2. The strategy for international co-operation

The strategy can't take shape by itself, it will depend on the law of free competition in the world market. This law is approved by all nations and they will not protest when Vietnam wants to do business according to this law. But in Japan, for example, the farmer wants to keep the price of rice high, but the townspeople want to import rice and reduce import duty imposed on rice. Thus, the Japanese didn't agree with one another about import duty on rice and quota for imported rice. There were cracks in the Japan market which is put aside for local producer. Through these cracks the Vietnam rice has penetrated into the Japan market and gained a niche in it. Similarly, if one nation wants to sell high-tech products at a high price, then a lot of developing countries want to sell its spare parts at a low price

with a view to securing new markets. That is why Vietnam sold its rice at a low price. In order to obtain a high growth rate, we have to make up an appropriate strategy on foreign co-operation, and make the best use of the economic information and diplomatic relations to develop the economy.

Information about price is one of reasons which make the free market operate well. Once everybody is kept informed about prices, nobody will buy an article at a higher price or sell goods at a lower one, unless they want to sell off old stock. When the Japanese know that Vietnam rice, garment or fruit are very cheap, they will demand to have these goods imported. So we should keep them informed about prices of Vietnam products.

The information strategy should be connected with the diplomatic strategy. At our present condition, using diplomacy to support the economy is the most practical measure to improve the co-operation between Vietnam and other countries. We will not present new opinions here, but speak of good results of the policy "diplomacy in support of the economy".

In the 1980s, basing itself on aid from the USSR, Vietnam has finished many big projects in Hòa Bình, Trị An, Phả Lại, Bim Sơn, Vũng Tàu; planted 200,000 ha of rubber and exported garment products to the former USSR. These achievements have improved our economy: producing enough power and cement for the domestic market, keeping the trade balance rather favorable, satisfying domestic demand for petrol. After 1990, Vietnam attracted increasing source of foreign investment, from some million dollars in 1990 to over one billion dollars at present; received quotas to export garment to many European countries, etc.

However, there are many higher targets which should be achieved such as obtaining quotas to export garment in large quantities to Japan, the US or Canada; exporting labor to Arabian bloc; attracting foreign investment to vital projects (Dung Quat and Vũng Tàu ports, high-tech industrial parks, etc.). So in the coming years, by the diplomatic way, we should orient foreign investment towards these projects in order to help the economy reach a new stage of development.

In order to carry out the diplomatic strategy well, we should consolidate our economic and political strength. In co-operating with foreign partners, we should try to increase the percentage of Vietnamese-owned share and protect the right to supply a part of labor, machinery or materials for Vietnamese enterprises, because this right will create new jobs and increase profits of these enterprises.

In short, after obtaining the freedom and independence, we had better use the diplomacy to support the economic development. Firstly, we support the principle of free market which is praised by the Western countries. Secondly, we should make the best use of internal contradictions in developed countries to increase our exports; attract foreign investment to vital projects; and protect the rights of Vietnamese laborers and enterprises in joint-ventures.

The above-mentioned opinions, although they haven't been perfect yet, could be helpful to the consolidation of our co-operation and diplomatic relations with foreign countries on the mutual profitable basis. On this basis, the co-operation will last for long time and the friendship between Vietnam and other countries will be promoted and keep us away from international conflicts or contradictions ■