

aims at ensuring that companies benefiting from favorable natural conditions pay a higher tax rate and vice versa. This measure not only creates equitable taxation but also encourages companies to invest in even remote localities of the country. In addition, regulation on reducing corporation tax on state-run companies should be removed in order to ensure a minimum amount of money put into benevolent and material incentive funds.

- We should impose the same tax rates on both local and foreign-invested companies in order to attract both domestic and foreign investment. If there is a preferential taxation, it would be applied to all companies.

- We need to restrict cases of tax exemption or reduction, and these cases should be defined clearly in order to keep tax policy from negotiability. All social security matters would be settled by the public treasury instead of the tax system.

The strongest point of the market economy is that the fair competition is encouraged with a view to developing the economy. But on the other hand, one of its defects is that the free competition leads to monopoly, speculation and bankruptcy of small companies. So the tax policy, along with other economic policies, should be used to cure this defect.

In order to protect small companies from bankruptcy, governments of many foreign countries have taken various helping and regulating measures. For example, in Japan, corporation tax on small companies is 30% lower than what imposed on big ones, and this percentage rises to 50% in Germany. In France, high capital allowances are permitted to small companies. In Vietnam, the tax policy hasn't solved this problem yet. In my opinion, this problem should be studied seriously.

In addition, in order to perfect the tax policy, many tax laws should be promulgated, such as laws on excise duty, customs duty, etc. At the same time, the sales tax must be replaced with the value added tax, and profits tax with corporation tax.

In short, among economic tools for macro-economic management, the tax policy has a particular importance. A tax policy which is reasonable, equitable and appropriate to level of development and requirements of the realities, will help us overcome the inertia and force the economy to develop quickly and stably ■

# INFORMATICS AND VIETNAM'S INDUSTRIALIZATION AND MODERNIZATION

by NGUYỄN QUỐC PHONG & NGUYỄN HOÀNG GIÁP

**I**n our age, development of modern sciences and technology has made information technology (infotech for short) one of the key industries having a decisive meaning to the economic growth rate and human life. In modern societies, infotech penetrated into all fields of the social life and brought about many positive changes in both the economic structure and the mechanism for socio-economic management. The "information society" concept was used to indicate a new stage of the human civilization. Computerization became a growing trend, and according to many researchers, all nations will gradually develop into information societies.

Vietnam is starting its industrialization and modernization process and this process can't be separated from computerization. The problem remains that we should make needed preparations for, get access to and develop informatics quickly and effectively.

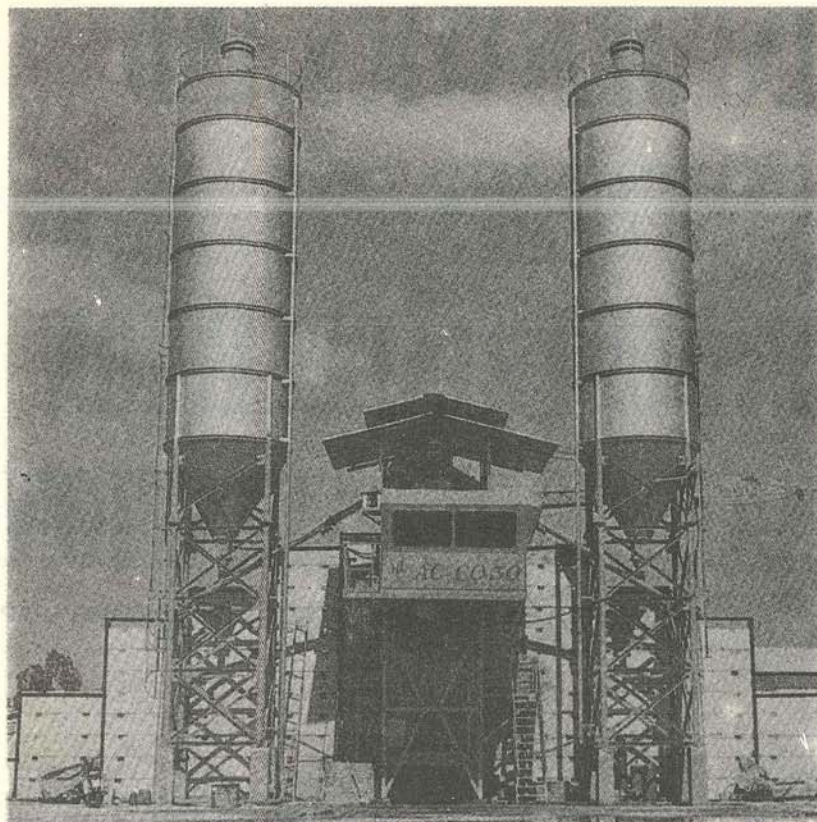
Computerization concept (or informatisation in French) was first used in Japan in the mid-1960s. At that time, Japanese scientists raised this issue in industrialization (they called it jahoka) and at the end of the 1960s, the "information society" concept came into common use. After

many discussions, however, this concept was defined clearly at the early 1970s.

Economists and scientists all over the world agreed that the information society was a stage of development where information about production developed drastically; and infotech products represented a large percentage in total production of a society. Computerization became a process forcing conventional society to change into an information society. It reflected basic changes in the production in which the importance attached to tangible products is shifted into intangible products, that is, infotech products.

In the economic development, industrialization is a process of changing from a traditional agricultural economy to an industrial one. Meanwhile, computerization is a process of changing from a conventional economy basing on agriculture and industry to a new economy basing on informatics. Capitalist countries carrying out industrialization in the past had to handle the relationship between agriculture and industry; and at present, developing countries in their industrialization process, should handle not only that relationship but also the one between industrialization and computerization.





Manufacturing industry should provide the economic base for the development of the infotech. Like other developing countries, the infotech development in Vietnam isn't necessary to be carried out in a background of a well-established manufacturing industry. We can't take the same approach as Western countries, that is, to carry out the industrialization first, and computerization later. But we can't develop the computerization first in order to industrialize the economy, therefore, we should find out ways to realize both industrialization and computerization at the same time and use the industrialization as a base for the development of informatics. Thus, industrializing countries at present should handle the relationship between conventional and new occupations, additional and key occupations. In computerization process, key occupations should become leading ones of the economy.

There is a close relationship between the industrialization and computerization. The former provides a base for the latter, and the latter leads the way and helps the former develop. The economic base provided by the industrialization to the computerization could be seen in the following aspects:

- Supplying hardware products:

many products necessary for the infotech development such as semi-conductor, microchip, etc. should be developed. Industries making these products need a lot of conventional raw materials and equipment (steel, iron, composite substance, chemicals, power, etc.) supplied by traditional manufacturing industries.

- Making up a big potential market for infotech products: Informatics can't be a self-contained activity. It should help other industries develop thereby making them markets for infotech products.

- Supplying sources of capital: information technology needs an army of high-quality experts and a big source of capital; infotech products need a big starting investment therefore infotech industry should depend on traditional industries.

- Supplying experts: Infotech industry needs experts of various fields, especially well-trained experts. But it will take a very long time to train these experts, so the infotech industry should attract experts from other industries. Foreign experience shows that this practice is more realistic and effective than training new experts.

In its turn, the computerization could help with industrializing the economy and this could be seen in

various aspects:

+ Technically innovating traditional industries: information technology has a strong ability to penetrate into other industries. its products could bring about technical innovations in traditional industries: automating the production line: computerizing the management section; working out strategies and plans necessary for production development, etc.

+ Changing traditional management: the infotech could be of great assistance to the traditional management. It could change the economy from putting emphasis on quantity to on quality, from scattering to concentrating model. Number of infotech products increases rapidly and they could be seen as the accelerator of the economy. Information network could save us a lot of trouble and labor: paperwork could be automated, business transaction could be done through the network instead of conducting meetings, therefore, business performance is enhanced, a lot of time and energy and money is saved, quality of goods and services is improved.

+ Modernizing the economy: information technology could be seen as a wire connecting up all industries, increasing both supply and demand, and making the economy united. If we want to alter the structure of industry and occupation, we must depend on the information technology.

+ Giving good effects on the economic development and the environment: the industrialization could bring about both prosperity and pollution of the environment. Information technology could help us find out new production process which does no harm to the environment. Moreover, the infotech could be used as multimedia for popularizing scientific, cultural and art knowledge, thereby improving human spiritual life.

The above-mentioned analyses show that we should develop the information technology in order to accelerate the industrialization and modernization process. As a high-tech intelligence-intensive industry, the infotech requires a lot of researches and studies, and we should find out effective ways to get access to infotech achievements of the world.

Industrialization can't be separated from computerization. We should form a helping relation between them in order to industrialize our economy successfully ■