

Since the Party launched reform policy on all sides of social life, we have transformed the centrally-planned economy to the market one under State management and along the socialist orientation. As we know, this policy has given rise to economic achievements.

But, the reality has been posing a series of new complicated issues to settle immediately and effectively, not only in the perception but also in the way of realization. In this article, I would like to refer to management task with some rules to obtain information about the country's market mechanism at present.

I. CONTRIBUTION TO PERCEIVING THE OPERATION OF THE ECONOMY

This is a necessity. Because operating the economy cannot neglect understanding and controlling the operation as well as the operational mechanism of the economy.

For the time being, we are witnessing a new fact that capitalism still



exists and develops through ups and downs. A basic reason is that the capitalist state adjusts and perfects its role of macro-management quickly and flexibly step by step. The economic function of the capitalist state has been reinforced. For example, in developing capitalist countries, they pay full attention to and carried out the state ownership for non-profit industries and services. This means all the society have to bear that responsibility burden together. Meanwhile, the government takes measures to prevent partly shortcomings of the market mechanism, at the same time it grants essential allowances and forms social welfare system to lower differentiation between classes. This shows the operational way of the capitalist economy is adjusted and changed to adapt new conditions.

Regrettably in socialist countries, some people thought the economy would develop naturally as soon as the socialist revolution were completed, the old production relation were reformed and the new one took shape. But the objective truth did not happen as expected. After setting up the socialist regime, we have played down and neglected how to operate the economy for a long time.

Thus, what is to operate the economy? So far there hasn't been perfect explanation. But we can understand the operational process of an economy is the process of reproduction on the social scale, of accordance between production and demand, of balanced division of labor force, of logical arrangement and distribution between social production factors and resources, of regulation of profits between economic sectors.

In short, at the angle of economic development, to operate the economy is mainly to perform optimum distribution of the country's resources.

To study the mechanism to operate the economy is just to examine and determine an economic order so that it works normally and smoothly.

Every economic form from natural economy to commodity one has different mechanism. The mechanism of product economy is of "direct planning". The mechanism of commodity economy is the market mechanism. When the production reaches socialization, the market mechanism and the planning one will run parallel, combine and supplement with each other.

It is fully necessary to make the multi-sector economy work by the market mechanism under State management and along the socialist orientation so as to liberalize and encourage all productive potentials in the society. But as a matter of fact, the

SOME MATTERS ON ECONOMIC MANAGEMENT IN THE MARKET MECHANISM IN OUR COUNTRY AT PRESENT

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market economy itself is not an all-purpose remedy. Since the market economy includes very complicated basic functions and features of socialization, market, self-control, profitability, blindness, competition, differentiation... That means the market economy is the commodity production in which the market mechanism works and regulates itself. The basic law of the market economy is the law of value. The so-called market mechanism is the express of the value rule. Today the market mechanism is considered as a special way to manage the economy. It is applied through the situation of supply-demand, price and competition in the market. More concretely, changed supply-demand lead to fluctuating price and competition. Due to competition, manufacturers have to raise labor productivity and lower production cost. On the other hand, competition forces producers to adjust production planning and change production factors. Thus, the whole labor force is regulated and distributed proportionally.

We develop the market economy under State management and along the socialist orientation, so firstly have to emphasize and maintain State ownership. This is a defined feature to distinguish it from the capitalist market economy. Obviously, the impetus of the market economy is profit. But the principle of the state ownership is profits belong to the State and profit-makers. Therefore the market economy under State management can reduce its negative aspects, antagonism and conflict in interests.

Secondly, the socialist state has to strengthen its role. Under socialism or capitalism, the state manages the market at the angle of macro-economy. But under socialism, state-owned businesses have leading roles, so the capability of the government's management is secured by powerful infrastructure. In case the state enterprise is equitized, due to its superior stake, the government can effectively play its managerial role toward the market. Thus, as for socialist countries, the market mechanism help the state plan better than before.

II. SOME RULES OF ECONOMIC MANAGEMENT IN THE PRESENT ENVIRONMENT

As we know, macro-economic management is to control the whole social reproduction and total national economy. More concretely, it originates from social interest - long-lasting one to take measures in macro-economic management so as to achieve its eventual target of regulation and indirect control over micro-economic

performances.

Macro-economic management is the important function of the socialist state. In the economic aspect, the state has two important functions: representative of the people's ownership and representing the whole society to manage the economy. The first function is involved with the socialist ownership regime and the second one related to socialization feature of production and diversification of economic sectors. Therefore it can be said that economic management system exercises the following functions:

- *Orientating*: Introducing targets and selecting major solutions to achieve them.

- *Co-ordinating*: Balancing the most important ratios and settling contradictions in distributing potentials.

- *Stimulating*: Giving impetus to every economic sectors. It's very complicated to do this work. In reality, this enables laborers interested in achievements and to exert their skill.

In management task, factual issues happen as laws, having direct influence on the whole process of economic development, which must be paid attention to and settled. Its success or failure partly depends upon how to make use of them.

1. Law of interest accordance

This is a key rule in the whole system of economic management rules. Human interests are different. These interests can be classified into individual, group, corporate, class, country... But considering these interests as impetus, we should take account of individual interest which have strongest influence on human deed.

The task of management is to orientate the interests of individual, group, country by measures in economy, administration, and education. This will give more impetus and achieve planned targets with low cost in time and money.

The reality shows that the simplest measure bringing about lowest efficiency is administrative and compulsory order. Indirect measures such as tax priority, credit, price support, etc are flexible and get better results. Tax is an important tool to harmonize interests.

2. The State regulation in combination with establishments' interests

In its regulation, firstly the State should settle contradiction between making the economy a whole and socializing production with many economic sectors. Due to development of production, interdependence will take place between producers, thus the economy tends to be made a whole.

To perform diversification of in-

terests, socialize production and make the economy a whole, the State should manages the whole economy without unchanging current economic relations and accords with production socialization.

Secondly, the State should deal with the conflict between proper distribution and autonomy of non-state owners including blindness in their business-doing. The State regulation aims to curb and reduce blindness and spontaneousness and save labor and social resources.

Thirdly, the State should settle contradiction between the social interest and the individual one. In the environment of the multi-sector economy, the State regulation will impact individual or group's interests but bring in interests for the whole society.

Fourthly, the state management also targets at tackling deficiencies of the market economy, creating conditions favorable for its role of self-regulation.

3. Rule of management and organization

There need be clear and connected distinguishment in rights and obligations between governmental agencies and enterprises.

The Government's function of socio-economic management is performed in many sides: safeguarding political institution, managing the economy, serving the society. Due to change to the market economy, the Government should focus on the function of economic management. The target of the change is separating administrative function from economic one; managing macro-economy and returning autonomy to micro-economy. The Government does its tasks by planning, making policies, giving guidelines, co-ordinating with other establishments, inspecting and encouraging.

To do this effectively, the Government should form a powerful agency to carry out steps in macro-economic management such as economic policies, measures and targets.

4. Rule of laborers' participation in management

It should be seen that whatever skill managers have, every success is made by the whole workers. This depends on their knowledges and concerns about their role in every success.

Underestimating and breaking any rules of management will damage the order of the whole management system. Thus, to streamline our management, we should synchronously exert rules of economic management and combine them with objective development rules of the present market relations ♣