

ADMINISTRATIVE REFORM AND RAPID ECONOMIC DEVELOPMENT

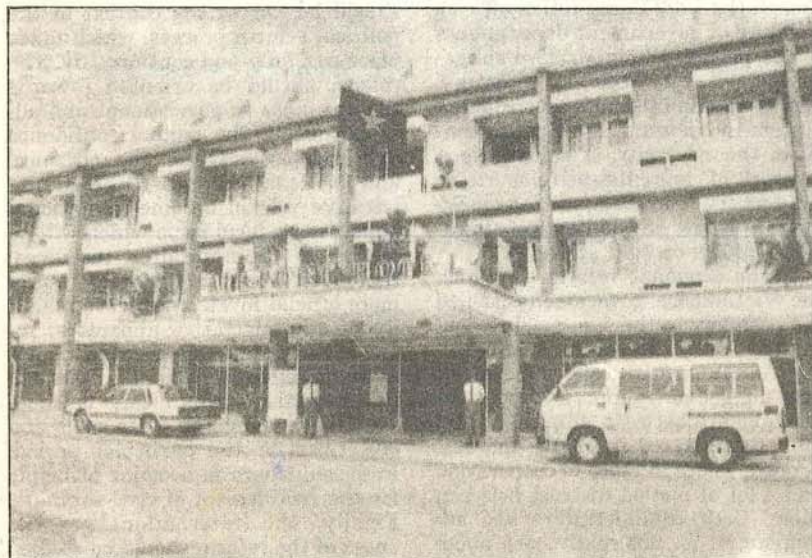
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In order to overcome the bureaucracy, the State decided to launch a program against the red tape and subsidization by reforming the national administration. But if we want to implement it effectively, we should focus on its theory, thereby we can plan uniform measures to surmount the bureaucracy.

1. POLICY ON THE MARKET ECONOMY: THE MOST EFFECTIVE MEASURE TO FIGHT AGAINST THE RED TAPE

The market economy forces enterprises to incessantly reduce production costs, staff, modernize producing methods, innovate their equipment and machinery, make new commodities which are more beautiful and satisfy the demand of the market. Any enterprise managed by poor directors, producing commodities which are less competitive than those of others has to keep its products in stock day after day because nobody buys them. Therefore in the market economy, there is no ground for red-tape and cumbersome administration.

However, competition also kills competition. Among thousands of enterprises, there are some leaders. They turn out a series of new products, for example, Honda Company with Honda motorbikes (defeating Italian Vespa and Lambretta), Microsoft Company with Windows software. Owing to selling new products with monopolistic prices, these renewed enterprises gain superprofits, need not show interest in competing with others. The father made a big fortune, the children often have no ability to continue their father's creativeness. The feature of renewal policy is to improve technique unceasingly. But when becoming a monopolistic enterprise, the board of directors pigeon-hole renovation projects because they have to invest more money and suffer big costs. As a result of this, the bureaucracy takes shape in monopolistic enterprises. Lenin had many works on imperialism, financial capitalism. At the beginning of the 20th century, some supercompanies dominated both banks and big industrial firms, buried new technical initiatives, secretly agreed with each other to divide the world market and sold their products at skyrocketing prices so as to make superprofits. They pressured the government to increase expenditure on defence, build permanent armed forces in order to invade other countries and redive the world market, redrew the map of colonies. Monopoly had only lead to bureaucracy but also result in imperialism, militarism, dicta-



torship and bloody wars such as World Wars I & II, Korean war...

Many people has said about the Japanese economic miracle but a few mentioned the most important part of Japanese economic policy which is the cancellation of monopoly of super-companies in Japan. Especially Japan changed from a militarist country and an empire invading other countries to a peaceful and commercial one with too low expenditure on defence and minimized administrative apparatus. Just because of its competent market economy and maximum reduction of expenditures on military and administration, Japan became an economic power. The former Soviet Union, as well as the United States, after triumphing in World War II, did not get rid of monopoly, even increased defense expenditure, paid less attention to applying technique and science in production whereas Japanese concentrated their efforts on this field. Ironically, the victors such as the US, the former USSR have turned defeated in economy and finance since they forgot economic and administrative reform must be kept on incessantly, to stop and satisfy oneself with temporary achievements are to create opportunities for other countries to surpass.

II. SUBSIDIZATION, BUREAUCRACY IN ECONOMY, SCIENCE AND EDUCATION: THE STATE TOOK ALL RESPONSIBILITIES AND IF STATE ENTERPRISES MADE LOSSES, THE STATE WOULD COMPENSATE FOR THEM

This privilege made condition favorable for the bureaucracy to grow strongly. State enterprises, co-operatives went beyond the rule of competition and did not fear others would compete with them. Thus they had no need for innovating technique and equipment, applying more effective methods in production and business. These enterprises showed no concern about losses because their losses would be made up for by the State and they did not also care about repaying debt to the bank since the bank wasn't authorized to take the state enterprise's property. Techno-scientific institutions need not make new inventions because even though they did, their salary would not be raised, they only pleased their superiors and would be promoted through seniority. According to the Nhân Dân Newspaper, there were scientific agencies having no considerable works for tens of years. Some newspapers need not have good articles and paid no attention to the readers' demand because they were subsidized.

Therefore, Vietnam government advocated to cancel compensation,

subsidization, trade monopoly: state enterprises have to take charge of their own business performance, techno-scientific agencies, schools have to self-finance part of their budgets. The debt to banks must be repaid when due. The State advocates the economy has many sectors which compete with each other, there is no monopoly in business, science and technique, anyone, having new invention, is entitled to register his copyright, one must pay for using other's patent. In such a circumstance, any "scientists" having neither new invention nor work, firms producing no new model, newspapers giving no attractive article will be soon or late eliminated in the market economy. So the market economy is the key measure to tackle the red-tape.

III. ARE THERE STILL MONOPOLISTIC AND SUBSIDIZED ESTABLISHMENTS WHOSE LOSSES WILL BE COMPENSATED FOR?

There are two steps to solve difficulties in the society once they become fierce and unbearable. There is always cause and logic of the birth of anything new, but afterwards the society changes, whereas that "logic" is still the same and hinders the development. Then two measures are put forward: one is to revolutionize, that is to change completely and rebuild; another is to reform step by step. The Great Britain is a brilliant example for gradual renovation. While France experienced many revolutions and wars and at last escaped from the monarchy and imperialism, Britain changed from the monarchy to parliamentarism and from ruling over most colonies to making diplomatic relationships-equal and friendly-with its old colonies without undergoing any revolution or war against them. Russia on the contrary had an unusual tradition: making revolution in the past but enduring many chaos at present for instance. Vietnam, like Britain, is



carrying out its renovation line step by step and gains initial achievements.

In the market economy there are still entities which are not subject to the rule of competition. Firstly, it is the State, an authoritative organ living on taxes and advances of banks, the following are state enterprises, techno-scientific agencies, schools...funded by the State and super-companies in the country, they escape from competition rules and others' pressure due to their monopoly. All of the State agencies in the world suffer bureaucracy more or less, Vietnam cannot be an exception. Prime Minister Võ Văn Kiệt said he had reduced his staff just in his office and he hoped other agencies would do the same. In order to overcome the redtape, paperwork, agencies and enterprises must apply the market regulations, make public their accounting, respect the rights of the people, undertake the renovation from superior agencies to inferior ones and cause no disorder. The contradiction is that the State, not affected by the market rules in the strict sense, even applies them to itself and self-reforms. This is very difficult, only a few countries succeeded. In Vietnam there are so many subsidized agencies in sectors of electricity, water supply, techno-scientific agencies, state businesses. Therefore when finishing the first stage, the State should bring more and more entities into the market mechanism although it is not easy to do it ■