

universities should secure higher academic titles. That is why many universities paid full attention to post-graduate studies now. This level of education has been formed in most Vietnamese universities and tended to develop fast.

What we mentioned above are positive effects of the market mechanism on the higher education. These effects are appropriate to what were stated in the Central Decision No4... (we should) enlarge the size of the universities and push forward with post-graduate education.

But the market mechanism have also negative effects.

In enlarging the size of universities, we should try to put the size in correct relation with educational facilities and quality (besides existing facilities, we can get some more from foreign sources). At present, the size of many universities has surpassed their facilities and they are becoming quantitatively and qualitatively understaffed.

This situation originated from the demand of the society and localities, and from the profit motive also. According to current regulations, students should pay school fees. The income is in direct ratio to the number of student. When this number becomes too big, there should be problems with educational quality. How can a school produce good students when its teaching staff come from other universities and its administrative body is badly understaffed? The public opinion on this problem has been heard. This situation led to many unhealthy phenomena: debates of teachers' fee, of rent for lecture room or classroom....

As for post-graduate education, it's only in the early stage of development, but the problem of its quality has been put forward by the public. Post-graduate study is a real demand of both public officials and enterprise managers. The higher education should satisfy this demand, but we should produce persons of academic titles in reality, not in name only. This level of education will develop, and its quality should be considered as a serious problem right now, its process of education should be strict and exactly defined.

## 2. Influence on the process of education

In the economic field, the market mechanism requires that a system of incentives and benefits should be formed. This system will direct all activities of the people who are under its influence toward the planned targets. It will take place of slogans and calls for self-discipline.

In educational field, inherent features of the market mechanism could

be used for realizing the education targets. In the process of renovation, the higher education and each university as well have carried out many schemes in this direction. In a limited article, we can only mention some of them:

a. Dividing the process of education into two phases: the transition into the second phase and selecting branches of discipline in this phase depend on students' work and conduct in the first phase. The result of students' work in the previous year will determine whether they should pay the school fee or whether they obtain scholarship. This mechanism forced them to work hard instead of managing to get a moderate result only as they did before.

b. Besides reforming the list of subjects of each discipline with a view to satisfying requirements of the market mechanism, students are required to work independently, to explore the gaps in their knowledge and try to fill them. In doing this, they are prepared to find suitable jobs for them after graduation.

c. Affirming levels of academic titles and paying salary according to these levels, and fixing standard of each title could be seen as positive effects of the market mechanism on the teaching staff. They have to try their best to improve their professional knowledge.

d. If the university's statutes allow students the right to choose their teachers and require the teaching staff to get post-graduate degrees, the teachers should improve their professional and pedagogical knowledge in order to keep them away from being eliminated through selection of the process of standardizing the teaching staff.

Generally, the inherent features of the market mechanism could be used for forming the university's statute, but this doesn't mean that we will stress too much on an incentive scheme.

We should aim at improving the quality of educational process, imposing a strict discipline on this process and paying enough attention to inspection and management. In using inherent features of the market mechanism, we should remember that we are working in the education service, and not everything in this service could be commercialized. Responsibility and professional conscience should be stressed on. We exploit the positive effects of the market mechanism and we don't forget to limit the negative effects, because we are building the socialist-oriented market economy under the management of the government.

**O**ne of the most important events in 1994 was Cairo International Conference on Population and Development. The planners from all over the world have used this occasion, once a decade, to review international progress in population and development. Unfortunately, a great part of their working time was devoted to discussing family planning and abortion instead of the life and human bondage at present. In my opinion, they have paid too little attention to the ultimate questions of the development: How, for whom and at what price?

## I. HUMAN RESOURCES FOR THE 21st CENTURY

I don't want to discuss the population problem here, but I would like to quote an opinion from *Le Monde Diplomatique* (August, 1994): "In the past two decades, the world population has increased from 3.7 billion (1970) to 5.3 billion (1990). Regrettably, 94 per cent of this increase concentrated in developing countries". Maybe we have known the answer to population problem already, but the question is whether we have got enough conditions and facilities necessary for controlling the increasing population or not. I only want to refer to one aspect stressed on by Michel Loriaux in his *Integration, Population et Development*: "The population of developing countries should, step by step, take control of their collective destiny, because there is only a slim chance of developing for a long time depending on foreign factors". The problem is how to create conditions necessary for the control of their collective destiny.

In other words, in our transition to the market economy, the socialist orientation is indispensable. But in daily life, many people didn't remember what the socialist orientation is, especially when they saw the decadence of the "Providence-State" (welfare states) in many Western countries as a reason for enforcing the struggle against the subsidizing regime in health care and education services (see "Canada ký sự" written by Trần Bạch Đằng on *Thanh Niên*, December, 1994). Naturally, the economic development has produced a class of high income who wanted a better health care and education. So the formation of private schools, private clinics or charging school fees, hospital fees are reasonable things to do, but we needn't go to the extreme. Health care and education for the masses, of course they depend on the economic development, are the essence of the socialist orientation and precondition for further development, because the economy can't develop if the masses,

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that is the human resources, aren't educated and given satisfactory medical care.

Strong and intelligent individuals will form a healthy society. So it's high time we stop using the word "subsidizing" pejoratively in education and health care fields. This word could be used pejoratively in referring to business, especially to loss-making industries or enterprises. The losses suffered by French social welfare service could be considered as precious experience of budget management (for example, we can learn about measures to prevent doctors who have contracts with social welfare service from prescribing unnecessary but expensive medical examinations or drugs, because these expenses would be paid by the public funds, not the patients), but not as proof of the bankruptcy of the social welfare institution and used it as a reason for removing the subsidizing regime in health care service. As regards education, one question should be pushed forward: Can we have only the popularization of primary education as our present target while France is trying to popularize the secondary education by the end of this century? Can the human resources of primary education free our country from doing processing to fill foreign orders?

## II. TEMPTATIONS OF DEVELOPMENT

In development, there are always a lot of unpredictable things which require us to be alert in order to keep firmly to the socialist orientation, and secondly, to keep ourselves away from inevitable temptations when our available and loan capital seems to be abundant.

First of all, we should remember a warning given by ADB in 1990: The theory of percolation suggesting that

income would flow down from the upper class to the lower class (that meant income would be redistributed automatically) is only an illusion. For example, total value of canned food and confectionery (excluding beer and milk) imported in the first nine months of 1994 was US\$50 million. Person who benefits from this imports is none other than importer, and only people of upper or middle class could consume such products. In Vietnam's balance of trade, US\$50 million were thrown away and helped the import surplus climb to US\$0.9 billion (*Asiaweek*, Dec 10, 1994). But the most dangerous temptation is that the income generated from importation, distribution and trading of these canned food would be included in GDP. A big GDP could easily produce an illusion about our prosperity.

Saying this but I never meant that we should return to the period of non-market economy, or deny the role of import business in creating job, helping with money circulation and goods, improving personal and national income... but the taking-off of an economy requires a better development of the domestic production.

Many people talked about opening supermarkets in big cities. But in my opinion, we must see that the local products which can be displayed along with imported goods on the shelves of supermarkets could present only a small percentage. The strength of the economy could be seen in this percentage. Comparing with supermarkets in Southeast Asian countries where local products can compete successfully with imported goods, we can see that their domestic industries were strong enough to satisfy all tastes of customers and didn't depend on the protectionism only. Naturally, each nation, at a given

period, could have different protectionist tariffs. We should consider the opening of supermarkets as a better measure to reform the way of trading (buying at wholesale price in large quantities, selling various kinds of products at the same place and saving buyers' time and money...), not a measure to satisfy the snobism of showing-off consumers, especially in the early stage of the economic development. In recent session of the National Assembly, many calls for saving were heard, we had better keep the gap between the rich and the poor from enlarging. Increasing GDP is a must but what price we could pay for it is something we should ponder over carefully.

Other temptations are embezzlement of public funds which is widespread in the stage of rush construction as at the present time, and megalomania of local authorities. The bigger the construction works are, the better these local authorities (at district or even at ward levels) feel. These public works could also serve as opportunities for embezzlement of public funds.

Many governmental bodies were allowed to possess a too large area or too many houses and offices. They can't do business well, so they co-operate with foreign partners to form joint ventures and make easy money from these ventures. If these land, houses and offices are used by the government to increase income for the national budget and then allocate these funds to education and health care services, the living standard of the people could be improved.

The lessons of unbalanced development in Thailand and the Philippines are still worth studying ♣