

# TREATMENT IN REM AND IN PERSONAM IN SOCIO-ECONOMIC RELATIONS

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**V**ietnam economy is in the transition from the centrally planned mechanism to the market one under socialist orientation. This process brought about great achievements along with complicated problems.

How can we keep to the socialist orientation? On the path to socialism, we should solve many problems-in theory and practice-to determine the term, direction, quality and quantity for all socialist features in each period. The realities of the economic renovation and realization of open-door policy have showed us a tendency toward what we want to avoid: the capitalist way of life and of handling socio-economic relations. The most apparent sign of this tendency is the way of treating relations by

material values (in rem) instead of by spiritual or human ones (in personam).

Many people misunderstood that treatment in rem and treatment in personam were something belonging to business only. They even thought that treatment in personam was the unlimited liability and treatment in rem the limited liability of business owners for their debts.

In fact, the way we treat our relations isn't confined to business problems only. In our relations with other persons, we treat them in personam, that is, judging them by personal qualities, whereas treating in rem means handling relations basing on material values.

Two ways of treating things show themselves in relations be-

tween friends, lovers, family members, etc. For example in finding a lover or a spouse, if treatment in rem is the way of life, the rich person will be chosen. If treatment in personam is the way of life, one will take personal qualities, education, skill... into consideration.

In the relation between parents and children, the same thing also happens. If parents are used to treating matters in rem, they will love children who make good money. On the other hand, if they know how to help children develop personal qualities and love them because of these qualities, they have treated them in personam.

Regretfully, in socio-economic relations today, the treatment in rem is usually used as the common way of handling matters.

We can also find this way of handling things in international organizations where relations between nations take place. For example, the United Nations Organization has chosen the treatment in rem when it required its members to pay membership fee of a certain percentage of member-nation's GDP, that is, a richer nation will contribute a bigger sum of money. This rule seems equitable, but in fact it led to the predominance of rich nations in the UNO.

Contrarily, in ASEAN bloc, all members contributed a same fee regardless of their wealth. Therefore, all ASEAN members are of equal status.

Ways of treating relations also showed themselves in philosophies of companies. In a joint stock company for example, the treatment in rem is the guiding principle. Whoever has





capital can share the company's ownership. The ability to bring in capital becomes the only basis for ownership. In company management, those who hold large portions of shares will be elected to the board of directors and the more shares one holds, the stronger one's influence. In profit distribution, the lion's share of profit will be paid to the biggest shareholders.

Meanwhile, in a limited company, there must be mutual trust among owners, that is, besides the treatment in rem, there is the treatment in personam in its ownership. Two qualifications needed for being co-owner of a limited company are: having capital and having close relation with other owners. Usually owners of a limited company are friends, relatives or those who share a common business philosophy.

From nature and outward of the treatment in rem, we can consider capitalism as a "doctrine basing on material values", a way of life paying too much attention to money and wealth. It becomes the main, or even the only, principle for personal behavior in socio-economic life. This way of life makes human being ignore morals and ethic and consider money as the most important thing of all. They are ready to sacrifice community interests for their own ones. If we don't realize this feature, we can accidentally follow this way of life in spite of ourselves.

Let's consider the equitization of state enterprises. The Decree 84/TG of the Prime Minister has set forth a meaningful policy: selling shares on credit to employees working for equitized enterprises. This policy aimed at helping workers become owners of the equitized enterprises, and

thereby, encouraging them to work harder for their own benefit. This policy reflected the credit relation between the Government and workers who had contributed a lot to the development of state enterprises for years. This is a beautiful way of treating employees. Some good-hearted private employers also treated their workers like this. The policy also intensified the relationship between personnel of the same company and encouraged them to show solidarity in the face of competition in the market.

However, this good cause has lost all meaning because the method of selling shares on credit was based on the treatment in rem. According to the said Decree, the amount of shares sold on credit would be equal to the amount of shares which workers could buy by their own money. Thus, this method is based on the only principle: to sell shares in accordance with purchasing power of employees. As a result, the rich will have more chances to become richer.

In fact, this policy wouldn't have lost its meaning if we had chosen the treatment in personam, that is, to sell shares according to employee's personal qualifications, for example, his (or her) seniority. By doing so, the relation between the Government and its employees will become more meaningful, because the Government helps those who have contributed to the development of state enterprises.

Regretfully, although the program to equitize state enterprises is being amended, but there is no change in the method of selling shares to employees.

The danger of losing the socialist orientation could originate from such trivial things. At first glance, there is

nothing wrong with it, and we even think that this method is equitable. But when we introduce this method on a larger scale, many complicated contradictions will arise, and the gap between the rich and the poor will become larger.

Just because of this, we have some sympathy with the lesson put forward in the draft of the political report of the HCMC Communist Party Committee which is presented in the IV Conference of HCMC Party Congress:

"We should get to the bottom of the two-sided feature of the market mechanism, and at the same time, we should make appropriate policies to secure the socialist orientation... In fact, this mechanism has stimulated the economic development, but it has also encouraged bad habits in all economic sectors... In reality, we have seen the signs-even in some party members-of selfish behavior paying a lot of attention to money making and no attention to political regime. This is what our rivals will make the best use of to force us to lose the socialist orientation.

Therefore, members of all ranks should be alert to the possible danger in daily operation. We should carry out policies to develop the economy and encourage people to make money legally, and at the same time, we must try our best to reduce poverty and bridge the gap between the rich and the poor"

We can say that although policy-makers have no intention to treat things in rem, but we must understand that, without an insight into two ways of treating things we will easily take wrong measures which are contrary to the good cause we are pursuing ■