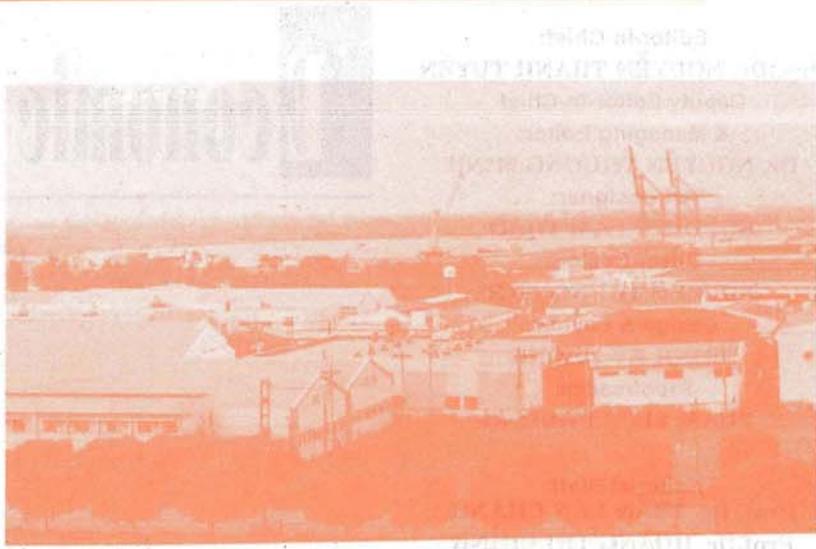


**I. A VIEW OF GLOBALIZATION**

As a developing country with its low economic level, Vietnam is facing the background of cross-border relations with a new level and quality different from the internationalization process before the mid-20th century. It is just the process of globalization. Although it took place two decades ago, it is rapidly pervasive. Globalization becomes a strongly arguable topic over the world with fiercely contrary views. The big demonstration against WTO in November 1999 is an example. The motive, reason, and request of anti-globalization forces are different, and sometimes contrast to each other. The reason for rejection is extremely various and complicated, from political ideology to religion, ethic, environmental protection, protectionism and trade competition...



# FACING GLOBALIZATION AND INTERNATIONAL INTEGRATION

by Prof. TUONG LAI



Many people in European intelligentsia resist globalization because they see it as "Americanization" to impose on the world the model of "market society" and American "consumption culture" which blur and wither other cultures. Developing countries oppose inequality in the world trade relations (for example, European and American countries protect and support their agriculture but they ask developing ones to open their markets and respect intellectual property, and fight against speculation and volatility in the liberalization of short-term capital flow. In industrialized countries, anti-globalization movements go from requests for trade protectionism against developing countries (via trade unions and non-governmental organizations' requests for labor and environment standard) to opposition of national reforms because they threaten existing social welfare which the state budget cannot now

support due to its huge deficit. Some rejections tend to extreme left like fighting against market mechanism or extreme right like xenophobia and discrimination against minority immigrants - this is a slogan of new fascist parties in the European political arena. Some Islamic countries want to come back to economic relations based on Sharia rule; they do not accept interest payment and replace it with profit sharing after a period of business.

In Vietnam, there are two opposing trends in globalization assessment:

First, globalization mainly results from super powers' policies, initially the U.S. wants to expand its strength and influence worldwide.

Second, globalization is an irresistible trend in modern times due to development of the world productive forces, economy, and market energized by fast achievements of technoscientific revolutions.

No matter how it is recognized, globalization is really spreading its influences across continents and countries. Regarding causes and motives of globalization, it can be seen that the globalization process is only in early stage with different forecasts that it may come true in the next decade. Therefore, globalization is proceeding on a long road with many complicated and surprising changes. Vietnam cannot be on sidelines of these flows.

Globalization is a game as well as a fight in essence, one who is wise will win more than lose, one who is foolish will lose more than win. However, no one can lose or win everything. However, if closing doors and rejecting globalization and integration, one will lose everything. This is in fact a suicidal policy. To turn against the current trend, even though it may be complicated and includes negative intrigues of powers, is never a sign of wisdom. When resisting globalization, one misunderstands that it can close its door and self-helps for self-improvement. In fact, it is impacted by negative sides of globalization and be revoked its condition and capability to survive. As such, it faces great failure, that is, elimination and isolation.

As a current trend, even subjective one, globalization is created by human being and derived from many factors. They include technoscientific revolution, modern market economy, and planned policies of the U.S. and other powers. As a result, globalization and its rules in each period mirror a comparison of interac-

tive factors and their changes. It is noteworthy that political and economic images of the world have changed rapidly in late 20<sup>th</sup> century and led to the globalization process.

It is stressed that market economies with their various developments in many countries have boosted liberalization in the world economy that is shifting to the knowledge-based one. The ownership transfer of huge capital flows changes every second, not minute and hour. Human resource thus becomes major and the top target is sustainable development in which the protection of ecological environment is a great concern of nations.

No one can deny the globalized economy (global competition in input and output markets and business assets) has accounted for half of human economic activities and made strong impacts on the rest.

At the start of Asian financial crisis, Greenspan, Director of the U.S. Federal Reserve Board said: "It took a couple of hours to half day for a change in one stock market to affect others over the world some ten years ago. But the span is now only a few minutes, even shorter. That speed surpasses human reaction."

The achievements in information technology and telecommunications have caused productivity and information to rocket, stimulated competition and shortened time and space for globalization. Foreign currency deals is tens of times larger than those in value of properties and services worldwide. The Internet economy results from advances in computerization, digitization and telecommunications and its application in every socio-economic activity in which electronic trade is an example. Here new pressures occur and urge enterprises to fast adapt themselves to and creatively use wonderful achievements in Internet. The restructuring of businesses to cement ties with customers, Swedish Electrolux Company for example, is an important strategy to participate in global competition. An open global system to meet demands takes place. For example, General Motors, Ford and Daimler-Chrysler announced to consolidate their Internet supply networks for product and materials exchange with other auto companies and sales agents. Then Toyota, Renault, Fiat, Nissan, Mitsubishi and Mazda showed their wish to take part in this system. Financial globalization will bring huge capital to developing countries if they know

how to wisely tap these flows and avoid risks.

In short, globalization is a complicated event, caused by many factors, in which the most decisive is policies of nations in the world. It consists of precious opportunities along with big challenges.

The problem is to bravely face challenges to seize new opportunities.

## II. ACTIVE UTILIZATION OF GLOBALIZATION

It is obvious that the globalization process has had effects on Vietnam's development trend when it wants to make friends with other countries. Vietnam thus not only participates in that process, but also has to actively make use of it and undertake international economic integration. Only doing so, can it avoid lagging much farther behind regional nations and others.

Just because of this, Vietnam should tap positive results in the globalization process to make necessary preconditions for high economic growth. It is also a new path of creativity and determination of evolution, but not a trail of backwardness.

### 1. Orienting toward the humanism of globalization

When taking part in and applying globalization, Vietnam should orient toward to a human-faced globalization as stated in the United Nation Development Program's (UNDP) Report on Human Development in 1999. Accordingly, it mapped out reforms of management nationwide and worldwide with the aim of human development and social equality as follows:

- Strengthening policies and activities to boost human development in line with facts of the world economy.

- Reducing financial risks, shocks and damages to human living.

- Expanding modern technology applications useful for human evolution and reducing poverty.

- Reversing the process of placing small and poor countries on sidelines.

- Repairing imbalances in global management by trying to generate a more general system.

- Making a global management structure more consistent and democratic for the 21st century.

These measures aim at for-people globalization, but not for-profit one. Such a globalization will secure basic conditions: morality, equality, integration without discrimination,

safety for everyone, environmental protection and development.

To implement such a globalization script is not simple. This is a struggle between opposing forces with different benefits. However, the sustainable development, in which human resource is a chief one, social and ecological environment is paid a special attention, has occurred since 1980s and been affected by the globalization process. In contrast, it is a positive result even though it is criticized that the trend prefers market to state role, especially underestimates social welfare, and aims at producing profits and does not serve public benefits.

As a result, when Vietnam applies globalization process and integrates into the world economy, it not only implements its obligations and enjoys benefits from globalization, but also helps shape globalization in the trend of humanism and useful for people. This work is to realize a better globalization script in the 21<sup>st</sup> century.

No one can deny in cases where global competition becomes an international game rule, developing countries like Vietnam, can hardly maintain their protectionism. Once the global economy is on-line, to want to take part in globalization, Vietnam as well as developing countries must meet minimum requirements in order to play the game. The most important condition is to build legislation in line with international common practices, which is now Vietnam's weakness with the aim to attract foreign investment for economic growth, assure trade liberalization, and carry out bilateral and multi-lateral cooperations. This is not easy.

While many developed countries initiate the knowledge-based economy, Vietnam is still enhancing its industrialization and modernization. It is a hard task to build and develop infrastructure such as roads, ports, post and telecommunications, etc. However, to build roads and ports with high quality and at reasonable costs, the country is required to modernize its work force and institutions first. The habits of the former centrally planned economy are now hindrance to the process of modernization and industrialization, globalization and international integration.

That is business practice not in accordance with the market economy because commodities are not produced to sell and gain profits. At present, most of Vietnamese goods

have prices higher than their counterparts in regional countries but quality lower. This proves production does not meet market requirements. It still has features of the subsidization period, central planning, self-supply, and self-sufficiency. Local enterprises have not yet been given favorable conditions to exploit domestic and foreign information, which is one of prerequisites in trade competition. The state management tends to separate production from trade in current circumstance. Moreover, most of enterprises want to rely on the Government's protectionism. They are not willing to seek for markets, innovate technologies, improve quality and lower production costs to find a niche on the market. If this problem is not solved, the trend returning to the state subsidization will arise and become hurdles to the international integration.

Modernization must be a socio-cultural process because it changes the whole socio-psychological infrastructure and requires enough time. It is not overnight to transform living, thinking, and communicating style of a society. Especially the country's farming population, mainly unskilled, represents 73% of the total and the psychology of small agro-business remains popular in many fields. There should be bold and creative solutions for basic reforms of old business doing.

Vietnamese people were hardened through the war. This is an extremely precious tradition. But war is an abnormal event in social life in which people are forced to adapt themselves to extraordinary things to survive. Vietnam is making great efforts to improve their strength and reduce their weakness to keep pace with regional countries. This can be seen in all economic, scientific, educational and cultural activities. The country is also striving to follow the world common trend.

It is time to identify and analyze the country's strengths and weaknesses seriously and profoundly with open eyes. That is an urgent requirement of international integration.

If human being becomes the major resource and the first target in sustainable development and top concern of countries, it is very significant for Vietnam to enter economic globalization.

As a poor and populated country with limited natural resources, Vietnam can only grow if it fully utilize its human resource. It has to overcome shortcomings of small agro-business habits persistent and harm-

ful to the *đổi mới* cause and national industrialization and modernization.

It is time for Vietnamese people to look at their weaknesses courageously in comparison with requirements of new tasks with a view to soon making the country escape the danger of farther lagging behind regional countries. They must remove the shame of poverty and backwardness as well as they have done with former foreign domination. Obviously, everybody cannot be split from his or her social environment and management system.

That perfect whole should be renewed to meet requirements of new tasks. The outdated institutions should be changed for socio-economic development, globalization and international integration. The urgent task is to reform the administrative machine to remove hurdles in business and production.

## 2. Better exploiting bilateral and multi-lateral relations

Globalization and international integration include bilateral and multilateral relations. Vietnam has to make the advantages of these relations, especially bilateral ones.

Vietnam has now economic ties with 167 countries and joins 10 multilateral countries. Local enterprises have to settle their defects in product quality, time and value added for higher competitiveness.

Therefore, economic restructuring is a decisive factor. The country should understand pressures of integration and globalization to minimize their negative effects in the shift to new mechanism.

In the process of integration and globalization, Vietnam should wisely make use of preferences granted to developing countries in terms of commitment scope, level, and road.

Due to lack of knowledge and experience, Vietnam like developing countries has right to receive technique assistance. They are very useful to the country's initial steps.

It is unforgettable that local enterprises' capability is very important to the process of globalization and integration. That is the sensitivity to discover and seize opportunities, spark off new ideas and fully tap all resources. Consequently, the decisive factor is to make people and enterprises thoroughly comprehend this process and valiantly join the game without hesitation and fear.

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