

Vietnam is in the transition from the centrally planned economy to socialism-oriented market economy under the management of the Government, so the Vietnam economy has characteristics of the transitional period. Failing to conceive these characteristics, we could easily make many mistakes (following voluntarist courses of action, being impatient to develop the economy, or applying mechanically foreign experience to the Vietnam economy...)

What are the characteristics and trend of the market economy in Vietnam today?

Firstly, the Vietnam economy is in the transition from the centrally planned mechanism to the market one.

In the centrally planned economy, all economic activities are carried out according to centralized national plan made by the Government and the Government has to pay a large sum of subsidies. There is no profit motive and interests of laborers are looked after by nobody with the result that the economy develops slowly.

After the sixth congress of the VCP (December 1986), the Party and Government advocated building the socialism-oriented market economy in which all economic activities would be affected by the price system. The market becomes the center of the production process. All economic relations generated by labor division are realized in the relationship between commodity and money. The market expands as productive forces and labor division develop. And then, the domestic is attached to the world market.

In this transitional period, the old mechanism exists in parallel with the new one but it will disappear gradually.

Secondly, the ownership will be diversified in the multi-sector economy, however, the public sector will be of great importance in certain leading industries.

In the old model, stress is put on the socialist relations of production that include only two forms of ownership (public ownership and collective

ownership). In the new concept of the socialist economy, all principal means of productions are owned by the public as a whole and they should be used for serving interests of the community. This is different from other regimes which are based on the private ownership. This concept also tells us that in Vietnam, in the transition to the multi-sector economy, the public ownership in key industries should be of great importance. Based on this public sector the economy could gain high growth rate, and then the exploitation of labor and social inequality will be reduced, the basis for a modern, progressive and civilized society will be formed.

Thirdly, at present, some urgent socio-economic problems should be solved in order to stabilize the production, improve labor efficiency, in-

terests of the community. This is different from other regimes which are based on the private ownership. This concept also tells us that in Vietnam, in the transition to the multi-sector economy, the public ownership in key industries should be of great importance. Based on this public sector the economy could gain high growth rate, and then the exploitation of labor and social inequality will be reduced, the basis for a modern, progressive and civilized society will be formed.

Fourthly, the Vietnam economy in its transition to the market mechanism still bears the seal of the old mechanism.

The new mechanism in its first stage of development hasn't created conditions favorable for production and commerce yet. Particularly, there are many shortcomings in finance,

monetary, infrastructure, management... activities. Being slow in adapting to realities means creating obstacles to the transition process.

The market mechanism embraces overall impact of economic laws on the multi-sector economy. We are learning these laws but have not mastered them yet. In this transitional period, many phenomena take place ungovernably. These unruly developments are beyond the control of human beings and sometimes

damage interests of the community.

Thus, to conceive the characteristics of the market economy in its transitional period in Vietnam is a matter of great importance, because as estimated by the mid-term conference of the VCP (the seventh term), in this period, the market economy could produce both good and bad results, both positive and negative factors which struggle with each other for survival. The result of this struggle will depend on our strategy for overcoming shortcomings or negative factors and developing advantages or positive factors of the market mechanism in order to build a well-oriented market economy and make the nation strong, the people rich and the society civilized.

# CHARACTERISTICS AND TREND OF THE MARKET ECONOMY IN VIETNAM TODAY

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crease exportation and integrate into regional and world economies.

These urgent socio-economic problems are:

- Struggling against poverty and hunger in both cities and rural areas.
- Creating jobs
- Developing education.
- Supplying health care service.
- Fighting against social evils.
- Protecting the environment.

The task of stabilizing the economy includes stabilizing production, distribution, material and spiritual lives of the people, enhancing efficiency of the administrative machinery and recovering law and order and social equality. This task should be carried out in parallel with building preconditions for development. Stabi-