

## **Vietnam's New Economic Policy Notes and comments**

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At its fifth National Congress, held March 27-30, 1982, the Communist Party of Vietnam (CPV) approved the resolutions on “orientations, tasks and objectives of economic and social development for 1981-1985 and the 1980s” which had been adopted by the Central Committee of the party at its sixth plenum in late 1979<sup>1</sup>. Since these resolutions set economic targets for 1981-85, they were, for all practical purposes, Vietnam’s third Five-Year Plan<sup>2</sup>. For a number of reasons, which will be discussed later, this plan was never drawn up in final form, nor presented to the National Assembly for adoption.

Meantime, in December 1981, Nguyen Lam, Vice-premier and chairman of the state planning committee, had presented to the National Assembly a balance sheet of the State Plan for 1981- i.e. a one-year plan – and the “orientations, tasks and indices for the 1982 state Plan” – yet another one-year plan. Obviously, the Vietnamese leadership was being very cautious in its economic forecasts, proceeding only on a yearly basis within the framework of a five to ten-year plan. Not only are the targets for 1985 very modest; what is striking is that most of them are lower than the targets set for 1980, as Tables 1 and 2 clearly show (for tables, see pp.708-12 below.)

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<sup>1</sup> These resolutions are set out in the annual Report to the National Congress of the communist Party of Vietnam by Le Duan, First Secretary of the Party. The ones concerning us here are the fourth and fifth congresses, held in 1979 and 1982 respectively. These reports have been published by Hanoi’s Editions en Langues Etrangères, and deal with the 1976-80 and 1981-85 periods, while they tell us something about the socio-economic thinking of the Vietnamese leadership. They contain hardly any statistics. Fortunately, they are reproduced extensively, with basic statistics. In *Courrier du Vietnam* (Hanoi), especially numbers 1, 2, 3, 5, 6 of 1982; 7 and 58 of 1981; these will be the main sources used in this study. They are supplemented by the *Far East and Australian* (a yearly publication of Europa publications, London); *Asian security* (a yearly publication of the Tokyo research institute for Peace and Security); and *SIPRI Year book* (a yearly publication of the Stockholm International Peace Research Institute).

<sup>2</sup> The Vietnamese authorities refer to the 1976-1980 plan as a second plan because of the existence of an earlier plan in 1960-65 (which covered only North Vietnam). However, we shall respect Vietnam’s official serialization and refer to the 1976-80 and 1981-85 plans the second and third plan, respectively.

The main reason for this unusual modesty was the spectacular failure of the second Five-Year Plan, confirmed both by witness reports<sup>3</sup> and by available statistics. As is clear from tables 3 through 6, food production (grains and livestock) was practically stationary, industrial production was equally unimpressive: taking 1975 as base year, industrial production in 1979 was only 125.<sup>4</sup> Set against a target of 16-18 percent per annum, the industrial performance (gross industrial production) was +10 percent in 1976, -4.9 percent in 1977, and -0.1 percent in 1978<sup>5</sup> with regard to foreign trade, the deficit was heavy, as is shown in table 7.

Not unexpectedly, then, with the population increasing from 49.2 million in 1979 (an increase of 3.2 million or 6.5 per cent) and GDP hardly rising, in terms of per capita income the people of Vietnam were worse off in 1977 than in 1976. Compared with other Southeast Asian nations (see table 9), Vietnam was at the bottom of the list. 1976-80 was a period of flat, or negative, growth. Five precious years were tragically wasted. There was a shortage of two million tons of food in 1977; and by 1978 the situation was so critical - the shortage being three million tons - that, had the Soviet and other governments not rushed to their rescue, the Vietnamese would have faced starvation. The Soviet Union provided 62 million dollars of food aid in 1977, and 500 million dollars' worth in 1978. It shipped 1.2 million tons of foodstuffs to Vietnam in 1978, and another 860,000 tons in 1980<sup>6</sup>. Other contributors in 1977 included the U.S. (450,000 tons), India (400,000 tons), Canada (120,000 tons), France (16,000 tons) the EEC (35,000 tons), and Sweden (20,000 tons of wheat and 10,000 tons of rice)<sup>7</sup>. Even so, there was widespread malnutrition. The food shortage in 1980-81 was estimated at 4.4 million tons, and the FAO estimated that there was a "chronic" shortage of 2.4 million tons of food.<sup>8</sup> In 1981, fears of starvation were expressed.<sup>9</sup> There was also a shortage of basic consumer goods.<sup>10</sup>

Something was obviously amiss, and the Vietnamese authorities, fearful of political consequences, were determined to find out what went wrong. The search started in late 1979. And the results were imparted to the Party members at the Party's Fifth National Congress in the political report presented by Le Duan, Secretary General of the Central Committee. The report contains balance sheet, a self-criticism, and rectification measures.

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<sup>3</sup> See Ton That Thien "Vietnam 1975-1980": Reflections on a Revolution. "Contemporary Southeast Asia, Vol. 2 no. 2 (September 1980). Pp. 77-112.

<sup>4</sup> *SIPRI Yearbook*, 1982

<sup>5</sup> *Asian Security*, 1981.

<sup>6</sup> *Asian Security*, 1981.

<sup>7</sup> *Le Monde*, April 21, 1978.

<sup>8</sup> *FEA*, 1982-1983

<sup>9</sup> *Asian Security*, 1981

<sup>10</sup> See Ton That Thien, "Vietnam".

According to Nguyen Khac Vien, a prominent and authoritative Vietnamese communist writer, the Fifth Congress and the “severe self-criticism” undertaken by the Central Committee, as well as the “very important rectifications” in economic policy resulting from it, can be traced back to the Central Committee’s sixth plenum in late 1979. There had been “lively”, very “emotional” and “serious” discussions in the party and the country, and unanimous agreement came only after the “hard confrontation” of “many different” viewpoints, and “intense political work”<sup>11</sup>

In drawing up the balance sheet for the period 1976-80, the Central Committee listed the following major “critical economic problems”: (1) acute shortage of goods causing severe hardships for the people, in particular the city workers and government officials; (2) under-utilization of existing capacities due to the shortage of energy, raw material, and means of transportation; (3) a very heavy external trade deficit; (4) erratic fluctuations of prices and of the market; (5) “invasion “of socialism by capitalist and “a-socialist” elements; (6) excessive bureaucratism and centralization; (7) persistence of economic and social” negative phenomena” (i.e. pre-1975 behavior among the population). “In few words, the increase of production did not keep pace with the increase of population; there was a nation-wide shortage of consumer goods, and capital accumulation was nil.”<sup>12</sup>

The Central Committee said that many of the difficulties encountered were due to “major objective reasons” – the scale of war destruction, natural calamities, and incessant sabotage by “the enemy”. It admitted, however, that there were subjective factors, and that “serious negligence and errors” had been committed in the assessment of the situation and the implementation of the party line, and also in the execution of policies, including in planning and management.<sup>13</sup>

With regard to the errors due to “subjectivism”, the Central Committee said that it had made the following big mistakes (1) “we did not realize all the difficulties and all the complexities one would encounter on the road leading to socialism from an economy characterized by small production” (in plain language: we did not know that industrialization is such a complicated process); (2) we did not anticipate the difficulties and complexities we would encounter in trying to solve the problem of lack of proficiency in economic and social management ( in plain language: we did not realize that economic management is so difficult and so complex); (3) “the scale of the upheavals resulting from a long war partially escaped us” in plain language: we did not fully realize that a long war can be so devastating; (4) “we did not realize the magnitude of certain rather unfavorable developments of the world situation”(in plain language: we seriously misread the international situation).

As a result of faulty judgment, the Party fell prey to “hastiness”. As Nguyen Khac Vien said; “In the euphoria of a victory which came so unexpectedly, we have somewhat lost sight of realities:

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<sup>11</sup> Nguyen Khac Vien. “Les options économiques du Congrès du Parti Communiste du Vietnam” CVN. No. 6 (1982).

<sup>12</sup> CVN, no.5 (1982)

<sup>13</sup> Ibid.

everything seemed possible to achieve, and quickly”. This, he called “voluntarism”.<sup>14</sup> As a result of this attitude, “there was excessive investment in too big projects for the building of heavy industry, when war rehabilitation was hardly completed, the basic foundations for energy production and transportation were still rudimentary, the managers and planners were still learning their jobs, and the population lacked the basic daily necessities”<sup>15</sup> Moreover, the cooperatives in the North were expanded excessively, and the rhythm of collectivization in the South was accelerated too quickly. At the same time, efforts were made to do away with all private production, including small family production and small businesses. As part of the “normalization” of the situation in the South (i.e. making it conform to the norms existing in the North), it was decided to accelerate “socialist transformation” and nationalize everything. As a consequence, not only big capitalist production, but “all private capitalism in agriculture, handcraft, small production, and small trade” was abolished. Undertaken brutally in March 1978, these measures caused great economic disruptions in the South, ultimately having devastating economic consequences for the country as a whole.

The second error admitted by the Central Committee was its underestimation of the impact of a very long and bitter war. The destruction had been immense. *La République Socialiste du Vietnam* gives some idea of the extent of the devastation. In the South, 9,000 out of 15,000 hamlets had been damaged or destroyed: 10 million hectares of farmland<sup>16</sup> and 5 million hectares of forest lands affected; 1.5 million cattle killed; and the war had left behind 362,000 invalids, one million widows and 800,000 orphans (including children abandoned by their GI fathers). In the North, all six industrial cities had been damaged (three of them razed to the ground); 28 out of 30 provincial towns damaged (12 of them completely destroyed); 96 out of 116 district towns damaged (11 completely destroyed); 4,000 out of 5,788 communes damaged (300 completely destroyed); 1,600 hydraulic works, 6 railway lines, all roads, all bridges, and all sea and inland ports destroyed; all power stations seriously damaged, 5 million square metres of housing destroyed; 400,000 heads of cattle killed; and several hundred thousand hectares of farmland damaged.<sup>17</sup>

To the billions of dollars of damage incurred during the war should be added the estimated one billion dollars of property lost during the Sino-Vietnamese border or 1979.<sup>18</sup> In addition, there was the loss of human capital represented by the exodus of personnel from Vietnam after the communist victory over the South. According to The United Nations High Commission for Refugees, as of October 1982, 1.2 million people had left Indochina, of which about one million

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<sup>14</sup> Ibid.

<sup>15</sup> Ibid.

<sup>16</sup> land hit several times is counted as many times-i.e. a hectare of land bombed twice is counted by Hanoi as two hectares destroyed.

<sup>17</sup> *La République Socialiste du Vietnam* (Hanoi: Editions en Langues Étrangères, 1981) pp.91-2

<sup>18</sup> Ibid.

were from Vietnam.<sup>19</sup> Among them were tens of thousands of professionals and intellectuals, as well as thousands of technicians and skilled workers trained in the past fifty years under the various governments of Vietnam. Finally, there were the many others still in reeducation camps, or ostracized by the new regime, because of their connections with the various governments of South Vietnam prior to 1975.

Another effect of the war was psychological-cultural. For historical as well as geographical reasons, the people of South Vietnam have been more relaxed and less disciplined than those of the North. A hundred years of association with the French and, especially, over twenty years of close relationship with the Americans, led them to adopt what the communist leaders call “a revolutionary ideology and a depraved culture”<sup>20</sup> (i.e., too much love for personal freedom and material comfort, and too little respect and submissiveness toward government authorities). As a consequence, the new authorities had tremendous difficulties in getting the people of the South to accept “normalization,” and imposing upon them the discipline necessary for quick realization of new socialist policies. Worse still, the behavior of the southerners had a contagious effect on the cadres and population of the North, thus compounding the morale problem for the new authorities.

In addition to the devastations of war, Vietnam also suffered severely from natural calamities. North and Central Vietnam were crippled by a wave of cold weather in the winter of 1976-77, and this was followed by a period of prolonged drought in the South. As a result, 32 per cent of the area planted in rice was affected. Then, in July 1977, a devastating hurricane, with wind up to 185 km/h, struck the northern delta, damaging some 100,000 hectares of rice ready for harvest. In mid-October 1978, floods hit North and South Vietnam: over a million hectares of planted rice were inundated; 500,000 hectares ravaged by insects; 20 per cent of the livestock destroyed; 555,000 houses carried away or submerged; 3 million tons of dry crop lost; and 5.8 million people made homeless.<sup>21</sup>

Next to natural calamities was sabotage by the “enemy.” The Central Committee said that it was underestimated the aggressiveness of the “Sino-American coalition,” which is held responsible for the military aggression and provocations by Pol Pot and later by China itself, and for subversion and economic sabotage “on a large scale.” This sabotage imposed “a very heavy burden” on Vietnam. There is little doubt that its invasion of Cambodia and its support for the Heng Samrin regime have been very costly to Vietnam. According to Thai sources, since the Vietnamese invasion of Cambodia, Soviet aid to Vietnam has amounted to \$6 million a day, or \$2.2 billion a year – a very large sum which could be used for more productive purposes than war or preparation for war. Vietnam is reported to have maintained some 300,000 men on

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<sup>19</sup> Office of the United Nations High Commissioner for Refugees, Geneva, *Refugees and Displaced persons from Indochina as of 31 October 1982* (October 1982).

<sup>20</sup> CVN, no. 5 (1982).

<sup>21</sup> *La République Socialiste du Vietnam*, p. 94.

China's border, 200,000 in Cambodia, and 60,000 in Laos; in addition, a large number of cadres and technicians have been sent to Cambodia and Laos to help the local governments as part of the "special relations" between Vietnam and those countries. The commitments represent a heavy drain on Vietnam's resources.

Vietnam's open conflict with China made matters worse. Relations between the two countries began to sour after 1975 for a number of reasons: disputes over the Parcels and Praty Islands and the demarcation line in the Gulf of Tonkin, the struggle for influence over Laos and Cambodia, differing attitudes towards the Soviet Union. But the harsh measures taken against the "Hoa" (Vietnamese of Chinese origin) and Vietnam's brutal attack of Cambodia, China's protégé, led to open conflict in 1978.

China, which had already stopped all military aid to Vietnam in 1975 and interest-free loans in 1977 cut off all assistance and recalled its aid personnel in July 1978. This aid had been very substantial during the war and up to 1978<sup>22</sup> for Vietnam's 1976-80 Plan. China had agreed to provide \$1.5 billion in aid, and average of \$330 million a year.<sup>23</sup> Chinese assistance was important in that it provided Vietnam not only technical help (72 projects), but also a wide range of consumer goods, including medicinal products, clothing material, petroleum (20 per cent of Vietnam's annual needs, or 400,000 out of two million tons), and foodstuffs, loss of this source of aid had a direct and perceptible impact on the living standards of the people.

But perhaps worse than the loss of aid, now that China and Vietnam were no longer "teeth and lips" Chinese policy was to weaken Vietnam, to "bleed it white," in order to force it to change course. This involved giving support to all the forces opposing the Hanoi regime inside and outside Vietnam: encouraging economic and psychological warfare within Vietnam; supporting the former Liberation Front of South Vietnam and other groups in South and North Vietnam, as well as anti-Vietnamese forces in Laos and Cambodia; and engaging in diplomatic maneuvers to isolate Vietnam internationally, especially in Southeast Asia. These hostile actions imposed a very heavy military burden on Vietnam and forced it to divert a substantial part of its resources and foreign aid, in particular Soviet aid, to military purposes—thus compounding the country's economic difficulties.

While Vietnam's relations with China deteriorated, its relations with the United States fared no better; and this, too, had dire economic consequences. During the Paris Peace Conference, the United States promised to give Vietnam a grant of \$3.5 billion for rehabilitation and reconstruction purposes after the restoration of peace and another \$1.5 billion subject to mutual agreement between the two countries. However, Hanoi failed to normalize relations with the U.S

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<sup>22</sup> According to Hoang Van Hoan, a former member of the Central Committee of the CPV, and now a refugee in China, Peking gave Vietnam \$20 billion between 1950 and 1978. *Beijing Information*, December 10, 1979. In 1974-75, China gave Vietnam a \$203.3 million, interest-free loan each year. *Asian Security*, 1981.

<sup>23</sup> *Asian Security*, 1981. Alain Jacob, of *Le Monde*, citing reliable diplomatic sources in Hanoi, gave a similar figure (*Le Monde*, July 5, 1977).

during the Carter administration (which was rather well-disposed toward its former enemy by insisting that the E.S. pay “reparations” to Vietnam-avoiding forcing the Americans to admit guilt for the war-and by refusing to satisfy the U.S. Congress on the question of servicemen missing in action. In 1976, the Congress forbade the payment of any reparations to Vietnam and in 1977 of all aid as well. Obviously, the leaders of Vietnam had misjudged the temper of the American public and overplayed their hand in this matter.<sup>24</sup> Furthermore, as a result of the exodus of the “boat people” and of Vietnam’s invasion of Cambodia in the second half of 1978, the U.S. put pressure on the other Western countries to stop or suspend their aid to Vietnam. Thus, an important source of finance for the five-Year Plan was lost.

In many ways, Vietnam was a victim of circumstances. Nevertheless, “objective” factors do not adequately explain the disastrous failure of the second Five-Year plan. There were other, more fundamental reasons. One, “voluntarism”, has been mentioned; others were ignorance, mismanagement, and dogmatic arrogance. The attitudes of the Vietnamese authorities have astounded, distressed, and discouraged officials of the international agencies and countries giving aid to Vietnam-including the Soviet Union and the COMECON countries. Now the CPV leadership itself has acknowledged its errors.

This admission of ignorance by the Central Committee is remarkable. Our deficiencies, it says, stem from the fact that “we have not yet truly mastered the law of passage from small scale production to the great socialist production.” And also that “we have not mastered sufficiently the realities of the country and we lack “we lack economic knowledge,”<sup>25</sup> as a consequence: (1) the economy was irrationally structured and not enough attention given to energy, transport, and raw material; existing facilities could not, therefore, be fully utilized; (2) priorities concerning investments were wrong; too much emphasis was placed on heavy industry in the initial stage; (3) planning was faulty at all levels; sound business principles-efficiency and self-financing-were neglected, and not enough attention was given to preliminary studies.<sup>26</sup>

From the point of view of management, the Central Committee said that “we have maintained too long a bureaucratic approach based on authorization and allocations”(which had proved successful in North Vietnam in the 1960s under different circumstances); “we have been too slow in changing the policies and regulations that hinder production”, and it added, “the propensity to rely on others” (i.e. lack of initiative, due to fear of making mistakes) was “a serious problem.” Moreover, there was a lack of “sense of responsibility”.<sup>27</sup> But, as true revolutionaries if the Central Committee could not refrain from adding a rejoinder that, in the struggle against the regime’s adversaries, the cadres lacked “aggressiveness,” and that one of the

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<sup>24</sup> On May 4, 1976, Congressman Ashbrook of Ohio introduced an amendment to the Foreign Assistance Bill, forbidding payment of reparations to Vietnam. On May 6, the amendment was passed after ten minutes’ debate. In June 1977, 90 senators approved an amendment forbidding all reparations and aid to Vietnam, See Philippe Richer, *Jeu des puissances en Asie du Sud Est* (Paris: Presses Universitaires de France. 1982). P.160

<sup>25</sup> CVN No.5 (1982)

<sup>26</sup> Ibid

<sup>27</sup> Ibid

country's economic ills stemmed from the fact that cadres "did not apply with enough firmness the dictatorship of the proletariat."<sup>28</sup>

All the above had become clear to the CVP leadership by mid-1978, when it confronted a glaring discrepancy between targets and achievements. Targets had to be revised downward in 1979. Food grains from 21 million to 16.5 million tons; hogs from 16.5 millions to 11 million heads; textiles from 450 million to 370 million square meters; chemical fertilizers from 1.3 million to 700,000 tons; steel from 300,000 to 120,000 tons; million to 1.2 million tons; sugar from 250,000 to 145,000 tons; etc.<sup>29</sup>

Having analyzed the failure of the second Five-Year Plan, the Central Committee adopted a set of "new economic orientations"-a New Economic policy, reminiscent of Lenin's NEP of the early 1920s. As pointed out above, its striking feature is its modesty. The new orientations contain a number of very important "rectifications," and represent "new phenomena." To the pure and voluntaristic socialist revolutionaries, the measures must seem to a shocking retreat from socialism, indeed an aberration. As mentioned earlier, the Central Committee had complained of the "invasion" of socialism by "capitalist and a-socialist elements."<sup>30</sup>

Obviously, the pragmatists in the Party prevail, for the time being at least, and the "new orientations" are simply aimed at getting the population, especially the workers and peasants, to work harder in order to produce more for both domestic consumption and export-to pay for the import of equipment, and for the massive purchases of arms from the Soviet Union and COMECON, and to reduce Vietnam's enormous external debt. It is a move away from breakneck socialization and voluntarism and, in practice, decontrol and liberalization.

The caution is expressed, as we have seen above, in the setting of very modest targets for 1985, and in the adoption of a step-by-step approach-one one-year plan at a time. The pragmatism – a more important point- is expressed in a switch of the Party line regarding socio-economic restructuring. At the Fourth Party Congress in 1976, it was decided to "move directly to socialism without passing through a phase of capitalist development" this was considered at that time to be "the most important feature" of the Vietnamese socialist revolution. Determining its" essential content."<sup>31</sup> In 1976, the central task was viewed as the creation of a "modern economic industrial-agriculture structure," and the fundamental path leading to that structure was to be the "priority rational development of heavy industry based on the development.

Of agriculture and light industry<sup>32</sup> this structure was to be "a nationally unified structure" covering both the central and the regional economies.<sup>33</sup> Furthermore, the supreme aim of

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<sup>28</sup> Ibid

<sup>29</sup> FEA, 1982-1983: also Nhan Dan. December 29, 1977 and December 30, 1978

<sup>30</sup> See above, p.693

<sup>31</sup> IV Report, p.43

<sup>32</sup> Ibid., p.52

production was “not to engage in commerce and make profits,” but to satisfy as best as possible, the material and cultural needs of the people; thus ‘attention must be given above all to the use value of the products.’<sup>34</sup> Accordingly, it was decided to proceed at once to ‘the socialist transformation’ of private capitalism of agriculture, handcraft, small industry and small commerce,” and to replace them by state trade, co-operatives (sale and purchase), and consumer co-operatives.<sup>35</sup> In a word, there was to be total nationalization.

Now, says Nguyen Khac Vien, the policy adopted by the Fifth Congress is “better balanced”; the stress is no longer on the rapid building of the material and technical bases of socialist production, but rather on “the satisfaction of the pressing needs of the population.” To achieve this, it is necessary, by all means, fully to exploit “the existing productive capacities and material bases” (i.e. somehow get the peasants to produce, the workers to work, and the professionals and technicians who have not fled Vietnam, to cooperate).<sup>36</sup> The building of the material and technical bases of socialism is “conditioned by the development of agriculture the production of daily consumer goods and of goods for export.” This will permit the development of heavy industrial projects<sup>37</sup> with regard to the socio-economic reconstruction of the South, the task will be pursued, “but at a progressive pace, safe step by safe step”<sup>38</sup>

Concretely, in the New Economic Policy, special attention will be given to the production of foodstuffs: rice (16 million tons) and especially soya beans (300,000 tons, as against 32,000 in 1980) which are an important source of protein, as well as an important commodity exported to Eastern Siberia and the Soviet Maritime Provinces. With regard to light industries, Ho Chi Minh City, Hanoi, Haiphong, and Danang will be major production centers, for internal consumption as well as exports. The order of listing, with regard to heavy industries, priority will be given to energy. Energy output is to be tripled by the completion of three big Soviet-financed projects-Pha Lai (600,000 KW), Da River (2 million KW), and Tri An (320,000 KW)-by increasing coal production to 10 million tons, and, with soviet assistance, activating the exploration of oil in the South and natural gas in the North. Lastly, special attention will be given to the development of transport, particularly in the North where, in contrast to the South, it is rudimentary.

The most interesting feature of the New Economic Policy, however, is the sanctioning of private production – i.e. free enterprise. This will especially affect the free peasants (those who have refused to join the cooperatives, which include the overwhelming majority of peasants in the South), small producers, small traders, and family businesses. It is recognized that “the volume of goods and money held by this sector weighs heavily in the national economy.” The aim is no longer to stifle to this sector and to liquidate it as rapidly as possible;

<sup>33</sup> Ibid.

<sup>34</sup> Ibid., p.55

<sup>35</sup> Ibid., p.100.

<sup>36</sup> CVN, no.6 (1982)

<sup>37</sup> Ibid

<sup>38</sup> Ibid

rather, its existence is now held to be “and objective necessity” during the transition period, a “beneficial fact” because “it meets the new needs of society.”<sup>39</sup> In a word, there will be no more total nationalization of small enterprises in agriculture, industry, and commerce- are treat from complete socialization of the South, But what the Southern peasants, workers, and small capitalists have gained is extended to their northern counterparts also. As mentioned above, Hanoi and Haiphong will occupy the same status as Ho Chi Minh City and Danang. Thus we see a slowdown of de-socialization in the North!

With regard to liberalization, a whole range of measures are being taken to relax or remove controls both regionally and sartorially. The system of bureaucratic control and subsidies (allocations) has been loosened. The rigid regulations, which hampered freedom of movement and “stifled all initiative” Have been eliminated. The principles to be applied now are “efficiency and self-financing”, and freedom of production and distribution. In other words sound business management principles are to be applied, instead of “socialist production” principles.

In agriculture, the system of forcible collection of products from the peasants at outrageously low price fixed by the government has been abolished and replaced by a contractual “quota” system. Each household or group of households (cooperative), will agree to deliver to the state a fixed quantity of produce at mutually agreed price, far above that fixed in 1976 (on the average, five times higher)<sup>40</sup> and can do whatever it wishes with the rest-board it, move it, or sell it on the free market. This is free enterprise, pure and simple. The peasant will no longer be driven to “giving his rice to the Chinese or to the pigs,” as one high official told R.P Paringaux of *Le Monde*.<sup>41</sup> A cadre of Can Tho (South Vietnam) told the same correspondent that “many peasants have supported the Revolution because they wanted to see the Americans kicked out, and not because they wanted to have a socialist economy.”<sup>42</sup>

In industry, the local authorities and productive units now have extensive freedom in production and marketing. They can buy raw material where they can find them, and pay the market prices for them. They can hire workers freely, paying them sufficient wages to motivate them to produce more goods and better quality. Piece rates and bonuses are also allowed. In the Party’s jargon, this is encouraging the workers “to exert their creative capacities to the full”<sup>43</sup> The public and private enterprises producing for export can buy raw materials directly from abroad, make direct contract sales with their foreign customers, and keep their foreign exchange. No prior authorization and allocation of resources by the central authorities are required, thus avoiding the loss “months and years.”

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<sup>39</sup> CVN, no.5 (1982)

<sup>40</sup> According to refugees arriving in Europe recently, the price for a kilo of rice was 0.50-0.60 dong in 1979, and 2.50-3.50 dong in 1982: for a ton o soya beans, it was 2.000 dong and 10,000 dong, respectively: for a ton of coffee, it was 3,900 and 22,000 dong, respectively

<sup>41</sup> R.P Paringaux, “Trios ans de socialisation,”*Le Monde*, April 19, 1978

<sup>42</sup> *Ibid*

<sup>43</sup> CVN, no, 5 (1985)

Central to the planning for 1981-85 and beyond-to 1990 and even 2000 is the great concern over rapid population-growth, and the special attention given to population control. Between 1976 and 1979, the population of Vietnam increased from 49.2 to 52.4 million (see Table 8). Given a growth rate of 2.4 per cent to 1.7 per cent by 1985, and 1 per cent in 1991-2000 (see Tables 10 and 11). It has been estimated that, with a rational plan, Vietnam's population will reach 75 million by the year 2001, and 100 million by 2025; if, however, population were allowed to grow unchecked at an annual rate of 3 per cent, it would reach 100 million by the year 2000, and 400 million by 2050.<sup>44</sup>

Population control in itself is not sufficient, says Che Viet Tran, and an extensive relocation program is being contemplated, especially the moving of 10 million people from the narrow and overcrowded deltas of North Vietnam and the maritime provinces of Central Vietnam to the vast expanses of the Mekong Delta and the Highlands of the South. By 1995, a maximum of 10 million hectares of arable land can be available 3 million in the North and 7 million in the South. If relocation plans are successfully implemented, the North will then have a population of 28 million. The South a population of 47 million; the ratio of hectares of arable land to people will be 1:9 in the North and 1:7 in the South. Without "redeployment" this ratio will be 1:13 and 1:5 respectively. With redeployment in the next five to ten years, it will be possible to obtain 5 million hectares of arable land 7 million hectares of reforested land. Some 600,000 people will have to be moved each year- "a task which must be tackled resolutely" for the next twenty years.<sup>45</sup>

One last aspect of Vietnam's new Economic Policy deserving mention is the country's integration into COMECON. A "new fact" of "fundamental importance," says Nguyen Khac Vien is the development of international cooperation. In particular close relations with Laos and Cambodia and, still more, with the Soviet Union and the socialist countries. The aim now, he adds, is no longer to obtain foreign aid, but "to promote an increasingly close cooperation and international division of labour." The "progressive integration" into the world socialist system will make it possible to deal with order countries, in particular capitalist countries, "without being subjected to draconian conditions"<sup>46</sup>

It is natural that Soviet aid should have played a vital role in bolstering Vietnam's economy after the termination of Chinese aid, the U.S. refusal to help in Vietnam's rehabilitation and reconstruction, and the suspension of assistance by most Western countries.<sup>47</sup> Soviet financing of Vietnam's second Five-Year plan has been estimated at \$2.6 billion. As mentioned above, Soviet

44 Hoang Mai, "Planning familial au Vietnam," CVN no. 7 (1981)

45 Che Viet Tran (deputy director, Planning Committee), "Croissance démographique et redistribution des forces de travail et de la population," CVN no. 58 (1977)

46 CVN, no. 6 (1982)

47 Japan, \$65 million (suspended in 1979); Sweden, \$100 million in 1976; Denmark, \$75 million; Finland, \$37 million; Norway, \$52 million; France, \$363 million. From the IMF: \$35.8 million in 1977, \$27.8 million in 1978, \$12 million in 1980, \$33.5 million in 1981 (a second request was refused because of poor management). From The World Bank: \$60 million loan approved; but after \$44.6 million had been drawn, it was stopped because of American opposition (FEA, 1982-1983)

aid played an important part in staving off famine in Vietnam in 1977 – 78; but that was only an emergency measure. The U.S.S.R has a preference for industrial projects, especially big ones, which take time to mature. On November 2, 1979, *Izvestia* made known that the Soviet Union had pledged to help Vietnam finance 268 projects (of which 187 were already in operation): it said that in 1978 industrial facilities constructed with Soviet aid accounted for 25 percent of Vietnam's electric power; 85 per cent of its coal; 100 per cent of its tin, sulfuric acid, phosphates, and super phosphates; and 61 per cent of metal cutting.<sup>48</sup> Besides, after China had withdrawn its assistance, the Soviet Union had to supply practically all (90 percent) of Vietnam's needs for oil. Nguyen Lam disclosed that Soviet aid for 1981 was \$ 757.5 million (in the form of credits). This means that U.S.S.R contributes \$ 1.45 billion for military aid (\$2.2 billion less \$757 million)<sup>49</sup> Aid from other COMECON countries has been estimated at \$800 million, of which \$150 million came from Czechoslovakia, \$143 million from Bulgaria, \$188 million from Hungary, and \$200 million from East Germany.<sup>50</sup>

Given Vietnam's alignment with the Soviet Union, symbolized by its joining COMECON in June 1978 and the signing of a treaty of friendship and mutual cooperation in November 1978, it is natural that Vietnam's external trade has been reorientated toward the Soviet Union and the COMECON countries. Whereas Vietnam's trade with the West accounted for 39.3 per cent of the total in 1976, and 45.4 per cent in 1977, it fell sharply in 1979-80, more than 50 per cent of Vietnam's exports went to the Soviet Union; and 90 per cent of its imported steel, 90 per cent of its imported oil, 77 per cent of food, 89 per cent of fertilizers, and 94 per cent of cotton came from the Soviet Union.<sup>51</sup>

But Vietnam's relations with the Soviet Union and its allies have had their problems. Since 1974, the Soviet Union has insisted on providing Vietnam with refundable loans instead of free grants. The U.S.S.R and the COMECON countries have become more critical of Vietnam's performance and less eager to come forward with aid. In particular, they failed to meet all of Vietnam's requests quickly or unconditionally regarding the financing of its third Five-Year Plan. When, in April 1980, Hanoi asked Moscow to provide \$1.4 billion for this plan, the Soviet leadership wanted first to find out how its aid was being used and, to this end, sent an investigating team to Vietnam in June. Soviet investigators reported that Russian aid had not been used effectively and, as a result, Moscow insisted on controlling the use of its money. In the same month, Pham Van Dong failed to secure a firm commitment of aid for 1981-85 from the COMECON countries, who were meeting in Prague. During Le Duan and Pham Van Dong's visit to Moscow at that time, Soviet leaders did not indicate any specific amount of aid to Vietnam.<sup>52</sup>

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<sup>48</sup> Asian Security, 1981

<sup>49</sup> Ibid

<sup>50</sup> FEA, 1982-1983

<sup>51</sup> Asian Security 1981

<sup>52</sup> Asian Security 1981

It was only in March 1981, during another visit by Le Duan to Moscow, that an agreement was signed. The communiqué issued on this occasion stated that, during the meeting between Le Duan and Brezhnev unity of views were exchanged on the long range tasks of Soviet Vietnamese cooperation, including cooperation in the sphere of economics.” Specifically, it said the participants discussed the development of joint projects “in prospecting for and extraction of gas and petroleum on the continental shelf of the SRV, the expansion of Vietnam’s exports of fruits and vegetables to the USSR.” The communiqué also asserted that Comrade Le Duan expressed “full agreement” with the assessment of the international situation set forth in the CPSU Central committee’s Report to the 26<sup>th</sup> Congress, and stated that” the SRV firmly supports the CPSU’S foreign policy program.”<sup>53</sup> Later that year, in September, another visit by Le Duan to the U.S.S.R. resulted in yet another communiqué which revealed that, in the five-year period which had just begun,” plans call for the joint construction in the in the SRV of 40 projects of great economic significance.” It noted that oil and gas extraction work in Vietnam” is getting under way” and that provisions had been made for a “significant increase” in deliveries of Vietnamese goods to the U.S.S.R “particularly of vegetables and fruits to the Soviet Far East and Siberia.”<sup>54</sup>

Thus, there is a price-political as well as economic to be paid by Vietnam for Soviet aid. In addition, the Russians are now using the naval-air bases of Cam Ranh and Danang, and the Tan Son Nhut air base, and Soviet ”advisers” are operating at the provincial levels of government – just as the Americans did years ago. Moscow’s delay in assisting Vietnam in its third Five-year Plan is probably due partly to Soviet to extract more concessions from Vietnam. This delay explains why the Vietnamese Central Committee had to put off the formal presentation of its third Five-Year plan to the Party until march 1982, almost half-way through the plan period.

What are the results of the New Economic Policy? Reporting to the National Assembly in December 1981 on the results of the 1981 State Plan, Nguyen Lam provided the following statistics: food production reached the “unprecedented” figure of 15 million tons (i.e.600, 000 tons more than in 1980); industrial crops increased by 1.8 per cent; soya bean production double; the number of hogs, buffaloes, and oxen increased by 4 per cent and 6.3 per cent, respectively. Deliveries from the peasants to the state increased also; 14 per cent for peanuts, 74 per cent for sugar cane; 15 per cent for tobacco; 2 per cent for jute; 19 per cent for reeds; 19 per cent for pork; and 26 per cent for fish. In industries, increases were also recorded: 7 per cent for small industries; 4.4 per cent for electric power; 11.7 per cent for coal; 2.7 per cent for tin; and 41 per cent for cigarettes.<sup>55</sup>

But Nguyen lam reported that, in other sectors, the results were not satisfactory. In the South, the cultivated area *decreased* by 230,000 hectares. In the country, dry crops *decreased* by 220,000 tons. State enterprises making fabrics, clothes, paper, mats, bicycle parts, and pharmaceutical products experienced *decreases*. The volume of exports reached only 88 per cent of targets. As a result of inadequate transportation and insufficient production of consumer goods, there was “a

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<sup>53</sup> Pravda, March 11, 1981

<sup>54</sup> Pravda, September 8, 1981

<sup>55</sup> CVN, no. 1 (1982)

severe shortage of goods” which had a harmful impact on prices and on the living standards of the people. As noted earlier, the post-1980 prices were on an average five times higher than pre-1980 prices. Also, in 1981, the Vietnamese currency was devalued from 2.379 to 9.045 dong per U.S dollar. Higher import prices naturally mean higher costs of living and more hardships for the people.

At the same session of the National Assembly, Lam presented the main indices and targets for the 1982 State plan (see table 12). The results for 1982, to judge from fragmentary information, are better for agriculture than industry. The “quota” system has done “wonders,” Vietnamese authorities say. Food production reached 16.2 million tons or 1.2 million more than in 1981, and 200,000 more than the planned target.<sup>56</sup> There was hope that in 1983 the country would be self-sufficient in food, and that in 1984 there would be a surplus, says Vo Van Kite, vice-premier in charge of planning. But he admitted that this would rather difficult, for there are one million more mouths to feed.<sup>57</sup> While agricultural production improved, industrial production seemed plagued by many difficulties, and the prospects in this sector were not so good. Production was hampered by an acute shortage of energy, raw materials, and spare parts. The textile mills were working at half capacity, while the people’s needs for clothing could not yet be met. “It is more difficult to clothe than to feed,” says Hoang Tung, a prominent member of the central Committee. And people were making demands regarding quality and design of materials, as well.<sup>58</sup> In 1982, Vietnam’s exchange reserves were down to \$30 194 million, and in 1977 at \$204 million.<sup>59</sup> Vietnam stopped payment of its external debts in 1982, at which time they totaled \$3.5 billion, of which \$2.3 billion was owed to the Soviet Union and the COMECON countries.<sup>60</sup> These countries seemed weary of supporting Vietnam, and irritated by its requests for increased aid. Indeed, in 1982, East Germany, Czechoslovakia, and Bulgaria reduced their assistance to Vietnam by 25 per cent and the Soviet Union steadfastly maintained its credits to grants ratio at 90:10.<sup>61</sup>

With the exception of Sweden, Western countries have tied the resumption of their aid to Vietnam’ evacuation from Cambodia. France is in an intermediate position, and has been more ready to provide assistance. In December 1981, the French government agreed to help Vietnam with 200 million francs (\$28.5 million); and a private group, “Interregna,” headed by the “communist billionaire” Domenguez, signed with Vietnam protocol for a total of \$200 million for the financing of commercial exchange, while another firm, controlled by the same group, agreed to build in Vietnam a rice-mill worth 20 million francs (\$2.8 million)<sup>62</sup> at the same time,

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<sup>56</sup> Jacques de Barrin, “Le Vietnam a Peure du pragmatism,,” *Le Monde*, January 1, 1983

<sup>57</sup> *Ibid*

<sup>58</sup> *Ibid*

<sup>59</sup> *Asian Security*, 1981

<sup>60</sup> *Le Monde*, January 10, 1983

<sup>61</sup> *Ibid*

<sup>62</sup> *Le Figaro*, January 6, 1983

the French government has made it clear that, so long as the Cambodia question remains unsettled, the prospects for further substantial aid are rather poor.<sup>63</sup>

The situation is therefore precarious, and the Vietnam leaders are confronted with difficult decisions for the coming years. If they really want to solve the country's economic problems, they will have to make more and more ideological concessions, evacuate Cambodia, and disengage from the Soviet bloc. The Formula they should adopt is more pragmatism, less socialism, and less confrontation. In their present situation, however, they are not likely to adopt such a formula from their statements, it is clear that they consider the: new orientations" with the attendant "rectifications" as only temporary measures, and that they intend to tighten up progressively as they get a better grip on the situation. Le Duan has told the Fifth congress of the party; "Our Congress affirms that the implementation of the policy of achieving the socialist revolution and building a socialist economy laid down by the IV Congress will be pursued."<sup>64</sup>

64 million in Treasury loans at 3 per cent over 30 years, 80 million in guaranteed credits *Le Monde*, February 4, 1983. While these are Central Committee members, like Vo Van Kiet (a southerner), who advocate more pragmatism, and an even broader and bolder extension of it, there are others – long-time Party cadres and war veterans who have sent clear signals to the leaders that the achievements of the Revolution must not be "sold off."<sup>65</sup> Nguyen Co Thach, the foreign minister, an alternate member of the politburo, and apparently a hard-liner, has referred to the rectifications a "deviations" which benefit the individual at the expense of the state.<sup>66</sup> Hoang Tung, a prominent member of the Central Committee, has called the rebirth of small trade" a negative development," and stressed that the aim will always remain "to limit and transform" the non-socialist components: when the cooperative sector has been organized, the free market will be reined in.<sup>67</sup>

With regard to Cambodia, Nguyen Co Thach has made it perfectly clear that unilateral troop withdrawal by Vietnam is "unacceptable," and that military cooperation between Cambodia and Vietnam is for Vietnam "a question of principle and security, a matter of life and death," because for Vietnam, Cambodia is "a shield."<sup>68</sup> Moreover, the Vietnam's "special relations" with Cambodia are "sacred," and Vietnam will withdraw its troops from Cambodia only when the Chinese regime "becomes socialist again."<sup>69</sup>

Lastly, concerning its relations with the Soviet Union, Vietnam has now been drawn too closely to the latter's bosom to be able to move freely. For its security, its economic survival, and its

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<sup>63</sup> At the end of 1981, Vietnam still owed France \$337 million. The 200 million franc aid agreement of December 1981 had remained a dead letter. It includes 56 million francs in grants, 64 million in Treasury loans at 3 percent over 30 years, 80 million guaranteed credits. *Le Monde*, February 4, 1983.

<sup>64</sup> IV Report, p.36

<sup>65</sup> *Le Monde*, January 10, 1983

<sup>66</sup> *Ibid*

<sup>67</sup> *Le Monde*, March 19, 1981

<sup>68</sup> *Le Monde*, January 7, 1983

<sup>69</sup> *Ibid*

continued hold on Laos, and Cambodia, it is now entirely dependent on Soviet assistance. We are a long way from the situation eight years ago. In 1976 at the Fourth Congress of the party, Le Duan did not single out the Soviet Union as a special benefactor, model, or ally. But at the Fifth Congress (1982), he asserted that solidarity and cooperation with the Soviet Union “in all domains” is “the cornerstone” of the external policy of the of the Vietnamese Party and State. Such solidarity and cooperation will be developed “still more vigorously,” because it is “the guarantee” of Vietnam’s defense and building of socialism, and also of “the position of socialism in the Indochinese peninsula” (i.e., of Vietnam’s special position there). Moreover, he said, such solidarity and cooperation is “a principle” which the Party “must instill resolutely into future generations.”<sup>70</sup> This is indeed mortgaging Vietnam’s future and binding Vietnam more tightly than ever to the Soviet Union.

Adopting the above attitude would mean continued confrontation with China, tensions with the United States and its Western allies, hostility on the part the ASEAN countries and, above all, keeping the country on a constant war-footing. Indeed, defense is a theme which runs through the poorest country of Southeast Asia, maintains the largest army in the region. With over one million men, it is larger than the combined armies of all the ASEAN countries (756,000 men),<sup>71</sup> and the fourth largest in the world after China, the Soviet Union, and the United States. It costs \$1.4 billion in foreign exchange alone each year. In terms of import of arms, Vietnam ranks ninth among the top twenty Third World countries, with 3.7 percent of the total, or \$960.9 million far above Indonesia (15<sup>th</sup>) and Thailand (17<sup>th</sup>).<sup>72</sup> At present, it maintains 7 army corps of 4 divisions each i.e. a total of 28 divisions, or some 300,000 men along the Chinese border 200,000 troops in Cambodia, and 60,000 troops in Laos. This means a total of 560,000 men under 28 years of age have been removed from economic production and other constructive tasks- and they must be fed and supplied from the meager resources of the country.

It is clear that Vietnam’s economic problems cannot be solved, nor the living conditions of its people improved perceptibly, unless the leaders change their policy from war to peace and from ideological dogmatism to pragmatism, within the next five to ten years. The most one can hope for at present is that the pragmatists will maintain their dominance and be able to persuade the other members of the party to extend, or at least to sustain, the liberalization measures adopted lately. After all, they have a powerful argument: what they advocate works. But if they fail, the future for the country will be very bleak indeed; Vietnam will then be like a man seriously ill, who has been the Victim of a faulty diagnosis and has received the wrong treatment over a very long period of time. Even if that treatment is reversed, the patient may never be able to recover fully, if at all.

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<sup>70</sup> V Report, p. 150

<sup>71</sup> In 1982, Indonesia had 269 thousand men under arms, Thailand 233,1 thousand, the Philippines 112.8 thousand, Malaysia 99.1 thousand, and Singapore 42 thousand. London International Institute of Strategic Studies, *The Military Balance, 1982-83*, 1982

<sup>72</sup> *SIPRI Yearbook, 1982*, p.186. the total was nearly \$26 billion.

Geneva, Switzerland, February 1983

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TABLE 1. PLANNED AVERAGE GROWTH RATE IS SECOND AND THIRD PLANS

	Third Plan (1981-85) (Percentage)	Second Plan (1976-80) (Percentage)
Gross domestic product	4.5 -5	14 – 15
Agricultural production	6 - 7	8 – 10
Industrial production	4 -5	16-17

Source: Courrier du Vietnam (henceforth CVN), no.5 (1982)

TABLE 2. TARGETS FOR SECOND AND THIRD FIVE-YEAR PLANS

	1985 Targets	1980 Targets
Food grains (million tons)	19	21
Sea fish (thousand tons)	500	1000
Hogs (million heads)	13	16.5
Electric power (billion KWH)	5.5	5
Coal (million tons)	8	10
Cement (million tons)	2	2
Steel (thousand tons)	216	300
Fabrics (million square meters)	380	450
Phosphate fertilizers (thousand tons)	350	231
Paper (thousand tons)	90	140

Sources: CVN, No. 5, 8 (1982); Asian Security (1981); IV Congress report (henceforth, IV)

TABLE 3. SECOND FIVE-YEAR PLAN (1976-80): TARGETS AND PERFORMANCE

	1980 Targets	1980 performance
Food grains (million tons)	21	14.4
Sea fish (thousand tons)	1,000	560
Hogs (million heads)	16.5	10.5
Land opened up (thousand hectares)	1,000	560
Land reforested (thousand hectares)	1,200	580
Engineering products	250 % of 1975	- <sup>a</sup>
Electric power (billion KWH)	5	3.6
Cement (thousand tons)	2,000	704
Steel (thousand tons)	300	108 <sup>b</sup>
Fabrics (million square meters)	450	229
Chemical fertilizers (thousand tons)	1,300	779
Paper (thousand tons)	130	53.4
Housing space (thousand square meters)	14,000	1,500 <sup>c</sup>

Sources: CVN, no.2 (1982); IV Report; the far East and Australia (henceforth FEA), 1982-83

Notes: <sup>a</sup> Data not available; <sup>b</sup> figure for 1981; <sup>c</sup> figure for 1978

TABLE 4. AGRICULTURAL PRODUCTION, 1979-79 (in thousand metric tons)

	1976	1977	1978	1979
Rice (paddy)	12,076	10,885	9,880	10,500
Maize	382	408	460*	520
Sweet potatoes	1,328	1,520	1,700*	2,400
Cassava (manioc)	1,820	2,668	3,000*	3,800
Dry beans	31	37	40*	45
Soya beans	22	20	22*	24
Ground nuts (in shells)	96	91	105*	94
Vegetables (including melons)	2,250	2,310	2,374	2,437
Fruits (excluding melons)	1,790	1,825	1,914	2,900
Sugar canes	2,738	2,758	2,500	2,900
Coffee (green)	10	13	15*	15
Tobacco	16	17	19*	28
Jute and substitutes	47	43	48*	53
Natural rubber	25	42	45*	48

Sources: FEA, 1980-81; FEA, 1982-83

Notes: \*Unofficial estimate

TABLE 5. LIVESTOCK, 1976-80

	1976	1977	1978	1979	1980
Cattle	1,582	1,647	1,700*	1,600	1,450
Buffaloes	2,244	2,287	2,300*	2,200	2,200
Hogs	9,224	9,058	9,600*	9,359	9,354
Chickens	58,000	57,300	66,000*	57,300 <sup>+</sup>	55,000 <sup>+</sup>
Ducks	30,200	33,000 <sup>+</sup>	36,000*	32,200 <sup>+</sup>	29,000

TABLE 6. LIVESTOCK PRODUCTS, 1976-80 (FAO ESTIMATES) (in thousand metric tons)

	1976	1977	1978	1979	1980
Beef and veal	30	31	33	34	31
Buffalo meat	60	59	60	62	60
Pork	420	420	440	435	415
Poultry meat	85	87	96	92	88
Hen eggs	110	114	117	122	122
Other poultry eggs	54.4	57.8	60	61	61

Sources: FEA, 1980-81; FEA, 1982-83

TABLE 7. VIETNAM'S FOREIGN TRADE, 1975-80 (in million dong)

	1975	1976	1977	1978	1979	1980
Imports	1,765	2,458	2,925	2,711	2,996	1,029 (US\$360 million)
Export	536	837	1,167	1,235	1,097	
Balance in dong	-1,229	-1,621	-1,758	-1,476	-1,899	

Balance in US\$*	-602	-794	-861	-723	-930	-669
Percentage of Imports covered by Exports	30.3	34	39.8	45.5	36.6	34.9

Sources: Figures for 1976-79 from Khac Vein, *Le Vietnam Contemporain* (Hanoi: Editions en Langues Etrangeres, 1981), p.311; those for 1980 are from FEA, 1982-83.

Notes:\* Calculated at the official rate of US\$1 = 2.04

TABLE 8. VIETNAM'S POPLATION, GDP, AND PER CAPITA INCOME, 1976-79

	1976	1977	1978	1979
Population (millions)	49.2	50.4	51.7	52.4
Gross domestic product (billion dongs)	19.9	20.3	20.7	20.6
Per capita income				
In dongs	405	403	401	391.5
In US\$*	198.5	197.5	196.5	191.9 <sup>+</sup>

Source: Nguyen Vien Le Vietnam Contemporain, p.231.

Note: \*calculated at the official rate of US\$1 = dong 2.04<sup>+</sup> a World Bank estimate put the figure for 1979 at US\$175

TABLE 9. PER CAPITA INCOME OF SOUTHEAST ASIAN COUNTRIES, 1977

	(In US\$)
Singapore:	2700
Malaysia	860
Philippines	410
Thailand	380
Indonesia	240
Vietnam	192

Source: for Southeast Asian countries. Asia year Book 1977 (published by the Far Eastern Economic Review, Hong Kong).

TABLE 10. POPULATION PLANNING, 1981 - 85

	1981	1982	1983	1984	1985
Annual growth rate (percentage)	2.10	1.95	1.85	1.75	1.70
Estimated population (millions)	54.92	55.99	57.02	58.02	58.92

Source: CVN, no, 50 (1977)

TABLE 11, POPULATION PLANNING, 1976-2000

	Average rate of income (Percentage)
1976 – 1980	2.4
1981 – 1985	2.0
1986 – 1990	1.5
(Percentage) 1991 – 2000	1.0

Source: CVN, no. 58 (1977)

TABLE 12, 1982 STATE PLAN INDICES AND TARGETS

	Targets	Compared with 1981 (Percentage)
Food grains (million tons)	16	
Industrial crops (hectares)	714,000	
Hogs (million KWH)	11	
Electric power (billion KWH)	4	
Coal (million tons)	6.3	
Cement (thousand tons)	962,000	
Cotton and silk fabrics (million square meters)	250	
Paper (tons)	55	
Sugar (tons)	200,000	
Fish (tons)	600,000	
Gross Domestic product		+4
Total value of agricultural products		+8
Total value of industrial products		+5
Total investments in basic constructions		+6.7
Value of exports		+45

Source: CVN, No.1 (1982)