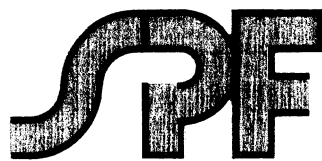

Vietnam, Laos and Cambodia : **The Path to Economic Development**

VOLUME 2



THE SASAKAWA PEACE FOUNDATION

The Sasakawa Peace Foundation (SPF) was established in September 1986 by Ryoichi Sasakawa. Its mandate is to work for world peace through continual and concrete efforts to promote international understanding, exchange, and cooperation.

SPF's endowment, which is derived from profits of motorboat racing, stands at 36.1 billion yen (as of September 1992). Plans are to gradually increase it to 50 billion yen.

SPF has embarked on its medium-term program, entitled "Japan's Responsibilities in an Interdependent World." This program, which sets forth SPF's role and objectives through the mid-1990s, is built on three pillars;

Global Policy Issues

- Interface between economic and security issues
- Development issues
- Environmental issues

Exchange of People and Information

- People and information exchanges
- Area studies
- Japanese language education and studies on contemporary Japan
- Strengthening nonprofit-sector activities

Grassroots Initiatives

- Internationalization of local communities in Japan
- Support for development NGOs

Four special funds have also been established within SPF:

The Sasakawa Island Nation Fund, with an endowment of 3 billion yen, **The Sasakawa Japan China Friendship Fund** with an endowment of 5 billion yen, **The Sasakawa Central Europe Fund** with an endowment of 4 billion yen, and the newly created **The Sasakawa Southeast Asia Cooperation Fund** with an endowment of 4 billion yen.

The Sasakawa Southeast Asia Cooperation Fund (SSAC) was established, with a 4 billion yen endowment, within the Sasakawa Peace Foundation in April 1992. Although its name implies to cover Southeast Asian countries, the Fund's immediate objective is directed at development issues of Cambodia, Laos and Vietnam. To fulfill this objective, the Fund promotes and provides financial support to programs that encompass the following activities.

1. Exchange of People

- VIP exchange
- Scholar exchange
- Grassroot exchange

2. Human Resource Development

- Training programs for enlarging absorption capacity
- Translation of teaching materials
- Strengthening of business management capability

3. Research

- Macroeconomic policy
- Socioeconomic planning and management
- Economic reform policy

4. Others

- Strengthening indigenous NGOs activities
- Conferences, workshops and seminars related to developmental issues to the region
- Others associated activities

As indicated above, the Fund centers on programs targeted at the development and progress of Cambodia, Laos and Vietnam. Nevertheless, the Fund also favors collaborative projects with other Asian countries for promoting mutual understanding and cooperation of the region. Achieving this aim will also lead to greater prosperity and stability in the region as a whole through effective and efficient transfer of knowledge, technology and etc.

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Vietnam, Laos and Cambodia :
The Path to Economic Development

CONTENTS

FOREWORD _____ v

Speech by the Parliamentary Vice-Minister Mr. Koji Kakizawa, _____ vii

Ministry of Foreign Affairs

Member of the House of Representatives, Liberal Democratic Party

1. The Current Situation and Prospects for Development

- 1.1 Emergence of Market Economy: Vietnam _____ 3
Prof. Dr. Tran Khai, Vice Minister, Vice Chairman, State Planning Committee
- 1.2 The Economy in Transition: Laos _____ 11
Mrs. Khempheng Pholsena, Vice Minister, Ministry of External Economic Relations
- 1.3 The Current Situation and Prospects of Development Proposal: Cambodia _____ 25
Mr. Ou Orhat, Vice Minister, Ministry of Planning

2. Key Elements for Successful Transition & Development

- 2.1 Asian Centrally Planned Economies: Fiscal and Financial Policies and Structural Reforms — 39
Dr. Owen Evans, Advisor, Central Asia Dept., International Monetary Fund
- 2.2 Market Mechanism at Work _____ 49
Mr. Osamu Nariai, Professor, Reitaku University
- 2.3 Processing Reform of State-owned Enterprises _____ 55
Mr. Hironori Tsuchiya, Representative Director, Henderson International Japan K.K.
- 2.4 Small Industry Development through Industrial Policy _____ 65
Mr. Shuji Aoyama, Managing Director, Heartware 21 Inc.
- 2.5 Trade, FDI and the Outward-Oriented Growth Strategy of Vietnam _____ 73
Dr. Park Eul Yong, Director, Korea Development Institute, &
Dr. Ji Hong Kim, Hanyang University
- 2.6 Labour Market and Human Capital in Indochina _____ 91
Dr. Chira Hongladarom, Executive Director, Human Resources Institute and Assoc.
Prof. of Economics, Thammasat University

3. Prospects for Regional Economic Cooperation

- 3.1 Means of Inter-Regional Economic Cooperation Between ASEAN and Indochina. — 103
Dr. Chia Siow Yue, Associate Professor, National University of Singapore
- 3.2 Inter-Regional Economic Cooperation With Special Reference to Trade Flow Between ASEAN and Indochina. _____ 121
Dr. Mya Than, Research Fellow, Institute of Southeast Asia Studies, Singapore
- 3.3 Present Economic Cooperation and Future Prospect for Laos and its Neighbouring Countries: Trade, Aid and FDI. _____ 147
Prof. Motoyoshi Suzuki, University of Mie & Research Manager,
Foundation for Advanced Information and Research (FAIR); Japan

- 3.4 The Prospects of Vietnamese Economic Development: Views from Taiwanese
Economic Ties with Vietnam ————— 159
Dr. Wen-Jeng Kuo, Research Fellow, Chung-Hua Institution for Economic Research
- 3.5 The Economic Cooperation between Southwest China and Indo-China in the 1990s ——— 167
Prof. He Shengda, Deputy Director, Yunan Institute of Southeast Asian Studies, China

4. Resources for Development and the Outlook for International Cooperation

- 4.1 Cambodia: Rehabilitation and Reconstruction Process ————— 185
Mr. Grant Curtis, Senior Programme Officer, UNTAC-Rehabilitation
- 4.2 Constraints to Trade and Investment and Role of International Aid Agencies ——— 195
Mr. Philippe E. Annez, Chief of Regional Mission, The World Bank
- 4.3 Constraints to Aid: Japan, United States and Multilateral Institutions ————— 201
Prof. Juichi Inada, Associate Professor, Yamanashi University, Visiting Scholar,
Harvard University (CFIA)
- 4.4 Indochina's Dilemma and Japan's Opportunity to Help: The Introduction of Market
Economies and Economic Development ————— 209
Mr. Osamu Yasuda, Councilor, Nomura Research Institute

PARTICIPANT LIST ————— 218

PROGRAMME ————— 226

FOREWORD

Since its establishment in 1986, SPF has been carrying out a wide range of self-operated and grant-making activities related to socioeconomic development issues in developing countries. Keenly aware of the dramatic unfolding global events over the past several years, the foundation is placing added stress on supporting the transformation of the centrally planned economies into market based systems.

It is in this respect, in 1989, SPF initiated a study group composed of eminent researchers and government officials, which aimed to look into the reconstruction and development issues of Vietnam, Laos and Cambodia. Based on this two-year study, the foundation organized an international workshop in November 1991 to bring together policy-makers, researchers, government officials from Vietnam, Laos and Cambodia along with participants from Asian countries as well as multi-lateral institutions. Partly arising from the results of this international workshop, SPF established a new independent fund with an endowment of 4 billion yen known as the "Sasakawa Southeast Asia Cooperation Fund."

The Fund aims to contribute to development and reconstruction of Vietnam, Laos and Cambodia through a broad range of self-operated and grant-making activities in collaboration with Asian countries. The Fund channels resources to programs that focus on exchange of people, human resource development, research and other associated activities that are targeted at the development progress of Vietnam, Laos and Cambodia.

Market-oriented reforms in Vietnam, Laos and, the long awaited peace initiative in Cambodia exemplify the remarkable transformation that is taking place in this region. This transition process has brought remarkable achievements on socioeconomic front of Vietnam and Laos. On the other hand, given a significant infusion of foreign aid to reconstruct Cambodia, the country is too weak to put the assistance to use in view of its low absorption capacity.

Against the above background, the theme of the roundtable on "Vietnam, Laos and Cambodia: The Path to Economic Development" was chosen in response to the economic reforms and rehabilitation programs initiated in these countries. This timely round table primarily focused on the issues in which the governments of Vietnam, Laos and Cambodia should undertake to further strengthen their development process. The issues discussed were: 1) The current situation and prospects for economic development; 2) Key elements for successful economic transition and development; 3) The prospects and outlook for economic cooperation between the three countries and ASEAN and NIEs; and 4) Resources for development and the outlook for international cooperation.

There were approximately 80 participants including the Honorable Vice Ministers from Vietnam, Laos and Cambodia along with policy-makers, scholars, officials and business executives from Japan, Asian countries, multilateral financial institutions and other international private foundations. The significant speech delivered by Honorable Foreign Parliamentary Vice Minister Koji Kakizawa reaf-

firmed Japanese Government's commitment to provide substantial assistance toward the development process of the three countries concerned.

The success of the roundtable is due to the devoted efforts of the distinguished participants who have contributed their expertise and knowledge to help to explore the path towards economic development of Vietnam, Laos and Cambodia. The Sasakawa Peace Foundation would like to extend its special thanks to H.E. Mr. Tran Kai, Vice Minister and Vice Chairman of Vietnam State Planning Committee, H.E. Madam Khempheng Pholsena, Vice Minister of Laos External Economic Relations, and H.E. Mr. Ou Orhat, Vice Minister of Cambodia Ministry of Planning, for having accepted the invitation to attend the roundtable. The foundation thanks the paper contributors for providing valuable information which made the publication of this proceedings possible. In preparing this work, the foundation would like to express its gratitude to the editors, namely Mr. Osamu Yasuda, Dr. Chira Hongladarom and Dr. Mya Than, for taking time off to analyze the topics discussed in this roundtable as well as to edit and summarize the papers presented in the roundtable.

This Volume II contains the papers presented in the roundtable. The Sasakawa Peace Foundation would like to thank the paper contributors for providing valuable information which made publication of this proceedings possible. The foundation hopes that these papers will contribute to the grater understanding of the economic development of Vietnam, Laos and Cambodia.

In conclusion, the Sasakawa Peace Foundation will do its best to convert the valuable feedbacks/recommendations of the roundtable into productive programs to serve the development process of Vietnam, Laos and Cambodia.

Saburo Kawai

President SPF