

**VIET
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a transition tiger?

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SYMBOLS USED IN TABLES

n.a.	not applicable
..	not available
-	zero
.	insignificant

ABBREVIATIONS

ADB	Asian Development Bank
AFTA	ASEAN Free Trade Area
ASEAN	Association of Southeast Asian Nations
CBR	crude birth rate
CDF	Comprehensive Development Framework
CIEM	Central Institute of Economic Management
CIS	Commonwealth of Independent States
CMEA	Council for Mutual Economic Assistance
CPI	Consumer Price Index
CPV	Communist Party of Vietnam
CSCER	Central Steering Committee for Enterprise Reform
DAC	development assistance community
EPZ	export processing zone
ESAP	Enhanced Structural Adjustment Program
EU	European Union
FDI	foreign direct investment
GDP	gross domestic product
GNP	gross national product
GSO	General Statistical Office
HDI	Human Development Index
HRD	human resource development
IFPRI	International Food Policy Research Institute
IMF	International Monetary Fund
IRRI	International Rice Research Institute
LSMS	Living Standards Measurement Study
MARD	Ministry of Agriculture and Rural Development
MFI	multilateral financial institutions
MOFI	Ministry of Finance
MOJ	Ministry of Justice
MOLISA	Ministry of Labour, Invalids and Social Affairs
MPI	Ministry of Planning and Investment
NIC	newly industrialised country
ODA	official development assistance
OECD	Organisation for Economic Cooperation and Development

PIP	Public Investment Program
PSA	Provincial Seed Agency
SAC	Structural Adjustment Credit
SBVN	State Bank of Viet Nam
SGELI	Steering Group for Enterprise Law Implementation
SOE	state-owned enterprise
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
US	United States
USSR	Union of Soviet Socialist Republics
VAT	value-added tax
VCCI	Vietnam Chamber of Commerce and Industry
VLSS	Vietnam Living Standards Survey

PREFACE

This volume is a by-product of the work done by the two authors in Viet Nam over the past 15 years. Over that period we have worked with many different government agencies in Viet Nam and for a large number of donors. We have had the opportunity to discuss developments in Viet Nam with many knowledgeable observers—Vietnamese scholars and government officials, domestic and foreign business people, foreign academics, NGO representatives, the staff of donor agencies, diplomats and others. Given the help we have received from so many, it is difficult and a little invidious to acknowledge only a few. Nevertheless, there are a few people who have been particularly helpful and particularly deserve our thanks.

Early in our work in Hanoi, we were both very lucky to work with Vu Tat Boi, then with the office of the Council of Ministers, and the able team of young Vietnamese he assembled to staff and advise the UN Management Development Programme. Under that project, we both participated in a program to select and train twenty-seven young Vietnamese for overseas postgraduate training in subjects relevant to the economic reform process. From those two groups of young people, we made many friends whom we keep meeting in increasingly high-level positions in government, business, academia and donor agencies.

Le Dang Doanh and his colleagues, national and international, at the Central Institute of Economic Management also have provided us with valuable insights and challenged our thinking and interpretations on numerous occasions. Pham Chin Lan from the Vietnamese Chamber of Commerce and Industry was an important source of ideas on business issues.

Many individuals from the offices of government; ministries of planning and investment, finance, agriculture and rural development, and foreign affairs; and provincial peoples' committees have assisted us, both professionally and at a personal level, making Viet Nam a stimulating and productive work environment. In particular, we gained valuable insights working on projects headed by former planning ministers, Do Quoc Sam and Trinh Xuan Gia.

We have also learnt much from discussions with the international community during our work, sometimes learning most when we agreed least. The two Adams—Adam Fforde and Adam McCarty—have been a continuing source of stimulus. Among aid officials during the early 1990s, David Dollar of the World Bank provided valuable insights to all those working on economic reform in Viet Nam, while in more recent years, J.P. Verbiest, previously the Asian Development Bank (ADB) resident representative, and Robert Glofcheski of the UNDP office in Hanoi, have proved stimulating colleagues. Two successive Swedish ambassadors, Borje Ljunggren and Gus Edgren, were also most helpful in generating lively exchanges of ideas. A number of domestic and foreign lawyers and business experts (too many to name) helped stimulate our thinking about law and economic development.

We also thank the development agencies that have funded much of our work in Viet Nam, including the Asian Development Bank, United Nations Development Programme and World Bank, from the multilateral agencies, and the Australian Agency for International Development (AusAID), GTZ, SIDA, DANIDA, NORAD, and the Netherlands DGIS amongst the bilateral agencies. If in the text we have occasionally bitten the hands that have fed us, we have no doubt it will be taken in good spirit.

In preparing the text for publication we received help from Richard Jones in Hanoi, who volunteered his time and energy to check the manuscript, and Matthew May, of Asia Pacific Press, who has taken on the daunting tasking of preparing the manuscript for publication. We also thank those readers who took the time to provide valuable comments on earlier drafts of this manuscript.

Ray Mallon would particularly like to offer his personal thanks to To Hanh Trinh and her family for their insights into Viet Nam. Brian Van Arkadie would like to offer personal thanks also to Ray and his family, and to Goran Andersson, of the Swedish Institute of Public Administration (SIPU), for offering encouragement and hospitality.

Needless to say, as this volume offers personal judgments and interpretations on a number of complex and sometimes contentious issues, none of those thanked should be held responsible for any of the contents, although they surely can claim credit if our efforts prove useful.

Brian Van Arkadie and Raymond Mallon
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