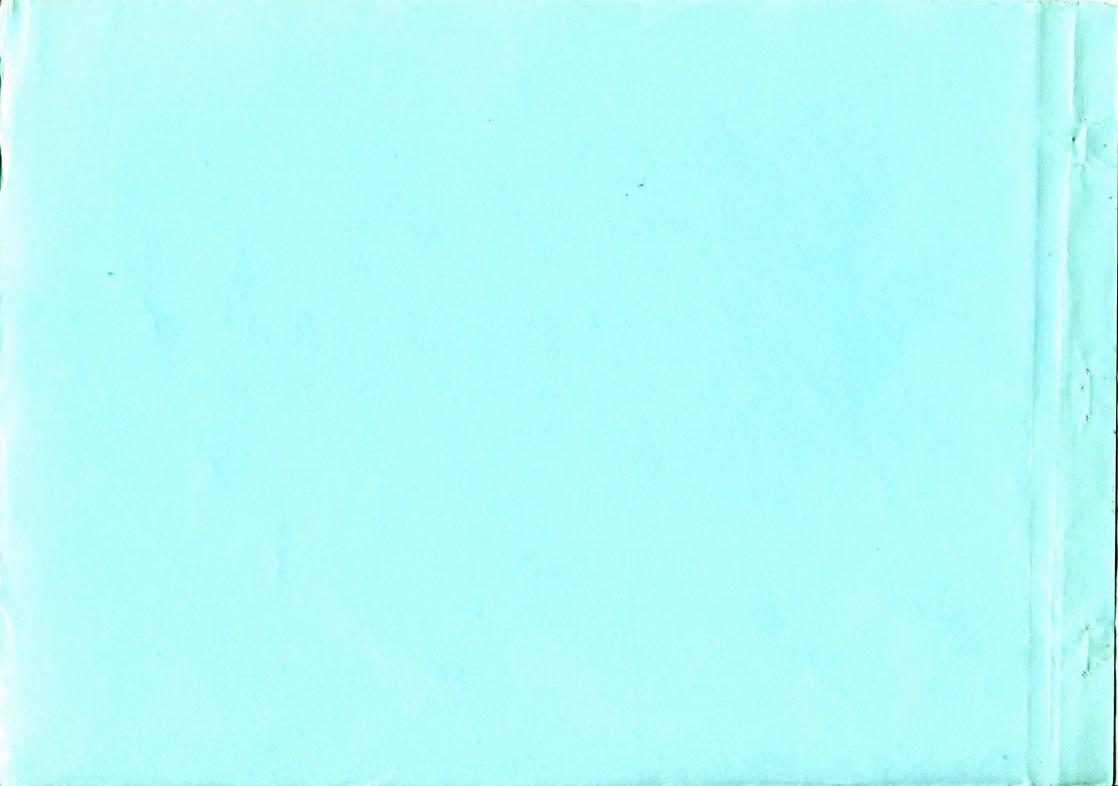
VIIIth NATIONAL CONGRESS DOCUMENTS

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POLITICAL REPORT OF THE CENTRAL COMMITTEE (VIITH TENURE)

TO THE VIIIth NATIONAL CONGRESS

Distinguished delegates to the Congress,

Comrades and friends,

The VIIIth National Congress of the Communist Party of Vietnam convenes at a time of great historic significance. The process of all-round renewal initiated by the VIth National Congress has unfolded for almost 10 years. In the course of those years, our country has seen vast and profound changes. The VIIIth National Congress has the task of reviewing the past 5 years' implementation of the VIIth National Congress Resolution, summing up the 10 years of renewal, mapping out upcoming objectives, orientations and tasks of our entire Party and people in the new stage of national construction and defence, the central task in which is to speed up the cause of national industrialisation and modernisation.

PART I

THE COUNTRY AFTER 10 YEARS OF RENEWAL

From the end of the 7/s, when our country began grappling with a socio-economic crisis, our Party had, on the basis of a review of our practical work and our people's creative experience, mapped out many policies of a partial renewal nature. However, the weaknesses of the then model of socialist construction were in the main not yet overcome. The country was subjected to blockade and embargo. While implementing renewal measures, new errors were committed, as a result of which the socio-economic crisis persisted acutely, with the inflation rate reaching 774.7% in 1986.

At the end of 1986, at its VIth National Congress, with the resolve to "look straight at the truth, accurately evaluate the truth and spell out the truth", our Party seriously reviewed its leadership, reasserted our achievements, analysed our errors and mistakes, and charted the policy of all-round renewal, as a result of which the course of socialist construction in our country entered a turning point.

After the VIth National Congress, renewal was vigorously put into action. However, we were faced with a complex evolution of the situation traught with at times

seemingly insurmountable difficulties: triple digit inflation for three consecutive years; a sharp decline in the living standards of wage earners and people on social welfare; many State enterprises and small industry and handicrafts cooperatives slipping into stagnation and experiencing losses, barely maintaining production or even being forced to close down; hundreds of thousands of workers forced to leave their enterprises; tens of thousands of teachers giving up teaching; credit funds collapsing here and there in many places. Complex international developments had an adverse impact on the situation in our country.

In such circumstances, our Party, State and people clearly showed their staunch mettle, did their utmost to overcome difficulties, firmly maintained political stability, tackled urgent socio-economic problems, thus step by step translating the Resolution of the VIth National Party Congress into facts of life. Whereas in early 1988 famine struck several parts of the country and inflation still stood at 393.8%, from 1989 onward, we exported each year from 1 to 1.5 million tons of rice; inflation slowed down to 67.4% in 1990. The implementation of the three major economic programmes made visible progress. The multisector commodity economy operating along a market mechanism with State management began to take shape. The people's living conditions were improved and democracy promoted in society. National defence and security were firmly maintained; foreign relations were broadened, gradually moving our country of its state of blockade and isolation. Party building made progress. And the people's confidence step by step restored.

However, the results obtained still showed limitations and remained unsteady; a host of pressing problems had emerged. The VIIth National Party Congress reached this conclusion: The process of renewal has recorded very important initial achievements, but our country has not yet emerged from the socio-economic crisis.

The VIIth National Congress adopted the Programme on National Construction in the Period of Transition to Socialism, the Strategy for Socio-Economic Stabilisation and Development to the Year 2000, the Political Report and the revised Party Statutes. The Congress set the overall objectives for the 5 years between 1992 and 1995, namely: to overcome difficulties and challenges, ensure development, and stabilisation socio-economic strengthen political stability, and reduce negative phenomena and social injustices, taking our country essentially out of its present state of crisis. The Congress solemnly declared, "Vietnam wishes to be a friend of all countries in the world community, striving for peace, independence and development".

After our VIIth National Congress, the Soviet Union's disintegration exerted a profound impact on our country. A large number of our officials and population were worried, some even wavered, doubting the prospects of socialism. Our economic relations with our traditional market were upset. In the meantime, the United State's embargo continued. A number of hostile forces stepped

up their activities attempting to cause political instability and incite rebellion and subversion. Our country once more stood before persons tests and trials.

Our Party and people have persevered in pursuing our line of renewal, done their utmost to implement the Resolution of the VIIth National Congress, surmounted difficulties and obstacles, and scored new and great achievements.

I - ACHIEVEMENTS

1. Accelerating the pace of economic development, over-fulfilling many key targets of the five-year plan

The average annual growth rate in the 1991 - 1995 period was 8.2% for the gross domestic product (GDP) (against a planned target of 5.5% - 6.5%), 13.3% for industry, 4.5% for agriculture and 20% for export volume. The economic structure experienced a measure of change: the ratio of industry and construction to GDP increased from 22.6% in 1990 to 29.1% in 1995; and that of services from 38.6% to 41.9%. Accumulation from within the economy started. The rapital investment of the whole society accounted for 15.3% of GDP in 1990 and for 27.4% in 1995 (in which investment from domestic sources amounted to 16.7% of GDP). By the end of 1995, the total registered capital of the FDI projects had reached over 19 billion USD, with almost one third already put

into operation. The inflation rate decreased from 67.1% in 1991 to 12.7% in 1995.

Scientific and technological activities have become more closely associated with the needs of socio-economic development—and—progressively adapted to the market mechanism.

Relations of production have been adjusted to better suit the development needs of the productive forces. The multi-sector commodity economy operating along a market mechanism with State management and a socialist orientation continues to build up.

2. Bringing about a number of positive social changes

The material conditions of life for the majority of the population have been improved. The number of medium-income and wealthy households has risen while the percentage of poor households has decreased. Each year, over one million more working people have found employment. Many dwelling houses and roads have been upgraded or built in both rural and urban areas.

The intellectual level and the extent of cultural enjoyment of the population have been heightened. Education, training and healthcare, cultural, artistic and sports activities, mass communication, family planning and many other social activities have seen development and progress.

Working people, liberated from the bondage of a good number of unreasonable mechanisms, having their right to be the masters and their dynamism and creativity promoted, show greater initiative in seeking employment, generating additional income, and taking part in community activities.

The policy to pay the nation's debt of gratitude to those with meritorious service has elicited nation-wide support; the campaign for hunger eradication and poverty alleviation and philanthropic activities continues to expand, becoming a new and fine feature of our society.

The confidence of the population in the political system and the future of the country, and in the Party and State, has been heightened.

3. Firmly maintaining political stability, and consolidating national defence and security

We have firmly maintained our political stability, our independence and sovereignty and the peaceful environment of the country, creating fundamentally favourable conditions for the process of renewal.

The Party has defined clearly the orientations, tasks and guiding approaches for the defence of the Homeland in the new situation; and effectively continued the adjustment of its strategy for national defence and security. The demands of the consolidation of national defence and security and improvement of the life of the armed forces have been better met. The combat quality and strength of our army and security forces have been enhanced. The system of all-people defence and people's security has been consolidated. And the preservation of political security and social order and safety has been strengthened.

4. Fruitfully implementing a number of important reforms in the political system

On the basis of the Programme for National Construction in the period of transition to socialism, we have step by step concretised the line of renewal in all fields; consolidated the Party politically, ideologically and organisationally, promoting its leading role in society; promulgated the new Constitution of 1992, amended, revised and promulgated many important legal documents, undertaken initial measures of reform of the State administrative system, and continued our efforts to build and perfect the law-governed State of the Socialist Republic of Vietnam. The Fatherland Front, political and social organisations have step by step renewed the content and mode of their activities, achieving more practical results. The people's right to be their own masters in the fields of economy, society, politics, ideology and culture has been promoted. People of various ethnic groups and different walks of life have grown united around the cause of building a prosperous people, a strong country, and a just and civilised society. More and more overseas Vietnamese are turning to the Homeland, moved by that great common goal.

5. Vigorously developing our foreign relations, breaking up the state of blockade and embargo, taking an active part in the international community life

We have actively and dynamically implemented a foreign policy of independence and sovereignty, diversification

and multilateralisation of external relations. We have restored and expanded friendly and multisidedly cooperative relations with China; strengthened our relations of special friendship and solidarity with Laos; built good relations with Cambodia; developed our relations with the other regional countries, become a full member of ASEAN; consolidated our traditional friendly relations with many countries, step by step renewed our relations with the Russian Federation, countries in the Commonwealth of Independent States, and East European countries; expanded our relations with industrialised developed countries; normalised relations with the United States; established and broadened relations with many countries in South Asia, South Pacific, the Middle East, Africa, and Latin America; expanded relations with the Non-Aligned Movement; international and regional organisations.

Our Party has continued to develop our relations of solidarity and friendship with the communist and workers' parties, national independence movements and progressive organisations and movements in the world; established relations with the parties-in-power in a number of countries. The external activities of people's organisations and social organisations have been expanded. Our relations with non-governmental organisations in the world have been developed.

Up to now, our country has established diplomatic relations with more than 160 countries, and trade relations with more than 100 countries. Companies and firms from over 50 countries and territories have made direct investments in our country. Many governments

and international organisations have provided us with non-refundable aid or development loans.

The achievements in the field of foreign relations represent an important factor which has contributed to maintaining peace, breaking up the state of blockade and embargo, improving and enhancing our international status, and creating a favourable environment for the task of national construction and defence. They also constitute an active contribution by our people to the common cause of the peoples of the world for peace, national independence, democracy and social progress.

II - MISTAKES AND WEAKNESSES

Together with an accurate assessment of achievements, it is necessary to clearly identify mistakes and weaknesses.

1. Our country is still poor and underdeveloped. However, we have failed to observe proper economy in production and thrift in consumption so as to focus available capital on development investment

To this day, our country remains among the poorest countries in the world, with low levels of economic development, labour productivity, and production and business efficiency, a backward material and technical base, and a heavy degree of indebtedness. While our need for capital for development investment is very large and pressing, a number of State and Party institutions, people's and economic organisations as well as a segment of our officials and population

are spending wastefully, consuming more than they can produce without saving for intensive development investment. The State is yet to adopt policies which can effectively mobilise capital resources among the population. In 1995, investment from domestic savings (including capital depreciation) in capital construction accounted for a meagre 16.7% of GDP, in which investment from the State budget accounted for only 4.2% of GDP, which was very low compared with the need for economic development. The utilisation of the resources was scattered and inefficient, indicating a lack of resolve to concentrate on the highly necessary socio-economic programmes and projects.

2. Many negative phenomena and unsolved problems still beset the social situation

Corruption, smuggling and the squandering of public property have yet to be checked. Serious wrongdoings persist within the State and party apparatuses and people's organisations, and in State enterprises, especially in the fields of land and housing, capital construction, investment cooperation, taxation, import and export, and even in the operation of many law-enforcement bodies, etc. Employment remains acute. Polarisation of wealth has rapidly increased between the various regions, between urban and rural areas, and between different segments of the populations. The conditions of life of part of the population, especially in a number of former revolutionary and resistance bases and in ethnic minorities areas, remain very hard. The quality of education, training and healthcare is quite low in many places. Poor people cannot afford

medical treatment and sending their children to school while financial sources from the State budget and other available resources that can be mobilised to respond to social welfare requirements remain both limited and poorly utilised. Traffic congestion, eco-environmental pollution and natural resources destruction all continue to grow. Noxious cultural articles are widespread. Social ills are on the rise. Many complex problems still beset public order and safety.

3. Guidance in building the new relations of production has proved somewhat confused and lax

We have been slow in doing away with mechanism and policy impediments so as to provide the impetus and favourable conditions for State enterprises to improve their efficiency and their leading role in the national economy. Slowness has been shown in the experimental equitisation of State enterprises. Inadequate attention has been paid to summing up practical experiences in order to devise timely orientations and measures to renew the cooperatives' economy, resulting in the disintegration or mere nominal subsistence of cooperatives in many localities, thus hindering the development of production; experience has failed to be drawn in time and assistance has not been extended to encourage growth of new cooperative forms. A number of policies aimed at providing incentives for private economy to promote its own potentials have not been properly handled, and at the same time, management of this economic sector leaves much to be desired. There have been many loopholes in the management of enterprises involved in cooperation and joint ventures with foreign countries.

4. The State's socio-economic management is still weak

The system of laws, mechanisms and policies are not yet well-coordinated, consistent and strictly implemented.

The operations in financial, banking, pricing, planning, construction scheming, and land management have shown many weaknesses. The pace of renewal in administrative procedures, etc. is slow. The State trade service has left vacant a number of important "grounds", while not yet effectively bringing to bear its leading role on the market. The management of import-export operations has revealed many loopholes, giving rise to negative phenomena some of which have adversely impacted production. Income distribution still suffers from many irrationalities. Budget overexpenditures and trade deficit remain large. Inflation, though curbed, is still unsteady.

State management over activities in science and technology, protection of natural resources and ecological environment, education, training, in communication, press, publication, culture, literature and the arts has left much to be desired:

5. Many weaknesses remain in the political system

The competence and efficacy of the Party leadership, the effectiveness of the State management and administration and the efficiency of the activities of political and social organisations have not been brought up to par with the requirements of the situation. The apparatuses of the

Party, State and people's organisations have been slow to reorganise, streamline and improve in quality; there remain many instances of bureaucratism and serious violations of the people's democratic rights. The recruitment, upgradation, change and replacement, rejuvenation and preparation of personnel to ensure succession have been indecisive and slow. The competence and integrity of the corps of functionaries are not yet up to the requirements of their tasks. Particularly preoccupying is the fact that the revolutionary ideal has faded among not a small number of Party officials and members, their integrity and morality debased; the combativity of a number of grassroots Party organisations has weakened.

III - OVERALL ASSESSMENT

After 10 years' implementation of the policy of all-round renewal and 5 years' implementation of the Resolution of the VIIth National Party Congress, our country has weathered a period of acute challenges. In a situation fraught with extreme complexities and difficulties, our people have not only stood the ground firmly, but even risen above to make outstanding achievements in many respects.

The process of renewal has over the past 10 years recorded great achievements of very important significance. The tasks set by the VIIth National Congress for the 5 years from 1991 to 1995 have been essentially fulfilled.

Our country has come out of the socio-economic crisis, but a number of aspects remain unsteady.

The task set for the initial phase of the transition period, which is to prepare the premises for industrialisation, has in the main been completed, allowing for a shift onto a new period, that of pressing ahead with the industrialisation and modernisation of the country.

The path to socialism in our country has been more and more clearly defined.

From an overall point of view, the elaboration and implementation of the line of renewal over the past years is basically correct and in line with the socialist orientation, despite the fact that in the course of implementation, a number of prolonged major mistakes and errors have resulted in deviations in one or another field and of varying degrees.

IV- MAIN LESSONS

The above-mentioned achieved result from a process of research, renewal, close attachment to the realities and arduous endeavours made by our Party and people. They were represented by: Resolution of the 6th Party Central Committee Plenum (the IVth Tenure) with policies leading to a "boom" in production; Directive No.100 of the Party Secretariat (the IVth Tenure) on contractual end product quotas for working groups and individuals in agricultural cooperatives; Decisions N°25 CP and 26 CP of the Prime Minister on use of multiple resources and

three-sector planning; the Vth National Party Congress which refined priorities in economic development and pinpointed agriculture as the forefront; Resolution of the 8th Party Central Committee Plenum (the Vth Tenure) in June 1985 on prices, wages and money; the August 1986 Conclusions of the Party Political Bureau (the Vth Tenure) on a number of major issues related to economic approaches, etc.

The above initial experiments of renewal served as the premise for shaping the line of all-round renewal adopted by the VIth National Party Congress. This line was based on the promoted spirit of independence and sovereignty, summarized creative experiences of the people, the government bodies at various levels, and the different sectors, in keeping with the objective law, and responsive to the desires of the population, and therefore quickly became part of daily life.

In the course of renewal, particularly at times of turning points, our Party made very important decisions. They included the timely conclusions of the 6th Party Central Committee Plenum (the VIth Tenure) which reasserted the five principles of renewal; the resolved refutation of the Party Central Committee (the VIth Tenure) at its 6th, 7th and 8th Plena of the embryos of political pluralism within the Party; the resolutions of the Party Central Committee with sharp and timely assessment of the developments in the international situation in the late 80s and early 90s; the adoption of the Political Programme, Strategy and Statutes (revised) by the VIIth National Party

Congress; the adoption of the 1992 Constitution: the identification of opportunities and dangers and the determination of the tasks of stepping up national industrialization and modernization by the Mid-term National Party Conference; the resolutions of the Party Central Committee Plena (the VIIth Tenure) and many other major resolutions and decisions of the Party and the State, which concretized, supplemented and developed the line of renewal in almost all fields. Thanks to these correct decisions, our entire Party and people have overcome difficulties and obstacles to lead the process of renewal to today's success.

Reviewing the course of renewal of the past 10 years, we may draw the following main lessons:

1. To persist firmly in the goal of national independence and socialism throughout the process of renewal; to firmly hold on to the two strategic tasks of national construction and defence, and to persevere in Marxism-Leninism and Ho Chi Minh's Thoughts.

It must be made clear that renewal is by no means a change in the socialist goal but a more correct understanding of socialism and the realisation of that goal through appropriate forms, steps and measures. It is a combination of persistence in revolutionary principles and strategy, on the one hand, with tactical flexibility and creativity and a quick grasp of the new on the other.

Renewal must be carried out on the basis of preserving, inheriting and promoting the valuable traditions of the

nation and the achievements of the revolution. Due criticism of mistakes and errors must be coupled with assertion of right undertaking, without making a blanket denial of the past nor becoming confused and disoriented, or moving form one extreme to another.

2. To closely combine economic renewal with political renewal from the start, with economic renewal as the focus while step by step conducting political renewal.

From an overall perspective, our Party in fact started the renewal process by renewing its political thinking in charting the political line and domestic and foreign policies. Without renewal in this field, there could have been no renewal in others. Yet, the Party has been right in focusing first of all on successfully undertaking economic renewal and overcoming the socio-economic crisis, thus creating the necessary material and intellectual premises for firmly maintaining political stability, building up and consolidating the people's confidence and creating favourable conditions for the renewal of other aspects of social life.

In renewing the organisation and operational mechanism of the political system, we have taken prudent and steady steps, starting from the most urgent problems where conditions were tipe for a solution, bearing in mind an understanding that although it was highly necessary work to do. It was also so complicated and sensitive that any haste and

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misstep would cost dearly and might cause damage beyond repair.

The main objective of the renewal of the political system is to exercise properly socialist democracy and fully promote the people's right to be the master. A great lesson we have learnt is that democracy must indispensably be coupled with order and discipline. To overcome violations of the people's right to be the master and while countering tendencies of extremist and fanatic democratism. To thwart resolutely all attempts to abuse issues of "democracy" and "human rights" to stir up political trouble and sabotage our regime, or to interfere in our country's internal affairs; not to accept pluralism and multi-partism.

3. To build a multi-sector commodity economy operating along the market mechanism in parallel with the strengthening of the role of State management along the socialist line. To closely associate economic growth with social progress and equity, the preservation and promotion of the national cultural identity, and the protection of the ecological environment.

Our application of the economic forms and methods of market economic management is aimed at making use of their positive aspects to serve our own objectives of socialist construction and not to deviate to the capitalist path.

Market economy contains negative aspects which are contradictory to the nature of socialism. These are the

trends to over-polarisation between the poor and the rich, the cult of money which tramples upon ethics and dignity, etc. While engaging in a market economy, it is necessary to struggle resolutely to overcome and minimise these negative trends.

In order to develop the productive capability, it is necessary to promote the capabilities of all economic sectors and recognise the fact that exploitation and rich-poor polarisation still exist to some extent in society. However, it is necessary also to always care for the interests of the working people, encouraging lawful collection of wealth, combating illegal fortune-making while attaching importance to hunger eradication and poverty alleviation, step by step achieving social equity and moving toward enabling everybody and every household to become better-off.

4. To broaden and strengthen the all-people unity and promote the aggregate strength of the entire nation.

Revolution is the cause of the people, for the people and by the people. The opinions, aspirations and initiatives of the people are in fact the roots that shape the Party's line of renewal. It is also because the people have embraced this line and courageously undertaken renewal in spite of untold difficulties and trials that our renewal has recorded today's achievements. To continue taking the renewal forward to still greater achievements, it is necessary to broaden and strengthen more effectively the all-people

unity, both at home and overseas, promote democracy and maximise the strength of the entire nation for the goal of building a prosperous people, a strong country, and a just and civilised society.

5. To expand international cooperation, win the sympathy, support and assistance of the world's people, and combine the strength of the nation with that of the times.

Our people's current cause of renewal is in line with the development trend of the times and therefore enjoys the sympathy and support from the people of other countries. Along with promoting to the utmost our self-reliance and self-resilience and mobilizing all domestic resources, we should make good use of the new favourable conditions in our external relations, broaden our relations of friendship and cooperation with other countries for peace. independence and development, thus creating a favourable international environment and taking advantage of the positive factors for our cause of national construction and defence. The broadening of our international relations must be grounded on the firm maintenance of independence and sovereignty, equality and mutual benefit, and the preservation and promotion of the nation's identity and fine traditions. To multilateralise and diversify our foreign relations. To treasure and continue to develop our traditional relations.

6. To enhance the leading role of the Party, and to consider Party building a key task.

The revolutionary cause of our country is led by the Communist Party: Ours is the ruling Party. All successes and achievements, failures and losses of the revolution are thus closely linked with the responsibility of the Party. In the course of national renewal, the Party must in all senousness look into its errors, mistakes and weaknesses, renew and rectify itself, and enhance its combativity and leadership capability. The forces hostile to socialism and national independence have always spearheaded their attack at the Party, trying to sabotage the ideological fourdation and organisation of the Party. Their usual method is to distort history, deny revolutionary achievements, and refute the sacrifices and contributions made by the communists, exaggerate errors and mistakes made by the Party, demand the exercise of capitalist-style human rights and democracy, demand a de-politicisation of the State apparatus, press for a pluralistic and multi-party system with a view to stripping the Party of its leadership role. They have made use of political opportunists and traitors or those who have degraded ethically to sow division. weaken the Party and undermine it from within.

Well aware of the new requirements of the revolution and the above-described schemes and manoeuvre against our Party, our Party has determined that in the present stage, economic leadership is the central task and party building a key one. To attach importance to summing up the

party-building work. To consolidate the Party politically, ideologically, organisationally and in terms of personnel. To intensify the Party's working class nature and sense of vanguard character. To check the tendency to downgrade the leadership role of the Party. To renew the mode, and improve the quality and efficiency of the leadership of the Party over the political system and the entire society.

PART II

GOALS FOR THE PERIODS TO 2020 AND 2000

I- OVERALL CONTEXT

1. Characteristics of the world situation

Our cause of renewal and national construction and defence is moving ahead in the context of the rapid, complex and highly unpredictable evolution of the world situation.

Its salient characteristics are:

- The collapse of the socialist regime in the Soviet Union and East European countries has driven socialism into temporary regression. However, that has not changed the nature of the times; mankind is still in the era of transition from capitalism to socialism. The basic contradictions in the world still exist and continue to develop, growing more acute in some respects, and assuming many new contents and types of manifestation. National struggle and class struggle continue to unfold in diverse forms.
- The danger of an annihilating world war has been pushed back, but armed conflicts, local wars, national, ethnic and religious strife, arms race, interventions, subversions and terrorism still occur in many places.

- The revolution in science and technology continues to develop at an increasingly higher level, rapidly increasing productive forces while accelerating the process of shifting the world economic structures and the internationalisation of the economy and social life.

All countries are now faced with opportunities for development. However, as developed capitalist countries and multinational corporations enjoy the leading edge in capital, technology, market, etc., under-developed and developing countries are thus also faced with great challenges. The gap between rich and poor countries continues to widen. Competition in economy, trade and science-technology is raging.

- The world community is confronted with many global problems (environmental protection, population explosion control, prevention and reduction of fatal diseases, etc.) which cannot be solved by any single country, but which require multi-lateral cooperation.
- The Asia-Pacific is a region of on-going dynamic development which continues at a high rate. At the same time, it has certain potentially destabilising factors.

The following main trends have been emerging in international relations:

- Peace, stability and cooperation for development art increasingly becoming a pressing need of the nations and countries of the world. All countries are giving priority to economic development, considering it of decisive significance for the increasing of their national aggregate strength.

- Nations, large or small, have taken part in growing number in the process of regional and international cooperation and integration in economy, trade and other fields of activities. Cooperation is intensifying, but competition is also no less sharp.
- Nations have heightened their sense of independence, sovereignty, self-reliance and self-resilience, struggling against any imposition and intervention from outside to prevent their national independence, sovereignty and cultures.
- The socialist countries, the communist and workers' parties, and the revolutionary and progressive forces in the world are persevering in their struggle for peace, national independence, democracy and social progress.
- Countries with different socio-political systems interact through mutual cooperation and struggle in peaceful coexistence.

The above-described characteristics and trends combined have given rise to the multilateral and diverse trait of international relations and of the foreign policies of all countries.

The world and regional situation has had a profound impact on all aspects of social life in our country, creating simultaneously highly favourable conditions and major challenges.

2. Opportunities and challenges

The achievements of the renewal have been giving us a new vantage position and strength, both domestically and internationally to enter a new stage of development. Many necessary premises have been created for industrialization and modernization. Our relations with other countries around the world are now broader than ever. Chances are higher for us to firmly preserve our independence and sovereignty and integrate ourseives into the world community. Those are great opportunities.

But the four dangers pointed out by the Mid-Term National Party Conference (January 1994) remain acute challenges. Those dangers have a mutual impact and are equally serious; none of them can be taken lightly.

The danger of our economy falling further behind many countries in the region remains a major and acute challenge due to our too low starting point and to the environment of fierce competition in which we have to forge ahead. Many forces persist in their attempts at "peaceful evolution", prequently resorting to the invocations of "democracy" to interfere in our internal affairs. The situations in the Asia-Pacific as well as in the East Sea continue to go through a complex evolution. Deviation from the socialist orientation as well as bureaucratism and corruption remain real and large dangers. Bureaucratism, corruption and the degradation in the integrity and morality of a segment of Party officials and members are weakening the Party and State apparatuses, eroding the people's confidence in the Party and the political system, leading to the skewed implementation of decisions and policies of the Party and State which in turn results in deviation; that is a fertile soil for "peaceful evolution" activities.

Favourable conditions and difficulties, opportunities and dangers, all are intertwined. We have to seize upon opportunities to achieve fast and steady development so as to create for ourselves a new posture and strength; and at the same time to stay constantly sober-minded and determined to push back and overcome dangers, including the newly emerging ones, so as to ensure the right track of our development.

II-GOALS

Proceeding form the above-mentioned situation and from the Party's Political Programme, we should continue to firmly grasp the two strategic tasks of building socialism and defending the Homeland, stepping up industrialisation and modernisation.

The goal of industrialisation and modernisation is to build ours into an industrialised country with a modern material-technical base, a rational economic structure, advanced production relations suited to the development level of the productive forces, high standards of material and intellectual well-being, firm national defence and security, a prosperous people, a strong country, and an equitable and civilised society.

From now to the year 2020, we will strive strenuously to turn ours basically into an industrialised country.

Our productive forces will have by that time reached a relatively modern standard, with most of the manual labour being replaced by mechanized labour, national electrification basically completed, and social labour productivity and production and business efficiency much higher than the present level. GDP will have increased 8 to 10 fold over 1990. In the economic structure, although agriculture will continue to develop vigorously, industry and services will account for a very large share in GDP and in social labour.

Natural science and technology will have become capable of grasping and applying a good number of the latest achievements of the scientific and technological revolution. Social science and the humanities will prove able to provide the basis for sharping the mode of consciousness of the new society. The development of sciences will allow the provision of the theoretical grounds for the making of development policies, strategies and plans.

In production relations, the ownership regime, management mechanism and distribution system will be closely interconnected to increase the resources and create the strong motive force needed to step up economic growth and achieve social equity.

The State economic sector will perform its leading role well and together with the cooperative economic sector, constitute the foundation of the economy. The individual, small owner and private capitalist economies will account for a considerable proportion. The State capitalist economy will exist widely in various forms.

With regard to material and cultural life, our people will have a plentiful life in relatively good housing and

have convenient conditions for communication, schooling and health care, and a fair level of cultural enjoyment. Social relations will be wholesome, life style civilised and the family happy.

Accomplishment of the above-described task will constitute a big stride forward on the road of transition to socialism in our country.

The period from now to the year 2000 is a very important step in the new stage of development - that of stepping up national industrialisation and modernisation. Our people's tasks are to concentrate all resources, take advantage of opportunities, overcome challenges, push ahead the process of renewal in a comprehensive and harmonious manner, continue to develop the multi-sector economy operating along the market mechanism with State management and a socialist orientation, and strive to fulfill and over-fulfill the targets set in the Strategy for Socio-Economic Stabilisation and Development Up to the Year 2000: to achieve a rapid, highly effective and sustainable economic growth and security, to improve the people's living conditions and to increase accumulation from within the economy, thus creating firm premises for a higher measure of development early next century

- By the year 2000, per-capita GDP will have doubted the level of 1990. The average annual growth rate of GDP will reach about 9% - 10%; of agriculture-forestry-fishery production, about 4.5% - 5%; of industry, about 14 - 15%; of services, about 12% - 13%; and of export about

28%. Investment/GDP ratio will be about 30%. By the year 2000, agriculture will account for about 19% - 20% of GDP, industry and construction for about 34% - 35%, and services for about 45% - 46%.

To develop and promote adequately the potentials of science and technology; to select and master the various forms of imported technologies and actively prepare for a further step of development in the later stage. The rate of technological renewal is to reach 10% per annum or higher.

To overhaul the organisation and management and enhance the efficiency of State enterprises. To renew and effect the diverse forms of cooperative economy from small to large scale, their core being cooperatives. To develop forms of direct joint and the cooperative, private capitalist and individual economies as well as foreign companies.

- To create more job opportunities than the annual increase of the labour force and substantially decrease unemployment; to eradicate hunger and continue to alleviate poverty. To ensure for the people better food, housing, education, health care and travel, to raise the people's level of cultural enjoyment, especially in rural and mountainous areas. By the year 2000, bring the population growth rate down below 1.8%. To overcome the state of serious malnutrition among the under-fives. To eradicate illiteracy for those aged between 15 and 35, ensure primary education universalisation, increase the ratio of trained labour to 22% - 25%. To check environmental pollution. To curb negative practices and social evils.

- To maintain political stability and the socialist orientation in the course of development. To bring about fundamental progress in the renewal and streamlining of the Party, and heighten its leadership role. To continue building and perfecting the State with the administrative reform as the focal point, to enhance the operational effectiveness and efficiency of the State apparatus; to broaden democracy, establish discipline, and ensure social order and safety. To strengthen the great unity of the whole people.

To consolidate national defence and firmly maintain security.

To broaden foreign relations, undertake to join international and regional organisations, and consolidate and enhance our standing on the international arena.

PART III

DEVELOPMENT ORIENTATIONS IN KEY FIELDS

I- ECONOMIC DEVELOPMENT AND STRUCTURAL CHANGE GEARED TOWARDS INDUSTRIALISATION AND MODERNISATION

To grasp the following viewpoints on industrialisation and modernisation:

- Firm maintenance of independence and sovereignty is to be coupled with the broadening of international cooperation and multilateralisation and diversification of foreign relations. To take domestic resources as the mainstay while maximally tapping outside resources. To build an economy that is open, integrated into the region and the world, strongly export-oriented, and effectively import-supplemented.
- Industrialisation and modernisation are the work of the entire people, of all economic sectors, with the State sector playing the leading role.
- Promotion of human resources is the essential factor for rapid and sustainable development. To encourage the entire people to practise thrift for national construction,

and to constantly increase accumulation for development investment. To combine economic growth with improvement of the people's living conditions, development of culture and education, realisation of social progress and equity, and environmental protection.

- Science and technology are the driving forces of industrialisation and modernisation. To combine traditional technology with modern technology; and to take short cuts to modernisation in decisive links.
- Socio-economic efficiency is the basic criterion for the determination of development options, the election of investment and technological projects. To make intensive investments to maximize all existing productive capabilities. With regards to new development, priority is given to medium-and small-sized projects which use advanced technology, generate numerous job opportunities and quick capital return; at the same time to build a number of large projects which are truly necessary and effective. To formulate thrusts for each step of development. To concentrate adequate resources on key fields and areas; and at the same time to make sure that the essential needs of all regions in the country are met; and to adopt policies to support regions with difficulties so as to provide conditions for all regions to develop.
- Economic development must be combined with national defence and security.

The substance of industrialisation and modernisation in the remaining years of the 90's is:

To pay special attention to industrialisation and modernisation of agriculture and rural areas; to comprehensively develop agriculture, forestry and fishery and combine them with farm, forest and aquatic produce processing industries; to develop consumer and export goods industries. To upgrade, transform, expand and selectively build economic infrastructures, first and foremost in areas which are the worst bottlenecks and weakest spots currently hampering development. To build selectively a number of vital and highly pressing heavy-industry facilities where conditions exist in terms of capital, technology and market, ensuring rapid impact and high efficiency. To expand commerce, tourism and services. To press ahead foreign economic activities. To gradually build up a number of cutting-edge industries such as farm-forestaquatic produce processing, oil and gas exploitation and processing, a number of engineering industries, electronics, information technology and tourism. To vigorously accelerate education and training, science and technology.

1. To effect the process of industrialisation and modernisation of agriculture and the rural areas

- To develop comprehensively agriculture, forestry and fishery, to set up specialised intensive farming areas, to achieve a rational structure for animal and crop production, to turn out abundant and high-quality cash products, and to ensure food security for the society so as to meet the requirements of processing industries and of both domestic and external markets.

- To apply on the nationwide scale water conservancy work, electrification, mechanisation, bio-technology, etc.
- To develop farm-forest-aquatic produce processing industries, with increasing technological content, in close connection with raw material sources and closely linked with urban industries.
- To develop the different trades, traditional craft villages and new trades ranging from small industries, handicrafts, industries that produce consumer and export goods, and industries that exploit and process the different sources of non-agricultural raw materials, to the various forms of services in support of the people's production and life.
- To build up the economic and social infrastructures, to gradually achieve a new, civilised and modern countryside.
- To complete in the main the allocation of land and contracting of forests to farmers households. To readjust capital allocation and mobilise more funds for the development of agriculture, forestry, fishery and rural economy. To adopt policies to encourage and assist farmers in terms of infrastructural construction, technology transfer, elimination of bottlenecks related to capital, prices of agricultural inputs and farm products, and marketing, etc.
- 2. To develop industry, give priority to staple and non-staple food processing industries, production of consumer and export goods, electronics and information technology. To selectively develop a number of heavy-industry establishments (energy and fuel, building

materials, engineering, ship building and repair, metallurgy, chemicals), to ensure a rise in production capacity that meets the needs of economic growth, and improve the country's ability of economic and defence independence and self-reliance.

To combine economy with national defence, to build and develop the defence industry to meet the minimal needs of each period.

To rehabilitate existing industrial estates in terms of infrastructures and productive technologies. To set up anew a number of industrial estates with their location widespread in various regions.

3. To build up infrastructures

To check the degradation of the existing communication system; restore, upgrade and build a number of key communication arteries, and to combine the communication system with water conservancy system to make full use of waterways; to build more roads to deep hinterland and remote areas; to improve traffic networks in major cities. To rehabilitate and upgrade a number of riverports, seaports and airports: to effect gradual construction of deep-water seaports.

To continue developing and modernising the national information and communications network, extending telephone communications to almost all communes.

To develop electric power sources; to rehabilitate and expand the electric grid is meet demand and ensure a

steady supply of power. To improve water supply and sewage system in urban areas, and to increase clean water supply to rural areas.

To increase investment in social infrastructures (education, health, science, culture and information, and sports, etc.)

4. To rapidly develop tourism and such services as aviation, maritime transport, post ad telecommunications, commerce, transportation, finance, banking, audit, insurance, technology application, legal assistance, information, etc., and other services in support of the people's daily life.

To step by step turn our country into a regional centre of good standing for tourism, trade and services.

5. To develop rationally the various territorial regions

To change the territorial economic structure on the basis of making full use of all advantages and potentials of each and combine them for mutual assistance so as to stimulate the development of all regions.

To make necessary investment in key economic regions to accelerate development of the whole economy. To devote appropriate resources for the solution of urgent needs, especially those related to social and economic infrastructure, so as to help bring about faster progress in less-developed regions, particularly mountain areas, borders, islands, regions of ethnic minorities, remote areas

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and former revolutionary bases, and gradually reduce excessive disparity in socio-economic development standard among regions, considering this a focal point in the leadership of all branches and levels. To give special attention to the development of maritime economy and combine it with national defence and security.

To step by step formulate a rational municipal network to avoid the emergence of megacities. To enhance urban planning and management.

6. To broaden and enhance the efficiency of foreign economic relations

To boost exportation and consider it a priority and a key task in our foreign economic relations. To increase the number of export staples. To improve the competitiveness of our exports on the market. To reduce the proportion of exports of raw materials or semi-processed products and increase that of exports of highly processed and refined products. To quickly increase export of services. To raise the ratio of added value to the export value. To gradually reduce foreign trade deficit, to give priority to importing export-destined goods while limiting the importation of non-essential consumer goods. To adopt policies to reasonably protect domestic production.

To adjust our market structure so as to ensure both regional and global integration; to handle adequately the relationship between ours and our partners' interests.

To set out to join the world trade community, international forums, organisations and conventions selectively and through appropriate steps.

The use of loans and the attraction of foreign direct investments must comply with the planning and zoning for sectoral and territorial development to ensure the fulfilment of the preset goals and tasks.

To carefully weigh capabilities in taking loans, efficiently using borrowed capital and debt payment. To improve the balance of payment. To increase the international reserve. To make clear and exercise properly the responsibility and powers of the foreign debt management agency, of the borrowers and the users of borrowed capital.

To conduct experiments with a view eventually to making investment overseas.

II-POLICIES TOWARD ECONOMIC SECTORS

To firmly grasp the socialist orientation in building a multi-sector economy:

- To ensure the consistent and long-term implementation of policy on developing a multi-sector commodity economy. To take the liberalisation of productive forces, maximum mobilisation of all resources inside and outside the country for industrialisation and modernisation, heightening of social and economic efficiency, and improvement of the people's life as the foremost objectives in encouraging the development of economic sectors and forms of business.

- To take the initiative in renewing, developing and enhancing the efficiency of the State economy and cooperative economy. The State economy plays the leading role and together with the cooperative sector, will gradually become the foundation. To create favourable economic and legal conditions for private entrepreneurs to feel reassured on investing in long-term businesses. To multiply forms of joint venture and cooperation in businesses between the State economy and the other economic sectors at nome and abroad. To apply widely forms of State capitalist economy.

- To establish, consolidate and enhance the status of workers as masters in social production, and to effect better social equity.

- To effect many forms of distribution, taking distribution according to results of labour and economic efficiency as the main form, along with distribution on the basis of contributions in other resources to the results of production and business, and distribution through social welfare. To recognise the long-lasting existence of different forms of hired labour while barring to the polarisation of society into two opposing poles. To distribute and redistribute rationally incomes; encourage lawful accumulation of wealth along with hunger eradication and poverty alleviation, avoid excessive disparity in living and development standards among regions and population strata

- To enhance the efficacy of the State's macro management, to make full use of the positive role of the market mechanism along with overcoming, preventing and

checking its negative effects. To ensure equal footing before the law in terms of right and obligations of all businesses and individuals, regardless of the economic sectors to which they belong.

- To firmly preserve independence and sovereignty and defend national interests in our external economic relations.

To implement the following decisions and policies with regard to each economic sector:

1. To continue renewing and developing effectively the State economy to make it play its leading role well: to serve as a lever for rapid economic growth and settlement of social issues; pave the way for, guide and support other sectors to develop along; serve as the material force for the State to perform its macro-level regulatory and managerial function; and lay the foundation for the new social regime.

To concentrate resources on developing the State economy in such vital branches and areas as social and economic infrastructures, financial system, banking, insurance, important production, trade and service establishments, and a number of enterprises undertaking tasks related to national defence and security. State enterprises in general shall be medium or large sized, equipped with advanced technology, run with efficiency and able to generate large budget revenues

To take the rate of return on capital as one of the main criteria to judge the efficiency of a business enterprise; to take the actual implementation of social policies as the main criterion to judge the efficiency of a for-public-profit enterprise.

To renew and intensify operations of the State economy in the field of output circulation and distribution. To promote the role of State enterprises as the economic, scientific-technological and cultural-social centre in agriculture, forestry and fishery, especially in mountain areas, islands and areas of ethnic minorities.

To actively and steadily carry out the equitisation of State enterprises to raise additional funds and create additional motives with a view to their efficiency and the increased State capital but not their privatisation. Besides enterprises with 100% State capital, there will be many enterprises in which the State holds the majority or a dominant percentage of shares. To invite more share-holders, or to sell shares to local workers, or to outside organisations and individuals on a case-by-case basis; to invest the newly raised funds in nothing else but expanding production and business.

To rationally structure corporations, ensuring non-dispersal of forces and avoidance of their monopoly or their likely administrative intermediary role.

2. The cooperative economy in which cooperatives constitute the core is a form of voluntary association of working people to combine the strength of individual members with that of the collective to handle more effectively problems of production, business and life.

To develop the cooperative economy with its varied forms, ranging from low-level to high-level, from teams and groups to cooperatives; to strictly comply with the

principles of voluntariness, equality, mutual benefit and democratic management.

A cooperative is to be organised on the basis of its members's input contribution in shares and direct labour, output distribution according to their labour results and shares, and their equal decision-making power to its common affairs.

To enhance leadership and guidance over and to adopt policies aiming to provide the cooperative economy with incentives, preferences and assistance for its effective development. To properly implement the Law of Cooperatives.

3. The State capitalist economy includes various forms of joint venture and cooperation between the State economy and domestic private capitalists and between the State and foreign capitalists. The State capitalists economy plays an important role in mobilising the great potentials in capital, technology, organisational and managerial capabilities, etc., of capitalists in their own interests as well as in the interests of national construction and development.

To apply different modes of joint venture between the State and domestic private entrepreneurs in order to improve the status and strength of Vietnamese enterprises in their development as well as their external cooperation and competition.

To improve the investment environment and upgrade managerial capabilities with a view to effectively attracting foreign direct investments. To protect the legitimate rights and interests of the working people in joint venture enterprises.

- 4. The individual and small owner economy has an important position in the long run. Assistance should be given to it to overcome difficulties in capital, science and technology, and marketing. To guide individuals and small owners, in their own interests and for the sake of production development, to step by step join in cooperatives voluntarily, or to work as satellites for State enterprises or cooperatives.
- 5. The private capitalist economy is capable of contributing to national construction. To encourage private capitalists to invest in and operate long-term businesses; to protect their property rights and legitimate interests, to provide them with both favourable conditions and enhanced management and guidance for their compliance with the law and for the benefit of the nation.

III- TO CONTINUE RENEWING THE ECONOMIC MANAGEMENT MECHANISM

From realities of the past decade, we can draw the following perceptions on the new mechanism of economic management:

- Commodity production is not opposed to socialism, but an achievement recorded through the development of mankind's civilisation, existing objectively, and is necessary for the building of socialism and even after socialism is built.

- In the multi-sector commodity economy of our country, the socialist-oriented market is an integrated entity with different forces taking part in production and output circulation, in which the State sector plays the leading role. The domestic market is integrated with the world market.
- The market is both a basis and a target for planning. Planning is mainly designed to set the orientation and therefore is particularly important from the macro perspective. The market plays the role of a direct guidance for economic units to select fields of operation and options for organising production and business.
- Application of the market mechanism requires enhancement of the macro-level managerial capability of the State and at the same time, full-fledged establishment of autonomy of production and business units, with a view to promoting the great and positive impact of the market while preventing, restraining and overcoming its negative aspects. The State controls the market with laws, plans, mechanisms, policies, economic leverages and ine resources of the State economic sector.

From now to the year 2000, to continue renewing the economic management mechanism with a view to eradicating the mechanism of subsidy-based bureaucratic centralised management, and formulating in a relatively harmonious manner a market mechanism with State management and along the socialist line.

1. To create harmoniously market factors:

-To develop vigorously the commodity and services market

To broaden the market and ensure smooth circulation of goods throughout the country. To develop the technology market, and information, consultancy, marketing, legal, financial, banking, auditing, insurance, guarantee services, etc.

To check illegal business and tax evasion and avoidance. To control, check and severely punish violations. To create an enabling environment for cooperation and healthy competition in production and business. To effect State monopoly in certain sectors and fields in the interests of the country; to limit business monopoly and prevent abuse of monopoly for maintaining privileges and prerogatives and rigging the market.

To put straight the activities of trading organisations of all economic sectors. To renew the State trading system in order to exercise properly its leading role; and to check the loosening of the rural and upland market.

- To organise proper management of and guidance over the hire and utilisation of labour:

To ensue that employment for the population is a primary social target, to prevent unemployment from becoming a chronic disease. The State attaches importance to job-generating investments while creating conditions for all economic sectors and working people to increase employment and self-employment; to encourage organisations and individuals to join the State in organising adequately job placement services and vocational training.

With regard to labour hire, employees and employers are equal before the law. The State, with the involvement

of trade unions and socio-professional organisations, is to exercise inspection and control over the hire, utilisation and remuneration of labour, and improvement of working conditions; to ensure implementation of regulations on labour protection and safety; to handle appropriately industrial relations in accordance with law, to protect the legitimate interests of working people.

To continue improving rules in salaries and wages in the State sector. To work out policies guiding and regulating rates of remuneration and individual income in the whole society. To apply a social insurance for working people in all economic sectors.

- To strictly control the land and real estate market.

Land is owned by the entire people; not to be privatised nor bought or sold. The Law on Land must be scrupulously implemented; to amend, revise and improve the system of laws and policies on land. In transferring the land use right or leasing land, each category of land must be valued accurately with a view to its effective use, conserving and developing the land fund, and ensuring the interests of the entire and use as well as land speculation.

To organise and control appropriately the real estate market. To attend to solving the housing problem for the population, especially in urban areas; to develop State housing enterprises. To encourage all economic sectors to take part in house construction and business according to the guidance and management of the State.

- To build a capital market and gradually establish a stock market.

To develop a capital market to attract medium-term and long-term deposits at banks and financial companies so as to finance loans for development investment.

To prepare necessary conditions to step by step establish a stock market suited to the conditions of Vietnam and the socio-economic development direction of the country.

2. To improve the system of economic laws

To promulgate new laws and to revise and amend of current laws and ordinances to continue the institutionalisation of the Political Programme, Strategy, decisions and policies of the Party, thus shaping a synchronised and imperative legal framework for economic activities.

3. To continue the renewal of planning work

State plans must fully embody the line and policies of the Party in order to set out a system of macro-level objectives, define the pace of development, the structure and the major balances, the policies and solutions to lead the economy to develop according to plan.

To concentrate efforts on devising the development strategy and plans and the major programmes and project for the whole country and each sector, each region and each field. To gradually shift to taking five-year plans as the main tool, with annual plans enclosed; to simplify the procedures in the elaboration and approval of annual plans.

Plans must cover all branches, regions, fields and economic sectors.

4. To renew the financial monetary and pricing policies

The financial policy should aim at boosting production; mobilising and efficiently using the various resources; increasing accumulation for development investments; meeting the really necessary and pressing requirements of recurrent expenditures; ensuring unified management f the national finances; and reducing budget deficits, thus contributing to curbing and controlling inflation. To handle correctly the various relationships between accumulation and consumption, between the finances of the State, the finances of the enterprises and the tinances of the population; between the central and local budgets; between recurrent expenditures, development expenditures and national defence and security expenditures; between domestic and foreign sources of capital; between loans and repayments, etc.

To raise capital for development investment, the basis and long-term solution is efficient business, economic development and strict economisation in State expenditures, in production and business, and in consumption by the population; to strongly encourage thrift and investment, and to diversify capital mobilisation channels.

To adopt a long range vision in revenue-making policies, taking into account immediate and urgent spending needs while paying attention to distering long-term sources of revenue. To renew the taxation policy to simplicity, stability and fairness and to encourage lawful business: to ensure rational rates of contribution for the State

budget, while creating conditions for enterprises to accumulate capital for development investment. To adopt more preferential tax policies with regard to development investment and regions with difficulties.

To strictly observe the regime of accountancy, audit and the regime of financial control and inspection.

- To vigorously adapt the monetary policy and the banking operations to the market mechanism in order to help stabilise the purchasing power of the Vietnam Dong, curb inflation and keep it at a lower level, effectively mobilise and lend capital, etc. The Central Bank is mainly responsible for the control of inflation, stabilisation of the currency, and the management of foreign exchange and gold.

To properly organise a system of people's credit funds. To strictly administer operations of commercial banks and foreign banks' branches. To implement well-coordinated measures in order to gradually reduce interest rates, consequently facilitating development investment.

To adopt rational exchange rate and foreign currency control policies to promote export and regulate import, to gradually help Vietnam Dong become a fully convertible currency and the only national means of circulation.

- To continue improving the *pricing system* and renewing the control of prices.

To increase national reserves, to renew mechanisms on output circulation reserves, on the establishment and operation of a price stabilisation fund, and on interventions to stabilise prices of a number of extremely essential commodities.

5. To increase the capacity and efficacy of State economic management

The State is to carry our properly the following functions: to orient the development; to directly invest in a number of fields to guide development efforts; to establish a legal framework and a system of consistent policies with a view to a stable and enabling environment for prosperous business; to overcome and limit the negative aspects of the market mechanism; to distribute and redistribute the national income; to administer public property, and to inventory and control all economic and social activities.

The State is to function properly as the national economic manager and the owner of public property. The line ministries and authorities at all levels are not supposed to interfere in an enterprise's business administration and cost-accounting autonomy.

IV- TO DEVELOP SCIENCE, TECHNOLOGY, EDUCATION AND TRAINING

1. Science and technology

Scientific and technological activities of our country in the coming period shall have to concentrate on the following main directions:

- To creatively apply and develop the Marxist-Leninist theory and Ho Chi Minh's Thoughts: to develop social sciences and the humanities, natural sciences and technologies, etc. and combine them into a scientific basis for the implementation of the Political Programme and the Constitution, the determination of orientations and concrete steps for industrialisation and modernisation, and the elaboration of laws, socio-economic policies, plans and programs.

- To intensify research and application of achievements of natural sciences and advanced technologies in all sectors of production, business, services, management, and national defence and security.

To grasp new and high technologies, in such fields as informatic, biological, new materials, machine-building, etc. in order to effect rapid modernisation in decisive links.

To make an accurate evaluation of the national natural resources, on which basis to elaborate a sound strategy for their exploitation, utilisation and protection. To ensure a scientific and technological basis for the rational and economical exploitation and utilisation of natural resources, and the protection of the ecological environment. To apply modern technologies in the control, evaluation and treatment to impacts on the environment. To give priority to clean and less raw material-and fuel-consuming technologies. To produce scientific methods and apply technical means to mitigate the consequences of natural calamities.

- To give due attention to basic research in social science, the humanities and natural science as a sustainable

mainstay for research targeted at the application, development and absorption of the latest scientific and technological achievements.

- To build up potentials for developing an advanced science and technology. To press ahead the training of scientific workers in various forms both at home and abroad. To take short cuts in training a batch of leading specialists. To make full use of the available pool of personnel; to provide R&D institutions and universities with younger personnel. To rearrange the scientific and technological staff along the line of attaching science and technology to education and training, and R&D to production and services.

To improve the material and technical basis for the different scientific and technological branches; to give due attention to building a system of sophisticated laboratories at universities and research institutes; to set up and upgrade a network of such technical services as measurement, standardisation, technological appraisal, and scientific and technological information.

- To elaborate and implement properly a system of well-coordinated policies and mechanisms for the development of science and technology; to put it specifically:

To premote an in-depth and creative search in academic study while holding aloft social responsibility of scientific and technological workers toward the country. To establish a market for scientific and technological activities. To keep control of imported technologies. To urge enterprises, particularly sizeable State enterprises, to renovate technologies and attract R&D staff veer to the former.

To adopt policies that take care of the working conditions as well as the material and intellectual interests of those engaged in scientific and technological research, innovation and application; to protect intellectual property rights; to offer preferential treatment to the talented who make important contributions, both at home and overseas; and to provide incentives for scientific workers operating in hinterland and remote areas. To curb the "braindrain"

To diversify the sources of investment in scientific and technological activities. To set up a credit fund and an investment bank for the development of science and technology. To ensure a gradual increase of State allocations for science and technology.

To arouse among the people a sense of patriotism and resilience, and the determination to develop the Vietnamese people's intellectual capacity to take the country out of poverty and backwardness by means of science and technology.

2. Education and training

Education and training constitute a fundamental State policy aimed at raising the people's intellectual standard, training human resources, and grooming talent. Importance must be attached to all the three aspects: broadening the scope, improving the quality and promoting the efficiency. The general orientations for education and training in the upcoming 5 years are to develop the human resources to

respond to the requirement of industrialization and modernization, to create job opportunities for the population, especially young people; to check the negative practices and weaknesses in education and training.

To ensure that by the year 2000 the overwhelming majority of five-year-olds will have access to pre-school education; all those aged between 15 and 35 will be literate, while the illiteracy rates in other age brackets will be reduced; to achieve in the main primary education universalisation throughout the country, first of all among children aged between 6 and 14; to universalise junior secondary education in major cities, industrial estates and wherever conditions permit. To work out policies that ensure schooling to children of entitlement families and poor households while encouraging and supporting talented and promising students. To launch a nationwide campaign to determinedly overcome illiteracy and schooling non-access.

To set up a network of specialised schools, focal schools and high-quality centres at all educational levels. To attach importance to the teaching of foreign languages and informatics right at general education level. To open more boarding schools in difficulty-stricken areas and areas of ethnic minorities. To pay attention to family education.

To renew the system of vocational and tertiary education, combining training with research so as to produce a human output capable of grasping advanced technologies. To consolidate and improve the quality of general education. To develop the various forms of distance education. To expand the system of vocational schools and schools training skilled workers. While efforts are to be concentrated on building the system of public schools. policies must be elaborated to assist and guide the proper development and administration of semi-public, peoplefounded and private schools and classes. To encourage on-the-job training. To develop post-graduate training; to increase graduate and post-graduate intakes for training overseas and at locally-based international training centres. To motivate the people to self-finance their overseas studies. To design good solutions to relations between personnel training and utilisation. To build up harmoniously a corps of intellectual in all the various domains of science and technology, culture, literature and arts, economic and social management, etc. To quickly form a contingent of qualified public functionaries and employees of the administrative system at all levels. To train a pool of capable enterprise managers. To increase the ratio of trained labour from 10% at present to around 22%-25%. To raise the educational and professional standards of women; to foster women officials.

To determine more clearly the objectives, subjects and curriculan, renew the methods of education and training, and select subjects of a basic and updated nature. To intensify civic education, education in patriotism. Marxism-Leninism and Ho Chi Minh's Thoughts, in ethics and humanism, in national history and national cultural identity; cultivation of a will power to go forward for one's own future facilities in the process of training; to vigorously develop a movement of self-study and self-training

on a constant and widespread basis. To prevent and severely deal with negative practices in teaching, learning, examination and in diploma or certificate issuance.

To renew the training and upgrading of teachers and educational management officials. Teachers should have assignment in accordance with their abilities and remuneration commensurate with their efforts and capacity, in the spirit of preferential and honouring treatment for the teaching profession.

To renew education reforms: to formulate a strategy on education and training development in the period of national industrialization and modernization. To design and improve the system of State laws and policies on education and training. To enhance the State management over the different categories of education and training schools and classes.

To gradually increase budget allocations for education and training. To mobilise appropriately the contributions by each household and each citizen while attracting investments from various communities and people of various strata inside and outside the country for education and training. To promote international cooperation in education and training.

To heighten the sense of responsibility of Party and administrative committees at all levels, as well as of people's organisations and businesses toward education and training.

V- TO BUILD AN ADVANCED CULTURE WITH PROFOUND NATIONAL IDENTITY

Culture constitutes the intellectual foundation of the society, serving as both the objective and the driving force for socio-economic development.

All cultural, literary and artistic activities must aim to build and develop an advanced culture marked deeply by national identity, to shape the Vietnamese person in terms of thinking, morality, soul, feelings and lifestyle, and to build a healthy cultural environment for social development.

To inherit and promote the intellectual, moral and aesthetic values, cultural and artistic heritage of the nation. To preserve and restore the country's historical and cultural relics and scenic beauty sites. Given conditions of a market economy and expanded international exchanges, particular attention should be given to preserving and enhancing national cultural identity, inheriting and promoting the people's ethical traditions, fine customs and practices, and national pride. To acquire the quintessence of other nations in the world to enrich Vietnamese culture; to combat the intrusion of noxious cultures as well as tendencies towards worshipping the alien and the profane, leading to the loss of one's national roots. To overcome money worship, defiance of morality and insensibility to human values.

To consolidate and enhance the grassroots cultural network. To control properly cultural, literary and artistic ac-

tivities. To make full use of and bring into play the characteristic features and values of the cultures and arts of all ethnic groups in the country; and to forge unity in the diversity and abundance of Vietnamese culture.

To develop along with administering properly the networks of information flow, press, publication, radio broadcasting, television, cinematography and other forms of artistic activity. To improve the knowledge and the cultural enjoyment level of the people in all regions of the country. To guide them towards a cultured and civilised lifestyle; to combat backward practices and superstition.

To ensure democracy and freedom for all cultural creation and activity, to foster talents, while upholding the sense of responsibility of writers and artists toward the public, the nation and the time. To encourage and create conditions for literary and artistic creations to reject new elements in society, stimulating the good and the beautiful in relations between man and man, man and society, man and nature, critising the wrong, condemning the bad and the evil, reaching out to the true, the good and the beautiful. To timely disseminate good works and to incorporate elements of culture and humanism deeply into all domains of social life, into one's behaviour at home, at school, and in society, and also in production, business and other social contacts, etc.

To build plentiful, equality-based, advanced and happy Vietnamese families, making the family the healthy cell of the society and the really sweet home of each and everyone.

To promote the sense of responsibility of the family in the transmission of national cultural values from one generation to another. To implement properly the Law on Marriage and the Family.

To multiply examples of good people and good deeds. To shape up a scale of new social values and norms suited to national traditions and identity and the demands of the time.

Cultural advancement is the common task of the entire society. To invest adequately in cultural, literary and artistic activities. To develop cultural, literary and artistic activities of the State, collectives and individuals along the line of the Party and under State management.

VI- POLICIES ON CERTAIN SOCIAL ISSUES

The set of social policies is made on the basis of the following approaches:

- Economic growth must be associated with social progress and equity in each stage as well as throughout the process of development. Social equity must be reflected in both the rational distribution of means of production and distribution of production output, as well as in the provision of conditions for all to have a chance to develop and utilise well their capabilities.

- To effect different forms of output distribution. Distribution according to labour results and economic efficiency shall be the main form, in combination with distribution according to other input contributions to pro-

duction or business output and distribution through social welfare, together with policies for reasonable regulation and for protection of the working people's interests.

- To encourage lawful collection of wealth along with arduous efforts towards hunger eradication and property alleviation. To gradually narrow down the gaps in development levels and living standards among the different regions, ethnic groups and population sectors.
- To enhance the nation's fine tradition of "remembering the source while drinking water" and of "paying debts of gratitude", benevolence and loyalty.
- All issues concerning social policies shall be resolved in the spirit of socialization. The State plays the key role in the settlement of social issues, while motivating the involvement of citizens, enterprises, and various organisations in our society, as well as foreign individuals and organisations.
- In the next few years, the following social issues should be resolved appropriately:
 - To concentrate efforts on employment generation.

The most important direction is for the State and the entire population to concentrate investments on development and satisfactory implementation of socio-economic plans and programmes. To encourage all economic sectors, all citizens and all investors to develop trades and create job opportunities for working people. All citizens shall be free to practise their job and hire labour as prescribed by laws. To develop job placement services.

continue reallocating the population and labour force on a nationwide basis, to increase the population density in areas strategic in terms of economy, national defence and security. To expand foreign economic relations, to boost export of labour. To substantially reduce the unemployment rate in urban areas and unemployment in rural areas.

- To materialise efforts in hunger eradication and poverty alleviation, "debts of gratitude" payment, social insurance, and humanitarian and philanthropic activities.

To implement satisfactorily the programme targeted at hunger eradication and poverty alleviation, especially in former revolutionary bases and areas of ethnic minorities. To establish and multiply hunger eradication and poverty alleviation funds with various financial sources from inside and outside the country; to keep good control over the funds, finance the right target groups, and ensure high efficiency.

To organise adequately social life in each locality in order to bring about a more convenient life to the population even when income per capita is still low. To multiply models of communes provided with electricity, roads, schools, medical dispensaries, clean water, etc.

To implement properly the Ordinance on persons with meritorious services to the country and the revolution, ensuring them a material and intellectual life at least equal to the average standard of the population in their neighbourhood; to foster and create conditions for their children to succeed them. To popularise the movement for "paying"

debts of gratitude", to take care of war invalids and families of fallen soldiers.

To effect and enhance social insurance, to ensure a stable and gradually improved livehood for pensioners. To elaborate a law on social insurance.

To promote humanitarian and philanthropic activities. To implement policies on sponsoring orphans and street children, the elderly and lonely, war victims, and the disabled; to set up a "compassion fund"sourced partly from the State budget and partly from contributions by the entire society; to elaborate eventually a law on support for the disabled and orphans. To assist persons afflicted by natural calamities and other mishaps.

- To care for, protect the health and improve the physical strength of the people.

To strive by the year 2000 to radically reduce the morbidity rate of infectious, epidemic, bacteria-sourced diseases and malnutrition rate. To overcome war consequences in the field of health. To improve the basic health indicators of the public, especially of mothers and children, to raise average life expectancy and reduce the mortality rate.

To continue consolidating the State medical system, especially at the commune and district levels. To expand, diversify and improve both the quality and efficiency of healthcare services. To renew and intensify hospital administration, while improving the healthcare system to adequately satisfy the population's growing and varying needs. To provide free medical éxamination and treatment

for entitlement families and the poor. To increase State investment while creating new sources of funding for the health service, such as health insurance growth and international cooperation expansion. To encourage and administer properly the healthcare services provided by various organisations and individuals. To develop traditional national medicine: to combine traditional medicine with modern medicine. To work out policies on control and development of the pharmaceutical industry and medical equipment to meet domestic needs and for export. To adopt appropriate remuneration policies to make better use of medical workers, especially in difficulty-stricken areas. To check degradation in the health service, from facilities and equipment to the quality of services and behaviour of the staff.

To rectify the collection and use of hospital fees. To combat negative practices in medical and pharmaceutical services. To uphold the medical ethics as embodied in the motto "a health worker is like a tender mother".

To boost preventive medicine. To carry out widely measures for environmental hygiene, food hygiene and clean water supply.

To develop a widespread movement of physical training and sport throughout the country, first of all among the youth and children; to achieve a positive change in the quality and effectiveness of physical education in schools, military reserves and the armed forces. To broaden international cooperation in physical training and sport. To step by step establish professional sports.

- To step up population control and family planning.

To complete the system of population centrol and family planning agencies. To develop the network of family planning services down to the grassroots, especially in the rural and mountain areas. To target at only one or two children per couple, and a population growth rate lower than 1.8% by the year 2000; eventually to stabilise the zise of the population within the first half of the next century.

- To check social vices

To take dovetailed measures - educational, economic, administrative and legal - to prevent and light effectively social vices, particularly theft and robbery, gambling, drug addiction, prostitution, etc.

VII- NATIONAL DEFENCE AND SECURITY

The task in national defence and security in the coming years is:

To bring into full play the aggregate strength of the entire people and the whole political system, step by step strengthen the national defence and security potentials of the country, steadily build an all-people national defence and the all-people national defence disposition linked with an all-people security and the people's security disposition, raise the quality of the armed forces, firmly defend the independence, security, sovereignty and terratorial integrity of the country, defend the people, the Party and the socialist regime; to prevent and foil all designs and activities attempting social-political destabilisation, encroachment on

independence, sovereignty and territorial integrity, and detriment to our national construction and development; to prevent and effectively punish criminals of all types and properly ensure social order and safety.

To accomplish the task in national defence and security in the new situation, the following *guidelines* should be grasped firmly:

- To closely combine the two strategic tasks of the Vietnamese revolution, namely building socialism and safeguarding the socialist Homeland.

-To-combine national defence and security with economic development.

- To associate the task of national defence with that of security, they being the two closely intertwined aspects of the defence of the Homeland and the socialist regime; to closely combine national defence and security activity with foreign activity.
- To consider consolidation of national defence and preservation of national security a permanent and primordial task of the Party, State and the entire army and people. To promote the aggregate strength of the political system with a view to increasing the national defence and security potentials; to build the people's army and security forces which are revolutionary, standardised, fine, and gradually modernised; to build a solid disposition of the all-people national defence on close coordination with the people's security disposition; to thoroughly grasp the idea of revolutionary offensive, activeness, initiativeness

and readiness to foil all schemes and acts of sabotage against us.

- To complete the system of laws on national defence; to institutionalise Party line and policies on the building of an all-people defence and people's security. To enhance State management in the field of national defence and security.
- To constantly attend to Party building, enhance the Party's leadership over the army and the security forces, and over the strengthening of national defence and security.

VIII- FOREIGN POLICY

In the field of external relations, out task in the period to come consists in consolidating the peaceful environment and creating further favourable international conditions to step up socio-economic development and national industrialization and modernization in service of national construction and defence, making active contributions to the common struggle of the world's people for peace, national independence, democracy and social progress.

To continue with our foreign policy of independence, sovereignty, openness, diversification and multilateralisation of foreign relations, in the spirit that Vietnam wishes to be a friend of all nations in the world community, striving for pease, independence and development. To effect multifaceted, bilateral and multilateral cooperation with all countries and international and regional organisations on the principles of respect for one another's independence,

sovereignty and territorial integrity, non-interference in each other's internal affairs, equality, mutual benefit, and settlement of remaining problems and disputes by means of negotiations.

To do our utmost to increase our relations with neighbouring countries and other ASEAN members, constantly consolidate relations with traditional friendly countries, attach importance to relations with developed countries and economic-political centres of the world, at the same time upholding all the time the spirit of fratemal solidarity with developing countries in Asia, Africa, Latin America, and the Non-Aligned Movement.

To intensify our activity at the United Nations Organisation, the Francophonie, international financial and monetary institutions, the World Trade Organisation and other international institutions. To make an active contribution to the activity at international forums and join in settling global problems. To extend support to the struggle aimed at absolutely abolishing nuclear weapons and other means of mass destruction.

To develop relations with communist and workers' parties, and other revolutionary, national independence, progressive forces; to broaden relations with parties in power and other parties.

To expand external people-to-people relations and relations with foreign non-governmental organisations, seture broad-based sympathy and support from other

peoples, and contribute to promoting the trend for peace, cooperation and development.

IX- TO ACHIEVE GREAT NATIONAL UNITY TO BRING INTO PLAY THE PEOPLE'S RIGHT OF SELF MASTERY

In the new stage of national construction, our people have even more conditions to broaden their great national unity bloc with the alliance of the working class, the peasantry and the intelligentsia as the foundation. To rally into the great family of the Vietnamese nation people of all social classes, walks of life, ethnic groups, religions. creeds and age groups at home and overseas. To uphold the aggregate strength of our entire national community. traditional patriotism and national pride to firmly maintain national independence and unity, advance toward the objective of a prosperous people, a strong country, and an equitable and civilised society, taking this objective as the common denominator, while accepting those differences that are not opposed to the nation's common interests, overcoming prejudices, and complexes, looking forward to the future, and cultivating a sense of great unity, openness and mutual trust

In the year to come, it is necessary to tap all potentials in creativeness, promite the role of the people as the master with a view to stopping up industrialization and modernization, successfully implementing the task of the

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five-year socio-economic development plan from 1996 to the year 2000.

- With concrete policies towards local social classes, strata and ethnic groups, to create new motive forces to promote the revolutionary movement of the people.

To build up a comprehensively developed working class, well-developed in membership and class consciousness, its educational level and professional skills heightened, capable of applying and innovating new technologies, in possession of an industrialised workstyle and sense of organisation and discipline, operating with ever higher productivity, quality and efficiency, serving as the core in building an alliance comprising the working class, peasantry, intelligentsia, and strengthening the great national unity bloc.

To generate more job opportunities, improve working conditions, carry out work safety and industrial hygiene, minimise cases of labour accidents and occupational discusses. To organise appropriate job training and re-training. To continue studying to amend and complement policies on labour remuneration and social welfare. To create conditions for workers to have access to shares in enterprises. To promote Party membership expansion among workers; to pay attention to fostering and training worker-sourced officials.

Concerning the peasantry, to implement adequately the policy on land and forest allotment; to check and overcome farmers' landlessness; to assist farmers in capital, technical know-how, material supplies and product sales, to develop processing industries, small industries and

handicrafts. To develop rural credits, increase loans for poor farmers for productive purposes, and to combat usury, preharvest purchases of paddies, illegal land transactions. To help farmers develop various forms of cooperative economy. To work out a policy regarding protection for farmers' production.

Concerning the intelligentsia, to create conditions for them to have access to information and new achievements of world sciences and cultures, upgrade their professional expertise and political knowledge; to encourage freedom of creation and the application of scientific and technological advances; to disseminate high-value literary and artistic works; to locate, foster, utilise and remunerate talents duly. To involve adequately scientific, literary and artistic workers in State research programmes and projects. To bring into play the role of intellectuals in the elaboration of laws and policies.

Concerning the youth, to enhance the Party's leader-ship over the Ho Chi Ming Communist Youth Union at all levels and in all sectors. To attach even greater importance to the political, ideological, cultural, occupational, ethical and lifestyle education and training for the youth. To pay attention to vocational training and employment generation, healthy cultural, artistic, sport and recreation activities for the youth and children. To create conditions for the Youth Union to materialise properly its responsibilities toward the Ho Chi Minh Young Pioneers' Union. To create a healthy social environment, prevent social vices and noxious cultural articles. To attend to

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educating and forging the younger generation remains the responsibility of the Party, State, member organisations of the political system, as well as of the family, schools and the whole society. To conduct studies on the promulgation of a law on the youth.

Concerning wonen, to elaborate and implement the "Development Strategy for the Advancement of Vietnamese Women by the Year 2000".

To pay special attention to job-training for women, help them be employed, develop their household economy, improve their living conditions, and protect the health of women and children.

To attend to the expansion of Party membership and training and fostering of officials among women; to increase the female share in the Party's and State leading bodies at all levels and in all sectors.

Concerning private entrepreneurs, to enact a policy on property and capital protection, to encourage their investments in production expansion, to create favourable conditions for their business and their fulfilment of law-defined obligations.

The ethnicity issue is of major strategic importance. To translate into practice "equality, unity and mutual assistance" among the various ethnic groups in the cause of renewal and national industrialization and modernization. To elaborate a law on nationality. From now to the year 2000, active and steady measures should be taken to achieve the three main targets of eradicating hunger, alleviating povery, and stabilizing and improving the liv-

ing conditions and the health of people of ethnic minorities as well as of inhabitants in mountain and border areas: to wipe out illiteracy, raise the people's intellectual standards, respect and promote the fine cultural identity of ethnic groups; to build up clean and strong political foundations and Party officials and members among ethnic groups in all regions and at all levels.

Concerning *religions*, to implement consistent policies of respect for the citizen's freedom of belief and choice of religion or non-religion. All religions are equal before the law.

To ensure normal religious practices in conformity with State laws. To strictly prohibit any violation against freedom of belief and religion or abuse of the latter to act against State law and policies. The State is to care for religious people's economic, cultural and social development, help them eliminate hunger, alleviate poverty, improve living conditions, and participate in social and philanthropic activities.

Religious people and dignitaries are obliged to fulfil their duties as citizens toward the Homeland and to ensure both "a good secular life and a prosperous religious life".

Concerning overseas Vietnamese who constitute an integral part of the Vietnamese national community, it is the policy of our Party and State to protect their legitimate interests, help them raise a sense of community, increase unity and mutual assistance, preserve national cultural identity and traditions; to create favourable conditions for them to visit their native land, assist their families, and

further contribute to national construction through economic, scientific, technological, cultural and artistic cooperation with different sectors and localities throughout the country.

- To set up a concrete mechanism for practising the guideline "the people know, discuss, carry out, and control" with regard to major decisions and policies of the Party and the State.

To operate properly mechanisms for the people to exercise their right as the master, e.g. through elected bodies and people's organisations as their representatives; or directly, through various forms of self-governance, grassroots conventions, rural understandings, etc. in accordance with State laws.

The Party and the State shall continue renewing their workstyle to ensure democracy in the decision making processes and implementation.

- To continue renewing the structures and mode of operation of the Fatherland Front and other sociopolitical organisations.

To consolidate and broaden the structures and operation of the Fatherland Front, a political alliance and voluntary federation of socio-political organisations and outstanding individuals representing the various social classes and strata, ethnic groups, and religions. The Front and its affiliates constitute the political foundation for the people's power, a venue whereby to unify actions of the various strata of the population in the implementation of the Party's line and policies and State laws; to join the

Party and the State in exercising and overseeing the realisation of democracy, care for and protect the legitimate interests of people of different strata; to defend the Party and the administration, implement the tasks regarding economic, cultural and social development, national defence, security and external relations; and contribute to strengthening the close relationship between the people and the Party and the State

The Party and the State shall, as a regular working pattern, discuss with and consult the Front on their major decisions and policies.

The General Confederation of Labour, the Ho Chi Minh Communist Youth Union, the Women's Union, the Peasants' Union, the War Veterans' Association, etc. should rally broadly their memberships in diverse forms of organisation; to fulfil their functions of educating and mobilising the masses to successfully implement specific task; care for the practical interests of their memberships: take part in State affairs as representatives of their respective constituencies. To vigorously turn towards the grassroots to develop their organisation, consolidate and socialise their activities, train and forge their personnel, overcome bureaucratism and red tape in their operations. The State should promulgate a law on the founding of associations and facilitate the operation of people's organisations.

- All Party officials and members must join in mass mobilisation work according to their responsibilities. Party committees at all levels must be take care of mass mobilisation, renew their leadership mode with regard to the Fatherland Front and other people's organisations and associations.

X- TO CONTINUE REFORMING THE STATE APPARATUS, BUILDING AND ENHANCING THE STATE OF THE SOCIALIST REPUBLIC OF VIETNAM

The following basic approaches should be grasped thoroughly:

- To build a socialist State of the people, by the people and for the people, with the alliance of the working class, the peasantry and the intelligentsia as the foundation and the Communist Party as the leadership. To fully observe the right of the people to be the master, strictly maintain social discipline, exercise dictatorship toward all infringements upon the interests of the Homeland and the people.
- The State power is unified, with a livision of responsibilities and coordination of work among State agencies in the exercise of legislative, administrative and judicial powers.
- To enforce the principle of democratic centralism in the organisation and operation of the State.
- To strengthen socialist legislation, build a law-governed State of Vietnam. To govern society by laws, while attaching importance to education and upholding of morality.

- To enhance the leadership role of the Party toward the State.

To build and complete a strong, clean, efficacious and efficient State apparatus, the following tasks should be accomplished in the next five years:

To renew and improve the National Assembly's legislative and supreme supervisory work over the whole operation of the State:

regulate different spheres of social life. Priority should be given to economic laws, laws on citizens' rights, laws regulating the reform of the State apparatus, and laws regulating cultural and information activities. To attach importance to summing up the realities of Vietnam, improving law-making quality, and issuing various legal documents with concrete and comprehensible provisions that make easy implementation. To reduce laws and ordinances which stop short of general principles and require many ensuing written guides to be enforceable.

- On supervisory work: To raise the quality, effectiveness and efficiency of the supervisory work of the National Assembly and the People's Council. To clearly determine the scope, contents and mechanisms of supervision of the National Assembly, its various commissions and the People's Council at all levels; to apparently delineate the differences in character, function, duty and power between the supervisory operations of the National Assembly and the People's Council on the one hand, and the control, inspection and supervision of other agencies

and organisations on the other. Together with ensuring citizens' rights to complaint and denouncement, it is necessary to study and provide guidance so that all citizens can detect and make suggestions and recommendations to help effective supervision.

Reform of the State administration.

As the crux of the building and further improvement of the State in the years to come, the administrative reform should be based on laws and conducted harmoniously in the following fields: reform of administrative institutions, organisation of the apparatus, and building and enhancement of the corps of administrative officials and functionaries.

On reform of administrative institutions: To undertake radical reforms of administrative procedures, both in institution and execution; to cut down on the irrational procedures and hassle, and prevent authoritarianism, corruption, bribery and law violation.

On organisation of the apparatus: To revamp the organisational structures, staff and operation; regulations of the administrative apparatuses at all levels. To streamline the apparatus, ensure centralised, uniform, smooth and effective management from the central Government to local and grassroots administration; at the same time, promoting the initiativeness and dynamism of the local and grassroots levels. To determine the functions, tasks, authority and responsibility of each local administrative level. To strengthen the district and grassroots administrative apparatuses so that they can control and solve in time and in

accordance with their competence the matters posed by life and required by the people.

On the corps of administrative officials and functionaries: to draft and promulgate legal documents about public service and public servants. To clearly determine the obligations, responsibilities, powers, benefits and discipline of administrative functionaries. To foster a contingent of State officials and functionaries with high professional qualifications and work skills, political consciousness, a sense of responsibility, impartiality, devotion and integrity when performing public service.

Reform of judicial organisations and operations.

- To continue building and completing the system of legal documents to serve as basis for the organisation and operation of the system of judicial institutions, ensuring that all law-breaking acts shall be punished and that all citizens are equal before the law.

- To consolidate and enhance the judicial institutions. To re-define the jurisdiction of the people's courts, gradually broaden the powers of district courts on relation to first-instance trials. To renew the organisation and operation of the people's procurator offices, investigation agencies, enforcement agencies and judicial auxiliaries.

- To form a pool of judges, court clerks, investigators, procurators, executors, notaries public, examiners, law-yers, etc. politically qualified, public-minded and adequately professional, to ensure the integrity and solidity of the system.

To step up the fight against corruption.

To wage a resolute, regular and effective fight against corruption in the State apparatus, in all sectors and at all levels, from the centre to the grassroots. To combine urgent measures with strategic solutions with a view to simultaneously completing working mechanisms and policies, streamining the organisation, redressing managerial problems, and overcoming retaining loopholes while severely and promptly punishing all types of law-breaches and crimes, mobilising and coordinating closely all available forces in the struggle to prevent, push back and root out corruption.

The struggle against corruption should be associated with the struggle against smuggling, waste and bureaucratism; to concentrate on abuse of powers resulting in embezzlement, losses of State property, and bribery; to pay attention to such focal areas as land, housing, capital construction, investment cooperation, financing, banking, import-export, migration, customs, judicial operations, public property administration, capital control in State enterprises, etc.

The following must be accomplished:

1. To continue improving the State apparatus, accelerating the administrative reforms, and enhancing State management. Theffeet transparency and democracy in allocating budgets and expenditures, and approving investment programmes and projects. To keep a strict control over the use and spending of State budget. To continue renewing mechanisms on capital administration

in State enterprises and public property administration in State bodies. To complete sets of standards and technical-economic specifications; to put straight the system of statistics, accounting and audit. To continue improving the system of salaries and wages, ensuring a salary-based life for public employees. To work our plans for public functionaries and Party officials at all levels to declare their incomes and fixed assets.

- 2. To punish severely and promptly any cases of corruption at any place, level and in any position.
- 3. To enforce law protecting agencies, resolutely fire form them officials and employees who are corrupted or who shield or give assistance to the corrupted, thus making the machinery truly clean and strong.
- 4. To increase the education of Party officials and members in politics, morality and integrity. To maintain good control and administration of Party members at their places of both work and residence, so that each and every public employee, Party official and member, whatever position he or she may hold, should constantly forge and train himself or herself against money temptation into corruption in whatever form and to whatever extent.
- 5. The heads of agencies and units must set corruption-free examples and take responsibility for corruption in their respective agencies and units. To select those with integrity, political prowess and professional qualifications and experience for the fight against corruption. To effect a mechanism for the Fatherland Front and socio-political organisations, Party-officials and members, and the population

to detect and actively fight corruption; to protect those who are really public-minded and determined to fight corruption, severely punish organisations and individuals who shield or give assistance to the corrupted, while preventing abuse of anti-corruptions for blackening or divisive purposes. To promote the role of the mass media in this fight.

PART IV

TO BUILD THE PARTY COMMENSURATE TO REQUIREMENTS OF THE NEW PERIOD

All the achievements and shortcomings of the renewal process are closely linked to the leadership and operation of our Party. Meanwhile, it is precisely in the course of leading the renewal process that the Party has constantly grown and been able to realise its own weaknesses and take remedial measures.

Successes of renewal have proved that our Party is capable of continued preservation and further promotion of the will-power and experiences gained during the previous stages, and of fruitful leadership over the course of national construction and defence in the new and extremely complex situation.

In general, over the past 10 years, the following achievements have been made in Party building:

- The Party has initiated and gradually amended and complemented a judicious and creative line of

renewal, charting ever more clearly the path to socialism in our country.

- Marxism-Leninism and Ho Chi Minh's Throughs have been confirmed as the ideological foundation and compass for action of the Party. At turning points of the revolution, faced with complicated developments of the situation, the Party has mapped out promptly correct ideological and political orientations, rectified deviations in perception, countered hostile allegations, thus creating the basis for unity of thoughts in the whole Party and among the people.

The principle of democratic centralism, collective leadership and individual accountability has been firmly maintained. Progress has been made in the exercise of Party internal democracy and in leading the exercise of democracy in society, promoting collective wisdom and the aggregate strength of the bloc of great national unity.

- Policies and measures have been taken to renew and streamline the Party along with socio-economic development and enhancement of the political system. A step has been taken in renewing organizational and personnel work, raising the capabilities and combativity of the party membership; the degradation and weakness of many grassroots Party organisations have been checked: the leadership mode and workstyle have been initially improved. Progress has been seen in the control over implementation of principles governing Party organisation and life, the control over maintenance of integrity and recolutionary morality

by Party officials and members, and the observance of Party discipline.

However, many shortcomings have been detected in Party-building. Certain major problems are emerging:

- Given conditions of a market mechanism, a multisector economy and open-door relations with the outside, when Party officials and members are day in day out exposed to very complicated factors, including anti-party activities, the question of firmly preserving the working class nature of the Party is confronted with new challenges. Yet, the Party has failed to adequately prepare itself for developments as such, and to pay due attention to the education and forging of Party officials and members in political integrity and morality. Self-forging is absent among a by-no-means small section of Party officials and members, their ideals fading, their sense of vigilance declining, their determination dwindling, their sense of discipline weakening, and their morality and lifestyle debased. A few have been politically degenerated; and, despite their tinv number, their activities have had extremely negative effects.

- The Party's general knowledge and leadership capacity in some respects have not been up to the requirements of renewal. Many theoretical and practical issues have yet remained to be clarified.
- Grassroots Party organisations are feeble in many localities, and paralyzed in some others; their leadership mode activities are in confusion, lacking both democracy and discipline. A number of Party officials and committees

fail to respect and properly exercise the principle of democratic centralism; bureaucratism, authoritarianism, departermentalism, local-mindeness, jealousy, abuse of power and individualism are present. In not a few places, internal disunity is serious.

- Control by the Party over implementation of its line, viewpoints, directives and resolutions has not been duly attended to.

To achieve the targets and tasks set by the VIIIth National Congress, our Party should continue renewing and streamlining itself, further strengthening its leadership capacity and combativity and overcoming shortcomings, negative practices and weaknesses. The Party must be strong from the centre to the grassroots, at all levels, in all fields of activity.

In Party building, the following key contents should be constantly grasped and properly implemented:

1. To firmly maintain and enhance the working class nature of the Party

This is task of fundamental importance for our Party. In today's conditions, maintenance and enhancement of the Party's working class nature mean:

- To persist in the objectives of national independence and socialism. In whatever eventualities, we must not waver and depart from those objectives.
- To persist in, to creatively apply and contribute to developing Marxism-Leninism and Ho Chi Minh's Thoughts, stemming adequately from the realities of Vietnam,

considering them a basis on which to work out sound line, policies and decisions.

- To firmly maintain the principle of democratic centralism, exercise collective leadership and individual accountability, conduct regularly self-criticism ad criticism, and maintain unity and unanimity of views in the Party.
- To constantly carry out education and forging in the political stance, viewpoints and sense of organisation of the working class; to shape Party officials and members in line with the working class approach.
- To consolidate our close relationship with the people, to strengthen the great unity of the entire people. To care for the life of the people, to promote their right to be the master.
- To be loyal to the working class international solidarity, to combine the strength of the nation with that of the times.

Throughout the process of revolution, the interests of the working class are identical to those of the nation. The Party represents the interests of the working class while at the same time representing those of the whole nation. The strength of the Party lies in a harmonious combination of the advanced ideology of the working class and the prowess, the finest values and traditions of the nation, and all this culminates in Ho Chi Minh's Thoughts.

2. To raise political acumen, integrity and qualification of Party officials and members

On the basis of the Political Programme and Party resolutions, to regularly inculcate Party officials and members

with the Party's line and policies, fundamental issues of Maxism-Leninism and Ho Chi Minh's Thoughts, fine national traditions, and new knowledge of the time, to ensure political and ideological unity in the whole Party.

Theoretical work should first target the questions posed by ine, clearly identify the scientific grounds of solutions, forecast development trends, amend and complement the Party line, and shed more and more light on the path to socialism in our country.

All Party officials and members, first of all key leading officials, must have plans for regular study to raise their political theoretical qualifications, general knowledge and practical working capacity. Study is compulsory to every Party official and member, and must be institutionalised. Laziness in study and in thinking, and failure to frequently acquire new information and knowledge are also signs of degeneration.

Deviations in perception, vagueness in approach, unsteadfastness in ideology and decline of confidence in socialism and the Party's leadership must be rectified. Erroneous and hostile viewpoints must be criticised and reflected. Party members are entitled to express their views within the organisation and have reservations; but they must execute Party resolutions, refrain from disseminating viewpoints contrary to the Party's viewpoints and line, or revealing Party and State secrets. Party organisations should exercise control, and take swift disciplinary measures against Party members who violate Party principles or abuse democracy for anti-Party propaganda.

To overcome the decline in morality among a section of Party officials and members. Party officials and members must be exemplary in self-forging, endeavouring to raise their revolutionary morality in practising "industriousness, thrift, integrity, public-mindedness and selflessness", and overcome individualism. They must not capitalise on incompatibilities in legislation and defects in mechanism and policies to conduct illegal business or dig into public property. Party organisations must undertake regular education, forging and control of Party members, including high-ranking officials. To clearly identify areas related to private business or employment for foreigners wherein involvement is barred to public functionaries; to issue strict regulations on gift-taking and visitors reception; to introduce regulations for officials and functionaries, Party members, in the first place key officebearers at all levels, to report, and be subject to control, about their incomes as well as their assets. Cases of abnormal accumulation of wealth must be subject to control by Party organisations. To define the responsibilities of Party officials and members with spouses or children involved in illegal business; to determine business activities barred to spouses and children of incumbent key officebearers at the central and local levels. Party members must keep from doing private capitalist economic activities by themselves or through their relatives.

Degenerate Party officials and members, no matter who and what they are, must be subject to timely and scrupulous discipline.

3. To consolidate the Party organisationally, to strictly observe the principle of democratic centralism

To work out concrete stipulations ensuring the participation of all Party members in discussions and decisions on the work of Party organisations; to effect majority rule, submission of the individual to the organisation, hierarchical submission, and submission of all organisations in the Party to the Central Committee and the National Congress. All collective decisions shall be taken by majority vote, and shall be executed by all individuals in the collective.

Party members and officials must train themselves in the sense of organisation and discipline, voluntarily submit themselves to control by Party cells, take part in all the latter's activities, and observe Party discipline. No Party member shall remain outside control by the organisation.

To scrupulously practise self-criticism and criticism; to combat formalism and failure to mend mistakes. To strictly prohibit retaliation against and suppression of criticism as well as abuse of criticism for slandering purpose, personal smearing and internal troubles.

Proper punitive measures must be taken against all manifestations of disorganisation, undiscipline, and non-execution of the directives and resolutions of the Party, and divisive and sectarian activities.

To continue improving apparatuses of the Party, the State and people's organisations in the direction of simplification and increased efficiency; to define more clearly their functions, tasks and interrelations, enhance Party committees at all levels, provide solutions to problems related to the relationships and improve the operations of Party commissions, caucuses and designated representations, committees of the central-level public agencies and Party commission groupings, and Party committees in public institutions.

The unity and unanimity of views in the Party, firstly in the leadership, is of decisive significance for the success of the revolution. Party officials and members should preserve the unity and unanimity of views in the Party on the basis of its political line, organizational principles and comradeship. To focus efforts on solving the serious disunity in certain sectors and localities, to accurately analyse its cause, and take appropriate remedial measures. It is necessary in particular:

- To choose the right persons to head the Party organisation and administrative body at the corresponding level;
- To properly effect the principle of democratic centralism;
- To enact clear-cut and strict working regulations, particularly those related to personnel;
- To practise regular self-criticism and criticism; to combat dispute for position, opportunism, departmentalism, selfishness, and factionalism;
 - -To cultivate comradeship and mutual respect;
- To identify as early as possible all signs of disunity, to concentrate efforts on handling and solving them definitely.

Differences of views during discussion and debate within the Party organisation should not be equated to disunity. In the course of development of the revolution, there are many complicated or unclear theoretical and practical questions which require discussion and debate in the Party. All Party officials and members should listen to and respect each other's ideas, sincerely submitting to the truth and reason. Meanwhile, formalistic and easy-going "unity", indulgence and fear of criticising should be avoided.

4. To attend to forming a corps of personnel

The new situation and tasks require very much from personnel work. The entire Party should to the utmost attend to forming adequately the corps of personnel, with importance attached to cultivating steadfast and comprehensively qualified succeeding personnel. A personnel strategy for the new period should be worked out soon.

The Party must cater for personnel for the whole political system and in all fields. The Party exercises unified leadership over personnel work and management, while promoting the responsibility of all partners in the political system regarding personnel work. The principle of collectivity and democracy should be ensured, along with promotion of individual accountability in relation to personnel work.

On the basis of ensuring criteria, to cut down on the average age of the personnel while incorporating personnel of different age brackets, ensuring continuity and development. To adopt policies for uniting broadly different

categories of personnel, with well-deserved placements to persons of talent inside and outside the Party.

To provide comprehensive training and cultivation, in political theory, integrity, morality, professional knowledge and practical capacity for the personnel. To pay attention to the training and cultivation of leading officials, managers, entrepreneurs and specialists, firstly key officials in the political system; to attach importance to both morality and capabilities, with morality as the root. Education of the personnel must be institutionalised and strictly implemented. All personnel must regularly raise their knowledge in different fields, cultivate their political integrity, their loyalty to the revolutionary ideal, their perseverence in the objectives of national independence and socialism, and their sense of organisation and discipline, be exemplary in ethics and lifestyle, combine harmoniously personal interests with common interests, and put the latter above everything else in case of conflict of interests.

To care for generating sources of personnel from the actual movement and right from higher education and vocational institutions. To attach importance to the forging of the revolutionary ideal, Marxism-Leninism and Ho Chi Minh's Thoughts for the younger generation.

To renew approaches and methods of evaluation and placement of personnel, ensuring real democracy and a strict process. Each Party committee should adopt measures to control personnel and follow closely their development process. Evaluation and assessment of the personnel must be based on their concrete performance, both their strong points and weak points in specific periods of time.

All remarks and conclusions about them and the whole personnel work must necessarily be decided upon by competent collectives. Simplistic practices, prejudices, partiality and formalistic democracy in personnel work should be overcome.

Criteria and qualifications must be strictly ensured in the placement and assignment of personnel. Promotion and appointment should be made at the appropriate time, work assigned according to capability, and replacement made in time when required. To work out regulations on election by tenure and appointment by term of office. To apply a system allowing the personnel to resign or withdraw from assignment with a view to a more suitable job.

To elaborate regulations on recruitment of functionaries and talents.

To apply policies for proper placement and rational remuneration of personnel of different categories. To check the mentality that resists working for Party institutions and people's organisations, and "braindrain" from the State sector. To take on our own active measures to protect functionaries from bribery, enticement, manipulation or dishonoring by ill-willed forces.

5. To raise the combativity of grassroots Party organisations

To conduct in-depth surveys on different types of grassroots Party organisations, making accurate assessments of their real state and causes to take suitable measures for renewal and streamlining. To ensure that each type operates according to its own functions and tasks.

To develop results and experience in the implementation of the Resolution of the Third Plenum of the Party Central Committee (VIIth Tenure), give adequate guidance to the movement for wholesome and steadfast grassroots Party organisations; to revamp weak units; overcome laxity in Party work. Direct guidance and assistance should be given by higher levels to units suffering from disunity and negative manifestations among key office-bearers. A change for the better should be effected in grassroots Party organisations in areas inhabited by religious-communities and ethnic minorities.

The main direction for consolidating and streamlining grassroots Party organisations is to help them thoroughly graps the line and policies of the Party and the State, put forth proper decisions and solutions, lead and organise appropriately the implementation of their tasks of economic development, hunger eradication and poverty alleviation, improvement of the working people's living conditions, combat corruption and tyrannic behaviour toward the masses, and provide direction over solution of legitimate, practical and pressing aspirations of the population. To rectify and improve Party life; to enact strict regulations applicable to party members on mission or working tours in distant places or abroad. To make control over Party members routine.

In private enterprises joint ventures with foreign countries, or places with no or few Party members, work must

start from building people's organisations, rallying and educating the masses, recruiting new members for these organisations and the Party to eventually establish Party groups and cells. Regulations guiding the operation of Party organisations in these areas should be promulgated soon.

Appropriate funding should be earmarked for the training, upgrading and remuneration of grassroots functionaries; attention should be given to completing and strengthening core functionaries.

Grassroots Party organisations must motivate and involve the people regularly in Party building, e.g. suggestions for drafts of Party resolutions, to supervision and criticism of Party officials and members; recommendation of candidates for Party membership or for election to Party and administrative committees at different levels, help to Party organisations in control work, identifying and combating corruption, smuggling and other wrongdoings.

To renew the ways assignment of responsibilities are made, and create conditions for all Party members to be associated with a specific task. With regard to elderly Party members and those with poor health or retired functionaries, assistance should be given to their daily life and conditions created for them to continue to promote their and experiences, thus contributing to the common cause.

To step up expansion of Party membership, ensuring criteria and quality requirements. To groom and educate young people as a source for Party recruitment.

6. To continue renewing the Party's leadership mode

Our Party exercises leadership over the political system; maps out the line and policies for national constructions and defence; and has a firm organizational and personnel hold to ensure successful implementation of the Party line. The Party exercises its leadership through Party organizational system and not only through individual Party members; by making collective decisions and monitoring, guiding and controlling their implementation, encouraging the positive—and rectifying deviations. The Party's leadership aims at bringing into full play the role and efficacy of the State rather than administering in its place. The Party and all its members are to operate within the framework of the Constitution and laws, and are answerable for their activities.

Party caucuses and designated representations in State agencies and people's organisations are responsible before Party committees for the embodiment of Party line and policies in the operations of these agencies and organisations; they should coordinate with Party committees of public agency groupings and local Party committees in Party building in units under their management.

Party committees, caucuses and designated representations operate on the principle of collective leadership and individual accountability, and meet periodically with clearly defined agendas, distinct those of administrative bodies.

7. To renew Party control and discipline enforcement

Control plays an extremely important role in the whole leadership of the Party. Control and discipline enforcement constitute a task of the whole Party.

The task of control covers the execution of Party line, policies, resolutions and instructives, observance of principles governing Party organisation and life, and maintenance of revolutionary qualifications and morality of Party members. Through control, strong points should be promoted, new elements identified, shortcomings overcome, policies and decisions amended, developed or adjusted, and violations disciplined.

Party organisations, firstly Party committees, the Political Bureau, and Standing Boards, should on their own undertake control and organise regular control through the various commissions.

Party control and discipline should be conducted according to programmes and plans, and have focuses; they should be closely combined with inspection of the State and people's inspections with a view to clear-cut conclusions and proper decisions, especially with regard to law-breaching Party members.

To consolidate and enhance control apparatuses at all levels, attach importance to training and upgrading the control personnel in policy-lines, viewpoints, laws, economics, profession and workstyle. To forge a corps of politically qualified, public -minded and clean control personnel with

sufficient capabilities, including those in controlling the implementation of party line and policies.

To pay special attention to ensuring the Party's internal political security.

Distinguished delegates to the Congress,

Dear comrades and friends,

The VIIIth National Party Congress is the Congress of continued renewal along the socialist path. The above-mentioned orientations and tasks demonstrate the concretisation and further development of the line of renewal which has been worked out at our Party's VIth and VIIth National Congresses. Successful implementation of those orientations and tasks provides the best preparation for our nation to firmly step into the XXIth century, overcoming hunger and poverty, and forming an impetus for greater strides in national construction and defence.

Our entire Party, army and people are closely united to promote the glorious traditions of our nation and the wisdom and prowess of the Vietnamese people, uphold the spirit of independence, sovereignty, self-reliance and resilience, firmly grasp opportunities and surmount all difficulties and challenges, determined to translate the resolutions of the VIIIth National Congress into facts of life, materialising triumphantly the objectives of a prosperous people, a strong country, an equitable and civilised society, step by step advancing forward toward socialism.

ORIENTATIONS AND TASKS OF THE 1996-2000 FIVE- YEAR PLAN FOR SOCIO-ECONOMIC DEVELOPMENT

(Report of the Central Committee, the VIIth Tenure, to the VIIIth National Congress)

PART I

ASSESSMENT OF THE IMPLEMENTATION OF THE 1991-1995 FIVE-YEAR PLAN

At the threshold of the 90's, very important initial achievements were recorded in the renewal process; yet the economy still suffered from a low growth rate with instability and recession in certain sectors. Meanwhile, the international situation was undergoing complicated development. Our country was still engulfed in acute difficulties and trials.

The VIIth National Congress set forth the overall objectives of the 1991-1995 Five-year Plan, namely "to overcome difficulties and challenges, ensure socio-economic stabilisation and development, strengthen political stability, and reduce negative phenomena and social injustices, taking our country essentially out of its present state of crisis".

After five years' implementation of the Resolution of the VIIth National Congress, thanks to the tremendous efforts of our Party, State and people, our economy has not only withstood the harsh trials, but even scored major achievements of great importance. There remain, however, weaknesses and shortcomings in the socio-economic situation.

I- ACHIEVEMENTS

1. Economic stagnation and recession have been overcome; a fairly high, continued and relatively comprehensive growth rate has been achieved; and most of the main targets of the 1991-1995 Five-year Plan have been surpassed.

GDP has achieved an average increase of 8.2% per annum (the planned target was 5.5% - 6.5%).

Average annual industrial growth is 13.3% (the planned target was 7.5% - 8.5%). A high growth rate has been achieved in certain sectors. Compared to 1990, the output in 1995 of the fuel industry (including oil and gas) increased 3.2 times; electricity, 1.6 times; building materials, 2.7 times; food processing, 1.9 times, etc.

Agriculture production has achieved an average annual increase of 4.5% (the planned target was 3.7% - 4.5%). Food production over the past five years increased by 26% as against the previous five years, creating basic conditions for stabilising the people's livelihood, developing trades and crafts, and restructuring agriculture and rural economy. Aquaculture, marine culture and fishery maintained a fairly rapid growth; their export value in 1995 was 3 times that of 1990. Forest coverage began to expand

thanks to efforts in afforestation, forest tending and protection, and the control of timber logging.

Service industries in 1995 registered an increase of 80% as against 1990 (i.e. an average annual growth of 12%). Transport and communication have made some progress, with goods transportation increasing by 62%; telecommunications have made rapid growth; and revenues from postal service and tourism were up 10 fold. The domestic goods market has expanded, meeting the growing demand of the society in terms of quantity, quality and variety.

Remarkable progress has been made in the *financial* and monetary fields. Most notably was the curb on hyper-inflation and gradual control of inflation. The consumer price index (CPI) dropped from 67.4% in 1991 to 17.5% in 1992, 5.2% in 1993, 14.4% in 1994 and 12.7% in 1995.

A unified tax system applicable to all economic sectors has been established, helping increase the tax and fee contribution to GDP as a main source of State budget revenues to ensure all recurrent spendings and increase development investment. Budget deficits have been brought under control; seignorage has been put to an end and deficits have been financed by domestic and foreign borrowings instead.

In monetary and credit fields, the State management function of the State Bank and the business function of commercial banks have been delineated. Progress has been registered in the regulation of money circulation, stabilisation

of the value of the Vietnam Dong, control of foreign exchange, establishment of a lawful foreign exchange market, and in credit and payment operations.

The scope of development investment in the entire society has increased fairly well. Over the past five years, it was estimated at 18 billion USD (1995 price), of which State investment accounted for 43% (including State budget allocation, State credit, and investment by State enterprises), investment by the public accounted for over 30%, and foreign direct investment, 27%. Subsidy-type budget allocation to State enterprises have in the main been replaced by investment credit, varied forms of joint business and cooperation, and domestic and foreign borrowings, etc. A bigger share of investment from State budget has been concentrated on social and economic infrastructure. Investment by the public has expanded in both rural and urban areas. Over the past five years, foreign direct investment has increased 50% on an annual average, with implemented capital accounting for about one-third of the total project-related registered capital.

Development investment has resulted in raised production capacity of agriculture, forestry, fishery, industry and services, and the commissioning of a number of major projects of the national economy, notably in communication, water conservancy, oil and gas, steel, cement and tourist facilities.

2. The sectoral and regional structures of the economy have started to shift towards industrialisation; and a multi-sector economy has taken shape.

Sectoral structure:

Contribution to GDP by agriculture, forestry and fishery have registered a fair rate of growth in absolute figures, but decreased in proportion from 38.7% in 1990 to 29% in 1995; while those of industry and construction have increased from 22.6% to 29.1%, and services from 38.6% to 41.9%. Agricultural and industrial production have also been restructured for higher efficiency; service industries have developed with diversity.

Regional structure:

The regional structure has gradually taken shape in line with the socio-economic development plans of localities, cities and territorial areas, especially in key economic regions. Industrial estates and export processing zones are under construction. A number of economic areas, especially major cities, through promoting their advantages, have accelerated the pace of investment and achieved a high growth rate. Certain rural areas have obtained rapid development thanks to production restructuring towards making full use of their comparative advantages and responding to the market.

Economic composition by sector:

The State economic sector occupies an important place in the economy, assuming key links and vital fields, especially in industry, infrastructure, finance and credit. Many State enterprises have acquired certain market footing, made intensive investments, refurbished technology and operated with higher efficiency.

During the first years since the application of the new mechanism, for various reasons agricultural, small-industry, handicraft, trading and credit cooperatives found their way into a sharp decline. By now, a few have been renewed in structure, scope and mode of activity, and restored and developed production and business. There have emerged new forms of cooperative economy, though not yet highly multiplied.

The individual and small owner economy is quickly expanding in agriculture, forestry, fishery, small industry, handicrafts, commerce and services, and has made important contributions to the socio-economic achievements.

The domestic private capitalist economy has started to develop, concentrating for an important part on commerce, services and real estate. Whereas investment in production remains limited, most private capitalist enterprises are small and medium sized; certain others are fairly large, and labour-intensive.

The State capitalist economy, comprising various forms of joint business between the State economy and domestic private capitalists and between the State economy and foreign capitalists, is on the rise. Enterprises with foreign investment have begun to contribute to economic growth, raising export value and directly and indirectly generating numerous job opportunities.

In the five years between 1991 and 1995, the total export value exceeded 17 billion USD (the project target was 12-15 billion USD), ensuring the import of materials, equipment and goods to meet the requirements of production and consumption, and helping improve the trade balances. Export included more manufactured goods with more export items in large volume such as crude oil, rice, coffee, marine products and garments.

The total *import* value was over 21 billion USD, including import by enterprises with foreign investment; import of materials and equipment has increased in proportion, meeting the needs of development. Trade relations have been extensively established with more than 100 countries, gaining access to many new markets.

The State has given broader import-export authority to enterprises of different economic sectors, and enacted a number of export-promotion policies...

Foreign Direct Investment (FDI) has increased rapidly. By the end of 1995 the total commitment of licensed projects had reached over 19 billion USD. Investment in industry accounted for 40% of total project-related investment (or over 60% with oil and gas included), of which more than 60% were intensive investments. Investment has also been more widely distributed in terms of

territorial region. The main form of investment was joint-venture which accounted for over 65% of the total investment, while 100%-foreign-owned enterprises made up nearly 18%, and business cooperation contracts nearly 17%. The State has amended and gradually complemented the legal framework for foreign investment.

Relations of development cooperation have been restored, smoothed and expanded with many countries and international financial institutions; a mechanism has been set up for absorbing bilateral and multilateral development aid. Official Development Assistance (ODA) has gradually increased in recent years and been concentrated on building social and economic infrastructures.

4. New development have been recorded in science and technology.

Research has been focused on theoretical and practical questions related to the renewal and development of our country, serving the formation of the Party and State line and policies. As far as natural science and technology are concerned, greater importance has been attached to applied research, with focus on such priority technologies as new materials, biotechnology and information technology. Development of research results and transfer of advanced technologies in production and business have been stepped up more strongly than before.

5. A positive change has been made in the socio-cultural field, and the people's living conditions improved.

After several years of decline, education and training have made new steps of development. The literacy rate is now up to 90% of the population; attendance in primary and other grades of general education among school-age children has been on the rise, while the rates of re-doing and drop-outs have decreased. The general education network has reached all rural communes and urban wards with its physical facilities improved. In all mountainous provinces and many mountainous districts, boarding schools have been built for children of ethnic minorities. Specialised schools and selected classes have become common in many localities. Many semi-public and people-founded schools have been established and operated efficiently.

Vocational schools and classes have developed in various forms. The system of tertiary and vocational education has been expanded in scope and diversified in trades and forms of training. Universities and colleges are being re-organised; the national university centers in Hanoi and Ho Chi Minh City and three regional university centers are in the course of formation.

Mass information and cultural and art activities have developed with richness in types, forms and substance alike, better satisfying the needs in information and cultural entertainment of the people of various strata, and contributing actively to efforts in public relations and

education, especially in education of revolutionary traditions. combating negative practices and repelling influences of noxious cultures. Radio and TV coverage has been expanded with better quality.

In healthcare, efforts and progress have been made with regard to prophylactic sanitation; child care protection programmes, anti-malaria, anti-goitre and anti-malnutrition programmes have been conducted fruitfully; clean water and medical services have become accessible to a larger number of people in rural communes and urban wards. Certain healthcare centers have been upgraded and re-equipped. The health insurance system has expanded. Physical culture and sports have made progress. Activities for environmental and ecological protection have been undertaken.

Every year, from one million to 1.2 million new jobs have been generated.

Population and family planning has developed in depth and scope, and achieved tangible results. Of late, the birth rate has dropped by nearly one per thousand annually.

The drives for hunger eradication and poverty alleviation, for paying "debts of gratitude" and philanthropic activities, and care for children in especially difficult circums: inces have received growing response from the broad strata of the population.

Insome and livelihood of the people of all walks of life across the country have seen improvement of different degrees; the number of poor households is declining. Hunger has been eradicated in many localities.

6. National defence and security have been firmly maintained.

The re-adjustment of the national defence strategy and the consolidation of the all-people defence disposition have been conducted fruitfully. One further step has been taken in strengthening the defence zones. The combination between economic development and national defence has been realised in various forms and brought about initial results.

National security has been firmly safeguarded, and the people's security disposition, consolidated. Resolute measures against violations of law in some spheres of activity have opened up the possibility for establishing and further consolidating social order and security, and building a law-abiding life and work style.

II- WEAKNESSES AND SHORTCOMINGS

1. The quality and efficiency of the economy remain low, and the danger of lagging further behind still looms large.

The productive forces are still small; the material base, especially infrastructure, remains under-developed; the scientific and technological standard has seen little progress; the source of knowledgeable and skilled labour and people with entrepreneurial capability remains small in number, and not yet fully utilised; and social labour productivity has increased slowly. The quality of products and projects in general leaves much to be desired. Many

goods are of poor competitiveness compared to foreign products.

Savings and investment rates remain low; the economy is suffering from a severe shortage of capital. Investment from State budget is scattered, and suffers from waste, losses and low efficiency. Investment by the public in production is still modest. Financing for development and the implementation of foreign investment are slow.

GDP per capita remains lower by far than that of a number of neighbouring countries.

2. The formation of new production relations finds itself somewhat confused and lax.

The State economic sector is not yet efficient and failed to play properly its leading role. The other economic sectors have not yet been tapped fully and have failed to operate in an orderly and disciplinary manner in accordance with law.

3. Financial and monetary situation remains unstable and unhealthy.

The State budget finds itself in constant tension, laden with large deficits. The tax system is still complicated, with overlappings and irrationalities, which not only provides little incentive to production but also is fraught with loopholes. The decentralisation of budget management is not yet rational, both scattered and over-centralised, and inconsistent, leaving room for rampant negative practices and constraining dynamism and creativeness. National

asset, public finance and corporate finance of State enterprises remain poorly administered, resulting in considerable losses and waste.

Monetary and capital markets are slow to develop. The credit interest rates are not suitable to market mechanism and thus constraining development investment. Tools for regulating money circulation have not been used in an integrated and efficient way. Cash is still too much in use with non-bank payment very much commonplace. Foreign currencies are still commonly used for domestic transactions. The possibilities of high inflation recurrence have not yet been completely removed.

The control of import and export, and the management of foreign-invested projects, while lacking incentives to ensure the right track, are somewhat loose.

4. There remain numerous problems to be solved in cultural and social fields.

The quality of education and training remains low; education in difficult to access, remote and mountainous areas is still encountering numerous difficulties. The health service network for the most suffers from degradation both in terms of facilities and service quality and work ethics. Environment and ecological pollution and damage is raising great concerns. A number of epidemics and communicable diseases remain threatening in some areas and potentially expanding; the number of HIV carriers is on the rise. Unhealthy cultural activities and social evils are still growing. The population growth rate remains

high. Urban unemployment still stands at about 7%; and employment time remains low in rural areas.

There still exists a high proportion of poor people, households and communes. The polarisation between rich and poor is going on at an abnormal rate. The CPI of over 10% a year has aggravated the difficulties faced by low-income people. Corruption, smuggling and illegal business undertakings have not been held in check and have even worsened in some places. The enforcement of laws, discipline and social order still leaves much to be desired.

In a nutshell, the tasks of socio-economic stabilisation and development set forth by the VIIth National Congress for the five years 1991-1995 have been successfully executed. The main objectives of the Five-year Plan have been overfulfilled. The country has ridden out of the state of socio-economic crisis, but certain fields are yet to be firmly consolidated. The necessary prerequisites have been created for moving onto a new stage of development, accelerating the national industrialisation and modernisation. However, our country still finds itself at a very low level of economic and technological development. In cultural and social fields, there remain many pressing problems.

The achievements obtained over the past five years are partly thanks to the returns yielded by the investment in material bases in the previous years. But the decisive factor has been the Party's line and policy of renewal which provides a driving force for tens of thousands of enterprises

and tens of millions of urban and rural working people to take initiatives in tapping every resource for production and business. On the other hand, the shortfalls, errors and mistakes in the renewal process constitute main constraints to development.

It should be emphasised that the renewal process has recorded major achievements in economic and social fields. However, the next stage of renewal will have a greater scope, and thus more difficulties, for it has to encounter and solve numerous complicated problems arising from the market economy and international integration.

PART II

ORIENTATIONS, MAIN TASKS AND OBJECTIVES OF THE 1996-2000 FIVE-YEAR PLAN FOR SOCIO-ECONOMIC DEVELOPMENT

I- TASKS AND OBJECTIVES OF DEVELOPMENT

1. Overall tasks

The period from now to the year 2000 constitutes a very important phase of the new stage of development, that of accelerated industrialisation and modernisation of the country. It is the task of our people to concentrate all resources, seize opportunities, overcome trials, step up the renewal in a comprehensive and integrated manner, continue to develop the multi-sector economy operating along the market mechanism with State management and socialist orientation, and strive to fulfil and over-fulfil the objectives set forth in the Strategy for Socio-Economic Stabilisation and Development Up to the Year 2000: to achieve a rapid, highly effective and sustainable economic growth along with solutions to pressing social problems,

to ensure national defence and security, to improve the people's living conditions and to increase accumulation from within the economy, thus creating firm premises for a higher measure of development early the next century.

The above-mentioned overall tasks require the formulation and execution of the 1996-2000 Five-year Plan to strictly follow the guidelines below:

- * To realise simultaneously the three economic targets; a high, sustainable and efficient economic growth; firm macro-economic stabilisation; preparation of the premises for the phase of more advanced development beyond the year 2000, mainly the development of human resources, science and technology, and infrastructure, and the streamlining of the institutional system.
- * To continue in a consistent manner and on a long-term basis the policy of developing the multi-sector economy operating along the market mechanism with State management and socialist orientation; bringing into play all resources for the development of productive forces, and the acceleration of industrialisation and modernisation. To overhaul the organisation and management, and improve the efficiency of the State economic sector so that this sector can bring into play its leading role. To renew and diversify forms of cooperative economy from low to higher levels, and enforce the Law on Cooperatives. To expand the forms of joint venture and cooperation between the State sector with domestic and foreign private sectors. To tap the potentials of individual and small owner economy and private capitalist economy. To

establish, consolidate and enhance the status of the working people as the master in social production, and attain ever-better social equity.

- * To ensure that economic growth goes hand-in-hand with social and cultural development, and concentrate efforts on solving pressing problems with a view to tangible improvements in social equity and progress.
- * To combine closely economic development with national defence and security; and to enhance the utilisation efficiency of the various resources in service of both economic development and national defence and security.
- * To combine the development of key economic regions with that of the other regions, create conditions for all regions to develop and bring into play their own comparative advantages, thus avoiding excessive growth disparity among regions.

2. Main tasks and targets

Resources and efforts are to be concentrated on attaining development targets, i.e. to achieve an average annual economic growth rate of 9-10%, and in the year 2000, to double per-capita GDP over that of 1990 (in actual performance, to strive to attain even a higher growth rate).

To develop in an integrated way agriculture, forestry and fishery, in association with the development of agricultural, forest and marine produce processing industries and restructuring rural economy along the line of industrialisation and modernisation. The output of agriculture, forestry and fishery is to grow at an average annual rate of 4.5-5%.

To develop the various industries with primary attention paid to processing, consumer and export goods industries; to build selectively a number of heavy industry establishments in oil and gas, coal, cement, mechanical engineering, electronics, steel, fertilizers, chemicals, and some defence industry establishments. Industrial output is to obtain an average growth rate of 14-15% per annum.

To rehabilitate, upgrade and build anew in a selective manner a number of infrastructures, firstly where they constitute a bottleneck and the weakest link to development.

To develop service industries, with concentration on transport, information and communication, trade, tourism, financial and banking services, technological, legal services, etc. The service industry is to achieve an average growth rate of 12-13% per annum.

To increase rapidly development investment by the entire society. To pay attention to increasing both domestic accumulation and investment from the State budget as well as from enterprises and the people. To ensure a rational accumulation-consumption balance in favour of diligence and thrift for industrialisation and modernisation; to abstain from spending more than the economy can afford; and to raise productivity and efficiency so as to improve the living conditions while making ever-larger accumulation for development investment. To combat losses, waste and corruption. All domestic resources are to be mobilised and at the same time, external capital sources are to be attracted so that the total development investment

by the entire society may amount to about 30% of GDP by the year 2000.

The comparative advantages of the country as a whole and those of each region and sector should be fully utilised so as to achieve harmonious development among territorial regions. Sufficient resources are to be focused on key sectors and regions capable of yielding an early and high rate of return. At the same time, capital sources are to be budgeted for the solution of pressing needs of other regions, especially for investment in infrastructure development and support credit, thus creating conditions for still underdeveloped, rural and mountainous regions to develop more rapidly, gradually narrowing the excessive gap among regions in socio-economic development.

By the year 2000, industry and construction will have accounted for about 34-35% of GDP; agriculture, forestry, fishing, about 19-20%; and services, about 45-46%.

To quickly augment the financial capacity and potentials of the country, and to make public finances healthy. Tax and fee contribution to State budget revenues is to amount to 21-22% of GDP; budget deficit is to be kept at 4.5% of GDP or lower; and debt payment commitments are to be honoured. The objective of keeping inflation in check and under control is to be adhered to, and it is imperative to bring to naught dangers of recurrence of high inflation and keep the CPI under 10% per year. International payment balances are to be improved.

To develop monetary and capital markets and undertake steps in forming a stock market. To enhance the convertibility of the Vietnam Dong, scale down the use of foreign exchange inside the country; and stabilise the exchange rates in keeping with the actual purchasing power of the Vietnam Dong.

To broaden and enhance the effectiveness of external economic relations. To expand the import-export market and enhance exportability of highly-processed goods; and to improve the competitiveness of goods and services. Export value is to see an average growth of 28% (not including in-country exports); export value per capita is to have amounted to over 200 USD by the year 2000. To develop vigorously tourism and other foreign-exchange-earning services. The annual average growth of import value will have been around 24%.

To enhance absorption capacity for foreign investment and technologies.

To solve satisfactorily certain social problems

To eradicate illiteracy and obtain in the main universalisation of primary education across the country and of junior secondary school (9th grade) in major cities and places where conditions allow. Trained labour is to make up about 22-25% of the total labour force. To achieve drastic improvement of education and training quality. To develop and improve research capacity and efficiency, and to promote scientific and technological applications. To develop and heighten the quality of culture, information, health care, physical culture and sport activities, and make them available in difficult to access and remote areas.

The population growth rate is to have been brought down to less than 1.8% by the year 2000. Hunger is to be eradicated. By the year 2000, the current proportion of very-low-income people will have been lowered by half, and the percentage of malnourished under-fives reduced to less than 30%. Urban inhabitants and 80% of the rural population will have access to safe water. Average life expectancy is to be raised to about 70 years.

To provide employment for 6.5-7 million people; to reduce urban unemployment to below 5%, and increase employment in rural areas to over 75% of available labour time. To adjust the salary and wage system and screen out irrationalities in remuneration policy. Step by step to form unemployment-support funds in urban areas. The livelihood of pensioners and families with meritorious service to the country is to be ensured.

To complete for the essential the programme of sedentary farming and resettlement and to stabilise the livelihood of people of ethnic minorities.

To prevent and abate environmental pollution in cities and industrial estates.

Corruption and social evils are to be repelled and noxious culture eliminated.

To defend firmly the independence, sovereignty, territorial integrity and security of the Homeland, to maintain political security and social safety, to ensure steady national defence and security, and to stand ready against any contingency.

Active preparations are to be made and a solid premise is to be created for the next stage of more advanced development beyond the year 2000, mainly the development of human resources, amelioration of scientific-technological capacity, development of infrastructure, construction of a number of key industrial establishments and formation of a comprehensive market mechanism with State management and socialist orientation.

II- PROGRAMMES AND AREAS OF DEVELOPMENT

1. Agricultural and rural economic development programme

Objectives:

To develop agriculture comprehensively along the line of ensuring national food security for any contingency, increasing rapidly supplies of food, vegetables and fruit, improving the diet quality and reducing malnutration.

To restructure with efficiency agriculture and rural economy along the line of expanding areas under industrial crops and fruit trees, increasing rapidly the cattle and poultry stock, developing marine, island and forest economies, tapping efficiently potentials of ecological agriculture; raising rapidly commodity production in combination with improving processing industries and export, expanding the rural market; and raising the income of farmers. To accelerate the development and upgrading of economic and social infrastructure.

Tasks and solutions:

To increase rapidly the output of commodity food in plain areas capable of high productivity and efficiency. To reschedule crop cycles with the aim of averting natural calamities, shifting to higher-yield crops schedules or vegetation. To quickly expand the application of new, high-yield and high-quality varieties which are highly adaptable to each ecological area, particularly hybridised paddy and corn. To work out plans for developing areas under rice strains of high economic value. By the year 2000, food output is expected to have reached about 30 million tons, and food per capita, 360-370 kilograms.

To vigorously develop highly profitable *industrial crops*, fruit trees and vegetables; to establish concentrated production zones linked with farm-gate processing industries. Planting of industrial crops is to go along with regreening of bare land and bald hills in combined agro-forestry. Importance is to be given to intensive farming for yield raising; modern methods of biology and bio-technology are to be put into application, the use of chemicals is to be avoided; organic agricultural goods are to be produced. By the year 2000, industrial crops are to have accounted for about 45% of the total output of cultivation.

To set up and develop concentrated animal husbandry areas linked with food-processing industries. It is imperative to give incentives to and multiply the number of successful animal-breeding households and live-stock farms. To opt for high-yield and good-quality crop varieties and animals breeds. To realise the programme for maximizing

the proportion of lean pig and improving the cattle herd; to develop the herd of dairy and meat cattle, and eliminate certain tropical diseases. To expand the rearing of animals of special economic value. To broaden the network of animal-feed factories, veterinary, insurance and other services for home-bred animals. Efforts are to be made to ensure for animal husbandry about 30-35% of the total agricultural production by the year 2000.

To develop marine and aquatic production in fresh, brackish and saline water. To protect and restore mangrove forests. To shift certain low rice-fields prone to frequent floods and salinity with low yields to aquaculture. To improve breeds, organise properly logistic services in terms of animal feed, and epidemic prevention and treatment, and gradually apply industrial breeding methods. By the year 2000, aquacultural acreage is to have covered 600 thousand hectares, of which shrimp-rearing areas account for 50%.

Fishing in each fishing field is to be controlled for the conservation of the reproduction and development of fish schools. Incentives are to be given to fishermen to procure fishing equipment and organise proper exploitation of the marine and aquatic resources. To strongly promote offshore fishery by providing credits to fishermen and developing the State sector. To prevent pollution of the sea, rivers, lakes and ponds, and strictly prohibit marine and aquatic product exploitation by destructive methods. To continue with surveys of marine resources and bio-life so as to formulate plans for exploitation and protection.

Marine and aquatic production is to have reached about 1.6-1.7 million tons by the year 2000, of which aquaculture output is about 500-550 thousand tons; and marine and aquatic export value is 1-1.1 billion USD.

To develop forestry and link it with the stabilisation and improvement of the livelihood of mountainous dwellers; to speed up the regreening of bare land and hills; to foster, revive and protect forests; to help mountainous regions to bring into play their forest-related advantages. To complete the allotment of forest and land to farmer households. To enhance forest inspection so as to protect forest resources, maintain a sustainable ecology, preserve the gene bank, and prevent forest burning and destruction, and wanton hunting of forest animals. Timber logging is to be placed under tight control; the ban on export of logs and timber is to remain in place. Wood-processing industry is to be planned and developed in an efficient manner.

In the five years between 1996 and 2000, to preserve the existing 9.3 million hectares of forest and to afforest another 2.5 million hectares, including 1 million hectares planted anew, thus increasing the land area covered with forests and other perennials to 40%. Stable employment must be generated for one million households consisting of two million work-hands and 6-7 million people

To develop and diversify processing industries, small industries and handicrafts in rural areas, commune and district towns in linkage with industries in major cities and in industrial estates. To develop trade villages, parcularly export-oriented villages; to expand various forms

of services. To build new roads, electricity grid and water supply networks, telephone network, schools, health care and cultural facilities in rural areas.

To rapidly develop the water conservancy system in all regions, especially to rehabilitate, repair, upgrade and expand the existing water conservancy systems in the two major deltas of the country; to carry out the programme on control of salinity and acidity, and of water logging in the Mekong River Delta. To build reservoirs in certain midland and mountainous areas in service of both production and improvement of domestic water supply for the population. It is estimated that in the next five years, irrigating capacity will cover another 200 thousand hectares, and drainage capacity another 250 thousand hectares, 500 thousand hectares in Southern Vietnam will access to irrigation and 100 thousand hectares be protected from salinisation.

To ensure sufficient and timely supply of fertilizers at stable prices. Biological methods are to be applied on a large scale for vegetation protection. To develop the agricultural, forest and tishing extension networks, promote technology transfer and the technical-material supply service. To organise the processing and marketing of agricultural produce, insurance and price-incentive policies for agricultural produce, especially for rice and export-targeted industrial crops, are to be implemented. To re-adjust State budget allocation, and mobilise more capital sources in order to augment considerably investments and credits for agriculture, forestry, fishery and rural economy.

2. Industrial development programme

Objectives:

To renew technology of most enterprises. To rapidly develop a number of advantaged industries, build up a number of leading edge industries in food and foodstuff processing, oil and gas exploitation and processing, electronics-informatics and information industry, mechanical engineering, materials production.

To set up industrial estates (including both export processing zones and high-tech zones), affording suitable premises for the formation of new industrial establishments. To vigorously develop rural and suburban industries. In cities and provincial towns, to rehabilitate and upgrade existing industrial establishments, move away from urban centres factories failing to deal with their pollution, and restrict the implantation of new industrial facilities in the midst of residential areas.

Tasks and solutions:

To develop food-processing and consumer goods industries to meet domestic demand, while vigorously targeting at export, and giving priority to the production of articles with a competitive advantage and high effectiveness.

To harmoniously combine different types of scale, various levels of appropriate technology, with the participation of all domestic and foreign economic sectors, ensuring the processing of most of agricultural, forest and aqua-produce of the different regions. To carry out intensive, expand the capacity and refurbish the technology of

existing establishments, while setting up a number of new and high-technology production units.

To upgrade existing *rice husking* mills, build more mills to husk and polish rice for export, to raise the overall husking capacity to approximately 15 million tonnes of paddy by the year 2000. To consolidate the existing units and build additional facilities in the network of foodgraindrying yards and silos; to reduce post-harvest losses. To build facilities for processing of subsidiary food crops, animal feed, and starch.

To make intensive investment in expanding the existing *sugar* mills. To build a number of medium- and small-size mills in areas with limited raw materials resources; in areas with highly concentrated resources of raw materials, to build mills with advanced and modern technologies, including joint ventures with foreign partners. Sugar production is to reach roughly one million tonnes in the year 2000.

To renew the equipment and technology of the existing tea factories so as to quality their product for export; to enter into cooperative and joint business ventures with foreign partners to build a number of modern tea factories. To encourage primary processing by households and household clusters in association with fine processing factories.

To provide investment loans to farmers to promote vigorous growth of *coffee*. To increase the processing capacity, improve the quality of, and diversify coffee products.

In implementing the *rubber* development project, to meet investment needs so as to raise latex-processing

capacity from the current 20,000 tonnes/year to 70,000 tonnes/year. To develop rubber-based industries.

To develop the processing of meat, marine and aquatic produce, vegetables and fruit on different scales. To improve existing facilities and build modern ones, especially for export.

To strongly develop light industries, particularly textile, garment, leatherware, paper, art and handicraft production. To ensure adequate investment for modernisation of technologies and raise product quality and competitiveness. To gradually shift from subcontracting production of textiles, garments and leatherware to purchasing raw materials for production of export articles; to pay due attention to raising marketing capacity to expand market footing. To overcome the obsolescence of the textile industry; to strive by the year 2000 to have reached an output of 800 million metres of textiles concurrently with development of cotton and silk production. To make intensive investment in existing mills and build a number of new ones along with developing raw material areas so as to boost paper production to 300,000 tonnes by the year 2000. To ensure adequate production of household metal ware, plastic ware, detergent and cosmetics to meet domestic needs and provide some amount for export.

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To continue stepping up prospecting, exploration and exploitation of oil and gas, so as by the year 2000 to have reached an output of some 16 million tonnes of crude oil and 3.7-4 billion m³ of gas. To diversify forms of joint ventures; to raise the capacity of the national oil and gas industry

in exploration, exploitation, processing and services. To draw up a master plan for utilisation of natural gas and associated gas. To complete the two gas pipeline projects so that 4.5-5 billion m³/year may be utilised. To build the first oil refinery (6.5 million tonnes/year). To prepare for the construction of the second oil refinery (or the expansion of the first refinery) and of a petrochemical plant.

To rapidly increase *power supply*; to complete on-going construction and start new construction of major power plants, so as to provide an additional capacity of about 2,500-3,000 MW over the next five years and another 1,000-1,500 MW after the year 2000. Power output is to reach approximately 30 billion KWh in 2000. To rehabilitate and add to the network of transformer stations and electricity grid to match them with the power supply sources. To apply resolute and effective policies and measures to ensure rational and economical power consumption.

To develop the *coal* industry, aiming at raising the current capacity by rehabilitating, transforming and expanding a number of mines. To maintain the capacity of mines currently under exploitation. In 2000, sorted coal output is to reach roughly 10 million tonnes.

To increase phosphate fertiliser production capacity to 1.2 million tonnes in 2000. To expand the capacity of the Ha Bac urea plant to 350-400 thousand tonnes year. To build the first gas-sourced nitrogen fertiliser plant with a capacity of 600,000 tonnes/year. To begin construction of a second plant with a similar capacity to be operational during the next five-year plan.

To put into production the *cement* plans currently under construction; to make appropriations and seek capital loans needed to expand existing cement facilities, including cupola furnaces, and build new ones; to enter into joint ventures with foreign partners to build a number of others. Yearly cement production is to reach 18-20 million tonnes in 2000.

To make investment to complete existing *steel* production lines and start construction of a number of steel mills, paying special attention to the production of workpieces. Steel output is to reach 2 million tonnes in 2000. To prepare for the construction of the Thach Khe iron ore mine and of a large-scale steel complex.

To renew the equipment and technology of existing mechanical engineering factories so as to achieve a degree of modernisation. To combine in-country production with import to meet part of the needs of the economy in terms of machinery, equipment, production lines and ensure certain articles for export. In the immediate future, to focus on the production of complete equipment for farm-produce processing, various types of transport means, cupola cement furnaces, brick and tile production, and spare parts and accessories production. To promote vigourous development of ship-building and ship-repair industries, car and motorcycle assembly, and building, manufacturing of low- and medium-voltage power equipment. To begin manufacturing high-voltage equipment, high-power engines and engines for high-sea vessels. To meet demands in hand tools. To enhance the capacity of machinery and

equipment repair and rehabilitation, and develop post-sale servicing industries.

To build up and rapidly develop *electronic industry* and information technology, select a number of directions to make short cuts into modernisation in support of machine-building, and effect automation of plants with products for export. To gradually increase the domestic production of components and spare parts. To develop informatic services, especially the software applicable to scientific research, production, management and daily life.

To closely combine economic development and national defence in the planning and development of economic zones and industries, basing specific policy decisions on the linkage between economic efficiency and defence and security assurance.

To build up and develop the *defence industry*, to strive to gradually assume domestic production of important equipment to meet the minimum needs ensuring the combat readiness of the armed forces and gradually enhance our defence potentials to a level sufficient for the protection of the Homeland.

To heighten the capacity of the various sectors and units of the economy to meet the material and technical needs of defence and security. To ensure quick mobilisation of all economic potentials for national defence and security when circumstances so require.

To make effective use of the potentials of defence industry facilities for economic development. To effect mechanisms and policies for defence enterprises, the armed forces and the police to conduct economic activities in accordance with the law and the specifics of defence and security.

3. Infrastructure development programme *Objectives:*

To develop the infrastructure so as to ensure both the necessary conditions for fulfilling the socio-economic development tasks for the 1996-2000 period and preparations for development beyond the year 2000.

To ensure all-weather smooth traffic through the main arteries axes and feeder roads to mountainous areas and centres. Within each region, the supply of power, water, transport and information is to be made in accordance with its development requirement. To develop mountainous and rural infrastructures, first of all in terms of roads, information, power, clean water, schools, dispensaries. To concentrate efforts on providing water to the central provinces, and ensuring road access to mountainous areas and the Mekong delta.

Tasks and solutions:

To check the degradation of and gradually upgrade key communication projects and lines. To invest in building well-connected and modern communication projects at border gates (international airports and sea ports), major corridors linking border gates with the inland, in key economic regions and the North-South axis.

To concentrate on rehabilitating and ungrading sections of the vital roads, especially national highways; to

build a number of major bridges. To enlarge and upgrade main axis, arteries and urban beltways in Hanoi and Ho Chi Minh City. To upgrade roads in the border and mountainous provinces as well as roads leading to hinterland and remote district township.

To upgrade and consolidate the existing railway network, ensuring safe and smooth rail connection. To install semi-automatic signal systems and automatic telephone links at major railway stations so as to ensure safe traffic. To prepare to build the Hanoi-Halong and Ho Chi Minh City-Vung Tau railway lines, improve the North-South line via the Hai Van Pass.

To expand and upgrade the three international airports to gradually approach modernisation and a capacity of 12-13 million passengers a year. To upgrade auxiliary airports in such regions as Cat Bi, Phu Bai, Nha Trang, Cam Ly, Ca Mau, Can Tho... To open new air routes and enlarge the airfleet to meet the needs of domestic and international flights.

To consolidate and expand the capacity of existing seaport, and gradually build the port of Cai Lan, Chan May, Lien Chieu, Dung Quat, Ben Dinh-Sao Mai and Vung Tau. To build the Can Tho port into the central port of the Mekong delta raising its capacity to 0.5 million tonnes in 2000. To dredge and redirect riverflows, upgrade the main riverports, ensure smooth river navigation for up-to-1000-tonne capacity barges in the Northern Delta and for

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2000-tonne capacity vessels into the hinterland in the Southern Delta.

To develop a modern, integrated, uniform, evenly distributed and multi-service network of posts and telecommunications that maximally meets the needs of socio-economic development and defence and security with high quality and at low costs. To develop posts and telecommunications industry. By the year 2000, to achieve the density of 6 telephones per 100 inhabitants, and telephone access for most communes in rural, hinterland and remote areas.

To develop and upgrade the power grid, to ensure adequate and stable *power supply* to urban centres and industrial estates. By the year 2000, 100% districts and 80% communes will have power supply from both national grid and local sources.

To draw up a plan for the protection and rational exploitation of water resources to meet the needs of production and domestic consumption. To gradually improve water supply and sewage in urban centres, giving priority to areas still without such systems. To overhaul the water supply systems of Hanoi, Ho Chi Minh City, Hai Phong, Da Nang, Can Tho, Ha Long and a number of provincial towns, the Highway 51 neighbourhood, export-processing zones and industrial estates. To continue with the implementation of the safe water programme for rural areas, especially the Mekong Delta and mountainous regions.

4. Programme for scientific and technological development and ecological protection

Objectives:

To develop science and technology, enhance the endogenous capacity as an important factor to drive the process of industrialisation and modernisation. To work out scientific grounds for national development orientations and Party and State policies; to be capable of absorbing world achievements in science and technology, and select and master technologies to be transferred into Vietnam. To carry out initial development of a number of hi-tech fields such as electronics, informatics, biotechnology, new materials and automation.

To step up technological renewal by at least 10% per year in various branches of production, paying special attention to quality of technologies; to focus on application of advanced technologies, gradually bringing our country's technology to the average standard of the region.

To bring about visible progress in the protection of ecological environment.

Tasks and solutions:

To renew and raise the level of technology in the main productive and service industries, to move directly to modern technology in key production sectors with impact on many other branches, in export production sectors and in new fields of investment. To properly organise the expertising of imported technologies. To continue to improve and renew technologies of a number of traditional

trades. To renew technical means for inspection, measurement and control, and apply automation in order to enhance product quality of production branches.

To develop high technologies. To strive to build by the year 2000 infrastructure for information technology, to apply information technology to all sectors of the national economy so as to achieve tangible progress in terms of productivity, quality and efficiency; to set up a nationwide information web connected with a number of international webs. To develop biotechnology with a view to securing fast generation and multiplication of new variety of plants and animals; to process farm, forest and aquatic produce; to produce various types of vaccine and antiserum, agents for rapid and accurate disease diagnosis; to develop technologies to address environmental pollution. To develop materials technology, to research into and develop a number of new highly effective materials, to develop materials that are highly durable and that can endure harsh trepical conditions. To introduce integrated automation in a number of key factories, to apply automation technology to those phases of the production chain which determine the quality of products.

To build two hi-tech zones in Hanoi and Ho Chi Minh City to serve as a venue for scientific institutions and domestic and foreign businesses to secure high technologies and hi-tech industries.

To develop social sciences and the humanities, firmly grasp the fundamental tenets of Marxism-Leninism and of Ho Chi Minh Thought, and study the theoretical questions

of the process of renewal and development in the new phase; to clarify the nature of the multi-sector commodity economy operating along the market mechanism and socialist line; to make clear the issue of the rule of law in a State where the Party is in power, and the upholding of the leadership role of the Party in the new period; to elaborate options for the process of industrialisation and modernisation; to determine the set of social policies suited to that phase; to elaborate the strategic objectives for all-round development of the Vietnamese human beings; to identify appropriate ways and means to ensure social management, foster an advanced culture with deep national identity; to conduct a study with a view to elaborating a defence and security strategy, etc.

To develop the various disciplines of natural science, to research into a number of promising fundamental present and future issues of science so as to come abreast with world standards in the fields of mathematics, cybernetics and calculation, physics, mechanics, chemistry, biology and earth sciences.

To apply scientific and technological measures and renew institutions and management policies with a view to enhancing the quality and competitiveness of our products on both domestic and foreign markets, to put out export articles of international standards, focusing on a number of staples such as rice, coffee, rubber, aquatic produce, garment, oil and gas and assembled products. To put into place an institutional network to control and certify product quality.

To step up protection of industrial property rights, to ensure wholesome competition within the market system and stimulate the creativity of scientists and working people.

To ensure the early elaboration and promulgation of the law on science and technology, and foster the emergence of a market for scientific and technological activities; businesses and enterprises need to attach due importance to the development of science and technology, rely on the latter to secure effective production growth. The State is to adopt policies that provide incentives for the application of technical advances through preferential treatment in tax, credit, import-export tariffs, etc. To extend support to the economic sectors which show a need for scientific research and technological innovation. To continue to re-arrange science and technology institutions towards greater concentration on strategic areas of science and technology, closely linking scientific research with education and training, to place a number of existing specialised research institutes under the direct jurisdiction of various corporations; to closely associate science and technology programmes with socio-economic programmes in keeping with the plans for the development of territorial regions.

To look for diverse funding sources in order to rapidly increase investment in science and technology. Beside budget allocation, policy measures have to be devised to tap additional sources for investment in science and technology from businesses, the various economic sectors,

international assistance, and from socio-economic programmes and capital construction projects.

To ensure rational utilisation of natural resources and protection of the ecological environment. To urgently undertake surveys of environmental pollution; to investigate and evaluate irrational exploitation of natural resources that is detrimental to the environment, and to devise effective remedial measures. To carry out projects for environmental rehabilitation and protection, creation of national parks, forest reserves and tree planting in cities and industrial estates; to apply advanced techniques for toxic and waste treatment. All plans and projects of socio-economic development, foreign investment, and capital construction must be scrutinised and weighed with regard to their environment impact and their suggested remedial measures. To put an end to environmental degradation caused by production facilities. To stop at its very source pollution of the environment, first and foremost, of water and air, during the course of industrialisation and modernisation. To extend the green coverage to the requisite level of ecological safety and to preserve biodiversity on land and in the sea. To ensure sound working and living environmental conditions in industrial estates and urban centres, as well as environmental hygiene in rural areas. To strengthen environmental management in all spheres, and reinforce conditions conducive to the implementation of the Law on Environmental Protection.

5. Programme for development of the service economy

Objectives:

To vigorously develop the different types of services, and initiate new forms of services to meet the various needs of production, business and daily life.

To create an environment for wholesome competition in the service sector. To maintain price stability, especially with regard to essential commodities and services.

Tasks and solutions:

To develop trade, ensure smooth, easy country-wide goods circulation, especially in the rural remote and mountainous areas, and pay due attention to domestic and international marketing. To consolidate and develop State-run trade in commodities essential to production and consumption, first of all in trade-blank places; to control wholesale trade and maintain a dominating role in retail trade. To gradually put into place consumer cooperatives and dealernetworks to join with the state sector in preventing abrupt fluctuations and ensuring market and price stability.

To strengthen market administration, to induce the various economic sectors in trade to develop along the right track, in accordance with State policies and laws, and to engage in wholesome competition; to combat tax evasion, tax fraud and circulation of counterfeit goods.

To reinforce the macro-regulatory role of the State, to tackle promptly any adverse development of the market. To improve the system of *national reserve* and goods circulation reserve.

By the year 2000, the total value of sales is to have been 2.5 times that of 1995, with an average annual growth of 20% (1995 price).

To rapidly increase the volume and raise the quality and safety of commodity and passenger *transportation* on all means of transport. To enhance the capacity so as to be in a position to assume the proportion of commercial rights provided for by international law and practice in air and high sea transport.

To draw up a master plan for the development of tourism in Vetnam commensurate with its large tourist potentials and ageared to cultural, ecological and
environmental types of tourism. To build tourist programmes and sites attractive in culture, historical monuments and scenic spots. To mobilise the population to
invest in tourist business, giving priority to building infrastructure in areas of tourist attraction and in major centres. To mise cultural standards and service quality to suit
the different categories of tourists.

To step up domestic resource mobilisation for investment in the hotel industry. To equitise a number of existing State hotels to attract more funds for their rehabilitation and upgradation.

To enter into joint ventures with foreign partners to build tourist resorts and hotels which are large-sized, high-quanty and capital-intensive. To turn subsidy-based guesthouses and vacation houses into business-based tourist hotels

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To vigorously develop services related to information, technology consultancy, law, finance, auditing, banking, insurance, etc. To expand various types of services to meet the daily needs, suiting the living standards of different strata of the population.

6. Programme for the development of foreign economic relations

Objectives:

Export turnover is to rise annually by an average of 28% (in-country export not included). To rapidly increase the ratio of processed goods and reduce the ratio of raw materials and semi-processed goods to the export volume.

Import should target at raw and other materials and various types of technological equipment that meet the needs of industrialisation and modernisation. Step by step to substitute imports with articles which can be effectively produced in the country. Import turnover is to increase annually by an average of 24%.

Within the next 5 years, to attract and utilise effectively some 7 billion USD from Official Development Assistance (ODA) and 13-15 billion USD (1995 price) from Foreign Direct Investment (FDI).

To improve the international balance of payments.

Tasks and solutions:

To expand the *export* market, to restructure export lines and enhance the quality of export goods. To increase the ratio of highly-advanced and fine-processed goods

while sharply reducing export of crude commodities. It is expected that by the year 2000, processed goods will have amounted to 80% of the total export volume, half of which would have gone through highly-advanced and fine processing. To develop additional individual or clusters of articles which can be exported in large quantities and for high value. To increase the volume of valuable specialty articles. Export of heavy industry and mineral products is to grow annually by an average of 33%, that of light industry products by an average of 38%, and that of farm-forest-aquatic produce by an average of 16%.

Import structure: it is expected that modern machinery and equipment together with spare parts account for 39% of all imports and should increase by an annual average of 25%; raw materials, fuels and other materials for 52% of all imports, with an average annual increase of 25%; consumer goods should make up 9% of all imports and grow by 14% annually.

To consolidate our footing on familiar markets, restore ties with traditional markets, look for new markets and trade partners, and reduce overconcentration on a few markets. To secure long-term markets and trade partners for import and export staples, and limit import and export through intermediaries. To consistently apply export promotion policies, including price guarantee for export goods and adequate exchange rate adjustment conducive for exports.

Following our joining ASEAN and preparing to be part of the ASEAN Free Trade Area (AFTA), we need to initiate the process of joining the Asia-Pacific Economic Conference (APEC) and the World Trade Organisation (WTO), step by step taking part in activities within the General System of Trade Preferences (GSTP) for developing countries, applying international trade norms and selecting a few international cartels on specific export items for membership.

To attract multilateral and bilateral *ODA*, focusing principally on some-economic infrastructure construction and enhancement of the scientific, technological and management level, while earmarking part of the credit fund for investment in agriculture, forestry, fishery and consumer goods production. To allocate non-refundable aid as a matter of priority to poorly-developed regions. Projects relying on loans for their capital must have sure options for repayment, with responsibility for repayment clearly assigned, and must not add to the insolvent debt burden. ODA is to be utilised effectively, with rigorous management and control to avoid waste or negative practices.

services with advanced technology and have a high export ratio. With regard to sectors that do not require large amounts of capital or high technology and which generate quick returns. Evariety of ways should be devised to mobilise from domestic sources the totality of capital needed or at least a high proportion of that capital if a joint venture proves necessary. As far as investment location is

concerned, effective policies and measures need to be worked out to channel funds towards areas that have a good potential but are still in a difficult position for the time being. Forms of investment need to be diversified further, with greater attention paid to new forms, such as financial investment (foreign partners invest capital, buy shares but do not take part in management as is the case with joint ventures). With regard to investment partners, cooperation with multinational corporations needs to be stepped up in order to access source technology and modern methods of management, and to move rapidly into the international market and open up new markets.

Together with efforts to attract more external capital resources, greater attention should be paid to effectively implementing licensed FDI projects and overcoming hindrances in this regard so that the ODA sources committed by international donors may be quickly put into use.

7. Programme for the development of education and training

Objectives:

To raise the *people's intellectual level*, ensuring the necessary knowledge for every person to join in the social and economic life to keep abreast of the process of national renewal and development.

To train, foster and raise the quaity of human resources to help them meet the requirements of industrialisation and modernisation. By the year 2000, to have increased to 55-60% the ratio of graduates of basic general education (the

9th grade) among labour age population, and to 22-25% the ratio of trained labour in the labour force so as to ensure the qualified labour input for the fields where advanced technologies apply. To build a strong corps of scientific and technological workers capable of handling issues raised by the programme for scientific and technological development.

To detect, foster and make good use of *talents*, especially in the fields of science and technology, arts and culture, socio-economic management, and production and business administration.

Tasks and solutions:

To develop *pre-school education*, increasing the ratio of children taken care of at kindergartens or creche groups, and raising the basic knowledge for family baby-sitters. To attract most children in the kindergarten age bracket into pre-schools to prepare them for primary education.

To eradicate illiteracy for working people of the 13-35 age group and cut down on the illiteracy rate among people of other age group. To make active efforts to eradicate illiteracy among dwellers of mountainous, remote and difficulty-ridden areas.

To basically accomplish universalisation of primary education throughout the country and effect universalisation of junior secondary education in major cities and wherever conditions allow. To adopt policies to provide schooling conditions for children of ethnic minorities, poor families and disabled persons. To develop boarding and semi-boarding schools. To consolidate and strengthen

schools and classes for gifted and advanced pupils. To open more people-founded and semi-public schools for different grades of general education. To effect comprehensive education at the primary level (especially introducing such subjects as music, painting, sports and physical culture). To broaden and upgrade the teaching of foreign languages and informatics right at the general education level. To concentrate efforts on improving teaching and learning quality with a view to providing students with the necessary knowledge along with giving rise to their capability of self-training and creativity; to overcome excessive extra-class education.

Through improving the labour market information network and various State policies and regulations, to adjust rationally the training structure with a view to achieving a balance between training and employment for different levels and different trades, especially to ensure labour for spearhead industries and key socio-economic programmes; to rapidly increase the ratio of vocational training at undergraduate levels.

To streamline, vigorously develop and ensure the quality of *vocational training* establishments, including people-founded, private and enterprise-sponsored ones, along with strengthening State control over them.

To rationally expand the scope and enhance the quality of *university education*, to combine training with re-training, and to develop top-quality education and training to select and build a corps of experts in science, technology

and culture, successful business people, competent functionaries and leading socio-economic managers.

To effect rearrangement of existing universities, colleges and research institutions, and build poly-disciplinary universities at national economic and cultural centres. To develop local universities and colleges to meet the popular desire for knowledge and promote local human resources. To seek foreign scholarships and encourage self-funded overseas study to quickly increase the number of people having overseas graduate and post-graduate education.

To complete and consolidate teachers training schools in all aspects, quickly overcoming the shortage of teachers and improving the quality of teachers at all levels. To amend policies on rewards to teachers and effect policies encouraging teachers to volunteer for difficulty-ridden areas. To employ teachers in accordance with their competence and to reward them adequately in the spirit of giving preferential treatment to the teaching prefession, with special attention to be paid to those working in mountainous, remote and difficulty-stricken areas.

To enhance research on educational science; to continue renewing teaching and learning methods. To combine education in schools with that in the family and society, building a healthy educational environment.

To concretise and institutionalise Party and State decisions and policies on socialisation of education and training, first of all in terms of development investment and operational budget. Apart from an appropriate budget allocation for the development of education and training,

it is necessary to attract investment from communities, economic sectors and domestic and foreign businesses, along with efficiently utilising the investment in education and training. Enterprises employing trained labour are obliged to contribute to the education and training budget. To renew the tuition regime to suit the income differences in society and eliminate unreasonable financial obligations in order to ensure a better education budget and, at the same time, improved schooling conditions for poor students.

To study the organisation and coordination of a programme for educational and training development in service of nauonal modernisation. To build and perfect the system of State laws on education, and soon to draft and promulgate the Law on Education. To clearly delineate the responsibility, expand the jurisdiction and raise the managerial capacity of training institutions, first of all universities. To renew and strengthen educational management work, especially at the macro level, to control the quality of training, operate the educational apparatus on an increasingly large scale and ensure the desired objectives of training.

8. Programme for solutions to social and cultural issues

Objectives:

To solve employment problems and develop comprehensively activities in culture, information, sports and physical culture, health, population and family planning, and other social aspects with a view to raising the quality

of the nation's material, intellectual and physical life, and meeting the needs of the development of human resources and integration into the international community.

To combine harmoniously economic growth with the exercise of social equity and progress in order to generate a vigorous change in the settlement of the pressing social problems, and push back negative practices, injustices and social evils.

Tasks and solutions:

To quickly deploy a national programme for employment and create conditions for all working people to generate jobs or find their own. To provide each year employment for 1.3-1.4 million working people. In the course of this implementation, to create additional opportunities for working people to create and find jobs on their own so as to further increase the annual employment rate. To reduce urban unemployment rates to below 5% and to increase the employment time to 75% of the available labour time in rural areas.

To organise and control the enforcement of the *Labour Code*, to increase protection for the working people, especially at enterprises. To continue improving the system of salaries and wages, closely linking them with productivity, quality and efficiency, thus becoming the main income and motive of working people.

To expand *social insurance* for the working people of all economic sectors and to force it on agencies and enterprises. To properly organise the management and utilisation

of insurance funds; to ensure the living standard of pensioners. To expand charity funds and activities of the people.

To develop and raise the quality of cultural and art activities and of the mass media and the recreational facilities to meet the cultural and intellectual needs of the people. To pay attention to these activities in mountainous, border, island and rural areas which are experiencing difficulties.

To quickly increase the volume of cultural, literary, art and press products of good ideological content and high artistic value. To increase investment in transforming and building the system of cultural and information facilities from the central to grassroots levels, and reorganise them along the line of multi-function operation and linking cultural activities with tourism, sports and recreation. To accelerate the pace of construction of national cultural projects in Hanoi, Ho Chi Minh City and other large centres of the country.

To step by step modernise the radio, television, film, printing and publishing services. To improve the quality of radio and television programming and increase the capacity of radio and television transmission, including for overseas service. By the year 2000, to strive to increase to 80% the number of households watching Vietnam Television programme; and 95% the number of households listening to Radio Voice of Vietnam. To continue implementing the three national programmes on culture and information: preservation and upgrading of national historical relics and cultural heritage; development of the

Vietnamese film industry; and building grassroots cultural life, paying special attention to the building of cultured families, cultured villages and urban civilisation. To expand cultural, art and sport exchanges with other nations, especially those in the region. To strengthen methods and measures to coordinate forces of the whole society to formulate a healthy cultural environment and struggle persistently and vigorously to check and eliminate noxious cultural products and social evils.

To renew the managerial mechanism along the line of socialisation of cultural and information activities and at the same time, to continue building and complementing the regimes and policies to make them suitable to the characteristics of the sector (such as price-subsidisation, order placement, capital, tariffs on cultural products; contributions to cultural services, policies to attract capital from inside and outside the country, etc.) with a view to ensuring that the cultural and information services develop quickly in renewal while retaining their socialist orientation in building an advanced culture deeply imbued with national identity. To adopt policies to care for the material and intellectual life of the corps of cultural and art workers.

To improve the basic indices on health for all, and step by step increase the physical well-being of the people, first of all, the mother and the child.

To generate quick changes in the implementation of the *population strategy* in scale, structure and distribution, focusing firstly on the target of no more than two children for each couple who are to raise and educate them well; to quickly reduce the percentage of women giving birth to the third child or more. Apart from additions in budget allocations and technological facilities, to increase education through communication, amend policies to restrain birth rate and consolidate the system for population and family planning management at all levels and extend it to every village and urban ward. To reduce the population growth rate to below 1.8% by the year 2000.

To implement the national nutrition programme, reducing the percentage of child mainutrition among those under-five from 42% at present to less than 30% by the year 2000 and putting an end to serious malnutrition, reducing to below 10% the percentage of population fed with less than 2,100 Kcalorie/day, providing good care for expecting women, reducing the maternal mortality rate to 0.5%, the mortality rate of the under-one to less than 30% and of the under-five to less than 55%.

To drastically reduce the morbidity and mortality rates caused by virus and parasite diseases such as malaria, tuberculosis, diarrhea and pneumonia among children. To expand work to combat goitre, effecting the practice of every people consuming iodized salt. To eradicate polio, leprosy and tetanus among infants, quickly neutralise hot beds of epidemics, and prevent rabies. To combat drug addiction and prostitution; and to check the spread of HIV/AIDS and to treat HIV/AIDS carriers.

To develop State and private health consultation and treatment and primary health care offered. To try on

experimental basis forms of joint venture between State and foreign health services in both medicine and pharmacy. To develop traditional medicine and combine it with modern medicine. To streamline the management of the pharmaceutical service, renewing its technological facilities, diversifying medicinal provision and improving the quality of products put out by producers and suppliers of medicine and medical instruments.

To increase budget allocation and mobilise capital from many other sources to invest in construction and upgrading of health-care establishments. By the year 2000, to ensure that all communes in the country will have had health stations, with 40% of them having doctors and all of them having physicians in gynaecology and obstetrics or mid-wives; all villages to have nurses; all districts to have health centres capable of handling the duty of the first life-support line. The health centres of all provinces to have adequate supply of essential facilities of all wards to help them perform the duty of the second life-support line. To continue building two intensive health centres in Hanoi and Ho Chi Minh City.

To improve the regime and policies on rewards for health workers, especially those working at the grassroots level and in mountainous areas. To diversify health insurance modes. To eradicate discrimination between health treatment on insurance on the one hand, and that for service fee, on the other. To adopt a hospital-fee policy favouring the poor and people living in remote areas.

To significantly reduce the number of slums in urban areas. Most of rural *housing* to be built on a permanent basis and equipped with lavatories. Good attention is to be paid to the Mekong Delta.

To create a new step of progress in the sports and physical culture movement, to ensure that 8-10% of the population are engaged in sports and physical culture and 50% of the schools of all grades providing regular physical culture, to formulate a system for training athletic talent for the nation and improve its sports records. To work out plans and initiate development investment in sports facilities at schools and in residential areas. To build national sports centres. And to strengthen the training of sports personnel and research workers for the sports and physical culture service.

To popularise compassion activities in society, providing better care for people with meritorious service to the nation, families of fallen fighters, war invalids, people with difficulties in life, disable people, helpless old people and children in especially difficult circumstances.

9. Programme for the development of territorial regions

Objectives:

To create conditions for all regions to develop on the basis of utilising their own strengths and potentials so as to formulate appropriate economic structures and facilitate inter-regional integration, giving rise to strong socio-economic development throughout the country.

To combine focused development with all-round development in all territorial regions, cutting down on disparity in the growth rates among regions.

Tasks and solutions:

As regards mountainous and difficulty-laden areas, especially vital regions, former revolutionary sanctuaries, hinterland and remote areas, and areas of ethnic minorities, to give them priorities and create for them initial conditions to make use of their advantages and local resources, to increase their capability in attracting investment and brain power from other areas. The State is to reserve foreign non-refundable aid and preferential loans to invest in the construction of socio-economic infrastructure, first of all roads, electric power grid, education, training and health care. To apply preferential treatment policy on tax, credit, technology transfer and land use. To encourage the formation of economic centres capable of stimulating the commodity economy, economic restructuring, diversification of trades, and development of processing industry; to accelerate circulation of goods and expanding service activities. To actively effect the programmes for hunger elimination and poverty alleviation and sedentary farming and resettlement, and establish order in migration. To pay special attention to the raising of the people's intellectual level. In directing this work, to take resolved and strong measures to take mountainous areas forward and gradually narrow down the gap between these regions and developed regions.

The rural areas in the plain have the strategic task of firmly ensuring national food security, adequately catering food and foodstuffs of ever-higher quality to urban and industrial estates, and quickly increasing their export volume, including in-country export. To pay attention to facilitating balanced development among different low-land areas and increasing their economic efficiency. To overcome the state in which rice-growing areas are impoverished and suffering more disadvantages than other rural areas, first of all in credit provision, pricing and taxation. To encourage commodity animal husbandry (including aquaculture), processing industries for agricultural, forest and aquatic produce, mechanical repair and manufacturing at an appropriate level, production of building materials. and development of traditional trades and crafts in combination with new trades; to accelerate production of export goods and satellite subcontracting for industrial centres: and to effect integrated development in all servicing branches. To move part of the agricultural workforce to the local non-agricultural sectors, alleviating pressures in labour and population on large urban areas.

The sea and coastal zones are the strategic area in economic growth and national defence and security, enjoying many development advantages and serving as a major gateway for the whole country to engage in international exchanges and attract foreign investment. To make maximum use of the potentials and advantages of the sea and coastal zones, and combine them with national defence and security, with a view to creating both

dispositions and strength to vigorously promote socioeconomic development, and protect and control the sea territory of the Homeland.

export orientation, combining it with the economic exploitation of the coastal areas, the exclusive economic zone and the continental shelf under the nation's jurisdiction and in accordance with the provisions of the International Law on the Sea. To pay attention to the development of island economy and coastal forward bases. To plan the development of marine economy in an integrated programme for such important economic subsectors as oil industry, marine production, maritime transport, sea mining industry, and ship building and repair, oil-rigs, maritime tourism and services, so as to form a number of spearhead industries with advanced technologies and high export value, thus creating sources for higher accumulation and stability for the national economy.

To develop synchronously and modernise infrastructures of coastal areas and island districts, linking them with key economic regions. To form *centres of marine economy*, large urban areas, industrial estates, export processing zones, tourist and trade centres with the system of sea ports being expanded and built anew, especially deep-water sea ports. To develop coastal economic corridors, first of all, on the Haiphong-Ha Long-Mong Cai, Hue-Quang Ngai and Vung Tau-Ba Ria stretches.

To work out and design plans for development of island economy, focusing tirst of all on a number of islands of important significance for the economy and national defence and security such as Phu Quoc, Tho Chu, Con Son, Phu Quy, Ly Son, Cat Ba, Co To, Vinh Thuc and Bach Long Vi. To concentrate on building such essential infrastructure projects as piers, roads, power and water supply systems and communications. To adopt policies on special preferential treatment to encourage people to settle and engage in the economic development of islands, to provide improved living and other necessary conditions for soldiers on islands. The State is to provide additional preferential credits to help people develop open-sea fishery. To step up field surveys and scientific and technological research on the sea. To pay attention to the protection of natural resources and environment of the sea and coastal areas. To allocate appropriate investment in strengthening and consolidating national defence and security in order to firmly defend national sovereignty over and interests in the sea and island territory. To amend and complement the system of laws and policies for the management and exploitation of the sea, coastal and island areas.

The urban area has the advantages and conditions for rapid development; with large urban centres being the hubs for regional and international exchanges. To establish a network of urban areas which will play the role of regional or sub-regional centres to promote impact of industry and services on other regions and, through that, helping utilise more efficiently the potentials of each region. Given their own conditions, all provincial and district towns

in each region must develop along the line of promoting industrial and servicing activities of sub-regional significance. To form townships which will serve as economic and cultural centres for each commune or group of communes.

To develop satellite towns in the vicinity of large urban centres in order to relieve the latter of industrial and population pressure; to avoid over-concentration in Hanoi and Ho Chi Minh City. To create the necessary conditions to attract industrial development and urbanisation to midland areas, avoiding excessive use of arable land. To restrain from further expanding large urban centres. Soon to work out plans for large, medium and small urban centres throughout the country in accordance with the level of socio-economic development. To develop urban areas in combination with coordinated construction and management of public utilities (electric power supply, water supply and sewage, greenery, etc.).

To attach importance to closely combining economic and cultural development and the preservation of the national identity and traditions with modernisation of urban development.

The three key economic regions in the North, the Centre and the South have the conditions to achieve faster economic development than the average pace of the whole country and are providing to the country with many essential products and services, playing their central role in industry, service, trade, finance, science and technology, and serving as gateways to international exchanges. The

development of these three key regions must be combined closely, serving and promoting development in other regions as well as the whole country, and creating conditions for enterprises in key areas to expand business into and invest in other regions.

10. Programme for socio-economic development in mountainous and ethnic minority areas

Objectives:

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To tap all local resources and mobilise resources of the whole country to facilitate faster steps of socio-economic development, stabilise living conditions and improve environmental and ecological conditions.

To strive to achieve an economic growth rate of the same or higher level than the national average; by the year 2000, the per-capita GDP will have doubled the 1994 level.

All mountainous and ethnic minority areas must score a measure of development, at a faster pace in areas with favourable conditions, in order to stimulate and support development in other areas.

To achieve a harmonious combination between economic development and social and cultural development, and insurance of national defence and security, striving to narrow the gaps in social progress among regions.

Tasks:

Industry:

To develop processing industries in association with their raw material-supply areas. To arrange and make intensive investment in existing facilities. To develop small industry and handicraft in hinterland and remote areas, encouraging traditional crafts.

To set up building-material production establishments, accelerating the prospecting and exploitation of minerals.

To accomplish on schedule hydro-electric power projects which are under construction and make preparations for new projects in Son La, Song Gam and the Central Highlands.

Agriculture and forestry:

To settle food problems in line with the commodity economy approach. To expand food growing acreage in areas where irrigation conditions allow, and improve plant structures along with conducting intensive and high yield farming through application of technical advances in strains and fertilisers. To ensure that local food production increase 3.5-4% annually and, by the year 2000, yield a per-capita average from 250-280 kg. To expand exchanges among regions to ensure food security.

To increase forest coverage to over 40% by the year 2000. To form a system of essential watershed protection forest and raw material-supply areas for pulp and paper production and for coal mines wood props.

By the year 2000 to have doubled the acreage of perennial industrial crops from the 1994 level of 179,000 ha, of which 166,000 ha to be put under rubber, 101,000 ha under coffee and 97,000 ha under tea. To vigorously step up animal husbandry, especially cattle raising.

To combine forest development with sedentary farming and settlement. To stabilise production and life of the newly-settled households in sedentary farming. To continue investment to complete projects under Programme 327, each year deploying 80-100 new projects in areas where people are still leading nomadic life and practising slash-and-burn farming. By the year 2000, to have basically accomplished the promulgation of sedentary farming and settlement throughout the country.

Infrastructure and services:

In transport, to invest in upgrading national highways, routes along borders and routes leading to mountainous districts and communes. To combine the redistribution of population with construction of roads to provide better service to residential areas. By the year 2000, most of the communes or groups of communes will have been accessible for motor vehicles.

In energy, 100% of the district townships and 60-70% of the communes will have had access to electricity by the year 2000.

In irrigation, to accelerate construction of reservoirs to insure irrigation and drainage for food-producing areas and concentrated industrial crop-growing areas, and supply water to industrial and urban areas, combining it with hydro-electric power generation if possible. To continue implementing the clean water supply programme in rural areas. By the year 2000, 80% of the population will have had access to clean water.

To build and develop urban areas and provincial and district towns to accelerate and assist the development of mountainous and rural areas, and increase the urban population from 14% in 1994 to 18% in 2000. To form commercial centres at regional, district and communecluster levels. The State is to give subsidies to some essential commodities (iodized salt, kerosene, paper, etc.). To encourage the various economic sectors to invest in, and supply commodities to, these regions. To achieve an annual export growth rate of 20-30%.

To preserve and tap natural landscapes and historical relics to develop tourism.

To implement programmes on radio and television broadcasting, and the programme on the development of communications; by the year 2000, 100% of the districts will have had TV-relay stations, and most of the communes will have had telephone stations.

To develop health and education networks in communes and villages. By the year 2000, 100% of the communes will have had dispensaries and pharmaceutical services to provide sufficient common medicine for people, and adequate facilities for consultation and treatment of common diseases; universalise primary education and eradicate illiteracy among people of learning age. To diversify education forms, and consolidate and develop boarding and semi-boarding schools for children of ethnic minority groups.

Some major solutions:

Region I, including urban centres, district towns and industrial estates, accounts for 0.1% of the natural area and 15% of the population of mountainous provinces. Its per-capita GDP is higher than the national average. Investment in it has come mainly from the community and leans, giving rise to an intra-regional market and serving as a hub of exchange between the mountainous areas and other regions in the country. It is to develop at a higher pace than the national average so as to stimulate the development of the whole region.

Region II, including the buffer zones between urban areas and remote and mountainous areas, accounts for nearly 15% of the natural area and 25% of the population of the mountainous provinces. Its per-capita GDP in 1994 was 70% of the national average. Its road density is low, only 0.18 km/km². Investment in it has come essentially from the State for infrastructure construction, and also from the community and credit. By the year 2000, hunger will have been eliminated, 100% of the households will have settled down for sedentary farming, and the poverty rate will have been reduced to below 30%.

Region III is most laden with difficulties, accounting for 85% of the natural area and 60% of the population of the mountain provinces. It includes the highland and remate areas with extremely difficult living conditions and poor service and infrastructures. It lacks arable land and

conditions to move into commodity production. In 1994, its annual per-capita GDP was only 31% of the national average. The road density is 0.09 km/km2, 464 of its communes are not accessible to motor vehicles. The goal of this region is to reduce by the year 2000 the number of poor households from 70% at present to 40%; and 100% of the households will have settled down for sedentary farming. The State should take measures to allocate budget-sourced investment in integrated programmes for the region and provide close guidance to help it develop quickly, thus helping the northern border provinces retain their population for permanent settlement.

State budget allocations to the mountainous and ethnic minority areas will concentrate on assisting construction of facilities such as roads and electric power supply, the provision of tree saplings and seed animals, and building schools, health stations and hospitals. Credit will be concentrated on assisting the development of agriculture and forestry, eradication of hunger and alleviation of poverty.

To integrate development programmes in mountainous and ethnic minority areas to ensure coordinated and practical investment in the interests of people of ethnic groups. To apply specialised investment management to each mountainous area. To give priority to the training of personnel of ethnic minorities and improve their capabilities, particularly for those in different administrative and economic management positions. To assign more personnel to grassroots levels. To promulgate policies to encourage

personnel, especially people from the plains, to work in highland areas. To organise groups of new graduates to volunteer to come and help people of ethnic minorities.

11. Programme for hunger elimination and poverty alleviation

Objectives:

To reduce the percentage of poor households throughout the country from 20-25% at present to 10% in the year 2000, with an annual decrease of 300,000 households.

In the first 2-3 years of the five-year plan, to concentrate on basically eradicating chronic food shortages.

Policies towards poor people and poor villages:

At present, there are 14 national programmes and projects relating to hunger elimination and poverty alleviation. From 1996 onwards, the programme for hunger elimination and poverty alleviation will be integrated with other programmes, with the national programmes on employment generation and afforestation as the core.

To complement policies to help poor people, house-holds and communes organise production and ensure and improve the living conditions, with focus set on the following policies:

The People's Committees at provincial and district levels are to review the total land area in their territory, recover the land plots which have been allocated inappropriately or not in line with policy; recover land plots which have been allotted to, and used not in line

with declared purposes by, enterprises and agencies, to re-assign to poor farmer households which have not yet been allotted with land or which have not yet received adequate land areas. To mobilise and assist farmers to quickly stabilise production and life.

To provide extensively credit on preferential interest rates for poor households for productive purposes. Poor households will be vouched for by their commune or ward People's Committees to take non-collateral loan. Through the Bank for the Poor and the various funds of people's organisations, to provide loans to 90-95% of the poor households, giving priority to entitlement families and the poorest households. The resources for this purpose include self-generated funds of banks and the various programmes, the fund for hunger elimination and poverty alleviation, and international financial assistance, including loans, and financial assistance from the State budget, etc.

The State vocational training centres will provide free training for children of poor households; and at the same time provide financial assistance for enterprises which recruit children of poor households for training and employment.

To build a contingent of volunteers, including technicians, new graduates and successful local farmers, to provide guidance on production and business methods and techniques for the poor.

With regard to highland and remote areas where it is difficult for farmers to market their produce, the State will, through its enterprises, ensure the purchase of their produce and provide them with subsidies.

To develop policies for financing investment in six types of essential public works for the 1,300 poorest communes (motor roads and electric power grid to communal centres; clean water supply to inhabitants, classrooms for pupils of primary and junior secondary schools, doing away with third-shift classes; health stations and communal or inter-communal markets).

Children of poor households attending classes at general education schools will be exempted from tuition fees (or provided with allowances to cover tuition fees); primary schools are to lend their pupils textbooks, provide them with free notebooks and exempt them from any other financial obligations. For children of extremely poor families, extra allowances can be considered. To open compassion classes for children of poor households to be taught by volunteer teachers.

Advanced children of poor households, particularly those of ethnic minority families, are to be given priority to enlist in boarding schools for ethnic minority children, universities and colleges and in annual selection of pupils for scholarships.

Poor households are to be given free health insurance in accordance with the number of their members. Provinces and cities where conditions allow may set up charity healthcare centres for the poor.

To coordinate with other social programmes such as the Population and Family Planning Programme, the programmes against malaria and goitre, the Expanded Programme of Immunisation, the anti-social evil programme, and the

1991-2000 National Programme of Action for Children, to provide health care for the poor.

To organise surveys to identify the number of poor households due to loss of working ability and formulate detailed policies and criteria for allowance eligibility in keeping with relief policies to help the poor stabilise their life on a permanent basis.

PART III

MAIN SOLUTIONS AND POLICIES

I- MAJOR BALANCES OF THE 1996-2000 FIVE-YEAR PLAN

1. Financial balances

Accumulation-consumption balances:

To renew socio-economic policy mechanisms to guide consumption of the population to be in keeping with the capacity of the economy. Average per capita consumption is expected to register an annual increase of about 6% in the five years to come, nearly double that of the previous five years and, by the year 2000, to be 1.5 times over that of 1990. Accumulation and development investment will increase by 15% per annum on average. The total aggregate assets accumulation of the five years will be about 33% of GDP (as against 24.6% in the 1991-1995 period) comprising: fixed assets accumulation making up the main part (about 90%); current assets accumulation and an increase in the precious and rare property reserve.

On foreign currencies:

In the five years 1996-2000, the inflow of foreign currencies to our country is estimated at about 88-90 billion

USD, of which 58-60 billion USD from export, and if in-country exports (both commodities and services) are included, total foreign exchange earnings from export will reach about 64.5-67 billion USD; about 7-8 billion USD from loans and aid; and the rest from foreign direct investment, overseas Vietnamese's remittances...

Total foreign currencies spending in the five years is estimated at 86-87 billion USD, of which 75 billion USD for imports; 2 billion USD for air transport services, postal services, tourist services; and the rest for debt payment, repatriation of joint venture profits, etc.

Thus, according to initial forecasts, in the five years 1996-2000 there will be a sharp increase in the foreign currencies inflow to our country. Although import continues to exceed by far export, the international balance of payment may still bring about a surplus. That is why, while the buying power of the Vietnam Dong compared to hard foreign currencies may increase, it is not wholesome yet and not favourable for export, and effective solutions should be found to limit this situation.

2. State budget balances

Following is the planned budget balance:

Total revenues of the State budget in the five years 1996-2000 will account for 21-22% of GDP, with revenues from taxes and fees making up about 20-21% of GDP (the figures were 20% in the 1991-1995 period and 21.6% in 1995).

Implementation policies and measures:

To continue with the second phase of the tax reform, meeting the requirements: of economic renewal and conforming to international practices without reducing budget revenues. In the guidance and management work, apart from full collection of taxes and fees as stipulated by the law, it is necessary to foster and increase sources of taxation while tapping thoroughly other sources of revenues (land, natural resources, houses, offices...) in order to increase budget revenues, better meeting the ever growing demands for State spending. At the same time, to gradually realise social equity, it is necessary to revise and amend, taxes, thus effectively regulating the incomes of the different population strata.

To ensure current expenditures at a necessary, rational and economical level, with priority given to the training of human resources, heightening of the people's intellectual standard, acquisition of modern technologies, public healthcare, national defence and security, and sement of urgent social problems.

To rapidly increase investment funds for capital construction on the basis of boosting production and strictly practising thrift in production and consumption. Capital sources from abroad should be used in such a way as to ensure efficiency and debt payment capacity.

Increases in current expenditures should be at a lower pace than those of investment expenditures and budgetary expenditures.

To have more initiative in management, the yearly budget should have adequate reserves and a financial reserve fund for the next year.

To gradually reduce budgetary deficit, and to avoid filling the deficit by issuing more money in any form. Careful calculation should be made while borrowing from the population or from foreign countries to ensure utilisation efficiency; in particularly a quick end should be put to high-interest short-term loans which increase the debt payment burden on the budget.

3. Investment capital balances

In the process of national construction and development along the line of renewal, our Party and State advocate the mobilisation of all domestic and foreign sources of capital for **development investment**, considering domestic capital of decisive significance and foreign capital of important significance, combining internal potentials with external latent possibilities. The long-term strategy is to mobilise the most domestic capital, ensuring for it a high percentage in investment. However, during

the first years of industrialisation, which require a large capital while domestic sources are still limited, more external capital sources should be mobilised to meet development investment needs on the principle of ensuring economic efficiency and debt payment capacity. To ensure a GDP growth rate of 9-10% per annum, investment capital in the coming five years should attain 41-42 billion USD (at the 1995 constant prices), of which domestic capital account for over 50%. To increase rapidly capital mobilisation by enacting policies encouraging development investment, expanding the capital market in various forms, such as long-term savings, bonds and stocks, including the issuance of government and company bonds to the international market, broadening investment funds and various forms of foreign capital mobilisation. To establish a stock market step by step.

The projected structure of the development investment capital sources in the whole society is as follows:

The total investment capital allocated by the budget (including accumulation from domestic budget revenues and part of ODA loans): 21%: State credit capital: 7%; self-invested capital by State enterprises: 24% (including retained capital depreciation, after-tax profit, part of ODA loans, and loans from the capital market); investment capital from the population: 17%; and foreign direct investment (FDI) capital: about 31%.

Of domestic investment capital alone, investment capital from the budget represents 25%; State credit capital,

14%; enterprises' capital, 28%; and capital from the population, 33%.

The development investment capital of the whole society is to be allocated to the main economic sectors and fields as follows: 20% for agriculture, forestry, fishery and water conservancy; 43% for industry; 18% for communications and posts infrastructure; 14% for social infrastructures, education, public health, culture, environment, science and technology; and 5% for other investments.

The share of capital under the State's direct control includes: the State budget, State credits and State enterprises' investment accounting for 52%, in which budget-ary capital allocation is to be structured as follows: 22% for agriculture, forestry, fishery and water conservancy; 35% for communications and posts: 35% for social infrastructures; and nearly 10% for other fields.

Investment capital from enterprises will give priority to in-depth investment and technological renovation. Concerning the population's investment capital and FDI capital, the State will, by means of policy mechanisms, set out orientations for the realization of the above-said investment structure in the whole society.

Major relationships regarding the distribution of investment capital sources:

Between key economic regions and other regions:

While appropriate attention is focused on the three key economic regions, particular importance should be attached

to socio-economic development in mountain areas, the border areas, sea zone and islands, ethnic minority areas and former revolutionary bases, and adequate resources should be reserved to meet the pressing needs of other areas.

The State budgetary capital and ODA capital allocated to projects directly under central management will be distributed evenly to various areas for socio-economic infrastructure construction. About 30% of budgetary capital under local management will be allotted to the three key economic regions, and the remaining 70% to other regions. Concerning capital from enterprises and the population and foreign direct investment, a higher proportion of investment may be accorded to key regions.

Among industries:

Investment capital earmarked for light industries and processing industries producing consumer and export goods occupies 12% of the total investment capital of the whole society (or about 30% of the investment capital reserved to industry).

Investment capital for heavy industries, accounting for 30% of the total investment capital of the whole society (or about 70% of the investment capital reserved to industry), is to be used for selected projects urgently needed for socio-economic development, having favourable conditions in capital and market, and operating efficiently, such as electricity, oil and gas, cement and steel.

II- POLICIES TOWARD THE ECONOMIC SECTORS AND THE ECONOMIC MANAGEMENT MECHANISM

1. To implement effectively the policy of developing a multi-sector economy

To continue renewing and effectively developing the State economic sector for it to play properly its leading role. To identify those branches and fields needing concentrated resources to consolidate and develop State enterprises; to clearly differentiate public utility enterprises and business enterprises and have for them appropriate management mechanisms. To continue reorganising and rearranging State enterprises in conformity with the sectoral and territorial scheming. To sum up experience and complete the legal framework with a view to an active and steady equitisation of State enterprises, thus creating a new driving force in management, mobilising more capital for development requirements, and restructuring State enterprises. In the process of equitisation, the money earned from the sale of State equities should be re-invested for expanding production and business, ensuring a constant growth of State-owned assets; thus, equitisation is not synonymous with privatisation. To enact concrete policies enabling and encouraging workers of the enterprises concerned to buy shares or make investments. To guarantee the principles of openness, bidding and auction in equitisation, to prevent the encroachment on State property. To clearly define the tasks and authority of, and coordination among agencies exercising the State management function and the role of the State as an owner vis-a-vis enterprises to which the State makes capital contributions.

To sum up, draw experience, and broaden the diversified forms of cooperative economy of the working people in different trades on the basis of shares and direct labour contributed by the members, with distribution made according to labour outcome and shares, ensuring the principle of voluntariness, a democratic management mechanism, and transparency in terms of finances and business. To implement properly the Law on Cooperatives. The State encourages and assists the cooperative economy to develop efficiently. To secure international financial support for this economic sector.

omy, including cooperation and joint ventures between the State sector on one side, and local private capitalists or foreign capitalists, on the other side in order to mobilise their large potentials in capital, technology, organizational and managerial skills, etc. to the benefit of our national construction. To apply different modes of joint ventures between the State and domestic private entrepreneurs with a view to helping Vietnamese businesses in terms of position and strength, to develop and increase their cooperative and competitive capacities visa-vis foreign businesses. To encourage commercial banks, financial companies and State enterprises to pool capital, and mobilise contributions from other economic sectors for implementing projects or increasing the

Vietnamese share in cooperative and joint venture projects with foreign capital.

To help the *private*, *small-owner economy* overcome difficulties regarding capital, technology, market and management experience in order to expand production and business and improve their efficiency. To guide them and enact appropriate policies encouraging them to establish or participate in cooperative economic organisations and in joint ventures and business association with the State economy.

To undertake policy measures to encourage the private capitalist economy to invest in production in branches and domains in keeping with the country's development objectives and strategy. To protect their lawful ownership right and interests, to create favourable conditions while enhancing management, to gear them towards doing business according to law and in the interest of the country and the people. To encourage enterprise owners to sell preferential shares to employees in their enterprises. To build cooperative ties between employers and employees on the basis of implementing the Labour Law and ensuring the legitimate interests of both sides.

2. To complete the socialist-oriented market mechanism, to renew the macro-management instruments of the State

To build harmoniously various categories of the market to create an environment for the dynamic and orderly operation of the market mechanism. To give attention to providing workers with employment while enhancing the State's role in managing and guiding the use and hire of labour. To concretize and implement stipulations of the Labour Code, ensuring the workers' right to freely look for jobs. To widely apply labour contracting and remuneration according to the contract signed between employees and employers.

To promulgate concrete regulations on real estate ownership and utilisation, and on use right. To define the price of land use right transfer in the real estate value. To monetise State-owned real estate, creating thereby a basis for carrying out policies regarding investment in infrastructure, the equitisation of a number of State enterprises, the development of new industrial zones and population areas, and housing. With regard to agricultural land, to promulgate concrete regulations allowing the change of land use purposes on the basis of respecting planning and ensuring food security. To control the accumulation of arable land, promoting commodity production while preventing farmers' landlessness. To encourage different economic sectors to open verging land, reclaim waste land, and expand the arable land area.

To develop the technology market alongside implementing the Ordinance on Industrial Property and preparing for the institutionalisation of the copyright.

To develop the capital market by various forms of attracting medium-term and long-term deposits at banks and financial companies in order to provide development investment loans. To broaden the issuance of bonds and

stocks, and step up preparations in terms of institutions, personnel and necessary conditions for the establishment of a stock market and its healthy operation.

To continue improving and opening commodity and service markets with the equal participation of different economic sectors. To prepare for the promulgation of the Law guaranteeing competition and controlling monopoly in business, to combat unhealthy competition and trade limitation. To broaden while reorganising the domestic market in urban, rural and mountainous areas.

To continue renewing planning work, with emphasis given to raising the quality of the formulation of development strategies and schemes for the development of various branches, different regions and the whole economy. To draw up long-term and medium-term development programmes and plans. To improve major balances and forecast development possibilities and trends, creating a basis for mapping out economic objectives, policies, solutions and orientations on resource distribution. To improve the elaboration and appraisal of investment projects. To set up regulations closely combining planning and scheming with the formulation of policies and institutions with a view to guiding and running the economy according to plan orientations, and solving promptly imbalances and problems arising in the course of plan implementation.

To continue reforming and building the financial and monetary system into a sensitive macro-regulating instrument suitable to the process of international integration. To continue renewing the taxation policy ensuring State

budget revenues while stimulating production and business and promoting thrift in production and consumption to increase accumulation. To simplify the tax system and tax tariffs; to make taxes more stable, to replace turnover tax with value-added tax; to amend taxes and fees on non-recycleable natural resources utilisation. To work out regulations ensuring economical and efficient budgetary expenditures, to gradually increase the share of development investment expenditures, and to control budget deficit. To exercise control over State budget expenditures and public finances through the State treasury and auditing. To complete soon the national financial policy and implement properly the Law on the State Budget, especially stipulations on the budget management decentralisation.

Fo complete the money issuance mechanism and strictly control its implementation. To broaden non-cash payment forms. To continue shifting the operation of commercial banks to full business mechanism. To develop banking services for the poor with preferential interest rates and suitable forms of credits. To revise and amend the Ordinance on Banking and upgrade it into a law. To allow financial institutions to diversify their business to vigorously develop financial and banking services according to law and managerial regulations of the State Bank. To encourage the development and diversification of insurance business operations of various economic sectors and establish cooperation with foreign countries; to renew the social insurance mechanism and organisation. To define clearly the scale and scope of activities of foreign

bank branches in Vietnam, promoting their positive effect in renovating the banking technology while ensuring control by the State Bank.

To renew step by step the foreign exchange control mechanism to suit practical conditions. To determine an appropriate exchange rate for the Vietnamese currency against certain foreign currencies having with it frequent transactions, to gradually provide the Vietnam Dong with full convertibility.

3. To continue renewing the mechanism of external economic relations, to accelerate the process of integration into the regional and world economies

On the basis of defining different items the trading of which is banned by law or is conducted by the State only, or is regulated by quotas, to allow various units, chiefly licensed production units, to take part-in import-export activities under the control and guidance of the State. To improve the mode and mechanism for export and import quota allocation.

To formulate a policy package encouraging export, including assistance in terms of production and business conditions, technology transfer, marketing, and tax incentives; to complete regulations on the operation of the export support fund. To separate import tax from turnover tax (or TVA) and special consumption tax; to narrow the scale of tariffs and gradually reduce import tax. To apply goods listing and classification, to make customs regulations

conformable to international practices and ASEAN regulations to prepare for joining AFTA. To effect selective and scheduled protection of production by appropriate measures to help production units to make their products more competitive, and to prevent smuggling.

To gradually unify policies on domestic investment and foreign investment. To experiment with allowing foreign companies and individuals to buy stocks of domestic shareholding companies, including equitised State enterprises, within limits stipulated for each trade.

To work out regulations and define clearly the responsibilities of administrative bodies at different levels in supervising the implementation of the licensed projects, removing obstacles, and controlling businesses already in operation. To amend regulations of the establishment and operation of representative offices of foreign companies in Vietnam, creating favourable conditions for them to promote investment and, business, while ensuring management by the state, preventing and dealing in time with activities contrary to Vietnamese laws.

4. Administrative reform

The contents of administrative reform defined in the Resolution of the Eighth Plenum of the Party Central Committee (VIIII Tenure) should be actively carried out according to plan To continue with building the legal system in conformity with the socialist-oriented market mechanism. To promulgate new laws, namely: Commercial Law, Law in Banking, Law on Customs, Law on

Posts and Telecommunications, Law on Electricity, Law on Construction, Law on Science and Technology, Law on Water Resources. To revise and amend present laws and ordinances on taxes, on encouraging domestic and foreign investment in Vietnam, on companies, on private businesses, etc To improve the promulgation of legal documents for law enforcement; to ensure uniformity in content, timeliness and effective implementation after their promulgation. To step up a radical reform of administrative procedures. To complete soon the promulgation and publication of legal documents on already reformed administrative procedures. To overhaul legal documents at all levels, to abrogate regulations promulgated by executive agencies and localities which run counter to the legal documents of the National Assembly and the Government; to elaborate rules on providing information to the population about State decisions and affairs. To carry out vigorously law dissemination and education; to mobilise the participation of political social and professional organizations and the mass media in campaigns for social order and discipline as well as regular activities for a law-abiding way of life and work in public agencies and in society.

To rearrange the administrative apparatus from the central to the local levels, to merge certain specialised economic management bodies on the basis of clearly defining and correctly implementing the State management functions of ministries and services. To concretise the delineation of State management functions between Government agencies on the one hand, and the authorities of provinces and centrally

administered cities on the other; to clearly define the authority and responsibility of each administrative level; to concretise the principle of democratic centralism to meet requirements for a higher leadership efficiency and a unified and smooth governance of the State administrative system and of chiefs of administrative bodies. To amend regulations on administrative control, giving importance to regular control through reporting, accounting and auditing; to eliminate overlapping controls and inspections causing hassles and waste of money to units concerned.

To promulgate regulations on public servants and public service, and regulations on examination or test for personnel recruitment or promotion. To increase efforts to foster, and rejuvenate the corps of officials and public servants. To effect planning in fostering and repositioning personnel according to title criteria; to reassign or dismiss those not qualified for accomplishment of their tasks; resolutely punish and dismiss degenerate and retrograde elements. To strengthen measures and coordinate forces to advance the fight against corruption, waste and authoritarianism in the State management apparatus and State economic establishments.

To actively prepare for the establishment of Administrative Tribunals within the People's Courts, to amend institutions serving as a basis for trials. To identify an organizational model and proceedings conformable to the characteristics of administrative cases. To select, train and upgrade administrative judges.

RESOLUTION OF THE VIIITH NATIONAL CONGRESS OF THE COMMUNIST PARTY OF VIETNAM

The VIIIth National Congress of the Communist Party of Vietnam held from 28 June, 1996 to 1 July, 1996 in Hanoi

RESOLVES

- 1. To approve the Political Report of the Central Committee of the VIIth tenure submitted to the Congress; entrust the Central Committee of the VIIIth tenure to refer to the conclusions of the Congress to complete and officially issue the Political Report.
- 2. To approve the Report on Orientations and Tasks of the 1996-2000 Five-year Plan for Socio-economic Development; entrust the VIIIth Central Committee to refer to conclusions of the Congress to complete and officially issue it.
- 3. To approve the whole written Statutes of the Communist Party of Vietnam which have been amended and revised.

4. To entrust the Central Committee of the VIIIth tenure and party committees at different levels to build pragmatic action programs for organising the implementation of lines laid out in the documents passed by the Congress.

The VIIIth Congress of the Communist Party of Vietnam calls upon the whole Party, the people and the army to unite as one mind, overcome all difficulties, actively strive to successfully implement Resolutions of the VIIIth Party Congress, raise the renovation cause to a higher level, step up the country's industrialisation and modernisation for the purposes of a prosperous people, strong country, and just and civilized society to steadily move forward to socialism.

CLOSING SPEECH BY PARTY GENERAL SECRETARY DO MUOI

Members of the Presidium,

Dear Advisors to the Party's Central Committee,

Dear Delegates,

Distinguished Foreign Guests,

After some intensive working days, today we have completed the agenda of the VIIIth National Congress.

The Congress has discussed and adopted important documents: the Political Report; the Report on the Orientations and Tasks of the 1996-2000 Five-year Plan for socio-economic development; the revised and amended Party Statutes and Congress's Resolution.

The Congress has elected a competent and qualified Central Committee (VIIIth Tenure) to shoulder the heavy responsibilities entrusted to it by the Party and people. The committee also reflects continuity, succession and commitment to the renewal for the sake of building and defending our socialist Homeland.

With great confidence the Congress encourages the newly-elected members of the VIIIth Central Committee to spare no effort to study, raise their qualification and knowledge, strive to accomplish the entrusted tasks with excellence, set an example of preservation of morale and dignity and be worthy of the title Central Committee's member of Vietnam Communist Party.

With high appreciation of the contributions of many members of the Politburo. Secretariat and VIIth Central Committee, the Congress is moved by their proposal not to stand for re-election into the VIIIth Central Committee in order to pave the way for the Party's highest leadership echelon to re-juvenate. We all wish them good health to further devote their capacity and experience to the revolutionary cause at a new stage of development.

The Congress warmly recognizes the valuable contributions made by the Advisors and members of the VIIth Central Committee. The 1st Plenum of the VIIIth Central Committee has asked Mr. Nguyen Van Linh, Pham Van Dong and Vo Chi Cong to be its advisors again.

The Congress expresses sincere gratitude to the revolutionary veterans, celebrities and intellectuals, religious dignitaries. Vietnamese Heroines-mothers, comrades, compatriots and combatants throughout the country and Vietnamese overseas for their active contributions to the Congress's success.

The Congress conveys its sincere thanks to the foreign delegations which have shown precious and frank sentiments

towards our Party and people, and contributed significantly to the Congress's success.

The Congress sincerely thanks the Diplomatic Corps, the Representatives of International Organizations and Non-Governmental Organizations accredited in Hanoi for their presence. Thanks also go to Vietnamese and foreign press, radio and television broadcasting agencies for their attendance and timely reporting on the Congress.

The Congress recognizes and thanks the VIIIth Congress's Organization Sub-Committee, as well as all the cadres, combatants, workers and attendants who have served the Congress with dedication, adding actively to its success.

Dear Comrades,

The VIIIth Congress has successfully concluded. It is a great joy and encouragement for our Party, people and Armed forces. The Congress's success is of decisive significance for the Nation's destiny and the country's future as we are about to enter the 21th century.

The Party's VIIIth Congress stands as a Congress of further renewal for the building and defence of the country and people's happiness. Many important decisions by the Congress should be effectively carried out. The Party, people and Army should consolidate in single-mindedness and strive to obtain the objectives and accomplish the plans defined by the VIIIth Congress.

We are facing not only opportunities, but numerous challenges and lifficulties as well. Let every Party member.

cadre and citizen forge a will and act in a practical way to bring into play advantages, seize opportunities, overcome all trials and challenges and strive to achieve the goals of making people wealthy, the country strong, society just and civilized, and successfully building socialism in Vietnam.

To perform its historic mission during a new period, the Party should renew and rectify itself. We should build a genuinely pure and strong Party and raise its combativity and leadership capability. More than ever before, we should bear in mind and follow President Ho Chi Minh's teachings: "Ours is a Party in power. So, every Party member and cadre must be truly industrious, thrifty, honest, dignified, public interest-minded and disinterested; must be deserving to be a leader and, at the same time, a whole-heartedly loyal servant of the people".

This is a decisive factor for the successful implementation of the VIIIth Congress's resolutions.

Encouraged greatly by its success, I solemnly declare hereby the closing of the VIIIth National Congress of the Communist Party of Vietnam.

POLITBURO

STADING MEMBERS

- Đỗ MƯỜI
- LÊ ĐÚC ANH
- VÕ VĂN KIỆT
- LÊ KHẢ PHIỀU
- NGUYỄN TẤN DỮNG



GENERAL SECRETARY Đỗ MƯỜI

BIOGRAPHY OF PARTY GENERAL SECRETARY DO MUOI

- Birth date: February 2, 1917

- Native land: Dong My commune, Thanh Tri district, Hanoi

- Family background: Middle peasantry

- Occupation: Painter

- Engaged in revolutionary activities: 1936

- Admitted to the Party: 1939; Granted full Party membership: 1939

WORKING EXPERIENCE

1936: Participated in the 1936 Binh dan (Popular Front) Movement. Was admitted to the Party in 1939.

1941: Was arrested by French imperialists, sentenced to 10 years of imprisonment; was detained in Hoa Lo prison in Hanoi.

1945: The Japanese overturned the French; Comrade Do Muoi escaped from Hoa Lo prison and established a connection with comrade Nguyen Van Tran. Appointed

to participate in the Insurrection Board of Ha Dong province's Party Committee, was responsible for Ung Hoa and My Duc districts; participated in leading the insurrection to seize power in Ha Dong province.

* After the 1945 August Revolution: Secretary of Ha Dong province's Party Committee. Secretary of Ha Nam province's Party Committee (at the beginning of 1946). Provincial Party Committee Secretary and concurrently Chairman of the Resistance Committee of Nam Dinh province (at the end of 1946).

1947, 1948, 1949: Member of the Party Committee of the 3rd Zone, Secretary of Ninh Binh and Hoa Binn provinces Party Committees.

1950: Deputy Party Secretary of the 3rd United Zone and concurrently Vice-chairman of its Administration Resistance Committee; Political Commissar and concurrently Commander of the same zone.

1951-1954: Secretary of the Red River's left bank zone Party Committee and concurrently Chairman of the Administration Resistance Committee and Political Commissar of the Red River's left bank military zone.

Secretary of the City Party Committee and concurrently Chairman of City's Military-political Committee of Hai Phong. In March 1955, was accepted by the Party Contral Committee as its alternate member.

1956: Vice-minister of the Trade Ministry.

1958: Minister of Domestic Trade.

1960: Elected as full member of the Party Central Committee at the IIIrd National Congress of the Party.

1967-1968: Chairman of the State Committee for Material Supply and Prices, Head of the Governmental Inspection Delegation.

1969-1973: Vice prime-minister and concurrently Chairman of the State Capital Construction Committee, Vice prime-minister and concurrently Minister of Construction (founded through the merging of the State Capital Construction Committee with the Ministry of Architecture), Chairman of the Central Commission for support for the front.

1976: At the IVth Party National Congress was elected to the Party Central Committee, Politburo's alternate member, held the position of Vice prime-minister in charge of capital construction, industry, material supply, reform of industry and trade, distribution and circulation.

March, 1982: At the Vth Party National Congress was elected to the Party Central Committee and Politburo, held the position of Vice prime-minister in charge of capital construction, industry, and material supply.

December, 1986: At the VIth Party National Congress was elected to the Party Central Committee and Poliburo and appointed the Secretariat's standing member.

June, 1988: Elected Chairman of the Council of Ministers by the National Assembly.

June, 1991: At the VIIth Party National Congress was elected to the Party Central Committee; elected Party General Secretary by the Party Central Committee.

Deputy to the National Assembly of 2nd, 4th, 5th, 6th, 7th, 8th and 9th legislatures.

June, 1996: At the VIIIth Party National Congress was reelected to the Party Central Committee; elected Party General Secretary by the Party Central Committee (VIIIth tenure).



NGUYỄN VĂN AN



NGUYỄN ĐỨC BÌNH



PHẠM THẾ DUYỆT



LÊ ĐÚC ANH



NGUYỄN MẠNH CẦM



NGUYỄN TẤN DỮNG



LÊ MINH HUƠNG



ĐOÀN KHUÊ



TRẦN ĐỰC LƯƠNG 🕝



PHAN VÂN KHẢI



VÕ VAN KIỆT



NÔNG ĐỰC MẠNH



NGUYỄN THỊ XUÂN MỸ



TRƯƠNG TẤN SANG



LÊ XUÂN TÙNG



LÊ KHẢ PHIỀU



PHẠM VĂN TRÀ



NGUYỄN ĐÌNH TỨ

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