

strongly by the economic policies pursued by the regimes. However, as the editors acknowledge, given the wide spectrum of themes covered in the book, lack of depth in some key issues is to be expected.

The book serves as a useful reference of scholarly outcomes over the past four decades. It offers new angles of research on the field by connecting the interplay between foreign trade, economic actors and political economy. Lastly, it acts as a source of inspiration for scholars who are interested to study other regions in Southeast Asia, beyond the Indonesian archipelago.

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Economic Growth and Employment in Vietnam.

By David Lim. London and New York: Routledge, 2014. Pp. 181.

This book provides a comprehensive overview of Vietnam's economy and employment issues, which have undergone dramatic changes over the last twenty-five years. *Economic Growth and Employment in Vietnam* is written by David Lim of Griffith University (Australia) and Technological and Higher Education Institute (Hong Kong) as a result of his work done for the International Labour Organization (ILO) in preparation for Vietnam's Five-Year Socio-Economic Development Plan 2011–15. With the exclusion of the preface, the book is presented in four parts. The first part (Chapters 1–3) focuses on economic and non-economic achievements and employment creation during the twenty-five years of economic renovation. The second part (Chapters 4–8) examines different aspects that, according to the author, have influences and relationships with employment creation of the country. The third part (Chapters 9–11) discusses the demand for skilled workers and the higher education and

vocational training system to meet this demand. The fourth concludes and presents some policy recommendations and proposes an approach to future reforms and changes.

Its message delivered to policymakers of Vietnam is apparent: despite the remarkable performance of the economy and human development during the past few decades, employment creation from economic growth is lower than expected. The structure of industries is biased towards capital-intensive enterprises, while owning a huge legacy of state-owned enterprises (SOEs) that did poorly in creating employment. Regardless, the country has a favourable population structure for development. The youth employment rate is high, but the education and training system is “unable to provide the skilled workers demanded by the expanding economy” (p. 160). Those are issues that need to be dealt with by the government to avoid the middle-income trap.

The background analysis for the achievement of Vietnam and its issues regarding employment creation is set out in the first part of the book. In the chapters on economic and human development performance, the book presents the success of Vietnam since 1990, where rapid economic growth has contributed to recognition of legitimacy and rights of private sectors and pro-trade reform. In addition, Vietnam's human development performance is presented through the improvement of UNDP's human development index (HDI), in achieving the millennium development goals (MDGs) and low inequality. Its employment performance is very good. Its unemployment rate is one of the lowest in Southeast Asia (p. 27).

Beyond official statistics, however, the book rightly points to the weaknesses of the employment situation of Vietnam. The vulnerability of employment is high even with low unemployment rate as more than two-thirds of the employed population works with little or no pay for their family businesses. Youth unemployment accounted for 45 per cent of all unemployment and employment growth lagged behind population growth. Wage inequality is large between the two biggest cities, Hanoi and Ho Chi Minh, and other regions, and between different business sectors.

The quality of employment is questionable since employment is largely in the informal sector. On top of that, employment growth is lower than the growth in output, as estimated by various studies.

Many aspects contributing to the employment situation are analysed in the second part. Macroeconomic policies of Vietnam are too cautious in keeping the inflation rate low, which leads to lower growth rates and thus employment growth. As mentioned, the country's trade policy is seen as too biased towards capital-intensive industries and has a poor record of employment creation. The situation is worsened with the increasing speed of globalization where maintaining competitiveness can only be ensured by increasing productivity and larger inflows of foreign direct investment (FDI), which in turn requires high-skilled labour and lowers the capacity to absorb a large pool of labour. Discussion on the SOE sector follows and reform is urged. Business regulations are discussed in the same manner to promote employment creation.

With the growing demand for skilled workers along with the expansion of industry and service sectors, faster rate of capital accumulation, and technological change due to the use of new information and communication technologies, Vietnam faces a shortage of skilled workers. This shortage can result in serious barriers to the longer term development of the economy, specifically, issues such as the "middle-income trap", since the country "no longer relies on cheap labour for its comparative advantage" (p. 123). Thus, higher education and the vocational training system is discussed in the following chapters to highlight the incapacity in delivering skilled workers as demanded by the economy.

The book delivers a range of policy recommendations in its fourth part. They include: macroeconomic stability; non-capital-intensive biased trade regime; reform of SOEs; development of small and medium enterprises; raising competitiveness; increase of public expenditure for higher education; science and technology; and education and training system reform. More importantly, there should be coordinated reforms in different sectors of the economy. An all-out

approach to reform should also be considered since a gradual and phased approach to reform becomes more difficult as "the easier and more obvious areas for improvement are exhausted and marginal returns become increasingly low and maybe even negative" (p. 163).

This book is especially noteworthy because of its contribution to the literature on macroeconomic management in developing countries. The orthodox macroeconomic management followed by Vietnam suggests that the inflation rate should be kept low. The book, however, argues that high inflation in developing countries such as Vietnam in many cases, especially soaring prices of food, is outside of macroeconomic control. Moreover, the relationship between inflation and economic growth is an inverted U-shape. Even though the point where the inflation-growth U-line inverts is not specified, previous studies suggest higher rates of inflation than those targeted by Vietnam's government. This is an informative and detailed work on Vietnam's economic and human development over the last few decades.

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***2014 Provincial and Inaugural Regional Competitiveness Analysis: Safeguarding Indonesia's Growth Momentum.* By Tan Khee Giap, Nurina Merdikawati, Mulya Amri and Tan Kong Yam. Singapore: World Scientific, 2015. Pp. 179.**

Informative and useful, the study is the result of serious scholarship crafted by four highly qualified professionals who are members of the Asia Competitive Institute (ACI), which tracks the competitiveness of Asian economies. Indonesia is the focus of its inaugural effort and the current volume is the second in a series concentrating