

while external demand certainly plays an important role, a country can expand its exports under given world market conditions, provided it pursues appropriate domestic economic policies. Chapter 12 contains a useful survey of the post-independence education policy and its labour market implications.

The volume suffers from a number of limitations, relating largely to the compilation and overall presentation. First, the rather short introductory chapter fails to provide the reader with adequate prior understanding about the purpose and scope of individual chapters; the subject coverage of the entire volume of nearly 400 pages is touched upon in a short single paragraph! Nor does it contain sufficient background on the Malaysian economy for those who are not already familiar with the country. These limitations, coupled with the omission of a subject index, hamper the user-friendliness of the volume. Second, the straight reproduction of a set of articles on related topics written over a long period of time has invariably led to considerable overlap among individual chapters. While the author has opted for this simple compilation procedure "in order to retain the contemporary perspective", one wishes that Occam's razor had been brought to bear on this material to produce a much shorter, yet more readable and useful, book. Third, the final chapter is rather disappointing. It fails to effectively tie together the somewhat disparate treatments in individual chapters with a view to deriving lessons from the Malaysian experience for other developing countries. As well, the brief discussion on future growth prospects for the Malaysian economy is poorly informed by the sizable body of recent literature on Malaysian development. There is no guidance for further reading.

Despite these limitations, this book should be of some interest to the Malaysia specialist as a means of easy access to a collection of studies which provides a useful, though partial, historical perspective on the Malaysian development process. However, I have my doubts about its pedagogical usefulness. Malaysia is one of the most heavily researched countries in the developing world, and there are better volumes of essays,

introductory texts and monographs on specific topics available for designing a well-balanced course of study on Malaysian development.

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***Vietnam and Japan: Japanese Investment and Aid Strategies in Vietnam: Implications for Development Directions.* Edited by Barbara Duffield.** Victoria, British Columbia, Canada: UVic Centre for Asia-Pacific Initiatives, University of Victoria, 1995. Pp. 343.

Vietnam and Japan: Japanese Investment and Aid Strategies in Vietnam is a compilation of 16 papers presented at a conference organized by the University of Victoria (British Columbia) on 17–19 November 1994, and funded by the Japan Foundation and the Canadian International Development Agency. The papers are ordered in three core categories: economic, social, legal and environment issues incorporated in Vietnam's development model; Japan's trade, investment, and aid strategies towards Vietnam; and sector analysis of human resource development, export-led growth, and public infrastructure.

After the editor, Barbara Duffield, introduces the volume with a short overview essay, the first conference paper, Dr Do Duc Dinh's "Vietnam's National Development Strategy: Growth with Equity" is presented. This article offers an optimistic perspective on the re-orientation of Vietnam's socio-economic model, comparing the economic achievements of the present reform decade favourably with the earlier socialist transformation period. In addition to its positive assessment of structural adjustment, stabilization and other reformed areas of the macroeconomy, Do Duc Dinh's article looks at the effects of reform on social welfare, which he finds less reassuring. On the "reverse side of the coin", he sees rising gaps in social stratification; mounting unemployment; reduced governmental emphasis

on and assistance to education and health; and growing "individualism, corruption, smuggling and other social vices". Nevertheless, the article argues that Vietnam's progress since the initiation of *doi moi* is due to the country's transition

from a "no-longer-appropriate" model characterized by low growth and egalitarianism to a new socio-economic development strategy aimed at the twin objectives of high economic growth and social equity. (p. 15)

This paper sets the tone and pace of the first section on Vietnam's development model, as various authors examine the pros and cons of the country's current reform programme. In his presentation, Professor William A.W. Neilson addresses Vietnam's legal system in transition and its many challenges, as well as achievements. His descriptive and comparative analytical treatment of Vietnam's opaque legal framework is an excellent introduction to the subject, although it is somewhat dated because the system is constantly changing. Neilson concludes:

The objective of transforming Vietnam into a "rule of law" state is a long-term one. Vietnam's progress in producing a basic framework of economic law over the past five years has been impressive. However, the pace of reform, aggravated by the multiplicity of enactments, has caused uncertainty, and an inadequate administrative infrastructure has given *doi moi* acute legal indigestion.

Serious issues of bureaucratic obstructionism, official corruption, and party-state conflicts of interest permeate the implementation of the "new" legal system. Each of these concerns relates to long-standing elements of Vietnamese governance which may only be addressed by political reforms and democratization. Realization of these changes will depend mainly on the results of the economic reforms. (Pp. 58–59)

The following two papers, authored by Than T. Nguyen and Vu Tuan Anh, present complementary assessments of Vietnam's reform path: Nguyen examines the opportunities for economic development; and Vu Tuan Anh looks at current areas of concern. Acknowledging the achievements of *doi moi*, the latter goes on to argue:

... Production capacity is still inadequate to be mobilized for bigger undertakings in the coming period of time. If increased capital investments are not obtained externally, the rate of economic growth may not continue at the current level. The curbing of inflation is not yet steady nor is the state budget deficit yet completely eliminated, with a permanent excess of expenditures over revenues. The state does not have enough money to service its foreign debt, which is much larger than the annual export turnover ... In the meantime, a new way of life, which is concomitant to a "consumer society", has taken shape. Waste and corruption are rampant. The market mechanism has not yet been brought into full play as expected. Management by the state does not yet meet the required standard and has proven to be lacking in efficiency. (p. 112)

The final two papers in the initial section, written by Isabel A. Kelly and Sarah B. England, address concerns about the role of women and the environment, as affected by Vietnam's reform process. In addition to their overviews of gender and environmental issues in Vietnam, Kelly and England present some salient challenges that women and the environment may face, as Vietnam's economy is reoriented to market management; and England offers some specific advice on strategies promoting sustainable development and environmental protection.

The second part of this volume, "Japanese Corporate and Aid Strategy: An Assessment of Japanese Policy and Performance", is the *raison d'être* of the conference. Nguyen Ngoc Dien introduces this section with a succinct account of "Japanese Investment and Aid Policies Towards Vietnam in Historical Perspective", focusing on the 1954–75 and 1975–93 periods of relations. Going on to consider what Japan and Vietnam currently expect from each other is Keizo Nagatani. Although noting that Japan, as are other parts of the world, seems to have been hit by "Vietnam fever", the author attempts to inject a bit of realism in his evaluation of the compatibility of Japanese and Vietnamese expectations of each other. Recognizing that Japan's investments in Vietnam are certain to rise significantly, Nagatani concludes:

But this does not necessarily mean that Japan is truly bullish on Vietnam. There simply are too many question marks about the economy ... Although Japan may take a long-term interest in Vietnam's oil and prawns and its quality labour force, these commodities could be secured from China, Malaysia, or Indonesia, possibly at lower costs and risks. To put the present Japanese assessment of Vietnam tersely: Vietnam needs Japan but Japan does not need Vietnam. (Pp. 185–86)

Another three papers in this section, written by Nipon Poapongsakorn, Nguyen Xuan Trinh, and Shujiro Urata, discuss Japanese foreign direct investment (FDI) in individual Asian countries and in Vietnam. These papers are meant to present the lessons others can teach Vietnam about Japan's FDI, a general analysis of Japan's FDI in Asia, and a description of Japanese recent investment in Vietnam. Urata concludes with general policy advice to Vietnam if it truly wants to attract foreign investors:

To achieve this [stable business] environment, further liberalization in FDI and foreign trade and deregulation of the domestic economy have to be implemented. The other important factor determining FDI is the presence of a well-developed infrastructure. Without it, the profitability of FDI remains low, thereby discouraging it. Faced with a shortage of investment funds, Vietnam could use foreign economic assistance to construct infrastructure. Thus it is important for Vietnam to seek foreign economic assistance, but at the same time, it is equally, if not more, important to use investment funds effectively. To achieve this objective, liberalization and deregulation would contribute greatly. (P. 251)

The third and final part of *Vietnam and Japan* is devoted to an eclectic range of sectoral issues involving the two countries: the automobile industry, technology transfer, and public infrastructure development. After appraising Vietnam's embryonic automobile industry, Dr William Rapp offers an alternative export-orientation strategy to the current development of this industry, namely an approach which trades "market access for regional or global parts supply on a world-class basis

under regional free trade agreement" (p. 274). Elaborating on this point, he states:

A successful auto parts development strategy based on lean production and sales to multiple auto producers in return for local market access for completed vehicles can provide the basis for Vietnam's manufacturing sector-learning and for adopting 21st century manufacturing methods. (P. 281)

In a paper on "Vietnam's Place in Japan's Regional High Technology", Dr Walter Hatch assumes a "Japanese multinationals are different" position, warning Vietnamese policy makers of potential Japanese technological domination. Hatch concludes:

They [*sogo shosha*] are trying, in other words, to pave the way for Japanese manufacturers by helping them forge *keiretsu*-like ties with Vietnamese interests. Although this may benefit Vietnam in the short-run, it may also impose costs on the country in the long run. Local firms could end up as captive members of a production alliance, unable to effectively master Japanese technology and thus unable to determine their own destiny.

To avoid this fate, Vietnamese officials should act now to increase their bargaining position with Japanese government and business elites ... they should continue to encourage foreign direct investment from many different countries, not only Japan." (P. 300)

The final two papers of this section focus on a great concern of all investors in Vietnam and growing numbers in Vietnamese society: the development of public infrastructure. Dr Richard W.A. Vokes of the Asian Development Bank — which is one of the major donors expected to disburse large infrastructure loans to Vietnam — discusses the great challenges that Vietnam's current state of public infrastructure presents to economic development. The author focuses his presentation on two basic areas, public and private sector participation in infrastructure development, interspersed with ideas about the role of foreign donors and lenders. Vietnam's state investment priorities have been identified as transport and power; the development of agriculture

and the rural economy; and “assistance to social sectors (water supply and sanitation, education, health, and population and family planning)” (p. 311) to alleviate poverty and stimulate human resource development. As Vietnam’s investment requirements outstrip public resources, however, Vokes emphasizes private sector participation. He identifies three important options that the private sector can choose in infrastructural investment in Vietnam: public ownership with private operation; private ownership and private operation; community and user provision of small-scale local infrastructure. The author concludes on an optimistic note:

... if Vietnam can successfully rise to the many challenges it faces, then it should, within a decade, have the economic and social infrastructure necessary to provide the foundation for its long-term growth and modernization.

Toshihiko Konoshita concludes the examination of Vietnam’s public infrastructure requirements, viewed from the perspective of Japanese official

lenders. The most useful aspect of his paper provides additional details on the current status and future needs of Vietnam’s energy, transport and telecommunications sectors, all of which interest Japanese bureaucratic and business groups.

Vietnam and Japan is an interesting survey of current socio-economic issues facing Vietnam and a practical guide to Japan’s potential role in Vietnam’s development process. The volume reveals the merits and demerits of conference papers, which typically vary in quality, interest, and relevance. Despite the fact that some of the information is already dated — which, of course, is no fault of the writers — it provides a readable introduction to Vietnam’s transitional and developmental processes; and it may stimulate the reader to dig further to understand the manifold changes taking place in contemporary Vietnam.

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