

## Reform Process and Rice Economies in Vietnam

### Transition from a Centrally Planned to a Market System

Bharat Mainali\* and Shoichi Ito\*\*

\**Ph.D. freelance researcher and consultant stationed in Washington, D.C., USA.*

\*\**Department of Information Science, Faculty of Agriculture, Tottori University.*

(Received June 27, 1997)

Vietnam is undertaking significant economic reforms since 1989 moving from a centrally-planned to a market-oriented system, and agriculture is a major focus in the reforms. Due to those reforms, food supply situation has been improved significantly. Paddy yield increased by 20% from about 3 tons per hectare to 3.6 tons during 1988 and 1995. Rice production increased over 40% during the same period. Per capita food production in paddy equivalent also increased by 20%. While rice exports increased, quality of rice also got improved since the beginning of reforms which narrowed the price gap between Thai rice and Vietnamese rice. Despite the dramatic achievement of the market-oriented economy, Vietnam needs a clearly articulated vision of a new agricultural policy to achieve the benefits from the success of reform programs.

*Key words : market reform, rice, Vietnam.*

#### Introduction

The Vietnamese economy is in transition from a centrally planned to a market base economy, where prices play as the principal mechanism determining the allocation and use of resources. They influence what to produce, how much to produce and how they are distributed among the population. In its transition to market economy, Vietnam is allocating resources and products through markets by liberalizing prices, decentralizing economic decision-making and expanding private-sector participation in the national economy. Various reform policies have been adopted and their impacts on economy in general and rice productions in particular have shown very encouraging sign.

#### Reform situation

After liberation in 1954, the North Vietnam was ruled under the central planning economic system. With the unification of the country in 1975 (North and South), two different political and economic systems were brought together. Then the centrally planned economic system of the North was also introduced in the South. After unification, the economy of the country was deteriorating and it was realized that this was due to very poor performance of the collectivization process. In 1979, the government announced reform policies. Since then the reform policies and the programs went through various stages such as 1979-85, 1986-88 and 1989 to present with more modification and improvement moving faster towards market oriented economy.

In 1979, the Central Committee of Communist Party introduced some policy changes first time deviating from the highly centralized planning system. The reform measures under these changes were focused to make state en-

terprises responsible for their finance and management, allowing private sector participation on a small-scale economic activities and transfer some responsibility for managing agricultural production from collective farming to an individual farm family. The land was allocated to farmers on a contract basis under the condition that the farmer needs to provide a certain predetermined output to the cooperative. The farm families were allowed to use the remaining surplus output for their own purposes. However, the policy maintained the ownership of the land, capital equipment, responsibility of supplying inputs, collection of taxes and fees under cooperatives. Under this output contract system, the farm families were able to boost their outputs and helped significantly to increase rice production.

The first reform policies initiated in 1979 were not adequate to overcome the increasing economic difficulty of the nation. In 1986, Sixth Party Congress initiated second reform policies. It introduced new policies on wages, prices and monetary system. These new measures not only eliminated the dual pricing systems in the country but also phased out the consumer price subsidies. The drop in the income level due to rise in prices was compensated by making an adjustment in wages. During this second reform period the prices were still controlled by central authorities.

Despite the changes in the policies and programs, the country was in serious economic trouble with higher inflation rate (reached up to 650%), a substantial budget deficit as well as the agencies that were responsible to provide required inputs and services failed in their commitment to meet the demand. At the same time, the output contract prices were well below the market prices. As a result of all these, the agricultural production decreased substantially and rice in particular.

Sixth Party Congress announced the 'Doi Moi' (Renovation) program. In the agricultural sector, the renovation process recognized the farm household as the basic economic unit of production. In other words, the production responsibility was shifted from a cooperative managed system to a household managed system. In the process, the land was allocated to households and ensured ownership rights at least for 15 years. Household then became the sole responsible unit to manage their land as well as production and sale of their products to whom they choose. The output quota system was eliminated and

a land tax was introduced (FAO, 1994).

Since 1989, the economic reform process has continued. Under the new policies and programs, market liberalization is taking place where both state and private firms have access to imports and incentives to exports. However, it is important to note that private firms are still not allowed to export rice and they are working as intermediaries for state enterprises. As it is moving towards market oriented economy, the domestic prices were adjusted to approach near the market rates. Based on the price reform, the currency was significantly devalued to represent the market rates. In order to reduce inflation, a new interest rates and monetary policies were introduced. The Government also encouraged foreign investment in order to expedite the growth of the economy.

To prove that Vietnamese government was committed to reform, a new land law was adopted. In 1993, a new land law was introduced allowing farmers to transfer, exchange, lease, mortgage and inherit land rights. Although the tenure rights was not permanent, it can be extended as long as lawfully used. This new land law represents a major advancement in the reform of land property institutions for promoting market-oriented economic development[4].

Since the 'Doi Moi' program was implemented in 1989, Vietnam has been achieving an impressive economic growth rates. It has transferred Vietnam from a food deficit and a net importer of foodgrain country, to the third largest rice exporter in the world. However, for continued growth in various aspects of the economy, further reforms are necessary.

### Rice production, prices and export

#### *Rice production*

Vietnam's economy is primarily based on agriculture. About three-quarters of the labor force work in the agriculture sector, contributing about 43 percent to GDP and accounting more than 30 percent of exported amount [8].

The main food crops production in Vietnam are paddy, cassava, maize, sweet potatoes and potatoes. Vietnam also produces industrial crops, livestock and fisheries. The major industrial crops are rubber, coffee, sugarcane, groundnuts, tea, cashew nuts, litchi and vegetables.

Rice is the main staple food in Vietnam. Rice alone provides more than 75 percent calorie intake of average Vietnamese. Proportion of households growing rice is about 70 percent and 35 percent of households sell rice. The proportion of households who sell rice derive about 13 percent of their income from rice. Seventy-nine percent of household purchase rice and spent about 11 percent share of their income. It should be noted here that the household who sell rice in the beginning some of them also purchase later on [6].

Rice covers 65 percent of all cultivated area. Twenty-five million tons of paddy were harvested on 6.7 million hectares of cultivated area in 1995. It is the largest employment generating sector as well as a source of foreign currency earnings. Food always plays a key factor in the socio-economic operation of Vietnam and is considered as a major economic programs in the country.

Besides reform policies and adoption of new technology, with additional irrigation facilities and better weather conditions, Vietnam's rice cropping systems have changed. Rice is grown two to three times a year such as Winter-spring, Summer and Autumn seasons. Area under Winter-spring and Summer rice are increasing and area under Autumn is declining between 1986 and 1995. Mekong River Delta (MRD) in the South and Red River Delta (RRD) in the North are major rice growing areas in the country. These two deltas are known as the "Rice Bowls" of Vietnam. Mekong River Delta produces more than 50 percent of total paddy whereas Red River Delta accounts for 18 percent. Mekong River Delta region has the highest cultivated area with 3.5 million hectares and Red River Delta region accounts for 1.4 million hectares. Fig. 1 and 2 show the area, production and yield of paddy growth over the year.

As mentioned earlier, price liberalization is a major aspect of economic reform in Vietnam. The importance of this reform measure is most evident for rice producers. Before 1989, the price of rice was tremendously below the free market prices. With the rise in the official price of rice to the market level, rice production increased by 12 percent in 1989 and more than 41 percent in 1995 over the 1988 level. In 1995, the average yield of paddy for the country was 3.62 ton per hectare as compared to 2.23 ton per hectare for 1976. The area increased by 25 percent, yield by 45 percent and production by 103 percent between 1976 and 1995 (Table 1)

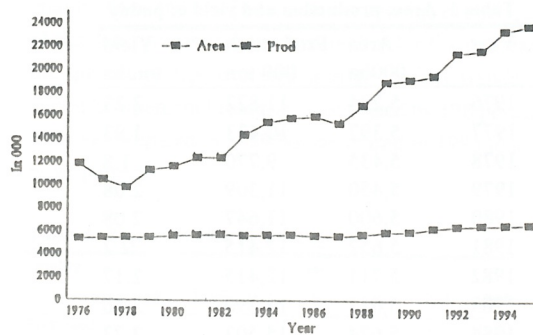


Fig. 1 Area and production of paddy

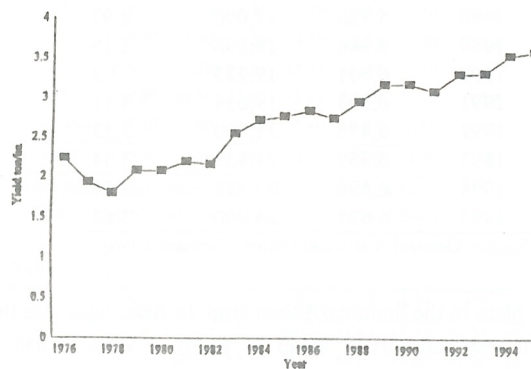


Fig. 2 Growth of paddy yield

The growth of paddy production was due to better prices, access to markets, improved variety and technology adoption. Improved variety and adoption of technology led to an impressive rise in yields. The growth of paddy production varies across the regions. RRD and MRD have higher yield growth than other regions. Besides paddy, production of other crops have also grown considerably during 1986 to 1995 period.

In Vietnam, the size of agricultural land holding per household is very small. On average the size of holding is 0.23 hectare in the RRD and 1.8 hectares in the MRD regions. In addition to small size of holding, these lands are fragmented into several plots.

Post-harvest losses have been, in general, a serious problem in Vietnam. It is estimated that in paddy, these losses were between 20-25% and for 1995 estimated about 16% (PHTRI, Vietnam 1996). The losses mostly occur at threshing, drying, cleaning, grading and storage. Among the three paddy seasons, the maximum loss takes

**Table 1 Area, production and yield of paddy**

Year	Area 000ha	Production 000 ton	Yield ton/ha
1976	5,294	11,822	2.23
1977	5,397	10,433	1.93
1978	5,435	9,770	1.8
1979	5,450	11,309	2.08
1980	5,600	11,647	2.08
1981	5,652	12,415	2.2
1982	5,711	12,415	2.17
1983	5,611	14,390	2.56
1984	5,674	15,503	2.73
1985	5,704	15,872	2.78
1986	5,626	16,009	2.85
1987	5,588	15,403	2.76
1988	5,726	17,000	2.97
1989	5,946	18,996	3.19
1990	6,001	19,225	3.2
1991	6,303	19,614	3.11
1992	6,475	21,590	3.33
1993	6,559	21,839	3.34
1994	6,598	23,559	3.57
1995	6,627	24,000	3.62

Source: General Statistical Office, Vietnam(1996)

place in the Summer/Autum crop. In Asia, Japan has the lowest post-harvest losses in paddy (3.9-5.6%) and it varies from 10-37% for other Asian countries. Vietnam has made some progress in this direction in 4-5 years period, but much needs to be done for better preservation.

#### Domestic rice prices

In 1989-1995 period (Tables 2 and 3), the relative farmgate and wholesale rice prices increased in 1990, but fell continuously up to 1994 before rising again in 1995. The price decline was significant and the difference was 40 percent at the level of 1989. Similarly, the domestic price of fertilizer relative to rice at the farmgate also declined during the same period. Thus, the reduced in profitability for rice farmers arising from a declining rice prices was being offset by the decreases in the price of fertilizer [1].

The prices of paddy varies across the region. Fig. 3 shows the differences in average wholesale prices of paddy in Vietnam by regions. Wholesale prices of paddy is highest in the north followed by center region and lowest in the south region. The price gap between north and south regions was 32 percent in 1995, and 12 percent between north and center regions (Table 4).

**Table 2 Prices of rice and GDP price deflator**

Year	Farmgate Price(D/Kg)	Wholesale Price(D/Kg)	GDP Defl	Rel Farmg Price(D/Kg)	Rel WholeSale Price(D/Kg)
1989	459	710	100	459	710
1990	725	1,179	142.9	507	825
1991	1,113	1,787	259.5	429	689
1992	1,175	1,877	344.1	341	545
1993	1,164	1,925	393.3	296	489
1994	1,247	2,019	451.5	276	447
1995	1,585	2,557	539.5	294	474

Source: General Statistics Office (Government of Vietnam), FAO and World Bank, (Bautista, 1996).

**Table 3 Relationship between fertilizer (urea) and rice prices, 1989- 1995**

Year	Relative farmgate prices (Dong/kg, 1989 prices)		Ratio 3=(1)/(2)
	Fertiliger*	Rice	
	(1)	(2)	
1989	1,604	459	3.49
1990	1,339	507	2.64
1991	771	429	1.80
1992	581	341	1.70
1993	518	296	1.75
1994	412	276	1.49
1995	510	294	1.73

Source: General Statistics Office(Government of Vietnam), FAO and World Bank, (Bautista, 1996).

Note: \*Deflated by GDP price index.

**Table 4 Wholesale prices of rice in Vietnam by region**

Year	North Dong/kg	Center Dong/kg	South Dong/kg
1986	20	20	21
1987	142	125	124
1988	528	441	373
1989	779	703	640
1990	1,335	1,231	929
1991	2,081	1,745	1,499
1992	2,111	1,789	1,721
1993	2,100	1,840	1,833
1994	2,174	2,034	1,818
1995	2,917	2,503	2,208

Source: General Statistics Office, Vietnam 1996

#### Rice exports

Initially, Vietnam was a food deficit country. From 1976 - 80, Vietnam imported food annually on an average of 1.28 million tons (highest in 1977, 1.76 million tons).

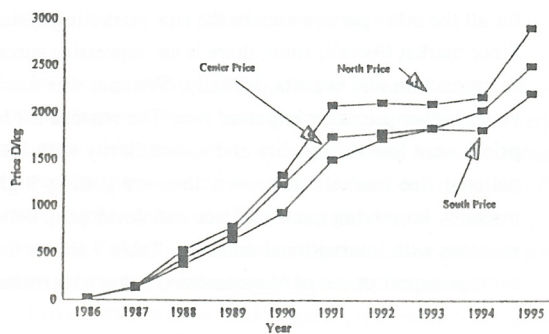


Fig.3 Wholesale rice prices

After 1980, the amount of food import gradually reduced to an average of 0.5 million ton annually [5]. However, since 1989, with the implementation of reform policies, Vietnam became self-sufficient in food and third largest rice exporting country in the world. This impressive growth of rice exports has been the result of favorable market situations in the world as well as in Vietnam.

The amount of rice export and per capita availability are shown in Table 5. Vietnam exported 1.4 million tons in 1989 and slightly over 2 million tons rice in 1995. The export of rice is increasing at a rate of 6 percent.

Table 5 Rice export and per capita availability

Year	Rice Export '000 ton	Export '000 ton	Export Percent	Population '000	Net per capita Availability kg
1989	12,727	1,372	10.8	64,770	175
1990	12,881	1,452	11.3	66,233	173
1991	13,147	1,016	7.7	67,774	179
1992	14,465	1,960	13.5	69,405	180
1993	14,632	1,649	11.3	71,026	183
1994	15,785	1,986	12.6	72,509	190
1995	16,080	2,020	12.6	74,000	190

Source: General Statistical Office, Vietnam (1996)

Besides rice, Vietnam also exported agri-products such as Coffee, Rubber, Tea, Cashew nut, Peanut and fruits. Net per capita availability of rice has increased from 175 kg in 1989 to 190 kg in 1995. Vietnam's population is increasing at a rate of 2 percent and is expected to reach about 85 million by 2000. Under such circumstances if production is not increased, then Vietnam may face a serious challenge to meet its growing domestic food demand as well as maintain/ expand rice export

Initially, Vietnam rice export used to be mostly poor

quality. Over the last five years, on average export quality of rice has increased dramatically. Tables 6 and 7 exhibit the quality of rice exported and its export trends. The export of 5 percent broken rice increased by 128 percent in 1994 as compared to 1989 but decreased in 1995 to a level of 93 percent.

Table 6 Export of rice by quality

Quality	Year						
	1989	1990	1991	1992	1993	1994	1995
Perfumed							0.50
4%						1.83	
5%	0.30	3.30	7.50	18.96	25.63	43.00	30.00
10%	1.50	13.00	27.60	21.32	26.00	25.40	24.58
15%	3.00	5.90	4.93	11.03	13.24	4.10	12.02
20%	2.30	2.00	5.59	4.25	8.23	9.20	10.73
25%	4.90	20.20	25.91	13.31	11.08	7.40	18.10
35%	82.80	46.50	21.51	25.41	12.29	6.80	3.59
45% or more	5.20	5.00	6.97	5.40	3.35	1.88	0.46
Total	100	96	100	100	100	100	100

Note: Percentages show rates of broken kernels.

Source: General Statistical Office, Vietnam (1996)

Table 7 Rice quality trend

Quality	1989	1990	1991	1992	1993	1994	1995	Growth
High <=10%	1.80	16.30	35.10	40.28	51.63	68.40	54.58	62.78%
Low > 10%	98.00	80.00	65.00	59.00	48.00	29.00	45.00	-10.60%

Source: Ministry of Trade, Vietnam 1996

Vietnam's export of high quality, 10 percent broken or less, rice reached 55 percent in 1995 from 2 percent in 1989. At the same time, the share of lower quality rice, more than 10 percent broken, significantly decreased from 98 percent to 45 percent in the same period (Fig. 4).

The increased in high quality of rice export is attributed to technological improvements and advancements in the drying, milling process, polishing and rice variety.

Vietnam is exporting rice to Asia, Africa, America, Europe and Oceanic countries. It is apparent from Table 8 and Fig.5 that the highest rice importing region is Asia followed by Africa over the period 1991 to 1995.

The rice import from South America region is decreasing and showing inconsistent pattern. The major portion of high quality (10 percent broken or less) rice is exported to Asia region and poor quality (35 percent or more) rice to Africa. It shows that Asia is main importer as well as consumer of high quality of Vietnam rice.

Almost all rice producing and consuming nations are in

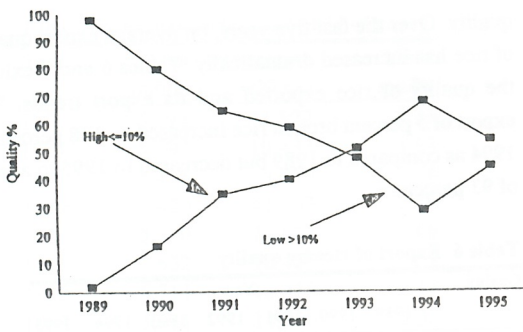


Fig.4 Rice quality trend

Table 8 Export of rice by region (ton)

Year	Asia	Africa	Europe	America	Ocenia	Total
1991	343,825	237,128	67,615	368,257	20	1,016,845
1992	765,953	739,947	176,568	271,351	40	1,953,859
1993	556,819	460,062	178,902	453,008	240	1,649,034
1994	657,176	299,336	41,861	933,270	625	1,932,268
1995	1,383,299	300,127	37,755	299,059	216	2,020,456
GR%	32.0	4.6	-11.0	-4.1	61.0	14.7

Source: Ministry of Trade, Vietnam (1996)

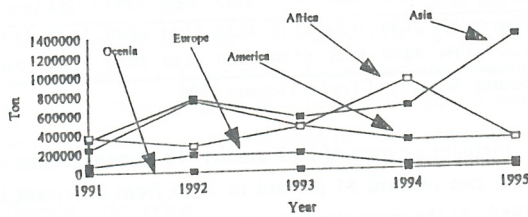


Fig.5 Rice export prices

Asia. World rice production has been increasing over the years. World rice markets are considered as unstable. Thailand is the world's leading rice exporter followed by USA and then Vietnam between 1990-1994. In 1995, India became second largest rice exporter after Thailand, and Vietnam was pushed to the fourth position. Burma and Pakistan are also consistent rice exporters in the world. In order to maintain its place as one of the major rice exporters in the world, Vietnam needs to be more competitive by implementing better marketing strategy.

**Export prices**

Prices play an important role in agricultural production. They are important to farmers as well as great incentives

for all the other participants in the rice marketing system. Since market liberalization, there is an impressive success in production and exports. Initially, Vietnam was unable to get higher prices for exported rice. The reasons for low prices were low rice quality and unfamiliarity with international rice markets. However, they are getting higher prices by improving quality of rice and developing better relations with international markets. Table 9 shows that average export prices of Vietnamese rice have increased

Table 9 Rice export prices (US\$)

Year	Export price in Vietnam	Bangkok Price 5% broken	Export Price as % of BKK price
1989	194	300	65
1990	170	271	63
1991	226	293	77
1992	207	268	77
1993	203	236	86
1994	228	270	85
1995	266	320	83

Source: General Statistical Office, Vietnam and USDA for Bangkok Prices (1996)

from 65 percent of Bangkok 5 percent broken in 1989 to about 83 percent in 1995.

The improvement in rice quality and more experience in dealing with international markets, the price gap between Bangkok prices and Vietnam's export prices are narrowing (Fig.6).

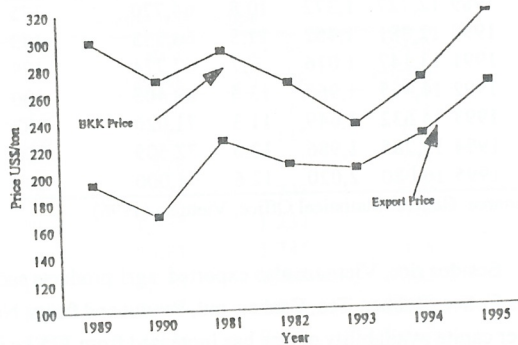


Fig.6 Export of rice by region

Vietnam has more opportunity to increase rice exports by providing better access to credit to exporters, further increasing the quality of rice, improving and developing new infrastructures for rice shipment facilities and consistent policy to have direct contact with foreign buyers.

### Market reforms

In market reform, deregulation of many undesirable restrictions and privatization of public enterprises are very important decisions that need to be made. In many Asian countries the extent of deregulation has been quite significant, but privatization of public enterprises has made little progress. Vietnam has made progress in deregulation but privatization of public enterprises is still in debate.

Private traders have made a great progress in Vietnam's rural economy. The impacts are quite visible by its dramatic reform in agriculture markets. Besides significant improvements in macroeconomics indicators, subsidies in food and fertilizer have been phased out. In agricultural input's market, especially fertilizer trade is open to a competitive structure from a monopoly of state enterprise. Fertilizers and other inputs are available in larger quantity, in towns, cities and major transportation routes. Now farmers have more opportunity to market their produces. Private marketing sectors accumulate paddy from farmers, store, transport and process it, and then supply rice to State Owned Enterprises (SOE) for export. This has enhanced rice export. The gap between domestic and world prices of rice is declining. However, the price transmission to farmers is small relative to export price. Despite private traders' active role in domestic foodgrain market, they are not allowed to involve in rice export.

Private marketing sectors have limited resources in addition to other general constraints. Many regions of the country are still waiting to get benefits from the opportunity of market reform. To alleviate these problems, the following steps need to be implemented. First, improvement and expansion of communication facilities and rural infrastructures to lower the marketing costs (transport, storage, processing and information); secondly, design competitive marketing policy that regulates monopolistic practices among traders and thirdly, establishment of rural credit institutions to provide cash and other credits to marketing agents and farmers.

### Pricing policy

Price policy is crucial for modernizing agricultural sector. However, price policy alone does not bring all economic benefits. It should be in a package along with macroeconomics and international trade policy.

Rice price policy is very important in Vietnam's economy. It is their staple food, source of livelihood and major export item. As a major exporter of rice in the world, the domestic prices of rice must follow the export prices. A mechanism should be developed by which world prices of rice can be transmitted to producer prices. Thus, in formulating price policy, one should also consider world rice prices in order to lower costs of marketing margins as well as making investments in rural sector out of profits made from rice exports.

### Availability of adequate food supply

Food Security is a prime concern to Vietnam Government. Food Security, generally defined as access to food by all people at all times at affordable prices. Stable and adequate food availability at the national and household level are a backbone of food security and nutritional well-being. Thus, strengthening the food production is a pre-requisite for achieving national food security as well as improving nutritional requirements.

There is a direct relationship between food availability and population. More people require more food. Another approach to maintain food availability is to manage population. The increasing trend of food production per capita in paddy equivalent is presented in Table 10.

Table 10 Food production per capita  
in paddy equivalent

Time Period	Per Capita in Paddy Equivalent (kg)
1939	277
1945-1957	303
1958-1975	278
1976-1980	259
1981-1987	295
1988-1992	328
1993-1995	362

Source: Agriculture in Vietnam 1945-1995

Since market liberalization, Vietnam is not only self-sufficient in food but also became one of the major rice exporters in the world. In 1995, food grain output, in paddy equivalent, was 27.2 million tons and paddy alone accounted for 24 million tons. With the present level of production, Vietnam is more than able to meet 300 kg paddy equivalent per head per year to its population.

However, by 2000 there will be more additional people to be fed. The issue arises whether Vietnam will have sufficient production to cover the needs of the population and at the same time maintaining rice exports.

Vietnam is geographically diverse where weather and topography varies across the nation. There are number of provinces which produce surplus foodgrains and many provinces which are food deficient. The Vietnam government always considered food self-sufficiency as the key of national policy. "Self-sufficiency" is defined as that level of production which can maintain 300 kg of paddy equivalent per head per year. To maintain national food security requires movements of food from surplus to deficit areas. In a situation when there is shortages of rice because of weather related losses or other reasons, rice surpluses from the south could be shipped to any disaster areas.

Food security is the priority of the government. Vietnam's food security will depend on rice for many years. To guarantee continued adequacy of rice supplies for domestic consumers as well as to maintain export, the government needs to make investments in new technology and rural infrastructure. These investments are essential to reduce production costs and marketing margins. This investments is expected to increase rice production and help to maintain food security.

Besides rice, other crops such as maize, cassava and sweet potatoes also play a major part of the daily calorie intake, especially for low-income households and regions. Thus, these crops, livestock and fishery products will become an important factor in food security.

Reform programs in general and food (rice) policy in particular play an important role in securing food availability. The programs should be focused to promote and strengthen industries that directly support agriculture. The government should encourage to establish industries such as fertilizer and pesticides in the nation. Along with these changes, the government should work to develop and expand electric power supply to better serve irrigation services and processing industries. These facilities not only boost production but also reduce costs of production.

Credit is an important factor in many aspects of economic development. Rural credit is important to improve and expand rice production. It is also essential for development of industrial crops, livestock and fishery production and development of marketing system. In Vietnam,

credit is main constraint and majority of the needy people have limited access to it. Currently, Vietnam Bank for Agriculture (VBA), with its limited resource, is providing credit for rural sector in a small amount for a short period of time. Major constraints to the growth of agriculture seem to be related to poor infrastructure, limited access to credit, and low investment and performance of extension services and research institution.

In the process of industrialization, the massive conversion of grainland to nonfarm uses have cost Japan 52 percent of its grain harvested area, South Korea 46 percent, and Taiwan 42 percent. As a result of this, in 30 years or so these countries from being self-sufficient in grain became net importer to most of their supplies. In 1994, Japan imported 72 percent grain, South Korea 66 percent and Taiwan 76 percent. China has already begun to follow the suit [2]. To meet the growing demands for people's needs out of economic prosperity, China has shown conversion of grainland for other uses such as factories, industries, commercial and recreation centers, housing, parking lots, roads and highways. Vietnam has enough time and opportunity to learn lessons from the experience of these countries in managing their grainland during the process of economic reform towards industrialization.

#### Conclusion

Vietnam is undertaking significant economic reforms since 1989 moving from a centrally-planned to a market system. There is a dramatic reform in agriculture sector. One of the major reform which helped spark agricultural growth was the assignment of land ownership rights to the farm family. Over the seven years period, Vietnam has been achieving an impressive economic growth rates. In this reform process, the sequence and speed of various policy changes are crucial in making a reform program.

Market reform demands deregulation of many undesirable restrictions and privatization of public enterprises. In this aspect, Vietnam is making progress in deregulation, but privatization of public enterprises is still in debate. There are many problems that need political and technical help for solutions.

To achieve the benefits from the success of reform programs, Vietnam needs a clearly articulated vision with which a new agricultural policy can steer the country. Since Vietnam was cut-off from outside world for a long

period of time, it lacks experience to work with outside world and their styles. Keeping these factors also in mind, it needs a strong institutional set up with a capacity to monitor change and detect emerging problems early on the process of reform.

#### References

- 1) Bautista, R. M.: *The Price Competitiveness of Rice Production in Vietnam: Effects of Domestic Policies and External Factors*. Paper presented at Rice Market Monitoring and Policy Options Study, Hanoi (1996)
- 2) Brown, L. R.: *Who Will Feed China? Wake-up Call for a Small Planet*. W.W. Norton and Company, New York (1995)
- 3) FAO.: *Assessment of the Nature of the Food Security Problem and Approach to a National Food Security Strategy*. Hanoi/Rome (1994)
- 4) Hayami, Y.: *Strategies for the Reform of Land Property Relations in Vietnam. FAO Vietnam Mission (TCP/VIE/2252) Report*. School of International Politics, Economics, and Business. Aoyama-Gakuin University, Tokyo (1993)
- 5) Long, N.D. and Nghiem, N.V.: *The Situation of Food Market and Agriculture in Vietnam: Remaining Difficulties*. Hanoi-Vietnam (1995)
- 6) General Statistical Office.: *Vietnam Living Standard Survey 1992-93*. Hanoi, Vietnam (1994)
- 7) General Statistical Office.: *Agriculture of Vietnam, 1945-1995*. Statistical Publishing House, Hanoi, Vietnam. (1995)
- 8) General Statistical Office.: *Statistical Yearbook, 1995*. Statistical Publishing House, Hanoi, Vietnam (1996)