

Aim of the Symposium

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In 1975, the war in Indochina ended with the communists' military victories, first in Phnom Penh, and then in Saigon. In Vientiane, the Pathet Lao assumed complete control of the coalition government. Thus the communists established the socialist regime in all three Indochinese countries.

In Vietnam and Laos they hastily took the Soviet-style socialistic policies, such as the nationalization of commerce and industry, collectivization of agriculture, etc. However, those socialistic policies did not take long to come to a deadlock, and as early as in the first half of 1980s they had to be partly revised in both Laos and Vietnam. In the latter half of the 1980s, a package of new policies aimed at an economic reform and an open door economy started in those two countries, under the banner of *Doi-Moi* in Vietnam and under *Chintanakhan May* in Laos.

If we try to explain those new economic policies in a few words, they are the ones to introduce a market economy without changing the framework of a command economy.

The new economic policies have achieved some significant results as are seen in the recovering of agricultural and other production as well as in the vitalization of distribution and service sectors. They also brought about a significant drop in inflation. We cannot yet say, however, that those policies have succeeded in stabilizing the Vietnamese and the Laotian economies and have firmly established the ground for a maintainable growth for the future. For example, we already see some unfavorable developments in the agriculture, light industry production and in export trend of Vietnam.

In Cambodia, on the other hand, the Pol Pot's *Khmer Rouge* went to extremes, such as abolishing currency and denying urban activities, but the Pol Pot was ousted by Vietnam in 1979. The fact that the Pol Pot victimized a great number of people during its stay in power will also be interpreted as one of the failures of the regime.

The Hen Samlin Regime that replaced the Pol Pot to control most of the land

maintained socialism in the beginning although in more moderate terms. However at the Communist Party Congress of 1985, the Government announced to revise its former policies and to introduce a market oriented economy. But the situation is not yet ready for any economic reform because the land is still devastated by the continuous civil wars, with too high a burden of military spending and a paralyzed administration.

What should those Indochinese countries do, then, in order to reconstruct their economies and to establish the basis for future growth? Needless to say, they need self-help among other things. At the same time it is very clear that they should introduce fund and technology from overseas because fund is extremely scarce and the technologies are so backward in those countries. The countries expect that international organizations and the Western nations might extend cooperation in those fields.

It was once the Soviet Union that assumed the major responsibility to assist the three countries of Indochina. Recently, however, that Soviet Union carried out a severe cutback of its Indochinese assistance due to the rapid deterioration in its economy. Since 1991, it has now only decided another major cutback of its assistance to Indochina but also changed its trade policy into a hard currency settlement based on international prices. The Soviet Union is now on the way to dissolution after the failed coup attempt.

This is why the cooperation by international organizations and by the West has become all the more important for those countries.

Incidentally, the total sum of assistance to Indochina extended by international organizations and the West has been small so far. Among the three countries, Laos has received a relatively generous aid from international financial organizations and from the ODA from Japan, Australia and Sweden.

The assistance to the Phnom Penh Government in Cambodia and the Vietnamese government, however, has been restricted to the one by the U.N. special agencies and by NGO, while the aid from international financial organizations has long been suspended. Little ODA assistance had been extended by the year 1990. The reason for little assistance is the economic embargo which the U.S. and the West have long imposed on Vietnam because of the Cambodian conflict.

However as you all know, a rapid progress has been made since the middle of this year in a prospective compromise in the four warring factions in Cambodia, thanks to the sincere international efforts by the U.N. and others to seek a comprehensive political solution to the problem. A peace agreement was finally signed in Paris on October 23. It is true that there are still so many unstable elements in the Cambodian peace that we have to keep an eye in its development. But obviously the reason for the embargo has now ceased to exist, and the situation is now ready to expect an early resumption of international assistance. This is a situation that we can candidly welcome.

Our symposium starts with a basic premise that the three Indochinese countries desperately need international assistance in order to reconstruct and develop its economy and that the environment has now been ready in those countries to receive international aid. The aim of this symposium is to discuss how the Asian-Pacific nations should respond to those requests for aid, and what conditions those aid-

receiving nations should prepare in order to make the best use of aid.

When we discuss the international assistance to Indochina, we can never overlook the contributions by international organizations and the West. In our symposium, however, we restrict our discussions to the prospective cooperation by the Asian-Pacific nations. This is because Indochina geographically is a part of the Asia Pacific area and the mutual economic exchange is specifically anticipated in the future.

Next, I would like to explain how the symposium is organized. The symposium consists of three sessions.

Session I, titled "The Current Economic Situation and Economic Growth Planning of Indochinese Countries," will discuss the problems of three Indochinese countries which are in need of international economic cooperation.

With regards to Vietnam and Laos, an emphasis is given on the achievements and the problems found in their economic reforms and their open-door policy which have been maintained for the past several years. We expect an enthusiastic discussion will follow on an economic planning, future development strategy and on the possibility of growth concerning the two countries.

With regards to Cambodia on which we have only little information, we will try to trace back the history a little further and will identify the present situations and the problems in comparison with those of Prince Shianouk's days or the Pol Pot regime. We hope the comparison will make it easier to form perspectives for the future.

In Session II, "Economic Reconstruction of Indochinese Countries and Asian-Pacific Economy," discussions will be focused on the respective economic cooperation policies toward Indochina, by Thailand, the U.S. and Japan.

Thailand is taken up here partly as a case of the ASEAN countries and partly because the economic relation between Thailand and the three Indochinese countries has become increasingly closer as indicated by the frequent use of the term "Baht Economy." Thailand's role in Indochina's development is considered highly important. The U.S. is taken up here because they have continued an embargo to Vietnam and Cambodia. It is essential to study the U.S.'s policy because it will determine when economic assistance to Indochina will be started by the international society. Finally, there is no need to explain the reason for taking up Japan. Japan is the tractive force of the economic development of the Asia Pacific area. Japan is asked to provide due assistance to Indochina, including Cambodia's reconstruction, for her economic ability, therefore, it is specifically important to discuss the significance and the role of Japan's economic cooperation.

In Session III, we plan to discuss the future relations between Indochina and the Asian-Pacific nations, especially how, in what forms, in what field and for what target the economic cooperation should be extended in the future. At the end of the session, there will be some summarization too.