

VIETNAM

BY GRAEME LAVIS*

My impressions of Vietnam varied from repulsion and despair to fascination as to why the Vietnamese appear to be a happy race. Abject poverty is typical to a level of animal subsistence for the vast bulk of the population in and around Ho Chi Minh City (Saigon) but the standard of living does improve in provincial Vietnam.

Collectivisation appears to have destroyed the top tier of society, whether that definition includes affluence, the intellect and culture. Orwellian in tone, buildings are left virtually to deteriorate because little investment and saving can exist in this society as it is presently structured. In fact, buildings constructed in the days of the French Empire in the Dalet area are falling into disrepair because most of the occupants do not appreciate what the former owners surrendered.

Vietnam's problems have worsened because of its endemic population explosion. There is little birth control and the Vietnamese are social in their behaviour. Hence, the bulk of its population of 70 million is aged less than 30 years. The vast majority is either unemployed or underemployed. There is street after street of people with young faces, either standing or sitting and chatting or merely staring. The result is an exceedingly poor labour productivity and a workforce lowly-skilled or not even service-oriented. The position has worsened during the past two decades with the Vietnamese society turning insular since 1975 and the "Western" world ignoring the country in terms of trade and influence.

To an outside observer, the society does not appear to be suppressed to any great extent but politics is rarely discussed. The common comment, if raised by the Vietnamese, is that the past is past and for the future they want peace and trade with the US or any other English-speaking countries.

The casualties of the past suppression by the Communists have cost Vietnam dearly. Effectively, they wiped out an entire generation of the educated, skilled and productive segment of the population in the former South Vietnam. The more adventurous left Vietnam for other parts of the world - probably the more commercially-oriented. This has had a devastating impact upon Vietnam. The standard of living has fallen and the bulk of the population exists in grinding poverty.

The change in attitude by the Vietnamese cadre to outside influences has introduced a desire to raise the output level of Vietnamese society, but the result might not be what is intended. Certainly, the initial impact will be a lift in productivity as factories and hotels are constructed by locals with foreign assistance in personnel, technology and money. However, it is likely to create a lopsided society - the get-rich types will develop hotels that deteriorate quickly and modern buildings will be erected with no running water on the fifth floor. Some foreigners will be plundered and some no doubt will gain additional riches. I pity the poor wretches that live in the city and the countryside that miss out on the benefits of development.

The country has little option. It has imploded and the only solution is to take in, once again, outside influences, the worst being prostitution, drug-taking and exorbitant prices for travel services and the best being a higher standard of living. The financial system is a mess, with prudent credit a forgotten word. Cash is king and, for a former anti-US country, the US dollar is paramount and recognised as the preferred currency. It is amazing that the country has given up its financial sovereignty because the Vietnamese Government has failed its population - there can be no other word for it. It does not deserve to exist, grinding its society to the bottom and not recognising excellence, beauty or talent.

Australia has an advantage in this part of Asia because it is English-speaking and Australia can legally trade with Vietnam. We should not expect quick benefits and,

unfortunately for Vietnam, it still has a long way to go to provide a modicum of civilisation to its population.

Vietnam has the capacity for high economic growth rates in statistical terms, ie, greater output with foreign aid, but we should encourage, pro-actively, incentives for Vietnam to upgrade its hospital, education and medical system and foster greater birth control. The level is appalling to any observer. The Australian Government should concentrate on these areas of aid - areas in which our country has great expertise. Our private sector can assist in other areas without great Government assistance.

The Vietnamese people live in a land that has abundant natural resources and a landscape which varies tremendously. The climate ranges from cool to humid.

The people are very friendly to foreigners and serve great food but the hygiene levels could be improved. This indicates the country has the potential to adapt to change reasonably quickly but it might develop the worst features of progress - a highly polluted environment and a habitat threatened with over-exposure to tourists.

No doubt the present regime will take advantage of the West in an attempt to prop up its inefficient system. The basic infrastructure areas of health, medicine, education and transport are woefully deficient and should attract priority assistance as a matter of public policy. The local population certainly deserves something better than it has from the present Vietnamese administration.

Australia can assist in this area and our style of business should encourage a gradual change brought about by subtle influences of difference. Vietnam will be changed by outside influences whether its government likes it or not. The Vietnamese themselves perceive Australia as an Anglo-Saxon society capable of being friendly as they are. It has its bonuses. Potentially this is one part of Asia where Australia can wield beneficial influence for both parties.

Singapore

Singapore is a country with a standard of living similar to that of Australia and roughly the same cost structure, except perhaps in housing - it is dearer.

In terms of trade, media and personal dealing, Australia does not really count. Singapore looks elsewhere and our companies barely rate in its marketplace.

The Singaporean Government is unique. It has developed by government fiat a society that is progressive in business, puritanical in attitude and tolerant of outsiders but with the ability to control foreign influence. The expatriate community waxes fat on its much needed skills but pays exceedingly high rentals to the Government to operate there. Expatriates cannot own land except under restrictive conditions and they rent the best sites from the Government, but at a price.

The Government plans to a degree unheard of in Australia and, because of its success, gets away with it. Provided Singapore continues its growth, its population - a diverse mixture of Chinese, Indian and Malay - will probably support this unique society in Asia.

Do not be fooled into thinking that Singapore is the road for Australia. Australians could not digest its discipline or regimentation and, in any case, we as a country are irrelevant to Singapore's interest.

Australia must market itself better. Our financial system is more sophisticated than

Singapore's and our cost structure is comparable. Singapore absorbs a significant proportion of its revenue base from indirect taxation - car ownership and the right to it are expensive.

As a country, it is imperative that Australia streamline "how to do business in this country" as a debtor nation to the world.

Australia must devise better ways of saving - not the wasteful superannuation levy imposed by the current ALP regime. Our efficient services sector can put Asia to shame and this has a potential to improve our current account deficit partially if it is encouraged to engage more in trade.

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