

The Economy and Business Environment of Vietnam, ed. Roderick Macdonald, Palgrave Macmillan 2020, pp. xv + 137

The Economy and Business Environment of Vietnam tries to take up the challenge of bringing the potential investors and scholars alike closer to the contemporary specificities of Vietnam's economy through "providing a simple and clear introduction to Vietnam's business environment", with the help of statistical data covering, in most cases, the years up to 2019. As the title of the book may suggest, and what a quick glance at the table of contents confirms, it aims at describing both macro and micro-business environments throughout 6 chapters. The former, alongside with historical background, is covered in the first half of the book, while the latter is the keynote of the second half – although some of the chapters can be described as pertaining to both of these aspects. One of the book's strongest features is the fact that many of the authors live and work in Vietnam on an everyday basis, which offers valuable insider insights.

The introductory chapter, *Vietnam, Land of Opportunity* by Roderick Macdonald starts off with emphasising the harsh initial conditions of Vietnam's economy – the country, which had been a French colony up until 1954, suffered

through a devastating war which broke out barely a year afterwards. It was mainly due to those traumatising experiences that the communist ideology started to spread in Vietnam as a backlash against occupations and an articulation of patriotism (p. 6). In a way, this chain of events resembles the Chinese struggle during the "century of humiliation", which allowed for Mao Zedong's rise to power.¹ This similarity is only deepened by the fact that Vietnam is still ruled by a Communist Party (CPV) – even though its governing style has become more pragmatic and therefore permissive over the years (p. 3). A successful transition from a command economy to a mixed, more market-based one seems to be the main message of the chapter, and rightfully so. Vietnam exports have soared, their value reaching the equivalent of 100% GDP in 2018. The economy is climbing up the Doing Business and Global Competitiveness Index rankings (p. 18). Vietnam is also considered to be one of China's successors according to the Flying Geese model, which promises an FDI inflow increase in the upcoming decade (p. 19). One may ask, how exactly did this success story come to happen? Unfortunately, the chapter fails to deliver a satisfactory answer, having recourse to the well-known "privatisation, liberalisa-

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¹ Thoroughly addressed in: H. Kissinger, *On China*, Penguin Press, New York 2011.

tion and decentralisation” Washington Consensus undertone (pp. 7–8), repeating the myth of big-bang styled Doi Moi reforms. This inaccuracy is probably the only downside to an otherwise substantive introduction.

Luckily the second chapter, *The Road to Doi Moi in Vietnam* by Pham Van Thuy makes up for its predecessor’s oversight. It acknowledges the role of 5-year economic plans starting with the first one in 1960, which aimed at accelerating industrialisation through the development of heavy industries such as iron, steel and fertilisers (p. 27). Unfortunately, in 1964, Vietnam was forced to switch to a wartime economy due to the bombing from the United States, which rendered the following plans produce unsatisfactory results. Therefore, in 1986, the CPV adopted a series of reforms, henceforth commonly referred to as Doi Moi. It has to be pointed out, that under no circumstances should the Doi Moi doctrine be reduced to a word; “liberalisation”. Instead, Vietnam acknowledged the need of improving the agrarian sector’s efficiency to eliminate food shortages, and aimed at fulfilling the population’s needs for basic goods before pursuing further industrialisation, while still utilising 5-year plans (p. 30). Yet again, a resemblance to China and the 1978 Deng Xiaoping reforms, one of the goals of which was to increase domestic consumption² can be seen. Vietnam continues its mixed approach up to this day,

² E.C. Economy, *The Third Revolution: Xi Jinping and the New Chinese State*, Oxford University Press, New York 2018, pp. 102–113.

having presented the main assumptions of its “socialist-oriented market economy” in 2017, which was the ultimate goal of the Doi Moi (p. 33). This chapter will probably be the most valuable one for scholars and readers interested in the origins of Vietnam’s political economy.

The third chapter, *State Owned Enterprises in Vietnam: Challenges hindering the Privatisation Process* by Trung Q. Nguyen, Burkhard N. Schrage and Victor L. Kane addresses many issues that the ubiquitous presence of state-owned enterprises (SOEs) brings about – and goes the distance to emphasise their shortcomings. Many of the points raised are undoubtedly true – SOEs are scourged by cronyism, nepotism, lack of meaningful corporate governance, poor disclosure of information, and diluted responsibility of operational activities (pp. 57–64) which ultimately results in their low efficiency and return rates on capital (p. 50). On the other hand, they bring stable employment, which is desired by the Vietnamese nation still holding vivid memories of wartime chaos – most of the SOE employees fear and oppose privatisation of their enterprises (p. 57). Another positive impact of SOEs is connected with their usage in steering the economy towards a direction that is beneficial for the country – which was the reason for their consolidation into 19 strategic State Economic Groups owned by appropriate ministries (p. 47). This argument holds especially relevant, considering that Vietnam’s economy has become specialised in very few sectors – in 2018 almost 60% of its total exports came just from 2 product

types; electronics and textiles,³ which is the reason why CPV wants to diversify the economy in the upcoming years. In the light of the above, it appears quite startling that the authors' only recommendations regard streamlining the privatisation process. The share of SOEs in Vietnam's GDP seems to have stabilised around 35% since 2016, down from 70% at the beginning of the century (p. 46), which closely resembles the corresponding data in China – where SOEs are currently responsible for about 1/3 of the country's GDP.⁴ Maybe those countries do not wish to continue privatisation of SOEs and instead would rather improve their efficiency?

The fourth chapter, *Participating and Upgrading in Global Value Chains: The Case of Small and Medium Enterprises in Vietnam* by Trung Q. Nguyen, Hiep Cong Pham and Robert McClelland has one main message to convey: the international potential of the Vietnamese economy is currently hindered by the relative lack of medium-sized enterprises (p. 82). While, as mentioned earlier, there is still a substantial amount of big SOEs present, they are naturally inclined towards cooperating with local, oftentimes “backyard” suppliers. On the other hand, micro-sized companies are commonly exploited by foreign-invested firms as a source of low-cost

³ Observatory of Economic Complexity database, <https://oec.world/en> (accessed: 20.02.2021).

⁴ C.A. Holz, *The unfinished business of state-owned enterprise reform in the People's Republic of China*, CESifo Working Paper 2019, No. 7688, p. 10.

labor, which forces them to specialise in labor-intensive production (p. 77). Ultimately, this results in a low share of Vietnamese companies in Vietnam's total exports (whereas FDI-firms are responsible for almost 70% of the country's total exports), which in long term could cause profound discrepancies between GDP and GNP. What Vietnam's economy is missing are the medium-sized firms that could cooperate with foreign partners on equal terms and improve the economy's innovation capacity, which is currently relatively low in comparison to most ASEAN countries (p. 84). Hence, the government's role should be to create a favorable environment for companies willing to participate in global value chains, that will foster their innovation capabilities – which is hard to disagree with. Indeed, CPV recently approved its industrial development strategy for the years 2025–2035, which encourages operating in industrial zones already equipped with the necessary infrastructure and facilities.⁵

The penultimate chapter, *Marketing in Vietnam* by Nghia Huynh Phuoc makes a great work of describing the most important features of Vietnam's economy from a marketing perspective, and will definitely be the most valuable chapter for business people. It points out at the upcoming demographic shifts and their crucial impact on the growing middle class, which is expected to reach 31%

⁵ T. Nguyen, *Vietnam's Electronics Industry: A Guide to Emerging Opportunities*, <https://www.vietnam-briefing.com/news/vietnams-electronics-industry-guide-emerging-opportunities.html/> (accessed: 21.02.2021).

of the population in 2030, up from 19% in 2017 (p. 98). Due to the Vietnamese Generation Z's need to increase consumption (household consumption expenditure has been growing at least 7% annually since 2012), there has been a significant shift from traditional channels to e-commerce since 2015 – and its annual ARPU stands at 450 USD (p. 96). FMCG sector seems to be the main target of the further analyses; issues covered include international competition present on the market, expected cost price breakdown, recommendations regarding choosing the advertising channel, and a particularly curious list of well-known influencers, who specialise in creating brands' image (pp. 99–104). Logistics are one of the most prominent challenges awaiting the retailers – the capacity of Vietnamese carriers is still low, and so is the connectivity between regions due to infrastructure deficiencies (p. 105). Fortunately, CPV seems to be aware of this issue and plans to achieve a 20% CAGR in the logistics sector by 2025,⁶ which promises swift improvement in the upcoming years.

The last chapter, *Financial Services in Vietnam* by Van-Hong Vu pertains mainly to the banking sector and securities market, with a brief overview of the insurance market towards the end of the chapter. The whole financial sector in Vietnam is supervised by three

⁶ S. Bhatla, *Vietnam's Logistics Industry: How Vietnam's Expanding Economy is Boosting Growth*, <https://www.vietnam-briefing.com/news/vietnams-logistics-industry-how-vietnams-expanding-economy-boosting-growth.html/> (accessed: 21.02.2021).

government agencies, responsible for the banking sector, the securities market, and the insurance market (p. 112). Four commercial banks are responsible for the vast majority of banking assets, and as such the foreign competition is quite hindered (p. 114). One thing worth noting is the selective access to domestic credit – trading and industrial firms were responsible for 42% of the total value of credits in 2019 (p. 119). At the same time, there is little credit given to foreign enterprises – as Vietnam focuses mostly on attracting FDI rather than crediting foreign firms (p. 120). Therefore, the financial sector in Vietnam still seems to be one of the most closed ones. Both the crediting for foreign firms and the competitive capabilities in the financial sectors remain limited – although this state of things may change in the nearby future. A recent wave of FDI transfers from the Chinese financial sector (probably due to the US-China trade war) has caused the Vietnamese government to approve the development strategy for the banking sector to 2025, which was met with great appreciation among international bankers.⁷

All things considered, the book makes up for a worthwhile read – although in my opinion by trying to cater to both scholars and business people its main point got slightly diluted in the process. While the historical and theoretical context offers many valuable

⁷ N. Larsen, *The state of banking in Vietnam*, <https://internationalbanker.com/banking/the-state-of-banking-in-vietnam/> (accessed: 23.02.2021).

insights into Vietnam's political economy and its contemporary specificities, aside from the marvellous chapter 5, the book does not provide too much business-relevant content – although this chapter alone could probably still justify reading the whole book. However, for scholars and everyone else interested

in Vietnam's economy, this monograph can serve as a great introduction to further studies on the covered topics, which are presented in a clear, succinct way and offer rich, up-to-date references included at the end of every chapter.

Marceli Hązła

Arkadiusz Jabłoński, *Polski leksykon japońskich terminów gramatycznych*, Wydawnictwo Naukowe Uniwersytetu Mikołaja Kopernika w Toruniu, Toruń 2021, t. 1 (A–K, ss. 494), t. 2 (L–R, ss. 406), t. 3 (S–Z, ss. 394)

W czerwcu br. nakładem Wydawnictwa Naukowego Uniwersytetu Mikołaja Kopernika ukazał się trzypięciotomowy *Polski leksykon japońskich terminów gramatycznych* autorstwa Arkadiusza Jabłońskiego. Publikacja licząca łącznie 1294 strony jest wynikiem realizacji trzyletniego projektu naukowego, finansowanego z grantu Narodowego Centrum Nauki w konkursie OPUS 10. Jak czytamy we *Wstępie*: „Cel leksykonu to opis zagadnień współczesnej gramatyki japońskiej w sposób możliwie przystępny dla początkującego i średnio zaawansowanego w zakresie znajomości japońszczyzny odbiorcy polskiego” (t. 1, s. 7). I dalej w *Założeniach metodologicznych* pisze: „Podjęta próba opisu japońszczyzny w terminach syntetycznych służy do weryfikacji w praktyce rozwiązań zmie-

rzających do spójnego opisu gramatyki w nauczaniu języka japońskiego jako obcego użytkownikom języka polskiego” (t. 1, s. 13).

W tej samej części pierwszego tomu Jabłoński formułuje tezę, że dotychczasowe opisy gramatyczne języka japońskiego pozostawały pod przemożnym wpływem tradycji wywodzącej się z klasycznych gramatyk chińskich (zgodnie z którą języki chińskie należą typologicznie do języków izolujących), zaś współcześnie – typowego dla języka angielskiego podejścia analitycznego, mającego jakoby uniemożliwiać dostrzeżenie syntetycznych cech japońszczyzny. Nie sposób się nie zgodzić z autorem, że angielski ma status najbardziej rozpoznawalnego języka obcego, swoistej *lingua franca* również w Japonii, jednak trudno podążać za tym tokiem rozumowania – wszakże w anglojęzycznych pracach językoznawczych dotyczących języków wybitnie fleksyjnych (takich jak polski czy rosyjski) raczej nie spotyka się tendencji do analitycznego oglądu. W każdym razie autor postawił sobie za cel przy pisaniu *Polskiego leksykonu...* uwypuklenie syntetycznych właściwości

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