

to concerns of domestic stability. Equally useful is Peou's suggestion that Cambodia's foreign relations have been guided by security rather than by ideological or economic considerations. In Peou's conclusion, the suggestion is made that the direction of Cambodia's future foreign policy will be ASEAN- and China-centered.

Peou's suggestion that Cambodia may be on the road to authoritarian government, due to domestic problems warrants further comparative research in pursuit of a revised model of modern authoritarianism in other Southeast Asian states, particularly Myanmar. Fortunately, Peou does not make a fanciful attempt, as is done too often in similar studies of authoritarianism in Southeast Asia, to find some sort of justification for it in precolonial history. By placing similar trends in modern Cambodia into their modern political context, Peou has put his analysis of the potential for authoritarianism in Cambodia outside of the artificial "traditionalism" framework which has plagued other studies.

Unfortunately, Peou's study has several flaws. Often Peou hints at major issues, but fails to carry them through in analysis. Further, the study is too frequently plagued with vague statements that reduce central observations to superficial statements of the obvious. For example, Peou explains in conclusion: "[i]n light of this study, Cambodia's future foreign policy will either stay the same or change its course depending on changes in international and domestic politics" (p. 13). Peou's conclusion also fails to tie these statements to the much more revealing discussion which preceded it. These flaws do not call for a rejection of the larger portion of Peou's analysis, but they do question whether or not Peou fully understands why *Cambodia After the Cold War* is useful.

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ADAM FFORDE/STEFAN DE VYLDER, *From Plan to Market. The Economic Transition in Vietnam*. (Transitions: Asia and Asian America). Boulder (Colorado): Westview Press 1996. XVI, 358 pp. £ 13.50 (pb.), ISBN 0-8133-2683-4. £ 40.95 (hb.), ISBN 0-8133-2684-2

Vietnam's economic development in the 1990s is a success story. In sharp contrast to most of the other countries of the former Soviet camp, Vietnam can boast of an enormous economic growth since the downfall of the "socialist world order". Vietnam has already been labelled a "New Tiger",

bound to overtake its neighboring countries in Southeast Asia within a few years. What are the reasons for this stunning success?

Vietnam's leadership knows the answer which quite a lot of foreign experts tend to agree with: it is due to the consequent implementation of market economy reforms, initiated at the sixth congress of the Vietnamese Communist Party in December 1986. The main points of the new policy were: gradually abandon the system of planned economy, encourage private economic initiatives, and incorporate Vietnam in the world market, all in all to mobilize resources which had been wasted for a long time.

Adam Fforde who has done intensive research on Vietnam's economic development over many years, as well as his colleague Stefan de Vylder, also a renowned expert on development issues, have come to an entirely different conclusion in their recent work. They regard Vietnam's economic reforms not as a top-down process, but as a bottom-up process. According to them, spontaneous pressure for reforms from below, profit-seeking individuals, not only in the private sector but also in the state and collective sectors, have been the driving forces of the reform process often supported by local officials at an early stage, although it was against the official party line at that time.

The role of the central government, however, has been reactive rather than proactive. The Vietnamese leadership was forced to grant more freedom to the market forces primarily due to severe crises and an impending loss of power. A countrywide famine at the end of the 1970s, the cancellation of Chinese as well as Soviet help ten years later, and hyperinflation during the mid-80s have also played a positive role – in the eyes of the authors – in that the government was thereby confronted with the irrevocable necessity of making radical changes in its economic policy.

Therefore, as the authors conclude, Vietnam's transition from plan to market cannot be seen as a successful implementation of a long-standing reform program, but as "complex interactions between the spontaneous pressure for reform from below and the initiative (sometimes very bold, but often contradictory, reactive, and reactionary) from above" (p. 303).

In order to prove their thesis in great detail, Fforde and de Vylder have evaluated an enormous amount of data and have taken a very broad view. They do not restrict their work to a summary of the present situation in Vietnam or a short outline of the development of crucial economic variables; instead, they analyze the country's economic reforms on the basis of geographic and historical factors as well as previous development programs.

Some chapters cannot be called easy reading, which is partially due to a very particularized economic-scientific vocabulary, but also to the fact that their reasoning sometimes lacks a systematic method. Unfortunately, the confusion within the reform process is sometimes reflected in the authors' narrative.

Despite this, the book is an outstanding achievement and the most comprehensive and profound analysis of Vietnam's economic development during the past ten years. Fforde and de Vylder do not merely repeat age-old arguments; instead they impart new and important insights into the dynamics of this complicated process. One of which is – last not least – the finding that Vietnam's reforms have reached a crucial turning point in the mid-90s. Whereas a weak state, a lack of central authority, and even corruption were favorable to the reform process in the past, since all these factors paved the way for the destruction of old, growth-retarding structures, Vietnam now calls for an efficient and competent state able to open free markets (and keep them open), as well as to establish a macro-economic and legal framework which is vital to the further growth of a market economy.

Fforde and de Vylder who completed their research in early 1995 are optimistic about the Vietnamese leadership, stating that it has learned from the experiences of the past and predicting its ability to master the tasks ahead. The widening of the foreign trade deficit in 1996, the decline of foreign investment and the elusive statements made during the recent Vietnamese Communist Party Congress might put a slight damper on this optimism. On the other hand, there is no reason to be ultra-pessimistic. In the Vietnamese leadership there are enough personalities aware of the problems which have to be faced, and of the solutions they demand. So far, these forces have not gained the upper hand. But the next crisis – following the logic of Adam Fforde's and Stefan de Vylder's analysis – may indeed strengthen the position of these forces and lead to a future phase of economic success.

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WERNER MENSKI (ed.), with contributions by Derek Göbel and Jean François Destexhe: *Coping with 1997: The Reaction of the Hong Kong People to the Transfer of Power*. (GEMS No. 2). Stoke-on-Trent: Trentham Books, 1995. X, 220 pages, £ 11.95. ISBN 0-948080-99-X

During a flight from Osaka to Hong Kong in September 1994 I happened to sit next to a Chinese businessman from Hong Kong who referred to the