

Financial System Reforms in Vietnam- A Perspective

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Abstract

The economy of Vietnam has been under the colonial regime for a longer period. It had struggled lot for its very survival. It was only in 1945, it became an independent country. The huge human resource losses, miserable sufferings of people and large asset losses, it was difficult for the country to come to the proper economic route in such a short span. However, it is the commitment, dedication and hard work of people at large that reaped good results in a short period in terms of economic progress and growth. It was only in the year 1986 that the government thought of substantial financial sector reforms (Doi-Moi) for a faster growth rate. It has made many crucial changes in macro policy issues, implementation and monitoring aspects to fasten the economic growth. As a developing economy, the country has also been receiving great amount of financial assistance and support from many countries and international organizations. Financial sector being the core strength of an economy, this paper examines the vital aspects of financial sector reforms brought in Vietnam. The paper analyses all the relevant policy measures initiated by the government in various segments of financial sector in general and banking sector in particular and their impact on the performance of specific sectors. Based on the interactions with the professionals and data and information available, the paper has examined pros and cons of the reforms process initiated in the past. The study also covers the impact of global financial crisis 2008 on the economy of Vietnam.

Key Word: Economic Growth, Financial Sector Reforms, Doi-Moi, Banking Sector

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