

Current situation of price stabilization policy in Hanoi in 2011 and proposed solutions

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SUMMARY

Since 2008, the world's economic situation has witnessed many changes, which has caused substantial effect for Viet Nam such as inflation, unemployment, lower living standards, etc. the Government has issued many policies to stabilize the economy, including Price Stabilization policy, which helps low – income people to ensure consumption of essential goods. In 2011, Ha Noi, the economic centre of the country, made a decision to carry out the Price Stabilization policy food goods in Ha Noi (according to 1907QD – UBND, April 26th, 2011).

The research has evaluated the effectiveness of the policy from certain perspectives, i.e., the entrepreneurs,, the market, the government and beneficiaries, on the basic of analyzing the situation since the policy has been issued.

When comparing the actual situation with the objectives of the policy, the research points out some drawbacks such as: no fair business competition, market distortions, the two – price mechanism, beneficiaries' inability to access to policy, etc. Thus, the government's objective to subsidize the poor has not yet been achieved.

Based on such research result, the study recommends implementing CCT Program, known as cash assistance program under certain conditions in replacement of the Price Stabilization policy. Specifically, when studying about immigration, poverty, health and education in ha Noi period 2006 – 2010, this research has made

“conditions” for the beneficiaries (the poor), which is increasing health care services and investment in education for poor people’s children. As CCT Program is one of social policies to reduce poverty, people will likely to benefit from it when prices rise.

However, this research has mentioned only the initial figure of the policy cash assistance program under certain conditions. There for, these should be further research and discussion to reach a consensus about the realizable of CCT Program.