The Vietnamese entered the twenty-first century after fifty-five years that included fighting the Japanese Imperial Army, a civil war, France, the United States, the Khmer Rouge, and China’s invasion. The Vietnamese suffered starvation during Japan’s occupation and during the 1975 to 1985 era of misguided domestic leadership. But they did not merely endure the last half of the twentieth century when they were attacked and alienated from global and political agencies; instead, they emerged as a robust and dynamic society, rivaling the world’s fastest-growing economies and global education levels.

May 1, 1975, felt surreal to many Vietnamese. For thirty years, they had fought the Japanese, French, and Americans in three horrific wars. April 30, 1975, witnessed the last American helicopters evacuating embassy personnel, along with everyone else who managed to hitch a ride out of Sài Gòn as South Việt Nam fell to North Vietnamese forces. After their victory, North Việt Nam’s leader, Lê Duẩn, optimistically predicted: “Now nothing more can happen. The problems we have to face now are trifles compared to those of the past.” If only this were the case. The ten years after America’s withdrawal are arguably the darkest for Việt Nam in a history of many hard times. Many of its challenges were due to continued foreign threats and policies directed against the newly formed Socialist Republic of Việt Nam; other disasters were self-inflicted.

Following their victory over the Americans and the Republic of Việt Nam, Lê Duẩn and his colleagues faced a momentous decision: how would the North and South reintegrate? Northern officials planned to reeducate segments of the southern population thought to be tainted by American influence. There would not be a wholesale slaughter of South Vietnamese, but close to one million would enter the camps to learn “the beauty” of Marxism. The victors also heatedly debated the manner by which the North and South economies should mesh. Insightful progressives in the Vietnamese Communist leadership argued that a wholesale change of South Việt Nam’s economic paradigm would prove disastrous. Southern entrepreneurs and private companies had established a relatively vibrant urban economic system. To be sure, past American financial aid and foreign personnel infused a heavily service-oriented urban business paradigm. Still, most southern farmers and city dwellers were far better off than their northern counterparts. Moderate Communist officials posited that to bring the southern economy to a screeching halt with a command economic system was not just foolish, but dangerous. Hard-liners, led by Lê Duẩn, disagreed. They insisted that South Việt Nam’s business and farming communities must adapt to the strict socialist system of North Việt Nam. This latter proposal won out, and the consequences were aptly described by Foreign Service official Frederick Brown: “And in practice, it [Lê Duẩn’s post-1975 policies] all worked out about as well as might be expected, which is to say not at all. Popular discontent grew, and by late 1979, the Vietnamese economy had ground to a near halt.” Consequently, Việt Nam experienced both a brain drain and economic flight between 1975

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Hard Times May 1, 1975, felt surreal to many Vietnamese. For thirty years, they had fought the Japanese, French, and Americans in three horrific wars. April 30, 1975, witnessed the last American helicopters evacuating embassy personnel, along with everyone else who managed to hitch a ride out of Sài Gòn as South Việt Nam fell to North Vietnamese forces. After their victory, North Việt Nam’s leader, Lê Duẩn, optimistically predicted: “Now nothing more can happen. The problems we have to face now are trifles compared to those of the past.” If only this were the case. The ten years after America’s withdrawal are arguably the darkest for Việt Nam in a history of many hard times. Many of its challenges were due to continued foreign threats and policies directed against the newly formed Socialist Republic of Việt Nam; other disasters were self-inflicted. Following their victory over the Americans and the Republic of Việt Nam, Lê Duẩn and his colleagues faced a momentous decision: how would the North and South reintegrate? Northern officials planned to reeducate segments of the southern population thought to be tainted by American influence. There would not be a wholesale slaughter of South Vietnamese, but close to one million would enter the camps to learn “the beauty” of Marxism. The victors also heatedly debated the manner by which the North and South economies should mesh. Insightful progressives in the Vietnamese Communist leadership argued that a wholesale change of South Việt Nam’s economic paradigm would prove disastrous. Southern entrepreneurs and private companies had established a relatively vibrant urban economic system.

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and 1978. Thousands of southern-educated citizens were silenced or reeducated, while those who possessed the financial wherewithal risked everything to flee their beloved homeland in rickety boats taking them to places like Hong Kong, Malaysia, Thailand, and the Philippines.

Things were not much better in North Việt Nam following the war. Every family mourned the loss of a loved one due to the war. Now the government was cracking down and insisting that farmers hand over their rice to the state with even lower compensation than during wartime. Resentment grew against a government for which they had already greatly sacrificed. Starvation became a reality, and citizens spent hours in line to receive meager state rations from surly government workers. The period between 1975 and 1985 became known as the “subsidy time” because government subsidies barely kept millions alive. It is estimated that during this period, 70 percent of Việt Nam’s population lived below the poverty line. Many starved. Reluctantly, Vietnamese young people traveled to portions of the Soviet Union and worked in miserable conditions.

Việt Nam’s international situation between 1975 and 1985 mirrored its chaotic domestic conditions. America reneged on a promise to pay US $3.5 billion for its Agent Orange environmental destruction. In fact, the United States demanded Việt Nam pay back an outstanding loan given to the former Sài Gòn regime. The united Việt Nam became ever more reliant on the USSR’s economic and military support.

On December 25, 1978, Việt Nam invaded neighboring Cambodia to root out the despotic Khmer Rouge regime, which had murdered Vietnamese in Cambodia and had reportedly attacked bordering Vietnamese villages. In three weeks, the well-equipped, experienced Vietnamese army pushed the Khmer Rouge out of Cambodia and into Thailand. Vietnamese soldiers were some of the first witnesses of the Khmer Rouge’s three-year destructive and murderous reign. But with China as the Khmer Rouge’s influential ally, Vietnamese soldiers were forced to remain in Cambodia for ten years. China’s leadership was so incensed with Việt Nam’s invasion and occupation of Cambodia that in February 1979 it ordered its army and fighter jets into North Việt Nam to teach its southern neighbor a short, sharp lesson. This invasion and these full-scale battles were largely overlooked by the world, but they are not forgotten by the Vietnamese. For the next ten years, while many Vietnamese were starving, its government shifted resources to Cambodia. This quagmire came to an abrupt end when the Soviet Union imploded in 1989 and could no longer support Việt Nam’s Cambodian occupation. The United Nations assisted in weaning Cambodia away from Vietnamese domination. However, Việt Nam’s decade-long Cambodian occupation not only damaged Việt Nam’s economy, it also perpetuated its reputation as an international maverick.

With domestic and international crises facing Lê Duẩn’s government, subtle yet significant changes crept into national policies in the mid-1980s. Farmers were allowed to sell surplus rice at independent market prices. Foreign companies were invited to invest in Việt Nam. In 1986, Việt Nam’s leaders asserted that “Economic Renovation” (Đổi Mới) was the country’s new policy. In short, Việt Nam would move from a strictly command economy to a more innovative, nuanced market economy. The results were dramatic. Between 1990 and 2000, Việt Nam became the world’s second-fastest-growing economy. It also became a global player not just economically, but also as an important regional diplomatic leader. As the twentieth century came to a close, some wondered: Could this vibrancy be sustained? What was the real Việt Nam—the subsidy basket case or the economic dynamo? These were the questions many had as the calendar page turned to a new century and millennium.
Economic Resilience In 2017, Việt Nam was the world’s largest exporter of cashew nuts and black pepper, the second-leading country exporting coffee, and third in exporting rice and fish. Since 2008, its annual average economic growth is at a real 6 percent. Its gross national income per capita has doubled from US $2,615 in 2000 to $5,335 in 2015. Economically, Việt Nam’s dynamism continued into the twenty-first century. There are, however, recent important aspects of its current economic dynamism that need to be kept in mind.

Unlike the USSR, Việt Nam did not simultaneously change its economic and political systems. Việt Nam remains a state that is controlled by the Communist Party. Citizens are allowed to use their capital and entrepreneurial skills to become wealthy, but they must realize that they are working in a system whose beginning and end is the Communist Party. The quid pro quo relationship works as long as businesses follow the boundaries placed on them by the semitranscendent authority of the party.

Viet Nam’s growth also differs from China in that Việt Nam’s continued economic dynamism is inordinately fueled by foreign direct investment (FDI). In 2000, 3.5 percent of both countries’ GDP was from FDI. Over the next fifteen years, however, China’s FDI steadily decreased to 2 percent while Việt Nam’s ballooned to 6 percent. Việt Nam signed trade agreements with over twenty countries, including a free trade deal with South Korea. In 2006, it became a member of the World Trade Organization. Perhaps most surprising, Việt Nam overtly courted American favor. It no longer sought the billions promised from Agent Orange destruction, and it even promised to pay the US $146 million that the old Sài Gòn regime owed to the US. By 2015, the US became Việt Nam’s most important trading partner, receiving more than 21 percent of Việt Nam’s exports. China was second to the US, garnering 13 percent of Việt Nam’s exports. A report notes that trade in Việt Nam accounts for more of its national output than any other country. Longtime Việt Nam expert and resident Charles Crampon observes that a nonquantifiable reason for Việt Nam’s dynamic trade is its deep-seated culture of seeking relationships. Crampon asserts that more than any other culture, the Vietnamese nurture and find meaning in relationships. Its most famous historical figure is given the familial title of “Uncle Ho.”

There are also more objective reasons for Việt Nam’s reliance on trade and FDI. Despite Việt Nam’s annual GDP growth of 6 percent, labor costs in 2016 were US $1.96 an hour, less than one-third of China’s cost. The Vietnamese government has also heavily invested its profits into transportation and heavy industry, and away from farming and textiles. In 2016, Việt Nam ranked eighteenth out of the top forty countries in manufacturing, with a prediction that it will be twelfth in the world by 2020. In 2014, 72 percent of Việt Nam’s exports were manufactured products, thanks to companies such as LG Display and Samsung.

Other important aspects of Việt Nam’s continued economic growth include tourism—Chinese are the most numerous tourists to Việt Nam. Also, 3,000 kilometers (approximately 1,864 miles) of coastline on a rather narrow strip of land along the South China Sea make it extremely convenient to ship material in and out of the country. Urbanization, a well-educated populace, and other demographics such as its relatively high life expectancy (all noted further in the essay) make Việt Nam an attractive place for foreign companies and individuals to both invest and relocate.

Will these good times last? Việt Nam’s economic future remains bright, but there are important challenges that can gradually cause its growth to slow or even reverse itself.
Like other past and current growing economies, such as Meiji Japan and post-Mao China, one major casualty of Việt Nam’s new wealth is its environment—particularly the Mekong Delta. Pollution from Mekong River’s upstream industrial users has increased the number of cholera and typhoid fever cases among the delta’s farmers. Children under the age of five living along the Mekong River are most susceptible to these environmentally caused diseases. Unchecked pollution and degradation of interior and coastal regions cannot continue without additional harmful consequences to both its inhabitants and the national economy. Overreliance on global trade is also dangerous because protectionist policies can easily curtail exports. Việt Nam experienced this when US President Donald Trump made an executive decision to withdraw from the Trans-Pacific Partnership. Finally, the growing movement toward robotics will severely lessen the need for human employees in manufacturing. Still, despite all these potential challenges, Việt Nam remains an attractive option for investment.

Political Realities Việt Nam follows its 2013 Constitution, which states that the country’s National Assembly is the locus of state power. The 496 elected members of the states’ putative organ of power and authority provide a façade of a representative, democratic system. The National Assembly chooses a president and prime minister to function as the state’s and government’s leaders. It also appoints the court’s highest authority. Thus, the system does not mirror the separation of powers other governments enjoy. Rather, Việt Nam’s National Assembly is a unicameral body overseeing every other branch of government. Elections take place every five years, and the assembly is currently led by its fourteenth set of delegates (2016–2021). On the surface, this appears to be a representative body akin to the British Parliament or the US Congress. Do not be fooled. The real power in Việt Nam is the Communist Party of Việt Nam (CPV). One might put it this way: The CPV authored the story, and it wrote itself into the story. When you write a story, you shape the characters as you wish and can insert yourself as you see fit. Việt Nam’s current president, Đảng Thị Ngọc Thịnh, and its prime minister, Nguyễn Xuân Phúc, are players in the Communist play.

Yet, towering over these officials in terms of authority and power is Nguyễn Phú Trọng, the CPV’s General Secretary. He was elected to that position by members of the party’s Central Committee (around 180 members) in 2011 and then reelected in 2016. The CPV is careful not to fall prey to acquiescing inordinate power to its general secretary, unlike China’s experience with Mao Zedong, Deng Xiaoping, and Xi Jinping. Since 1986, Việt Nam has been led by five general secretaries. Power is found in the party, not an individual. It is the party that decides the number of members elected to the National Assembly and the demographic makeup of the body. In the 2016 election, 870 candidates received permission to campaign for 496 seats. Winners included 471 members of the CPV and twenty-one nonparty members. Việt Nam boasts an extremely high turnout for these elections—over 90 percent. Somewhat surprising to an outside observer is that these results are nearly opposite of the electoral demographics—only 3 percent of Vietnamese belong to the CPV, yet it garnered 96 percent of the National Assembly seats.

It is clear that to move into powerful and influential positions, one must be either a CPV member or receive CPV approval, which is difficult for anyone outside the party. Since 2000, the growth of the CPV has remained numerically stagnant, but there have been significant internal changes. As longtime Southeast and East Asia journalist Bill Hayton notes, there are three components that propel an individual to greater influence in the party: money, talent, and professional relationships. The latter is of greatest importance. It is also more acceptable to make Marxist ideological passion a minor motive for joining the CPV. Pragmatism has replaced Communist doctrine in both politics and CPV membership.

The CPV walks a fine line in its primary desire to remain in power while providing a modicum of free speech and a market economy that is inviting to foreign investors and companies. The CPV must demonstrate national stability. It still has significant control of the economy in terms of state-owned enterprises and the country’s energy sector. The CPV has actually been slower than the Chinese Communist Party to privatize state-owned enterprises. Most Vietnamese remain indifferent to political machinations. Government allows some

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public disagreement with policies, but there are limits. Numerous journalists have lost their jobs for criticizing the state and party. Several more public incidents, such as the 2010 detention of lawyer activist Cù Huy Hà Vũ for distributing material against the state, have received global attention. After four years in detention, Vũ was driven directly from detention to the airport and allowed to leave Việt Nam for the United States.9

Perhaps the CPV’s greatest challenge is the endemic corruption that threatens to delegitimize its claim that Việt Nam is a transparent and safe place for its citizens, tourists, and foreign investors. Corruption is not new to Việt Nam. Nepotism and buying of official positions go back centuries and were perpetuated by the French, Japanese, and Americans. But three twenty-first-century developments have exacerbated corruption so much that in 2015, Transparency International reported that “Việt Nam is perceived to be one of the most corrupt countries in the world.”10 First, government salaries have not kept pace with inflation and the robust economy. Government officials are tacitly expected to make up for their paltry pay by earning money through bribes. Stealing from the state will not be overlooked, but under-the-table payments for processing paperwork will be winked at. Second, there have been a good number of state-owned businesses sold to individuals in the CPV or family members associated with the party. These public-turned-private enterprises have been extremely lucrative, turning some Vietnamese into millionaires. Opportunities to take over state businesses are often given to the individual or company who might pay the largest bribe. Finally, foreigners unfamiliar with business practices in Việt Nam are often flummoxed by the loyalty a Vietnamese joint venture partner has toward relatives rather than to legal contracts. Payments from foreign companies do not always trump the loyalty to long-standing and familial relationships.

The CPV seeks to present itself as maintaining stability in Việt Nam through the enforcement of law and order. It supports the courts as they hand down death sentences for those engaged in corruption. Still, corruption and bribery are rampant throughout the
CPV and state bureaucracies. The key is to know how much one can get away with before incurring the wrath of the party and state.

Of the many social issues in twenty-first-century Việt Nam, three are certainly worth addressing: urbanization, education, and a growing wariness of China.

**Urbanization**

With a population approaching 100 million, the demographic shift in the urban population has changed the country’s social fabric. In 1990, eight of ten Vietnamese lived in the countryside; by 2020, that will be closer to six out of ten. With approximately 34 percent of the population now in an urban setting, the growth of opportunities is juxtaposed with the many potential dangers of megacities. While there is an increasing number of those in the middle class, the gap between Việt Nam’s rich and poor expands daily. Đồng Khởi Street in Hồ Chí Minh City offers luxurious goods that rival prices on New York’s Park Avenue. But next to Việt Nam’s exorbitant stores are families living in cardboard boxes. This is not how socialism is supposed to work. Rural families have largely fared poorly in Việt Nam’s economic growth. They have profited by selling their rice for urban and foreign markets, but their production has leveled off over the past two decades, while the costs for consumer products have dramatically increased. What’s more, Việt Nam’s social “iron rice bowl” of government-guaranteed free education and medical benefits is long gone.

In the 1990s, government officials and speculators offered handsome sums of money for rural farmland. Many farmers had little choice but to sell and are now landless tenant farmers barely able to survive. Those farmers who kept their land and gambled on new commercial crops, such as coffee, experienced several years of remarkable profits but then lost everything when world prices dipped below the farming costs. In the 1990s, almost 92 percent of Vietnamese farmers owned their land; now, only three-quarters work their own land. Poverty remains a primary concern for more than a quarter of the country’s population. These challenges are more acute for ethnic minorities, particularly those living in the highlands.

**Education**

Because of the long-standing Two-Child Policy, Việt Nam’s population has slowly grown to ninety-five million. In 1970, the average age in Việt Nam was eighteen; in 2000, it was twenty-four; today, it is over thirty—while also enjoying the highest longevity in its history (seventy-five years). One implication of this, along with urbanization, is greater interest, emphasis, and resources devoted to education. The prestige of an education is evidenced even politically, as over 60 percent of the 2016 National Assembly delegates have at least a master’s degree.

The elderly seek to use their savings and other resources to provide the best-possible education for their children and grandchildren, beginning with the various tiers of Việt Nam’s precollegiate education system. This includes primary (grades 1–5), lower secondary (grades 6–9), and high school (grades 10–12). Only primary schooling is compulsory, and the nation’s literacy rate is 95 percent. Việt Nam’s precollegiate curriculum is extremely...
The Story of Việt Nam
From Prehistory to the Present

By Shelton Woods

Shelton Woods successfully captures the essential scope and complexity of Vietnamese history and culture in substantive and accessible prose. The focus on the long duration of the country and the ability for Việt Nam to maintain its own identity in the midst of numerous foreign invasions and influences is key among other relevant issues. Professor Woods elegantly frames the relevance of Việt Nam, and this book will provide a foundation for teachers in understanding issues of culture and change in a globally connected world.

— Marilyn Levine, Provost, Central Washington University

Sino-Việt Nam Relations

It is somewhat difficult to get Vietnamese to care about politics and social issues, given the many new opportunities for economic and educational advancements. But in June 2018, riots broke out across the country in response to the government’s proposal to lease property for ninety-nine years to foreigners in new special economic zones. The target of protests and vandalism was not the government; rather, Chinese businesses suffered the brunt of the Vietnamese ire. There remains a wide and deep distrust and resentment against China in Việt Nam. However, the animus is not based on the lengthy period (111 BCE–938 CE) when China incorporated Việt Nam as a frontier province. The resentment stems from the more recent perceptions that the Chinese enjoy disproportionately high economic influence in Việt Nam. Furthermore, as noted earlier, China sided with Việt Nam’s enemy, the Khmer Rouge, and then invaded North Việt Nam in 1979. China has also declared that islands and waters off of Việt Nam’s coastline are part of China’s hegemonic control and that drilling for oil in the area must meet with China’s approval. Flexing its growing hegemonic might, China has also sought to influence the Association of Southeast Asian Nations (ASEAN) through members more closely aligned with China. Rather than being intimidated by China’s growing influence and presence in Southeast Asian waters, Việt Nam has actively sought to strengthen its position with closer ties to the United States and Japan.

In early July 2018, Việt Nam and Japan met for the sixth time to finalize a mutually beneficial defense policy. In March 2018, the Vietnamese welcomed US aircraft carrier Carl Vinson to their Đà Nẵng port. This was the first US carrier in Việt Nam since the American Việt Nam War. When the Philippines initiated a case against China in 2013 at the United Nations Convention on the Law of the Sea Court, of all the ASEAN members, only Việt Nam publicly supported the Philippines from the outset. Việt Nam is not cowered by China, and it is anticipating 2020, when it will hold the ASEAN chair. It seeks to become a leader among the eleven Southeast Asian nations.

Vietnamese protest in response to the government’s proposal to lease property for ninety-nine years to foreigners in new special economic zones. Source: Asia Times at https://tinyurl.com/y87fm4x3.

Senior leadership from Việt Nam greets leaders from US 7th Fleet, the US Embassy in Hanoi, and the Carl Vinson Strike Group—including 7th Fleet commander Vice Admiral Phillip Sawyer (center)—during a welcome ceremony in Đà Nẵng, Việt Nam, on March 5, 2018. Source: US Navy photo at USNI News, https://tinyurl.com/yan79kac.
Unbroken J. C. Van Leur (1908–1942) was a remarkable Dutch scholar who was a pioneer of Southeast Asian studies. He was tragically killed in Indonesian waters during World War II at a relatively young age. An important observation he made was that the foreign influences that made their mark on Southeast Asian states were merely a “thin flaking glaze” underneath which lay the authentic culture. This is certainly true of the Southeast Asian country of Việt Nam. Its resilience and growing leadership in the region are due to its cultural values of spirituality, the primacy of relationships, and undying love of freedom. Like bamboo, Việt Nam was forced to bend in the twentieth century. But Việt Nam’s roots are so deep that it would not break, and now, in this new century, it is standing tall.

NOTES

2. Ibid., 66.
5. Ibid.
8. Ibid., 106.

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