

# Master Degree in Entrepreneurship and Global Development

**Master Degree Thesis** 

# **Viet Nam**

Head of the Asian Dragon

**Supervisor** 

Prof. Stefano Soriani

**Graduating Student** 

Giulio Giacomazzi ID 853258

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## Introduction

The history of Viet Nam has been characterized by a huge number of conflicts and wars, most of them in order to defend its borders. Its most ancient enemy is China, that occupied Vier Nam for more than 1000 years and continuously tried to invade the country throughout the centuries. Then once the Chinese dominion was over, the Europeans arrived, with France making Viet Nam one of their numerous colonies. After the independence gained by winning against the french army, one of the bloodiest and most gruesome wars that ever happened ravaged the country: the Viet Nam war. After the end of the conflict and the victory of communism over western forces, the country lived under the apparent protection of the Soviet Union. From a communist state deeply rooted to the USSR and the COMECON, Viet Nam path to become a worldwide economic player began in 1986 with the Đổi Mới, a set of economic reforms to become a "socialist oriented market economy". Then, the fall of the wall of Berlin ended the COMECON chapter and since then, the country has been witnessing a strong and consistent growth, especially through all the 2000's and changed its economy from an agricultural to a market oriented one. Such an amazing transformation needs to be analysed and explored: what are the factors that permitted this little Asian country to experience such an incredible evolution? How its past and its culture shaped its future? How can be Viet Nam be considered one of the fiercest China's opponent? This work is a multilayer analysis of Viet Nam that aims at introducing the reader to this amazing country and its culture, taking into account as many factors as possible, trying to provide an all around vision over the evolution of Viet Nam. The first chapter introduces the reader to the country's history, focusing mainly after the colonialism period: this decision was made to deepen the ancient history in the last chapter, in the paragraph on its relations with China. This work then propose an analysis from a cultural and social point of view of the modern era of Viet Nam, namely after the Vietnam civil war and

the Viet Nam war. The first chapter ends with an analysis of Vietnamese economy, taking into consideration the relationships with the social and cultural aspects previously considered. The Second chapter analyses Viet Nam from a geopolitical point of view, revisiting its interaction with the 6 associations and organizations in which it is involved up to these days: COMECON, OIF, NAM, UN, ASEAN and WTO. The third and last chapter is divided in three sub – chapters and focuses on the relations that Viet Nam has with the biggest player in the world starting with the US: how did the Viet Nam war affected the relations between the two countries? Considering that nowadays the relations between the two are stronger than ever, how could Viet Nam manage to go over such an horrendous event? The focus then moves to the relationships between Viet Nam and the European Union: diplomatic ties between the two were officially established in 1990 and the main reason can be found in economic needs by both the parts but since then, the relations grew stronger and developed deeper bounds between Viet Nam and the European Union. The second chapter ends with a overview of relations between Viet Nam and Italy, one of the countries that most of all believed in the Vietnamese rise. The third and last paragraph unfolds the infinite canvas in which the story between Viet Nam and China is represented, from the thousand year Chinese dominion to the fragile equilibrium during the french colonialism, from the delicate role of China during the Viet Nam war to the harsh trade and border war with its neighbour. The relations with China had always been very complicated but one of the lowest points have been reached in the last years, with the tightening of the tensions between the two countries over the South China Sea and the archipelagos in it. The south China Sea is a sensible argument to discuss on because is considered to be, in the modern geopolitical sphere, a tricky situation that could turn into a disastrous trouble for the geopolitical worldwide equilibrium. This work will explain the choice of the title "Viet Nam Head of the Asian Dragon" by considering all the necessary aspect, all the solved and

unsolved issues that influenced the development of this amazing country that transformed, in the last century, from a agricultural of subsistence economy to a socialist market oriented one and one of the most promising economies in the ASEAN area.



# Chapter | Viet Nam Overview

#### A brief introduction to the country

Viet Nam (Việt Nam) as we know it, is the result of a long history of wars and independent movements. From the first war against China to become indepent in 938 a.C., Viet Nam has always been subjected to incursions by other countries, mainly due to its strategic position. The independency gained by Viet Nam lasted until the second half of XIX century, when France colonized it, together with Cambodia and Laos, creating the French Indochina. This colony system caused many rebellions and independency movement spreading through the controlled countries: a key figure in the process of independency of Viet Nam had been Ho Chi Minh. Ho Chi Minh (1890 – 1969), was a north revolutionary politic figure responsible for the foundation of Việt Minh (League for the Independence of Viet Nam), a patriotic independentist movement founded in 1941 that fought against the French army in order to make Viet Nam an independent country. In 1954 after 9 years of hostilities and the Geneva Accord Viet Nam, as the country that we know nowadays, was born. Problems were anyway anything but far and the menace of another war got concrete and stormed the newly formed Viet Nam yet again. The country was divided between North and South: the first one, supported the communist block led by China and URSS while the second one was more western – oriented and was highly founded and sustained by USA. This net division was the precursor to the Viet Nam war, one of the bloodiest and most ferocious conflicts ever happened. The conflict lasted for two decades, from 1955 to 1975, when the last US army forces abandoned the battlefield after the South Vietnamese army lost against the northern one. The Vietnamese war is the most unpopular foreign war led by USA in its history and one of the most atrocious ones: human rights were ignored, every civilian, from the youngster to

the oldster, man or woman, fell victim to the conflict, chemical compounds were used to destroy the forest, causing the newborn babies to be orrendously deformed for decades. Once again, against all the odds, Viet Nam defeated a foreign power trying to interfere with its internal affairs. Peace anyway was far, because Viet Nam still was a divided state: the northern part had to consolidate its presence and power across all the country and did so by not tolerating other political parties than the communist one and "re – educating" the population and the non – communist soldiers, even the ones that fought for the northern army. Re – education camps were structures in which southern people and non – communist soldiers were confined, brainwashed and even tortured in order to make them accept the new communist principles, violating many human rights. The tough repression of the post-war period against the remains of capitalism and western countries supporters in the South led to the collapse of the economy during the early 80s. With the economy in chaos, the government of Viet Nam changed direction and adopted policies necessary to adapt a traditional communist vision to a more modern and pragmatic one: Đổi Mới reforms were launched in Vietnam in 1986 with the goal of transforming Vietnam from a communist economy to a "socialist-oriented market economy". Due to the incursions in Cambodia in the the third war of Indochina, a conflict lasted for 13 years from 1978 to 1991, Viet Nam was condemned by United States and the embargo imposed in 1975 got stronger. The 90s marked the beginning of a new era for Viet Nam, starting from the fall of COMECON in 1991 to the end of the embargo imposed by US in 1994. In 2000 Bill Clinton visited Viet Nam, as the first American president to do so and the country was inserted in the WTO. Thanks to the improvement of the relationship with China, the 90s slowly turned the country into a good way to invest in the eyes of China and its economy started skyrocketing, marking the country as one of the fastest growing country worldwide. In 2019, the worldwide GDP average growth rate was 2.475%, in the East Asia and Pacific area was 3.763% while Viet Nam's GDP annual growth rate was an incredible 7.017%<sup>1</sup>. Viet Nam is now seen as a very attractive destination for investments and the percentage of foreign investments have been, for the last 5 years, above 6% of the country GDP, way over the percentage in the South East Asia area<sup>2</sup>. During these decades, Viet Nam worked on improving its citizens life with focused social policies and initiatives: goals are anyway far from being achieved and much work still has to be done, mainly at institutional level. Viet Nam is not considered a rural country anymore and has become a worldwide player both from an economical and geopolitical perspective. In order to have a complete understanding of the evolution of Viet Nam through the years, we must divide the country's history in four main periods: *pre-colonization, french colonization, post Vietnamese war* and *modern days*.

#### Pre-colonization (Before 1858)

Vietnamese economy has always been based on subsistence agriculture and in the past centuries the country was dominated by feudal dynasties that based their power on the physiocracy principle<sup>3</sup>, for which the wealth of a country or a feud, was given by the value of its lands and agriculture development. The agricultural products mainly produced have always been rice, bamboo, banana and exotic fruits. Commerce was not a widespread practice because it wasn't seen well by the population that was deeply bounded with agriculture and farming processes. Despite this, the main manufacturing center of Viet Nam was Hanoi in which people from all over the world came to trade silk and ceramics, two

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<sup>&</sup>lt;sup>1</sup> See: Viet Nam GDP growth

https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2019&locations=Z4-VN-

<sup>1</sup>W&start=2019&view=bar

<sup>&</sup>lt;sup>2</sup> See: FDI in Viet Nam

https://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS?end=2019&locations=VN-Z4&start=2000

<sup>&</sup>lt;sup>3</sup> Alexander Woodside (1989), History, Structure, and Revolution in Vietnam, International Political Science Review, Sage Publications, Ltd. Vol 10, No 2, pp. 143 – 157.

products for which Viet Nam has been always known for. During the 16<sup>th</sup> century, Viet Nam began to embrace a pre-capitalism approach to economy, based on semi-industrialization and sea-trades particularly on silk and tissues. In the 17<sup>th</sup> century Vietnamese economy reached it's peak, thanks to the expansion of commercial routes, especially the marine ones and cities such as Hanoi and Hoi An started to appear more often in the worldwide scene. During the 18<sup>th</sup> century, Viet Nam faced a stagnant economy, due to plagues, internal tumults such as Tay Son peasant rebellions and government decision that poorly fitted the markets structure of the new world. Economic stagnation and dissatisfaction are believed to be one of the major causes for the French colonization in Viet Nam, or at least a factor that helped it.

#### French colonization and Viet Nam War (1858 - 1975)

In the 19th century France was among the biggest power at the time, trying to establish and increase its power: for this reason the empire saw in the south east Asian area the best opportunity to start a new colony and exploit natural resources and labour, with the "mission civilisatrice" excuse. French influence lasted for more then 60 years and definitely shaped the culture of Viet Nam. The Asian country was split in two economic regions: the south was assigned to agriculture, thanks to its favourable climate and fertility while north was conceived as the manufacturing region, thanks to the presence of minerals and important resources such as coal and the know how matured during the years. Unfortunately this policy divided the country not only from an economic point of view but even from an ideologic one: the north, oriented to communism and the south, more liberal and capitalistic. In 1946, the first Indochina War began, seeing the French army fighting against the independency movement Viet Minh, lead by Ho Chi Minh. In 1954 the French army was defeated in the Dien Bien Phu

battle. After the french defeat and the colonies retreat, four new independent countries were recognized: the Republic of Viet Nam, the Democratic Republic of Viet Nam, Laos and Cambodia. However the United States intervened just few months after the end of the First Indochina war, starting what is commonly known as the Viet Nam War. At the end of this two decades war, the country was exhausted and deeply divided, the economy weakened and, due to the victory of the northern part, 1.5 million deaths and 1 million of escaping people from the south, Viet Nam needed to be rebuilt economically and politically.

#### After the Viet Nam War (1976 - 1990)

With the economy destroyed and the population discouraged, Viet Nam's only salvation was COMECON and its need to find new countries to recruit to fight against the western block. Viet Nam had to adopt the five years planning and establish goals to achieve in order to please the rigid Soviet Union regime. After the failure of the 1st Five-Year Plan, in which Viet Nam aimed to relocate population from the most overpopulated zones like the Red River Delta to the most underpopulated ones, the 2<sup>nd</sup> one (1976 - 1980) aimed to reach growth figures for the heavy industry and agriculture that can be considered absurd, given the situation in which the country was at the time and to unify North and South Viet Nam. This plan failed too due to the ambitiousness of the goals and the deep socio – economic crisis in which the country was. In 1977, due to some territorial disputes Viet Nam went to war with Democratic Kampuchea and in 1978 the former launched a full scale invasion on the Cambodian territory, removing the communist party of Kampuchea from government. This war harshened the relationships with USA and China that, in response to the occupation of Cambodia, tried to occupy northern Vietnamese territories in the Sino-Vietnamese war, without success. The 80's saw the implementation of the

3rd Five-Year Plan (1981 - 1985), that aimed by using a more cautious approach, to nationalize enterprises and focus on agriculture and family enterprises. In 1986, in parallel with the 4th Five–Year Plan, Viet Nam introduced a new group of reforms called Đổi Mới and the two-child policy, trying to control the demographic explosion of the time. Đổi Mới is the set of reforms launched to transform the economy of Viet Nam in the "socialist – oriented market" that we can observe nowadays, by decentralizing the economic processes and stimulate entrepreneurship and is considered by many scholars as the precursor of modern Viet Nam.

#### Modern Times (1991 - Today)

After five turbulent decades, the 90's opened up positively for Viet Nam: the end of the Cambodian war brought some fresh air to the relationships with China and USA, its economy figures started skyrocketing, with an impressive average 7.4% GDP growth per year. In 1997 the Asian Financial Crisis rampaged through south and south - east Asia but Vietnam wasn't affected as much as other countries like Hong Kong, Thailand, Indonesia and Singapore. In the 2000's US and Viet Nam normalized their relations and signed of the Bilateral Trade Agreement between Vietnam and USA, boosting Vietnamese economy even more by opening a new window on the world economy. In 2001 the attack on the twin towers brought to the world a new meaning of fear and this situation affected also the financial markets worldwide: Vietnam proved yet again to be a stable and strong economy, being the second fastest growing economy at that time. In 2007 Vietnam was accepted as official member of World Trade Organization, opening the country to a wider market but also to tough foreign competition: this new situation highlighted the need for a change at a politic level. The government started to open up even more the country to foreign

investors and entrepreneurs and to privatize the state-owned companies that were responsible for the not-achieved potential growth of Vietnam. Up to now, Vietnam's economy has a stable, high growth rate and attracts investors from all over the world. The aim of the party now, is to try to reduce poverty and corruption: privatizing companies and adopting a more capitalistic approach to economy have been giving positive results for more than a decade. Vietnam is thought to be a possible "next Asian tiger" and previsions says that the country will outperform also Singapore, thanks to the huge inflows of foreign investments and the increasing trade and labour volumes involved.

#### **Human Development Indexes**

In order to obtain a good profiling of a country, economy is not the only aspect that must be taken into account: quality of life, healthcare and schooling system are even more important. The United Nations Development Programme (UNDP) uses a group of indexes that, together, gives an idea on the situation of the country. Two premises must be done in order to be able to analyse and use these data:

- National data and international one can differ, because international agencies standardize national data in order to make them comparable and compatible with the ones of other countries.
- It can be misleading to compare values and rankings of different time horizon reports, due to revisions and data updates.

The indexes that are commonly used in the evaluation process of a country are: Human Development Index (HDI), Inequality adjusted HDI (IHDI), Gender Development Index (GDI), Gender Inequality Index (GII) and Multidimensional Poverty Index (MPI). These indexes are the statistical representation of 5 dimesions, which are health, education, standard of living, empowerment and labour market which are also expressed by different dimension indicators, like life expectancy, expected or mean years of schooling, nutrition and so on. All these measures shouldn't be considered singularly, due to the risk of distorting reality: in order to obtain a country profile as realistic as possible, the researcher should consider all the five indexes listed above.

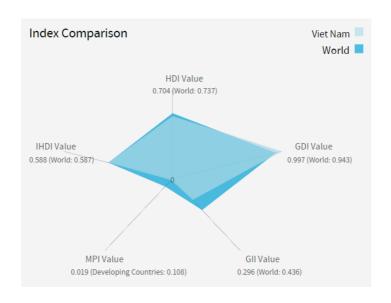
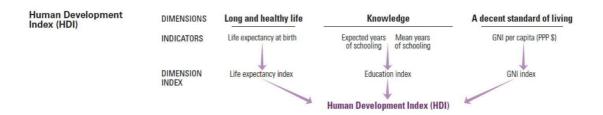


Figure 1 - Viet Nam indexes compared to the global ones

#### Human Development Index, HDI

HDI is the measure of the achieved human development considering the first three dimensions: a long and healthy life, access to knowledge and a decent standard of living. The first dimension is expressed by life expectancy, the second one by the average number of schooling years among adult population over 25 years old and the expected number of schooling years among young people with school entry age and the last one is represented by the Gross National Income

(GNI) per capita expressed in constant 2011 international dollars converted using purchasing power parity (PPP) conversion rates.



This index can assume values that range from 0 to 1.00 and is computed with this formula:

$$HDI = \sqrt[3]{(LEI*EI*II)}$$
 LEI - life expectancy index, 
$$LEI = \frac{\text{LE} - \max value}{\max value - \min value}$$
 EI - education index, 
$$EI = \frac{\text{MYSI} - \text{EYSI}}{2}$$
 GNIpc - gross national income per capita, MYSI - mean years of schooling index and 
$$II = \frac{\ln (\text{GNIpc}) - \ln (\min value)}{\ln (\max value) - \ln (\min value)}$$
 EYSI - expected years of schooling index

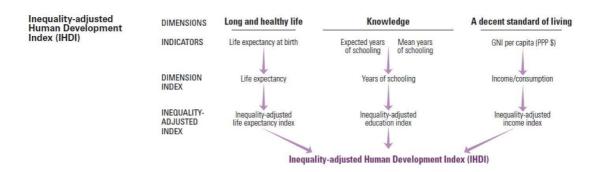
Countries are divided in three classes depending on the value of their HDI, namely high HDI countries (HDI > 0.800), medium HDI countries (0.799 < HDI < 0.550) and low HDI countries (HDI < 0.549). Vietnam's HDI in 2019 was 0.704, putting it in the medium, in 118<sup>th</sup> place out of 189 countries. From the Human Development Report 2019 about Vietnam, it can be observed that HDI grew from 0.475 (1990) to 0.704 (2019), an increase of 48.2%, in less than 30 years. Compared to other Asian countries (Thailand, Philippines and China), Vietnam's HDI grew more in the last years but this information can be misleading, considering that Vietnam is lower in ranking and facilitated in improving its HDI.

	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2017 PPP\$)	HDI value
1990	70.6	7.8	3.9	1,579	0.483
1995	71.9	9.3	4.6	2,242	0.537
2000	73.0	10.6	5.4	3,144	0.586
2005	74.1	11.3	6.4	3,885	0.624
2010	74.8	12.0	7.5	4,921	0.661
2015	75.1	12.7	8.0	6,130	0.688
2016	75.2	12.7	8.1	6,504	0.693
2017	75.2	12.7	8.2	6,617	0.696
2018	75.3	12.7	8.2	7,051	0.700
2019	75.4	12.7	8.3	7,433	0.704

Table 1 - Viet Nam HDI through the years

#### Inequality adjusted Human Development Index, IHDI

In the common language, we often use the term "average" as a way to classify certain results but, statistically speaking, when we refer to the mean we are taking into consideration the arithmetic average of the obtained values. This index cannot be used as the only tool to justify a certain value and build our assumptions on: if there is a study on the distribution of salaries in Viet Nam and only the mean is used, the result will not represent the Vietnam, due to the limited amount of factors taken into consideration to recreate reality in a statistical manner. Mean doesn't represent the distribution of values so, referring to the previous example, I'm not considering the fact that a small group of rich people is highly influencing the average salary across the whole country. For this reason, HDI shouldn't be used alone as a measurement. In order to overcome this problem, in 2010 the Human Development Report Office (HDRO) introduced a new index, called the IHDI, which takes into account all the inequalities affecting the three dimensions explained by the HDI, adapting them by discounting these data using their intrinsic level of inequality.



This index gives us the loss, expressed in percentage, of the human development due to inequalities:

$$I_x^* = (1-A_x)*I_x$$
 
$$IHDI = [(1-A_{health})*(1-A_{health})*(1-A_{health})]^{1/3}*HDI \qquad I_x^* = \text{Inequality adjusted index}$$
 
$$Loss = 1 - [(1-A_{health})*(1-A_{health})*(1-A_{health})]^{1/3} \qquad I_x = \text{Dimension index}$$
 
$$Loss\% = \frac{\text{HDI} - \text{IHDI}}{\text{HDI}}*100$$
 
$$A_x = \text{Inequality measure}$$

Once Vietnam's HDI is discounted, it drops to 0.588, with a loss of 0.116, namely 16,5%, a lower value if compared to Thailand, Philippines and all East Asia and Pacific Area.

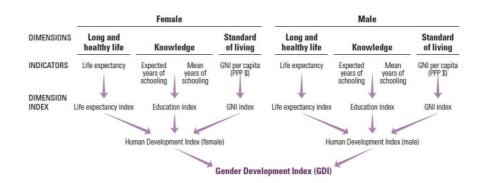
	IHDI value	Overall loss (%)	Human inequality coefficient (%)	Inequality in life expectancy at birth (%)	Inequality in education (%)	Inequality in income (%)
Viet Nam	0.588	16.5	16.5	12.9	17.6	19.1
Philippines	0.587	18.2	17.8	15.3	10.1	28.1
Thailand	0.646	16.9	16.7	7.9	18.3	23.8
East Asia and the Pacific	0.621	16.9	16.5	9.9	13.4	26.2
High HDI	0.618	17.9	17.6	10.1	14.5	28.0

<u>Table 2 - Viet Nam IHDI through the years</u>

#### Gender Development Index, GDI

Another important measure introduced by HDRO in 2014 is the Gender Development Index, defined as the ratio of Female HDI on Male HDI. The GDI considers three dimensions: health, education and control over economic resources.

Gender Development



This index has always been at the center of heated debates mainly for two reasons: first of all, the data needed to build this index are not always so reliable so the credibility of this measurement can be affected negatively and second, this index can lead to misunderstandings because it must not be analyzed alone. If we compare, for example, the GDI of Kuwait, that is the nearest to the gender development equality with 0.99927 with norvegian GDI, that has a value of 0.99044, the natural assumption would be that the gender situation in Kuwait is better than in Norway. In reality instead, Norway has been for the last years the best country to live in, invalidating the assumptions made by considering only the GDI.

$$GDI = \frac{HDI_{women}}{HDI_{men}}$$

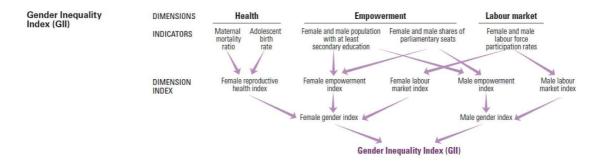
After the value of GDI is computed, the analysed country is ranked and put in a group out of five: in group one there are the countries considered to be nearest to the gender development equality while in group five there are the farther ones. Vietnam, with a GDI value of 1.003, is in group one.

	F-M ratio HDI values		HDI values				Expected years of schooling		Mean years of schooling		GNI per capita	
	GDI value	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
Viet Nam	0.997	0.703	0.705	79.5	71.3	12.9	12.5	8.0	8.6	6,644	8,224	
Philippines	1.007	0.720	0.715	75.5	67.3	13.5	12.8	9.6	9.2	7,843	11,694	
Thailand	1.008	0.782	0.776	80.9	73.5	15.8	14.7	7.7	8.2	15,924	19,737	
East Asia and the Pacific	0.961	0.731	0.760	78.0	73.1	13.7	13.6	7.7	8.4	11,485	17,827	
High HDI	0.961	0.736	0.766	78.0	72.8	14.1	13.9	8.2	8.7	10,529	17,912	

<u>Table 3 - Viet Nam's Gender Development Index through the years</u>

#### Gender Inequality Index, GII

The Gender Inquality Index was introduced by HDRO in 2010, with the same purpose of IHDI. This value quantify the loss of development due to inequalities between the two genders in the country. This index was introduced in order to fill the well known lack of GDI and the old GEM: the Gender Empowerment Measure index was designed to measure the gender equality in a country, relying on women's economic income, participation in high-salaries positions and access to professional and parliamentary positions. The main problems with this index are the lack of reliable data and the fact that it focuses only on most educated and economically advantaged women. GDI considers three factors: reproductive health, that depends on Maternal Mortality Ratio (MMR)<sup>4</sup> and Adolescent Fertility Rate (AFR)<sup>5</sup>, women's empowerment, that depends on the share of parliament seats held by women and attainment of higher education certificates and economical activity, given by women's participation in the country's workforce.



Vietnam has a GII value of 0.296, raking it as the 68<sup>th</sup> over 162 countries. Vietnam is well ranked in the South East Asia and Pacific area and looking at the data provided by the HDR 2019, we can see that the labour force participation rate is way higher than the one of Philippines, Thailand and China: Vietnamese society

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<sup>&</sup>lt;sup>4</sup> The MMR is an accurate index to describe women's status in the analyzed society. A lo MMR means that women have more access to health care.

<sup>&</sup>lt;sup>5</sup> A country with a higher AFR indicates that lot of young women have children at an early age, implying health risks for the mother and the child and less access to education for both of them.

has been built or, to be more precise, re - built by women, due to the numerous conflicts in which Viet Nam has been subjected over the centuries and men were recruited by the army. Despite being a fundamental part in the creation of the society that we can see nowadays, Vietnam has encountered many difficulties in trying to diminish the gender gap: being a society deeply bounded with its past and traditions Vietnam sees in the Confucian Patriarchal the only possible family model, influencing in this way women's power at the "domestic level"; there has also been an overtaking of the number of men over women, a direct consequence of the Two – Child policy that Vietnam adopted in the late 60's<sup>6</sup>.

	GII value	GII Rank	Maternal mortality ratio	Adolescent birth rate	Female seats in parliament (%)	Population with at least some secondary education (%)		Labour force participation rate (%)	
						Female	Male	Female	Male
Viet Nam	0.296	65	43.0	30.9	26.7	66.4	78.2	72.7	82.4
Philippines	0.430	104	121.0	54.2	28.0	75.6	72.4	46.1	73.3
Thailand	0.359	80	37.0	44.9	14.1	43.5	48.6	59.2	76.1
East Asia and the Pacific	0.324	_	73.1	22.1	20.2	69.4	76.5	59.2	76.5
High HDI	0.340	_	62.3	33.6	24.5	69.8	75.1	54.2	75.4

Table 4 - Viet Nam's Gender Inequality Index through the years

#### Multidimensional Poverty Index, MPI

MPI was introduced by HDRO in 2010 to substitute the Human Poverty Index (HPI). It is used to identify the deprivations suffered by the population considering health, education and living standards. The three dimensions are then deeply analyzed in ten indicators and each indicator has a certain weight on the final result. The following table shows the main structure of this elaborated index:

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<sup>&</sup>lt;sup>6</sup> Anh P. Ngo (2020), Effects of Vietnam's two-child policy on fertility, son preference, and female labor supply, Journal of Population Economics, Springer, volume 33, pp. pp. 751–794

Dimensions of Poverty	Indicator	Deprived if living in the household where	Weight			
Llaskh	Nutrition	Any adult under 70 years of age or any child for whom there is nutritional information is undernourished.	1/6			
Health	Child mortality	Any child under the age of 18 years has died in the family in the five-year period preceding the survey.				
F.1	Years of schooling	No household member aged 'school entrance age + six years or older has completed six years of schooling.	1/6			
Education	School attendance	Any school-aged child is not attending school up to the age at which he/she would complete class eight.				
	Cooking Fuel	The household cooks with dung, wood, charcoal or coal.	1/18			
	Sanitation	The household's sanitation facility is not improved (according to SDG guidelines) or it is improved but shared with other households.				
Standard of	Drinking Water	The household does not have access to improved drinking water (according to SDG guidelines) or improved drinking water is at least a 30-minute walk from home, round trip.				
living	Electricity	The household has no electricity.	1/18			
	Housing	At least one of the three housing materials for roof, wa and floor are inadequate: the floor is of natural material and/or the roof and/or walls are of natural or rudimental materials.				
	Assets	The household does not own more than one of these assets: radio, television, telephone, computer, animal cart, bicycle, motorbike or refrigerator, and does not own a car or truck.	1/18			

The MPI is computed by multiplying the percentage of poor people for the average poverty among poor people:

$$MPI = H * A$$

H - Percentage of poor people in the population

A - Intensity of poverty, intended as the percentage of deprivation regarding the MPI indicators

In order to classify a person as poor, HDRO set 33.3% as the poverty threshold. If the deprivation score is between 20% and 33%, the person is defined as sensible

to poverty, if the value is higher than 33% but lower than 50%, you are classified as multidimensionally poor and, if the percentage is over 50%, you are considered to be living in severe poverty conditions. Due to a limited availability of data, Vietnam's MPI estimations refers to 2013/2014 data, and the value is 0.019. In Vietnam, 4.9% of the population is considered to be multidimensionally poor and 5.6% is considered to be sensible to multidimensional poverty. The main problem with MPI is that it doesn't consider the geographical distribution of poverty in the country, not giving a complete insight of the situation: in central and southern Viet Nam there is the highest concentration of poor people and there are areas in which the presence of technology is too low to permit a decent extraction of data by the census.

	Survey MPI Headc		Survey MPI		Intensity of	Population share (%)			Contribution to overall poverty of deprivations in (%)		
year	value	ount (%)	deprivations (%)	Vulnera ble to multidim ensional poverty	In severe multidim ensional poverty	Below income poverty line	Health	Education	Standard of living		
Viet Nam	2013/2014	0.019	4.9	39.5	5.6	0.7	1.9	15.2	42.6	42.2	
Philippines	2017	0.024	5.8	41.8	7.3	1.3	6.1	20.3	31.0	48.7	
Thailand	2015/2016	0.003	0.8	39.1	7.2	0.1	0.0	35.0	47.4	17.6	
East Asia and the Pacific	-	0.023	5.4	42.5	14.6	1.0	1.7	27.7	35.5	36.8	

Table 5 - Viet Nam's Multidimensional Poverty Index though the years

#### Conclusions

Vietnam worked hard in these last decades in order to improve the life conditions of its inhabitants, starting from an economic approach and continuing through the adoption of highly focused social policies and initiatives. Vietnam is lacking right now, as an intrinsic characteristic of developing countries, in the tutelage and establishment of human rights, gender equality, environmental policies and all the conditions that can lead a country from the developing to a developed definition. Child labour, freedom of speech, press and information are sore subjects for which Viet Nam has been blamed for during the years and many

international organization accused the country of being too loose on some issues. Vietnam has anyway been moving in the right direction, implementing new policies every year and outlining the next goals that must be achieved.

#### Viet Nam's Dual Agenda

Equity is a value deeply bounded in Vietnamese culture and people. The preamble to the constitution sets, as a goal, "a prosperous people and a strong, democratic, equitable, and civilized country.", while Article 50 declares: "The State shall create equal opportunities for citizens to enjoy social welfare". After the successful implementation of Đổi Mới, many of the resources gained by the country, especially from the skyrocketing of the agricultural sector, were spent on the reduction and prevention of inequalities: this move helped Vietnam to avoid the spike in inequalities already seen in fast - growing countries. This anyway, didn't prevent Vietnam from experiencing, in the modern days, troubles regarding inequalities in the population. That's the reason why, for the first time ever, the Ministry of Planning Investments teamed up with World Bank Group in order to define which are the plans that Vietnamese politics have been following for the last three decades. The first agenda consists in reaching a situation of equality of opportunities, the second one, that can be classified as an emerging one, regards the rising middle class and aging population. These two agendas imply the adoption of ad hoc social policies that have been historically always been considered non - productive, being overlooked by developing countries. Nowadays things are changing and upper – middle income countries are acknowledging the fact that knowledge based and global competition sectors are deeply bounded with social policies, giving a whole new meaning to the importance of these initiatives.

#### Viet Nam's Equality Mission

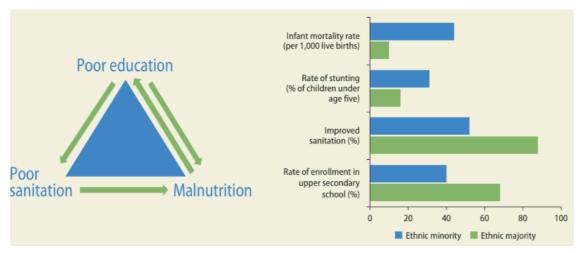
With the aim of moving way from a collectivist economy to a market oriented one, Viet Nam has been creating incentives that allows talented and motivated people to create enterprises and entrepreneurial realities. This transformation brought some fresh air in terms of entrepreneurial activities and lots of investments in the country, especially in the private sector, allowing more people to take a step in the entrepreneurial world. The other side of the coin is that a more liberal approach made possible the flowering of inequalities within the population, due to different incomes, risk aversion and entrepreneurial temperament. Becoming an international player opens the country and its population to a whole new level of economic risk, due to the volatility of the international economy. The classes affected the most by these problems are ethnic minorities, people with disabilities and urban migrants.

#### Ethnic Minorities and Triangle of unequal opportunities

Vietnamese population is characterized by having a large variety of ethnicities: 54 are the groups recognized by Vietnamese government. The predominant group is the *Kinh*, being more than 85% of the population<sup>7</sup>. People belonging to smaller groups, especially children, suffers huge inequalities in sanitation and education. The three main factors that cause inequalities within ethnicities are well represented by the so called *Triangle of unequal opportunities*.

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<sup>&</sup>lt;sup>7</sup> See: UNFPA (2019), Results of the population and housing census 2019, https://vietnam.unfpa.org/en/news/results-population-and-housing-census-2019



<u>Figure 3- The triangle of unequal opportunities</u>

<u>Figure 3 - Viet Nam's inequalities in ethnic</u> <u>groups</u>

Scholars found out that the major cause for inequalities in this area is the lack of access to education and this soon became the main focus of the government, followed by nutrition and poor sanitation. Viet Nam still faces inequality problems but is trying, like Thailand did with their National Nutrition Program, to fill the gap between different ethnicities.

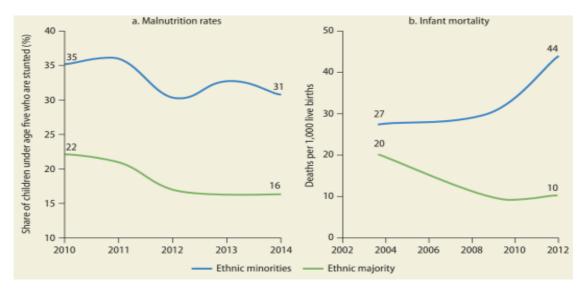
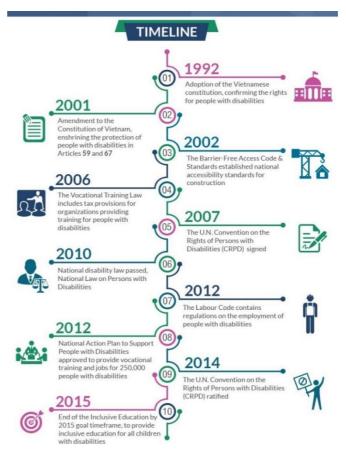


Figure 4 - Malnutrition rates and infant mortality in Viet Nam

#### People with Disabilities

Viet Nam counts a huge number people with of disabilities of various nature, mainly due to all the conflicts in which it took part in the past: nowadays there still are newborn babies with severe deformities due to the usage of many chemical compounds to destroy the forest, with the Agent Orange being the most infamous used by the US army. In the War Remnants Museum in Ho Chi Minh is still possible to observe the inhuman conditions and the



<u>Figure 5 - Viet Nam progresses to integrate people with</u>
<u>disabilities</u>

consequences on the population of the Viet Nam civil war. Vietnamese government will need to focus on disabled people policies, because the number is going to rapidly grow in the next years, as population will growth in number and will get older as the country gets richer. The number of people with disabilities is about 7% of the total of the Vietnamese population<sup>8</sup> (around 6.8 million) but this number is thought to grow up to 15 million by 2035. According to the data extracted from GSO surveys, 75% of disabled people live in rural areas, without having access to health care and all the services needed; 48% of

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<sup>&</sup>lt;sup>8</sup> See: Launch of Key Findings of Viet Nam's first large-scale National Survey on People with Disabilities, https://www.unicef.org/vietnam/press-releases/launch-key-findings-viet-nams-first-large-scale-national-survey-people-disabilities

disabled people is not receiving a secondary education and the majority of them is in the 1-19 years old range (23.3%). Due to this phenomenon, Viet Nam has been implementing, through the last 3 decades, policies and laws to protect and facilitate the integration of people with disabilities in the society. For many years disabled people have been considered objects of charity more than people with well defined rights but things are changing, thanks also to worldwide studies and the importance that international rights and policies are gaining.

#### **Urban Migrants**

The third group to be considered is the urban migrants: in Viet Nam up to 5.6 million people don't have a permanent registration of where they live<sup>9</sup>, causing them to have an opportunity gap with other people. The problem is deeply bounded with the  $h\hat{\rho}$   $kh\hat{a}u$  system, a method of identifying people diffused in many South East Asian countries: this system is basically a family register, given to the household, where all the biographical data of the members are registered. Problems rise when, for example, someone wants to move to another house with his/hers partner or the household member dies, because all the modification processes are full of bureaucracy. People in big cities without this document have difficulties to access to health care, schooling, social protection and employment: that's why in 2016, the Vietnamese government started to implement a new identification system based on a national database, where every citizen will be given a 12 - digits PIN that contains every information. This is considered by many one of the most important social reforms that the country will implement and will help a lot reducing the inequality problem amongst people.

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<sup>&</sup>lt;sup>9</sup> See: Reforming Vietnam's Household Registration System, http://pubdocs.worldbank.org/en/597131465814757714/Vietnam-Household-Policy-note-EN-20160610.pdf

#### **Gender Equality**

Gender equality is another crucial question regarding Viet Nam. The country has obtained incredible achievements in gender equality throughout the years: differences in scholarship between males and females have been reducing over the last decades, the gender wage gap is modest by global standards and work involvement is high if compared to other South East Asian countries. Political / leadership involvement and sex ratio at birth is where Viet Nam falls behind many other countries: in the last two decades the share of women involved in politics and business leadership has been declining, with extremely low figures particularly in the politic scenario.

Sector	Female leader	Male leader	Total
Government leader	178 (8.3%)	1,957 (91.7%)	2,135 (100%)
Leader of an association	26 (15.1%)	146 (84.9%)	172 (100%)
Elected deputy	38 (19.5%)	157 (80.5%)	195 (100%)
Leader of an NGO	8 (47.1%)	9 (52.9%)	17 (100%)
Business leader	135 (22.6%)	463 (77.4%)	598 (100%)

Table 6 - Women situation in Viet Nam

Many solutions have been conceived but, in practice, they still have to be implemented: the ideal scenario would be to undertake short term action, with the aim to regulate the number of women enrolled in the party and a long term one, instructing youngsters on the importance of gender equality and a more genuine concept of masculinity, leaving behind the patriarchy mentality that characterize Viet Nam. Sex Rate at Birth is defined as the numbers of male birth per female birth. In the 80's, the SRB for Viet Nam was around 105 but decade after decade this figure has been rising, peaking nearly 114 in 2013 and stopping at 111.5 in 2019. This phenomenon will see an excess of men by the year 2040 and

may cause antisocial behaviour, violence against women ad human trafficking. This imbalance is caused mainly by three aspects:

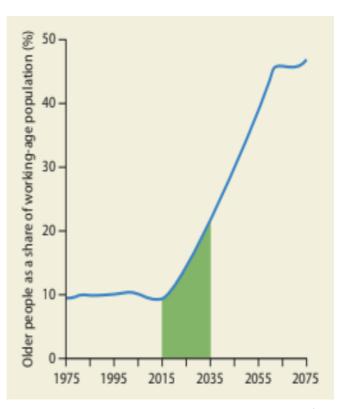
- Cultural: families have the tendency to prefer male children, because they
  can continue the bloodline of the family, worship the ancestors and
  because they have the responsibility to take care of their parents once they
  get old.
- Technology: thanks to advancements in technology and science, the
  possibility to know way before the birth date the sex of the newborn, is a
  way to decide if to have an abortion or not.
- Policy: Viet Nam actually discourages families from having more than two children, with the implementation of the two child policy since the 1960s.
- Even though the technology and the policy aspects surely affects the SRB, the cultural one is the most influent and, after many policies failed to diminish the SRB value, the problem could be solved if parents change their preferences regarding having a female or a male kid.

#### The Emerging Agenda

The second part of the Vietnamese political agenda is the one regarding the emerging middle class and the aging of the population. Viet Nam has been a fast growing economy for the last 3 decades, transforming itself from an agriculture – based economy into a market oriented one. The results of this transformation can be seen in the augment of the average wage, health and age of the population. This transformation though, requires a set of new policies in order to support the newborn class, from the youngsters to the elders. Viet Nam is expected, by 2035, to be a middle – class based economy, and the focus of its policies will shift from poverty fighting to help the middle class in its sustainment and growth. In this

process, poverty will be far but extinguished and part of the population, especially the one living in rural areas, will see the gap between them and the richer part to grow even more. The growing share of old people will also

represent a problem to be solved: by 2035, more than 50% the population will classified as belonging to the "global middle class" and, by the same year, the percentage of old people will skyrocket. International organizations classify the population into classes by using three bases: income and economic resources, education and occupational status, culture. The most used is the income factor, being the of economic power an



<u>Figure 6 - Figure 3 - Malnutrition rates and infant</u> mortality in Viet Nam

individual the best representation of its class. This new, enlarged share of population, will expect to have better financial protection, access to sanitation and healthcare, education and old people financial and care protection. In addition to the demand for better social and financial conditions, the middle class will pretend to have more political power and representation, demanding better working conditions and empowering social associations like labour unions. Another challenge for the Vietnamese government will be to diminish, as much as possible, income and social inequalities, due to the fact that middle class citizens tend to reject and avoid differences among people, being very sensible to this topic. The last challenge for the government is to manage the economic risk that burdens on the citizens: the transformation from a farming and agricultural

economy to a market oriented one, exposes the population to new risk given by the volatility and the change of the market economy.

#### Sustainable Development Goals



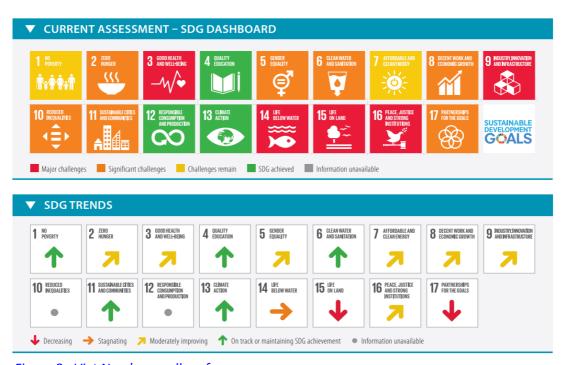
### **VIETNAM**

East and South Asia



Figure 7 - Viet Nam's performance in SDG

Sustainable Development Goals (SDGs) is the name given to the set of 17 goals that should be worldwidely achieved by every country in order "to achieve a better and more sustainable future for all". The aim of this project, launched in 2015 by UN and thought to be achieved, indicatively by 2030 is to end poverty, establish peace and protect the planet. These 17 goals are broad and independent between them and everyone is divided in multiple targets that must be achieved, for a total of 169 targets. In order to measure the advancement in the achievement of the goals, every target has a number of indicators, from one to three, for a total of 232 indicators. Every country is ranked with a score from 0 (no progresses) to 100 (achievement completed) that indicates the total advancement in achieving the goals. Viet Nam obtained an index score of 73.80, ranking as 49th out of 166 countries: as infographics show, Viet Nam is working hard on improving its conditions but SDGs are far from achieved since the country suffers from the typical developing country problems like environmental, infrastructural, healthcare and injustice issues. So, how can be the possible solution for Vietnamese issues regarding the SDGs? In the next paragraphs, these aspects are going to be analyzed.



<u>Figure 8 - Viet Nam's overall performance</u>

#### Good health and well-being

universal healthcare with low insurance and few expenditures to pay. Life expectancy in the country grew from less than 62 in 1975, to more than 75 in 2018, according to The World Bank data, signing an astonishing 22.57% increment in life expectancy. According also to the Sustainable Economic Development Assessment (SEDA) index, Viet Nam scores above Asian average, thanks to the universal healthcare approach that the country adopts<sup>10</sup>. Viet Nam has been relentlessly working on providing accesses to healthcare even to people living in rural areas, but the explosive urbanization of the last decades is seriously threatening the quality of the service and financial strains are being pointed out by the increasing need for hospitalizations. This is why private funds are the only way to finance the 1346 hospitals in the country: the partial privatization of such a universally acknowledged service is a thorny issue in the public debate. In the next years, with Viet Nam transitioning from a low middle to an upper middle income country, and the undeniable superiority of private healthcare over the public one, this issue will surely deepen and create heated public deates.

Since the end of the Viet Nam War in 1975, the country provided



#### Industry, Innovation and Infrastructures

Despite Viet Nam has been improving its infrastructures and services throughout the years, a big part of the population still don't

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<sup>&</sup>lt;sup>10</sup> See: SEDA Index in the asian area, https://www.bcg.com/it-it/publications/interactives/seda-2019-guide



use internet or is not able to access to it. Another big problem to be faced by the country, is the education: no Vietnamese university has ever been on the top universities rank, the number of scientific and technical publications is extremely low (0 articles every 1'000 people) and, a factor causing these two issues, is the very low R&D expenditure that Viet Nam has in correlation with its GDP (0,4%).

#### Life Below Water / Life on Land

Due to the past conflicts fought on the Vietnamese soil, the country came out ravaged and polluted with ammunition, chemicals and radioactive materials. Both land and water were affected by these conflicts and, in the last three decades, the country heavily exploited its natural resources and built its economy and infrastructures in a non sustainable way. What concerns the most is the biodiversity and environmental conservation of seas and forests. Vietnamese typical diet has always been based on fish and seafood thanks both to the fishiness of its seas and the vast amount of coastlines that it has. Not only Viet Nam is a great seafood consumer but also a great exporter, registering in 2018 a 2.36 billion dollars exports figure: these are the main factors that has been leading to the problem mentioned before.



Forests are not to be overlooked either: until 2005, Viet Nam had

cultivations and diminish deforestation, bringing back the country to a non – emergency situation. It must be said that the deforestation had been caused mainly by the usage of napalm first, and agent orange then, by the USA during the Vietnam War.

Due to the model of government that has been ruling the country

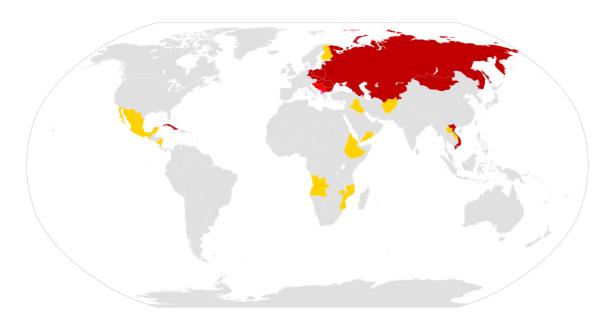
### Peace, Justice and Strong Institutions

for the last decades, and the explosive transformation that the country itself, from an economic and social point of view is experiencing, Viet Nam is facing many problems regarding internal peace, justice and institutions. The country has been facing a very big issue, regarding the corruption of leaders and politicians: due to the communist party, and the way in which it wants to be perceived and portrayed, the freedom of press is almost non – existent due to harsh censorship of the mainstream media. Last but not least, child labour is a common practice in developing countries. In Viet Nam, almost 16.5% of children between 5 and 14 years are involved in child labour, despite many reforms have been made by the government like the ratifications of the *Worst Forms of Child Labour Convention* of 1999 in 2000 or the *Minimum Age Convention* of 1973 in 2003. The loopholes in the legislation lets anyway entrepreneurs to exploit child labour with ease.



# Chapter II International Organizations and Agreements

### **COMECON**



After the Second World War, Russia was highly concerned about the effect that the Marshall Plan could have had in the poorer eastern countries, leading some of them to separate from the communist block and join the western one. Due to the Marshall Plan and the European Recovery Programme contained in the Paris Agreement, COMECON, the Council for Mutual Economic Assistance, was founded in Moscow in 1949, as a response to the newborn OEEC, nowadays known as OECD. The founders of the organization were Soviet Union, Bulgaria, Czechoslovakia, Hungary, Poland and Romania. During the years, other countries entered this alliance, some as full members like Albania (1949 - 1987<sup>11</sup>), East Germany (1950), Mongolia (1960), Cuba (1972) and Viet Nam (1978); Yugoslavia (1964) joined as an associate and China (1950 - 1961<sup>12</sup>), North Korea (1956), Finland (1973), Iraq / Mexico (1975), Angola (1976), Nicaragua (1984),

<sup>&</sup>lt;sup>11</sup> Albania stopped its participation in COMECON activities in 1961, as a consequence to the Soviet – Albanian split but officially got out of the organization in 1987.

<sup>&</sup>lt;sup>12</sup> China stopped the cooperation with COMECON in 1961 due to the Sino – Soviet split.

Mozambique (1985), and Afghanistan / Ethiopia / Laos / South Yemen (1986) as observers.

### COMECOM's Guidelines

The economic development of all the countries inside the COMECON organization was centrally regulated and had 5 essential guidelines that had to be flawlessly followed.

- Nationalization: the Soviet Union highly promote the ideology of the state

   owned companies. This approach to which every old and new member
   had to follow, incremented the control that the state could exercise on the
   companies but inevitably affected negatively their efficiency.
- Collectivization of Agriculture: before the Second World War, Joseph Stalin
  applied, through a long and bloody process, the collectivization of the
  Soviet Union agriculture. He then followed the same approach with the
  new-born eastern block, leading to inefficiencies and low motivation
  within the sector.
- Massive Industrialization: Stalin can be considered a partisan of the heavy industry and always pushed hard on the industrialization processes: communist regimes saw the process of industrialization as a way to empower and enrich the proletariat class. In countries that were more agriculture oriented, such as Poland, Bulgaria, Romania and Viet Nam, this led to a radical change in social classes and environment: the corruption that characterized the institutions, the lack of clever management and of qualified workforce led to inefficiencies in the industry and a big pollution problem to these countries.
- Work Coordination and Specialization: In 1962, Khruhschev imposed in the COMECON area the "Basic Principles for the International Division of Labor", a program with the intent to achieve the economic integration

via planning and coordination between the members. This plan never came to reality, due to harsh resistance from some COMECON leaders, in particular from Romania, that saw in this programme an attack to their autonomy. The romanian leader Gheorghe Gheorghiu, had so much consense that was able to face the Soviet communist party directly. The dispute led Romania, in 1964, to declare what can be considered as an act of independence from the chains of the Soviet Union, reiterating the importance of the role of the single states that composed COMECON. Khruhschev's successor, L.I. Brezhnev, preferred a more conciliatory approach and in 1971, with the approval of "The Comprehensive Program for the Further Intensification and Improvement of Collaboration and the Development of Socialist Economic Integration of COMECON Member Nations", Soviet Union officially declared the untouchability of the power of the single states in their territory and economic planning.

• *Economic Reforms:* seeing the failure of the hard reforms made by Stalin, his successors decided to focus on a more market – oriented policy and to give more importance to the light industry. All the satellite countries in the COMECON area imitated the Soviet Union and the leaders after Stalin, gave the possibility to the members to open commerce routes and markets with the western countries, as long as their initiatives and policies didn't clash with the Marxist principles on which the whole COMECON economy was based.

# COMECON's Market Approach

At the creation of COMECON, there were discussions on which model the system should have been based on. A technocratic approach was proposed by the soviet economic planner Nikolai Voznesensky but never came to practice, because he was accused to be part of the "Leningrad Affair" and died in prison. What was chosen instead was a central governments – oriented system, which gave full power to the single countries of COMECON. Another idea was to institute a centralized international political body that could operate freely and have power over the members but Stalin, at least according to the opinion of scholars, didn't want any form of power to be beyond the Soviet Union, since it could have threatened the URSS implicit power among western countries. This approach led the countries to a form of autarky and to a sense of mistrust amongst them.

### **Economic Pros and Cons**

Thanks to a centralized planning, all the members of the COMECON didn't act actively on prices like in a free – market economy but just took the world market as a reference points to prices. The tendency to underprice raw materials marketed in the COMECON area, surely helped poorer countries like Viet Nam and Laos but damaged those that could have exported at a higher price or imported at a lower price in the free market. This particular policy gave credibility to the member's governments, stability to the entire organization and, at least from the countries in the union, this was seen as an advantage to tie stronger bonds between them. The COMECON countries, especially Russia and Kazakhstan, were rich of natural resources and raw materials, some precious like natural gas and petroleum. In the COMECON area, natural gases and petroleum were marketed at a lower price if compared to the western block, even during the 1973 petroleum crisis that ravaged the western countries: it could be easily assumed that this policy was conceived as a help to weaker countries to develop their infrastructures and transports but in reality this was a way to defuse the diffused discontent amongst members and reward the compliance with the Soviet plans. What affected the most the COMECON economic system, was the corruption that characterized the governments and high offices and the discouraging regarding innovation and progress to which the members were subjected. Every country of the COMECON was implicitly and deeply bounded with the USSR and could not decide by its own how to design or realize something for its own needs. A striking evidence can be found in the "Czechoslovakian train case". Czechoslovakia needed new underground trains to expand its transport grid and Czechoslovakian designers projected a new, high tech underground train, better in every aspect even if compared to the western ones. This project was discarded because Czechoslovakia was obliged to buy Soviet trains, which were heavier, unreliable and designed in the 50's, because those were the interests of the USSR, the real puppeteer beyond every state in the COMECON area.

#### Viet Nam and COMECON

"BUCHAREST, Rumania, June 29 Vietnam today became the 10th member of the Council for Mutual Economic Assistance — a reaffirmation of its integration into the Soviet sphere of economic and political influence. The proposal to admit Vietnam was ratitien unanimously at the COMECON annual meeting here this week. Most diplomats believe that Laos will soon become a member also, since its economy is closely tied to that of Vietnam." <sup>13</sup>

In the array of countries that composed Comecon Mongolia, Viet Nam and Cuba were the poorest. Their introduction to the organization brought to light yet

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<sup>&</sup>lt;sup>13</sup> See: Vietnam Joins COMECON, The New York Times

https://www.nytimes.com/1978/06/30/archives/vietnam-joins-comecon.html

again the discontent feeling amongst the richest countries in Comecon, due to the burden that these countries meant for the strongest economies. Comecon approach to developing countries was to provide economical, infrastructural and knowledge sustain, from the richest to the most important sectors of the poorest. In reality, what the Soviet Union did, was letting other countries to provide the needed help and take all the benefits from the developing countries. Viet Nam and Cuba benefitted particularly from this policy: Cuba exported mostly sugar cane and nickel to all the Comecon countries while Viet Nam provided thousands of workers and well prepared workforce due to the manufacturer history that characterized the country. The aim of Comecon was to normalize, as much as possible, the economies within its territories and the three developing economies registered the fastest growth rate of all the Comecon area during the 80s: three – fourths of the capitals destined to developing countries were spent to nurture the economic growth of these three. Soviet Union had particular interest in nourishing the economic growth of Cuba and Vietnam and in maintaining good relationships with them due to their strategic positions: Cuba was an excellent way to keep in check the US being very close to the country and able to launch ballistic missles on the biggest cities while Viet Nam position was particularly good to assure a passage for the Southeast asian region and for the South China Sea. Due to the threat that Viet Nam represented for the region, ASEAN was born, in order to contrast the communist wave of those years. After the failure of the Perestroika and the openness to the western c western countries market, COMECON was dismantled, after the deliberation that tookplace in Budapest the 28th of June in 1991. permanence, Vietnam gained lots of benefits both economical and social that will be analysed in the following paragraphs.

#### Benefits for Viet Nam

Due to its weak economy and the continuous wars in which Viet Nam was involved into, the benefits that the country gained from COMECON were more substantial than the ones that the Soviet Union could educe from the developing country. During its permanence in COMECON, Viet Nam received many economical aid to improve its economy and move from the subsistence agriculture model and, at the same time, Viet Nam provided workforce to the inefficient Soviet industrial machine. The economic supplies gave to Viet Nam the possibility to have a possibility in such a dynamic world, being able to count on a nearly unlimited fund source.

### School Enrollment

Gross enrollment ratio is the ratio of total school enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Primary education provides children with basic reading, writing, and mathematics skills along with an elementary understanding of such subjects as history, geography, natural science, social science, art, and music.Between 1971 and 1988, Vietnam's school enrollment rate experienced a continuous fluctuation in its value principally due to the instability in which the country has been for all the 80s, first due to the end of the Viet Nam war, that led to severe social instability and then, for the stagnation that characterized Vietnamese economy in the 80s. The final value can exceed 100% because overaged and under-aged students are included too.

Country Name	1971	1972	1973	1974	1975	1976
Bulgaria	106.2387	104.3197	102.0528	99.7469	96.35241	98.30579
Cuba	116.6296	116.2307	118.3766	119.1302	120.6102	122.0989
Czech Republic	124.6249	128.2291	130.1466	130.7862	128.7011	124.4441
Hungary	97.97811	100.9951	104.0629	105.7356	106.2307	104.6956
Mongolia	108.9007	106.8549	106.5079	104.235	102.9621	103.4831
Poland	102.0856	102.426	103.0741	103.2943	102.799	102.5205
Romania	128.1556	138.4956	134.7553	125.4613	X	X
Russian Federation	104.8802	101.7138	100.211	99.21459	99.1185	100.0535
Vietnam	X	X	X	X	X	108.7374
OECD members	100.2457	100.3577	100.78	100.6362	100.6185	101.1592
Country Name	1977	1978	1979	1980	1981	1982
Bulgaria	100.4196	103.1068	103.6508	101.4181	100.8171	103.5996
Cuba	120.7986	118.4519	114.7344	110.3621	105.9468	103.7368
Czech Republic	121.2278	118.9557	116.4966	x	97.86062	99.83076
Hungary	103.9511	101.6908	98.54153	97.68563	99.46972	105.3404
Mongolia	X	105.6883	104.3187	103.2765	103.1111	101.209
Poland	102.2967	102.127	101.8774	101.623	101.3707	101.8235
Romania	Х	X	X	X	92.69027	X
Russian Federation	101.8619	104.05	105.2301	105.0742	102.0773	101.3743
Vietnam	111.8274	110.9078	102.6507	108.7578	106.335	X
OECD members	101.4629	101.4288	101.9613	103.9105	103.5902	103.9187
	W 10 10 10 10 10 10 10 10 10 10 10 10 10		V. The second		0	
Country Name	1983	1984	1985	1986	1987	1988
Bulgaria	104.7772	106.6614	107.4105	105.0584	106.0016	103.8419
Cuba	104.1963	103.7362	102.1442	101.8841	102.4938	101.6974
Czech Republic	101.266	100.6081	97.92776	96.10893	93.35767	91.41518
Hungary	108.6221	109.3144	105.6631	98.07509	91.71147	85.53671
Mongolia	101.2889	101.3588	101.0632	100.1243	100.7107	100.5864
Poland	102.3532	102.858	103.0505	102.9549	102.4873	101.6469
Romania	x	X	x	97.16831	93.51712	91.01982
Russian Federation	100.5625	100.9341	102.4254	103.67	106.3248	107.3447
Vietnam	103.2312	103.5772	102.9046	103.6361	107.0966	107.9766
OECD members	103.428	103.4932	103.4408	104.0941	104.4535	104.6454

Table 7 - School enrollment in Vietnam and other COMECON countries

# Life Expectancy

Life expectancy at birth indicates the number of years a newborn infant would live if prevailing patterns of mortality at the time of its birth were to stay the same throughout its life. Through all the period considered (1971 - 1988), both Mongolia and Vietnam had lower life expectancy not only to OECD countries but also to COMECON ones.

Such a low value can be explained by the high number of poor people in the country in that period, the effect caused by the Viet Nam (for example through the usage of chemical weapons, that left the whole country contaminated and deeply affected the life of inhabitants) and the policies that the party decided to adopt in order to persecute and "re-educate" people in the concentration camps. Despite all this, Vietnam saw an increase of the average life expectancy of more than 16% in 17 years.

Country Name	1971	1972	1973	1974	1975	1976
Bulgaria	70.87366	70.89951	71.3422	71.20805	71.04976	71.39488
Cuba	70.37829	70.85639	71.32095	71.76949	72.19761	72.59885
Czech Republic	69.67707	70.17659	70.02268	70.08659	70.41463	70.53268
Hungary	69.05244	69.66463	69.51805	69.24805	69.29	69.57317
Mongolia	55.80146	56.1751	56.46027	56.65951	56.78078	56.8341
Poland	69.6122	70.66585	70.66341	71.11707	70.56098	70.6561
Romania	68.50415	68.47024	69.00561	69.49976	69.6139	69.69878
Russian	CHOROTOPICA CHARLESTON	1-0-1 00001-000000		200000000000000000000000000000000000000	contraction of Market	Second Representative Control
Federation	68.37659	68.30854	68.29463	68.32024	67.7239	67.48756
Vietnam	59.17424	59.02161	59.38122	60.25344	61.53637	63.04285
OECD members	69.78266	70.07942	70.26413	70.68141	71.03591	71.31411
			70			1000
<b>Country Name</b>	1977	1978	1979	1980	1981	1982
Bulgaria	70.8161	71.18463	71.30829	71.15756	71.57195	71.1861
Cuba	72.96627	73.29583	73.58454	73.83176	74.03637	74.20327
Czech Republic	70.57341	70.6439	70.74951	70.27805	70.7222	70.8078
Hungary	69.84805	69.3939	69.61537	69.06171	69.13927	69.3578
Mongolia	56.84641	56.84776	56.86361	56.92551	57.06402	57.28517
Poland	70.40244	70.35122	70.75122	70.09756	71.05122	71.10244
Romania	69.74195	69.48049	69.15317	69.09098	69.36829	69.53171
Russian						
Federation	67.37634	67.39098	67.11439	67.0339	67.2639	67.8061
Vietnam	64.52671	65.79634	66.77251	67.43315	67.82744	68.08729
OECD members	71.68086	71.86287	72.20871	72.2782	72.63848	72.97895
	- P		97	12 2		·
Country Name	1983	1984	1985	1986	1987	1988
Bulgaria	71.38634	71.49976	71.22805	71.73073	71.52683	71.60439
Cuba	74.33939	74.44776	74.52893	74.58154	74.60771	74.61805
Czech Republic	70.59146	70.83756	71.04634	70.99732	71.44561	71.64146
Hungary	68.97366	69.02585	68.9722	69.17341	69.65122	70.02341
Mongolia	57.58541	57.95771	58.38085	58.82568	59.25761	59.64959
Poland	71	70.8	70.54878	70.84878	70.89756	71.33171
Romania	69.72634	69.65878	69.70683	69.49634	69.22683	69.38805
Russian Federatio	n 67.65268	67.20268	67.85683	69.38976	69.44	69.46439
Vietnam	68.32159	68.56893	68.85283	69.17529	69.51268	69.84695
OECD members	73.1136	73.40747	73.5491	73.8052	74.09456	74.23898

<u>Table 8 - Viet Nam's life expectancy compared to other COMECON countries</u>

### **Economic Growth**

Developing countries were the most that benefitted by entering in the COMECON, thanks to all the capital that the organization destined to them, in order to normalize the economies within its members. The growth in Cuba and Mongolia have been substantial, reaching respectively, +43% and +40.4% in the period considered, using the annual values of real 2010 Per Capita GDP as displayed in the United States Department of Agriculture, Economic Research

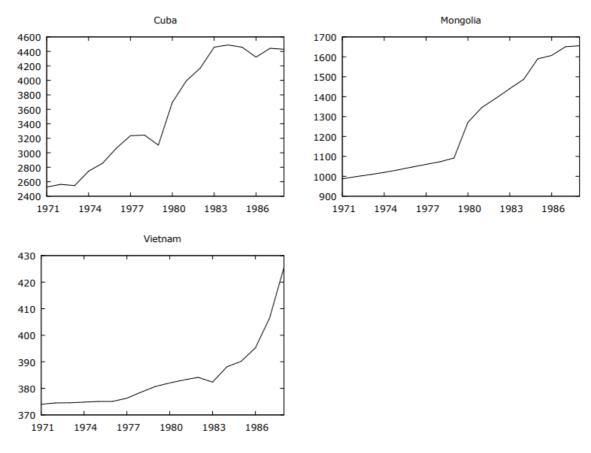


Figure 9 – GDP (\$) per capita growth comparison in the poorest COMECON countries

Service of 2015. The growth in Vietnam however, has been less accentuated due to social disorders, the military involvement of the country and the economic stagnation of the period, registering a +12% from 1971 to 1988. Even though the COMECON area registered an ascendant trend in the economy figures of the

countries, the attempt to normalize as much as possible the economies of the area didn't work out.

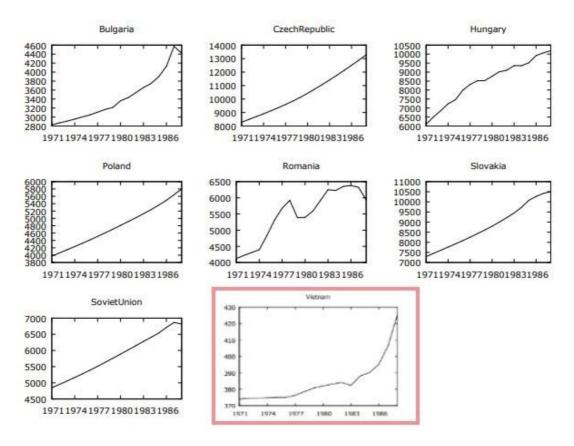


Figure 10 - GDP (\$) per capita (y axis) growth in the principal COMECON countries

The difference between the richest countries and the poorest grew inevitably with the economic growth of the organization and its members: the GDP gap between Czech Republic, the richest country, and Vietnam, the poorest, is proof of this issue. Convergence is the right instrument to measure the variance between the COMECON countries: convergence lets us, being adimensional, to compare GDP of different countries using the same measure. Between 1971 and 1988, the coefficient of variation continuously grew, proving the phenomenon of the growing gap within COMECON members.

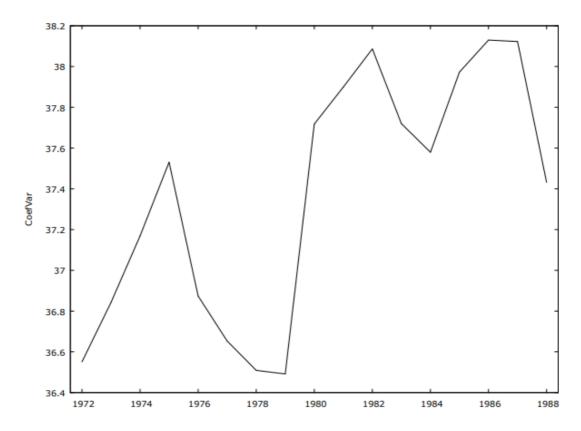


Figure 11 - Economic divergence between richer and poorer countries

### Final Considerations on COMECON

COMECON highly influenced the economic development of its members and its failure, as a system, can be broken down in many factors:

• Socialism Inefficiency: the economic performance of COMECON members was deeply bounded with the socialist system that regulated the organization. As many scholars affirm, the socialist system of the Soviet Union was totally inefficient if compared to the western model: the moral hazard, corruption at high levels and the interests that the Soviet Union had made impossible for this economic system to survive and brought down many countries with it that even nowadays, are negatively affected by the Soviet Union "regime".

- *Economic Integration*: the process to integrate former and latter members economies wasn't designed well and faced, many times, the internal resistance of older and richer members, forced to lend money to the poorest countries.
- *Missed Potential*: Due to the socialist system, and the limits that characterize it many sectors, even the specialized ones, could not achieve their full potential due to the puppeteer role of the Sovietic Union in the organization.
- Nationalization of economies: despite the unequivocal proof given by
  Stalin policies, that nationalize economies doesn't work, it had been
  the actual policy selected by COMECON to manage agricultural and
  industrialization processes, resulting in the choke of its economies.
- Income Distribution: thanks to the income distribution policy adopted by COMECON, many inequality issues were attenuated and the population was less exposed to economic fluctuations compared to western countries.
- Social Expenditure: COMECON invested highly in the main social services, like education and health, assuring a minimum level of services to all the population: poor countries like Viet Nam and Cuba had the possibility, for the first time, to invest huge amounts of money on the population and infrastructures.
- Soviet Union Interests: from the second half of the 60s, the Soviet Union highly supported the economic and social development of the members, with particular attention to the developing ones. The problem of COMECON was the state centricism of Soviet Union, that exploited in many ways the benefits of economic growth of the other countries.

In conclusion, the countries that benefitted the most from the membership were the developing ones, particularly Cuba and Vietnam, while the richest ones were tied to an inefficient and corrupted system, that never let them reach the western counterparts GDP and development. Even within COMECON the economic differences were too high to be filled, as demonstrated by the absence of economic convergence within the members. The end of COMECON, represented a tough challenge for the members, that had to restructure and adapt their system to exist and compete in an open market. Even though the only communist regimes that survived are the ones of Cuba and Vietnam, with many adaptations, in many countries the imprint of COMECON can still be observed today.

### Organisation Internationale de la Francophonie



Figure 12 - https://onu.delegfrance.org/Francophonie-8628

The "Organisation Internationale de la Francophonie" is an international organization that represents all the countries and regions where French is a *lingua franca*, where there are notable connections with French culture or a significant part of the population is francophone. OIF was created on 20 March 1970 with the cooperation of 21 states: nowadays the organization is composed by 88 states,

54 of which are full members, 7 are associates and 27 are observers. The organization's motto is "égalité, complémentarité, solidarité" that is a clear reference to France's motto "liberté, égalité, fraternité". Starting as a small association of French – speaking countries, OIF is now a global organization having branches that cooperate with its members in many fields like culture, justice, economy, science and peace. Based on the sharing of French, the mission of this organization is now the promotion of french culture, the reinforcement of cultural and technical cooperation between members and the establishment of solidarity and peace, encouraging the dialogue between the countries.

### **OIF Structure**

- Summit: Is the highest authority in the organization is the Francophonie
   Summit, an event made every two years in which members gather to outline the guidelines to improve cooperation, update objectives and strategies.
- Ministerial Conference: The Ministerial Conference is held once a year
  with the aim to ensure policy continuity within the summits. The foreign
  ministers have to supervise the correct implementation of the previous
  decisions and monitor the progresses in the working agenda of the next
  summit.
- Permanent Council: The Permanent Council's principal task is the planning of the meetings of political leaders and the coordination of operational agencies. The most important one is the Francophone University Agency (AUF), responsible for the application of cooperation programmes approved and adopted at the summits.
- Executive Secretariat: The Secretary-General, a position created in 1997 at the summit held in Hanoi, is elected every four years by the Summit, acts

- as the political spokesperson of the entire organization and is the official representative in international forums.
- Parliamentary Assembly: The Parliamentary Assembly is based in Paris
  and brings together, once a year, the representatives of its members. The
  Parliamentary Assembly act as an opinionist and makes suggestions to the
  Summit, the Ministerial Conference and the Permanent Council in all the
  areas of activity related to the francophone dimension.
- Operating Agencies: Despite not being officially considered part of the structure of OIF, the operating agencies are a fundamental part of the organization, being the actual actors that carry out its mandate. These agencies are: Association of Francophone Universities (AUF), TV5Monde; l'Association Internationale des Maires Francophones (AIMF); l'Association des Fonctionnaires Francophones des Organisations Internationales (AFFOI); and l'Université Senghor d'Alexandrie.

### Vietnam's contribution

"The first summit of French-speaking nations to be held in Asia got under way on Friday, as members of 47 nations gathered in Vietnam to discuss improving their economic and cultural ties. Vietnamese President Tran Duc Luong opened the Francophone summit, greeting more than 2,000 delegates as they arrived for the meeting at the newly renovated Friendship Palace in Hanoi. Flags of all 49 Francophone members, including the absent Congo and St. Lucia, were put up outside the building." <sup>14</sup>

<sup>&</sup>lt;sup>14</sup> See: Vietnam opens summit of French-speaking nations, CNN: http://edition.cnn.com/WORLD/9711/14/vietnam.francophone/

This is the headline that CNN wrote on its newspaper to announce the 7<sup>th</sup> OIF Summit held in Hanoi in 1997. This occasion was of fundamental importance for Vietnam, since it has been the first international summit held by the country since its reunification in 1975. In the summit there were present 2000 delegates, including 20 heads of state and more than 600 journalists, that discussed about and applied various initiative within the organization:

- Implementation of a revised Chart
- Nomination of Boutros-Ghali as the new first secretary general.
- Focus on economic cooperation within members.
- Focus on maintaining peace and solve conflicts within the members.
- Focus on the tutelage of human rights within the members.

This summit was not free of critics, principally due to the fact that Vietnam was not considered, by many people, the right country to host the summit: despite the sumptuous and festive welcoming that the delegates received, with a group of french speaking children all dressed up in Vietnamese and French clothes, during the French President Jacques Chirac's speech, the Vietnamese President Trần Đức Lương needed a simultaneous translator. This episode could not escape journalist's careful sight and brought to light an important issue that needed to be faced by the country: the french language and culture dispersion.

"Our common goal should warn of the risk of a world where people speak, think and create within only one mold, [...] Use of the French language has diminished in Vietnam, Cambodia and Laos."

These are the words that Chirac used to underline the problem that has been afflicting Vietnam over the last decades: at the time of the Summit, less than 1% of Vietnamese population could speak French efficiently at a certain degree and

in this little percentage, only elders were effectively influenced by the French culture and lifestyle. English replaced infact Russian, which replaced French in the 1970s as the second language taught in school. The French President remarked against a unilingual world, where having only English as universal language could limit cultural creativity and variety worldwide. Another delicate argument treated in the Summit was the one regarding human rights: it was brought to attention of all the delegates the weak Viet Nam's human rights records and its intense production of land mines. The Mine Ban Treaty is an international treaty that aims to destroy the stockpile of antipersonnel mines, identify and clear mined areas, assist mine victims and the submission of annual reports regarding the progresses made. Viet Nam has not acceded yet to the treaty, since it continues to view landmines as a necessary and cost – effective solution for Vietnamese security.

#### Criticism towards OIF

During the years OIF has been subjected to different critics in different fronts, mainly due to the expansion and growth of the organization.

• Increasing number of member states: since the creation of OIF in 1970, the number of members grew from 21 to 88 in 2018. This drastic increase in the number of members didn't came without repercussions on the organization, that has been accused, many times during the years, of trying to enlarge its influence even to countries that have no connection with France whatsoever. The idea behind OIF was, infact, the creation of an international entity similar to commonwealth: the difference though is that in the commonwealth, the group of countries had great benefits from joining the organization, while the membership in the OIF doesn't bring

particular advantages and the "entering selection" let in totalitarian regimes and countries not related to France. This process accelerated with the arrival of secretary – general Boutros – Ghali because, in his opinion, French is the language of freedom, human rights and solidarity and the organization, in order to spread the French culture and lifestyle, should open to non french countries.

- Weakening of OIF's Mission: Strictly correlated to the massive number of joining members, the mission of the organization got weaker, due to the entrance of some countries that contradicted the philosophy of the organization, both from a political or social point of view. The most striking example of the issue, is the entrance, in 2014, of Kosovo in the organization, a state that has nothing to do with France or its culture and is not even recognized by all the members of OIF. After the arrival of Boutros Ghali, the nature of the organization's focus shifted from a cultural to a political one, increasing the number of its missions and areas: peace maintenance, human rights, gender equality and sustainable development are just few of the "new" objectives for OIF.
- Failing on Human Rights: The worst controversy taking place within the organization is the incoherence that characterize it: even though human rights are the most fundamental principle sustaining the organization, too many states are among the list of the worst ranked countries regarding human rights. In the 1999 Summit in Moncton, the human rights argument took part as a touchy issue to solve and many Canadian journals and dailies called out OIF for being too loose and concessive regarding this topic ( for which Viet Nam too has been blamed many times during the years). Amnesty International accused 35 of the OIF members of violating human rights and, at the same time, the french daily *Le Monde*, came out with a direct attack to OIF, writing "Si on faisait du respect des libertés fondamentales un critère d'appartenance à l'Organisation de la francophonie,

cette dernière cesserait tout simplement d'exister.", translated "If we made respect for fundamental freedoms a criterion for membership in the Organization de la Francophonie, it would simply cease to exist." <sup>15</sup>

Failing on Freedom of Speech and Press: In 1999, Reporters Without Borders accused 15 countries within the organization of violating fundamental freedoms such as press and speech right. In 2018, French president Macron supported the candidacy of Louise Mushikiwabo, Rwanda's foreign minister, as secretary – general of OIF: "An African secretary general would make a lot of sense, and a female African candidate would make even more sense, [...] Louise Mushikiwabo has all the skills for the job, and having an African candidate is good news – so I will back her,"16. The problem is that Rwanda is one of the worst ranked countries in the world regarding freedom of press<sup>17</sup>, due to a long history of repression and laws against mass media. The natural response to this point was clearly exposed by many journalists and representatives asking how the foreign policy minister of one of the worst countries regarding fundamental freedom, that has also never expressed interest in France or its culture, be at the lead of the organization. The only explanation for this decision, can be found in the willingness of France to improve its relationships with African countries, nominating an African exponent.

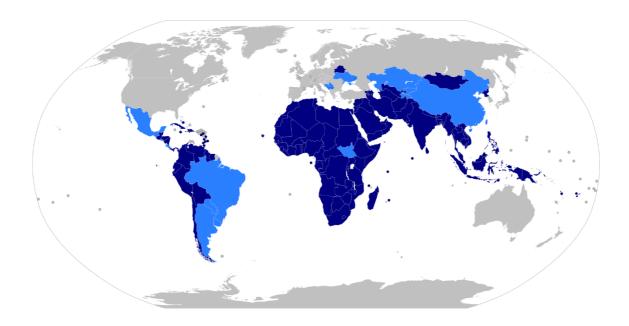
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<sup>&</sup>lt;sup>15</sup> See: https://www.lemonde.fr/archives/article/1999/09/05/francophonie-et-

<sup>&</sup>lt;sup>16</sup> See: https://www.france24.com/en/20181010-france-rwanda-francophonie-macron-mushikiwabo

<sup>&</sup>lt;sup>17</sup> See: https://rsf.org/en/ranking

Non - Alignment Movement



NAM is an international group founded with the desire of Jawaharlal Nehru, Josip Broz Tito, Gamal Abdel Nasser and many other newborn independent countries to not be part of any major power block and to support each other to establish in a new, dynamic and complicated world system. The foundation of NAM is the result of many years and conferences held by newborn independent countries:

- 1953, the term *non alignment* was used for the first time ever at a UN assembly;
- 1954, during a speech in Colombo, Sri Lanka, Jawaharlal Nehru with the cooperation of Zhou Enlai, dictated the 5 principle of *Panchsheel Treaty*, a guide used to promote and improve the Sino – Indian relations, principles that would subsequently be used by NAM too:
  - o Respect for sovereignty and territorial integrity among members;
  - o Non aggression;
  - o Non interference in members' affairs;
  - Equality among members;

- o Peace maintenance and rightful coexistence.
- 1955, the Bandung Conference posed the basis for the foundation of NAM.
   In this conference, held in Bandung, Indonesia on 18 24 April 1955, the
   29 countries that participated represented the 54% of world population<sup>18</sup>.
  - The aims promoted by the conference were the promotion of Afro

    Asian culture and cooperation but it principally discussed about colonialism and power block influence on the two macro regions. The conference was the expression of the dissatisfaction and the concern of the power and influence that United States and Soviet Union exercised on the other countries, the opposition and condemnation of colonialism in every manifestation, especially the French influence over North Africa.

NAM was founded in 1961 in Belgrade, Yugoslavia, after the signing of the *Declaration of Brijuni* on 19<sup>th</sup> of July 1956. On September 1970, during the Lusaka Conference, particular emphasis was put on the principle of peace maintenance, peaceful resolution over conflicts and the opposition on letting foreign countries to have military bases on members' soil<sup>19</sup>. The nomenclature Non – *Align Movement* finally came out during the 5<sup>th</sup> Summit held in Colombo, Sri Lanka in 1976<sup>20</sup>. Starting from the 70s, Cuba gained lot of attentions and rapidly obtained the role of leader in the organization. In 1979, the 6<sup>th</sup> conference of NAM was held in Havana, in which Fidel Castro, speaking both as president of Cuba and NAM, was greatly cheered by many country leaders:

<sup>&</sup>lt;sup>18</sup> See: Bandung Conference, Britannica, https://www.britannica.com/event/Bandung-Conference

<sup>&</sup>lt;sup>19</sup> See: Resolutions of the third conference of non-aligned states, https://media.africaportal.org/documents/SAIIA\_RESOLUTIONS\_OF\_THE\_THIRD\_CONFERENCE\_OF\_NO N-ALIGNED\_STATES.pdf

<sup>&</sup>lt;sup>20</sup> See: 5th Summit Conference of Heads of State or Government of the Non-Aligned Movement http://cns.miis.edu/nam/documents/Official\_Document/5th\_Summit\_FD\_Sri\_Lanka\_Declaration\_1976 \_Whole.pdf

"[...] We have grown and advanced, fortunately; Mozambique, Angola, Sao Tome and Principe, Guinea-Bissau and the Cape Verde Islands are now fully independent countries following heroic and unequal struggles. Today they form a prestigious and influential part in the heart of our movement as sovereign states. Just 6 years ago at the Algiers summit they were only liberation movements. Vietnam is united and free following 30 years of extraordinary and admirable struggle. The shah is no longer shah, CENTO is no longer CENTO, Somoza is no longer Somoza. And on small and heroic Grenada, the fascist Gairy is no longer Gairy. These are unquestionably victories of independence, progress and liberty. Our causes triumph because they are Just. The peoples, in growing numbers, are joining our ranks to the degree that they break the bonds of colonialism, neocolonialism, fascism or any other form of oppression and dependency. All of these struggles were supported, in one way or another, by the non-aligned movement. Their victories are also our victories. Nevertheless, imperialism does not cease in its tenacious effort to keep other peoples and countries subjugated, repressed or occupied. Their causes demand our resolute support."21. The year 1979, is considered by many to be the apex of Cuba's prestige and involvement in the movement: in December of the same year infact, Russia intervened in the Afghanistan civil war being condemned by many members for having transgressed the principle of non interference between member countries except for Cuba, since the country had many political and economical debts with the Soviet Union. From that moment on, Cuba lost all its prestige and credibility in the association, handing over the leadership role to India. Since the main aim of the organization was to flat the divergencies and be a mediator during the complex situation of the cold war, once the conflict was over, the organization energy and commitment fizzled out: another important fact to consider was the

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<sup>&</sup>lt;sup>21</sup> See: Castro Opening Speech in Havana https://web.archive.org/web/20080518100536/http://lanic.utexas.edu/project/castro/db/1979/19790 903.html

dismemberment of Yugoslavia, a funding member of NAM, whose membership was suspended in the New York Ministerial Meeting of 1992<sup>22</sup>. In the same assembly, the role and existence of the movement was reinvented, as to not exist only in function of the cold war. Many delegates underlined the importance that NAM would assumed in the following years: "The definition of non-alignment should not be restricted solely to referring to non-alignment with two blocs or two political powers, [...] The essence of non-alignment is much broader, much deeper."<sup>23</sup>

Since the end of the cold war, the movement reinvented itself and some yet existing aims and issues regained importance in the eyes of the association: national independence, peace maintenance, territorial integrity, imperialism and colonialism issue, multilateralism, equality and mutual non – aggression suddenly became the fundamental principles to protect in the movement. Being the carrier of southern countries interests, NAM underlined the vital importance of the collaboration within the members and the convenience to be part of the movement to have a voice in such a dynamic world system. Nowadays NAM continues to see itself as the voice for poorest countries and a frontier to the menace of a uni – polar world, dominated by the hegemony of a possible winning power block<sup>24</sup>.

<sup>&</sup>lt;sup>22</sup> See: The Non-Aligned Movement: Member States

https://web.archive.org/web/20101209233514/http://www.nam.gov.za/background/members.htm

<sup>&</sup>lt;sup>23</sup> See: Non-Aligned Movement Decides It Is Still Relevant, The New York Times,

https://www.nytimes.com/1992/09/07/world/non-aligned-movement-decides-it-is-still-relevant.html <sup>24</sup> See: Review of the International Situation,

https://web.archive.org/web/20151219184420/http://www.nam.gov.za/xiisummit/chap1.htm#role

### NAM's Issues and controversies

NAM's represents nearly two-thirds of the United Nations members and 55% of the world population, including many third world countries and developing ones. The main problem deriving from having such a huge number of members, are the socio – political differences among the countries: this issue led to many disputes among the members throughout time. Examples of these controversies can be the conflicts between members like Iran and Iraq or India and Pakistan, just to quote the biggest ones, and the military intervention of Russia in Afghanistan, that deeply marked the organization: despite the violation of the non – interference principle among members, many countries like Cuba, that lost all its credibility after this, didn't condemn the military intervention because they had debts or interests with Soviet Union. Another deep fracture in NAM was caused by the actions of Yugoslavia: on one side the muslim members condemned the action of the Serb – dominated government, accused of violating human rights and attacking on civilians, while on the other side, the non muslim leaders didn't make any effort to punish Yugoslavia, due to the fear of receiving the same condemnations for how they managed the secessionist territories. The result was the condemnation of the Serbs in Bosnia and Herzegovina but not the Yugoslav government, for their atrocious policy of ethnic cleansing. A more recent dispute, dating 2019, saw the self – suspension of the membership by Peru and Colombia, due to the movement's presidency held by Nicolás Maduro from 2016 to 2019, since they didn't recognize the legitimacy of his government in Venezuela. Throughout the years, the succession of the leaders at the head of NAM, has been a crystal clear proof of the diversity and, sometimes, the non – coherence of the organization, ranging from Josip Broz Tito to Nelson Mandela from Fidel Castro to Nicolás Maduro: the policy of the movement regarding cultural diversity and human rights protection is in fact based on the principle of non - homogenization of cultures, ethnic groups,

governments and religion, always keeping an eye to the tutelage of equality and human rights, respecting anyway the historical peculiarities of every country or region inside it.

#### **United Nations**

The United Nations is an international organization with the aim to build and maintain peaceful relationships, security and cooperation between its members. UN was founded in 1945, after the Second World War in order to prevent future wars and nowadays is the largest and most international organization in the world, comprehending 193 active members and 2 observers.

### **UN's History**

After the fail of the *League of Nations*, most countries felt the necessity to establish a new worldwide organization that could ensure and maintain peace after the Second World War. During the war, the term United Nations was officially used by the allies and, in order to be part of it, the country needed to sign the declaration and declare war to the Axis. That's why in 1945, after many years of conceptualization and the ratification by the five original members ( France, Republic of China, US, UK and Soviet Union ), the 24 of October the United Nations was born. The main objectives of the organization were the opposition to Hitlerism, the cooperation and the maintenance of peace between the members:

" The Governments signatory hereto,

Having subscribed to a common program of purposes and principles embodied in the Joint Declaration of the President of the United States of America and the Prime Minister of Great Britain dated August 14,1941, known as the Atlantic Charter,

Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world,

#### DECLARE:

(1) Each Government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war.

(2) Each Government pledges itself to cooperate with the Governments signatory hereto and not to make a separate armistice or peace with the enemies. The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism. "25

After the defeat of the Axis, the Cold – War Era began, highlighting the limits of the organization that could not assure peace everywhere, particularly in those situations implying the two biggest players at the time, US and Soviet Union.

Despite the contributions that UN gave in those troubled years, like the resolution of the Korean Conflict, the end of the Suez Crisis and the approval of the creation of the state of Israel, the limits of UN appeared to be evident in

<sup>&</sup>lt;sup>25</sup>See: Foreign Relations of the United States, The Conferences at Washington, 1941–1942, and Casablanca, 1943, https://history.state.gov/historicaldocuments/frus1941-43

situations like the invasion of Hungary by USSR or the inability to resolve conflicts in Middle East or in South East Asia. The lack of power of the organization can be viewed as a consequence of the decolonization process occurred from the 60s: from the second half of 20th century UK, France, Spain, Portugal, Netherlands and Belgium had to retreat from their colonies due to a widespread sense of independence that caused revolutions in the African and Asian continents. The decolonization process gave birth to what we call nowadays third world or, in a more polite way, developing countries: these newborn countries formed a new organization called Group of 77 (G77) that slowly gained power in the UN, eroding the undisputed influence that US had on the organization until that moment. This new power within the UN organization became evident when in 1971, against the will of US but with the support of many third world countries, the People's Republic of China took a seat on the Security Council replacing Taiwan<sup>26</sup>.

The result of the combination of factors led the UN in the 70s, to focus more on its secondary goals, such as economic development and cultural exchange between countries, leaving its peacekeeper function behind.

After the fall of the Berlin Wall and the USSR, respectively in 1989 and 1991, UN had to backtrack and reconsider its peacekeeper role: the 90's has been turbulent years, full of conflicts in which UN had to step in and due to them the focus and budget were redirected to the peace maintenance actions.

"Brian Urquhart the former undersecretary-general who watched over the world organization from his new office at the nearby Ford Foundation, described the early 1990s as a period of false renaissance for the U.N. By this he meant that the hops generated by the Persian Gulf War for a revitalized U.N. presiding over a new world order had proven illusory. Yet it also was a time of testing for the U.N.

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<sup>&</sup>lt;sup>26</sup> Meisler Stanley (1995), United Nations: the first fifty years, New York, Atlantic Monthly Press, pp 208-209.

And, while Somalia and Bosnia seemed like peacekeeping failures, Cambodia, Mozambique, Haiti, EI Salvador, and others looked like successes. From 1988 to 1995, the number of peacekeeping missions in the field had increased from five to seventeen, the numbers of troops deployed had increased from 9600 to 73,400, and the cost of peacekeeping had increased from \$230 million to \$3.6 billion a year. The U.N. needed to learn from this chaotic experience. "27

These words exposed the situation in which UN was: a never – seen number of conflicts brought the organization to obtain more importance and funds and every failure burdened on the credibility of UN that started facing some backlashes from different countries like US, UK and Singapore, withdrawing their funding due to mismanagement and corruption. The beginning of the 21st century, saw many big operations in which UN took part in various forms, like the invasion of Afghanistan in 2001, in which NATO was a supervisor, the intervention in the War of Darfur, the Kivu Conflict or the intervention in the Syrian Civil War, in which UN sent observers and chemical weapons inspectors. Despite all the contribution that UN gave to the development of democracy, peace and human rights, it has been denigrated and belittled when its interventions could harm the interests of the world's major powers: the invasion of Iraq, despite being condemned by many members and not obtaining the approval of the UN security council, began on March 2003 making many countries to question the utility and power of the organization. Nevertheless for some scholars, like the British historian Paul Kennedy, UN is the promoter and the "spiritual leader" of a globalization process that involve such a huge number of countries that can't be controlled no more by the single countries, no matter how big or strong they can be<sup>28</sup>.

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<sup>&</sup>lt;sup>27</sup> Ibid

<sup>&</sup>lt;sup>28</sup> Paul Kennedy (2007), The Parliament of Man, Knopf Doubleday Publishing Group

### UN's Main Organs

Since its foundation, in 1945 the UN has been regulated by six principal organs, General Assembly, Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice and Secretariat, each of them with its specific tasks.



- UN General Assembly: this organ is the principal assembly composed by all the members that meets yearly on a regular base or for emergency meetings. The assembly is leaded by a president voted on a yearly basis, sided by 21 vice presidents. Like every deliberative assembly, the majority is needed to approve every decision, with exception for budgetary or important topics like peace, security or human rights, that need two thirds of the assembly approval. The UNGA can make recommendations to the members apart from peace and security that are under consideration by the Security Council.
- UN Security Council: this organ must maintain peace and security among
  the members. The UNSC is the only organ that has the power not just to
  make suggestions, but to make binding decisions that the members must
  follow. According to the Article 25 in the Chapter V of the Charter of the
  UN: "The Members of the United Nations agree to accept and carry out

the decisions of the Security Council in accordance with the present Charter." The SC is composed by 15 members, 5 permanent ( China, Russia, UK, France and US) that have the veto powers over the decisions made by the council, known as resolutions and 10 elected every two years by the General Assembly. The Council is leaded by a president too, that is selected monthly and rotates in alphabetic order.

- UN Secretariat: this organ provides all the information and the facilities needed by the other organs for their meetings. The head of the Secretariat, called secretary general, is in practice the leader and spokesman of the UN. Its figure is assisted by the deputy secretary general and an entire staff of international civil clerks selected worldwide. The Secretary General can serve in its role for a maximum of 10 years and, in order to be elected, must be appointed by the UNGA and recommended by the UNSC.
- UN International Court of Justice: this organ, established in 1945 and coming into service by 1946, is the principal judicial component of the UN, formed by 15 judges nominated every 9 years, coming all from different countries and selected by the UNGA. Its main function is to manage controversies and disputes among members over many topics, like war crimes, illegal interferences, racial issues and so on.
- UN Economic and Social Council: the ECOSOC is the primary organ for coordination, policy review and dialogue, social and environmental issues and implementing the agreed development goals. ECOSOC is composed by 54 representants who are nominated for a three year mandate by the UNGA and a president, who is elected yearly and chosen among the small/medium powers in the council.
- UN Trusteeship Council: this organ is no longer in function since the last remaining UN trusteeship territory, Palau, gained its independence from

the US in 1994. Its function was to manage the colonial possession, those territories that were not self governing.

Besides these six organs, UN includes many specialized organizations and agencies. Some examples are: Food and Agriculture (FAO), World Meteorological Organization (WMO), International Atomic Energy Agency (IAEA), World Intellectual Property Organization (WIPO), World Health Organization (WHO), World Food Programme (WFP), International Monetary Fund (IMF), International Maritime Organization (IMO), United Nations Industrial Development Organization (UNIDO), Scientific and Cultural Organization (UNESCO). Each of these specialized agencies have their own headquarter, leader, specific tasks and objectives that need to be in line with the policy of the UN.

# UN's Agencies in Vietnam

Viet Nam is officially part of the UN since 1977, right after the unification of North and South Viet Nam and the establishment of its socialist government in 1976. Vietnam has seen joining into UN as a big opportunity to elevate its reputation and country profile worldwide and a way to show to the world its advancements in the country top priorities, always in line with the UN policies. Viet Nam's interest in being an active part of the UN was clearly expressed by its willingness to be a non – permanent member of the UNSC, a role that covered in 2008/2009 and is currently exerting now until 2021.

Nowadays, 14 of the numerous UN Entities operate in Vietnamese soil in order to assist and accomplish the objectives imposed by the country itself:

- FAO: since 1978 the Food and Agriculture Organization of the United Nations has been operating in Viet Nam providing technical assistance, advising the government and working to implement more then 400 projects in the fields of sustainable agriculture, nutrition and environment maintenance, both maritime and wooded.
- IFAD: the International Fund for Agricultural Development started its collaboration with the Vietnamese government in 1993. Since then, IFAD collected a total of 16 projects, including the planned, the ongoing and the finished ones for a total financing of more then 420 million dollars. The exponential and radical transformation that Vietnam has been experiencing in the last 40 years caused a accentuated but predictable imbalance in the wealth of the population, the creation of a strong middle class and various humanitarian and environmental problems: IFAD strategy is to develop market led innovations aimed at helping the poorer, collaborating with the government and suggesting the right moves to do.
- ILO: Viet Nam joined the International Labour Organization in 1992 and the organization's HQ opened in Hanoi in 2003. The principal goals of the organization are the promotion of workers rights, decent employment opportunities and social protection enhancement. ILO has offered through the years policy advices, know how building and the possibility to both men and women of better employment and working conditions by collaborating with the Government, the Chamber of Commerce and many other public entities. ILO is currently helping the country to implement the 2017 2020 Decent Work Country Programme after the success of the first two programmes that operated in the periods 2006 2010 and 2012 2016.
- IOM: the International Organization for Migration started its collaboration with the government in 1987 having its HQ in Hanoi and a

subsidiary office in Ho Chi Minh (1989). The history of IOM Viet Nam is full of successful programmes and integrations, like the evacuation of more than 14000 Vietnamese workers from Iraq due to the Gulf War in 1990, the collaboration with the Central Viet Nam Women's union in 1997 in which IOM organized seminars for the prevention of women and children trafficking and in 1999, with the Viet Nam Women Union there was the implementation of a National Anti – Trafficking Information Campaign in many part of the country, raising public awareness on the trafficking issue or the assist to the government in attempt to repatriate more than 10000 Vietnamese workers from Libya and so on.

- UN Habitat: the aim of this UN entity is to build a better urban future by promoting socially and environmentally sustainable settlements and assuring an adequate shelter to all the people. UN Habitat started its partnership with the Vietnamese government in 1990 and established its first office in 2007. From 2014 to 2019, 11 projects have been registered for a total of near 2 million dollars invested.
- UN Women: despite being a country with one of the highest women participation in work, Viet Nam has always been facing problems with the integration of women in society and the assurance of a form of social protection. UN Women led anyway to an exponential progress towards a revalued figure of the woman thanks to the partnership with the government with programmes like the Law on Gender Equality (2006) and the Law on Domestic Violence Prevention and Control (2007).
- UNAIDS: this entity is a partnership that aims to lead and inspire the
  world into HIV prevention, treatment and support. UNAIDS started its
  operations in Viet Nam back in 1996, after the government opened a small
  office in the country, in the Ministry of Health office, specifically to treat
  this issue. UNAIDS aims to end, together with the government by 2030,
  AIDS as a health threat for Viet Nam.

- UNDP: the founding aim of the United Nations Development Programme is to end poverty while preserving the environment by helping countries to develop policies, skills and build up international partnerships to sustain their development. Viet Nam and UNDP's partnership started back in 1978 and since then, the collaboration between the two parts became stronger year after year. UNDP has been working closely to the government and other partners in order to let everyone to be able to select within a wide array of opportunities and be able to fully express their potential. Right now Viet Nam is working with UNDP ( 2017 2021 Country Programme ) in order to eradicate poverty and improve socio economic equity, low carbon dioxide emissions by becoming more environmentally sustainable and provide more access to justice and institutions to the citizens.
- UNESCO: The United Nations Educational, Scientific and Cultural
  Organization mission is to eradicate poverty, build up peace and favor
  sustainable development, scientific and cultural interchange between
  parts and contribute to obtain free flows of communication and
  information. UNESCO's operations in Viet Nam started in 1999 for the
  education and cultural sector at first and then expanded to alle the areas
  covered by the organization.
- UNFPA: the United Nations Population Fund mission is to ensure that everyone can enjoy a healthy life with equal opportunities to everyone else, with particular attention dedicated to women and girls. UNFPA has been operating in Viet Nam since 1977, when it started its first joint cooperative programme (JCP) with the government. UNFPA works both on a centralized level, collaborating with the government and many of its branches and on a territorial level, making partnerships and promoting provincial associations and entities in line with its policy and goals.

- UNICEF: one of the biggest branches of the UN, the United Nations International Children's Emergency Fund works in more than 190 countries aiming to save and improve children's life, defend their rights and assure them to be able to exploit their full potential from their early childhood. Thanks to its economic success and exponential human development, Viet Nam made remarkable progresses for its 26 million children: nowadays many children experience a quality of life that could have never been imagined by their parents, yet the situation is not the same for everyone. Children born in certain rural areas, like the northern mountains or the poor Central Viet Nam, don't have the same possibilities as the ones born in big cities and richer areas. Another influencing factor is the presence or not of disabilities: due to the high number of conflicts in which Viet Nam was part of, chemical agents and remnants of war affected the growth of the children causing malformations, disabilities and chronical diseases. Despite the drastic improvements over the safeguard of children with disabilities over the years, Viet Nam still faces issues with the integration and the ensurance to an easy access to sanity and institution to these people. UNICEF Viet Nam operates in different sectors related to childhood with seven programmes, namely: Better Business for Children, Children and Climate Change, Child Protection, Child Survival and Development, Education, Integrated Early Childhood Development and Social Policy and Governance.
- UNIDO: the United Nations Industrial Development Organization is the UN agency specifically designed to promote sustainable and ethic industrialization to fight poverty. UNIDO has been operating in Viet Nam since 1978, providing technical assistance to the Government in order to align the country with the higher international standards, implementing more than 150 projects and accumulating a capital of near 90 million dollars. UNIDO operations can be divided in five macro categories:

- creating shared prosperity, advancing economic competitiveness, safeguarding the environment, strengthening knowledge and institutions and cross cutting services.
- UNODC: the United Nations Office on Drugs and Crime is the UN agency leader in fighting illegal drug trafficking, corruption and international crimes, including terrorism. The UNODC office in Ha Noi serves as a bridge between the regional UNODC office and the Vietnamese Government: this agency must be very flexible and dynamic, adapting every regional mandate to the country needs. UNODC operates in Viet Nam through five different sub programmes, namely transnational organized crime and illicit trafficking, anti-corruption and money laundering, terrorism prevention, criminal justice and drug demand reduction and HIV/AIDS.
- WHO: the World Health Organization is one of the biggest branches of UN, is the healthcare world leader, aiming at building a healthier future for everyone. WHO has been operating in Viet Nam since 1950 establishing its offices in 1977 in Ha Noi and in 2003 in Ho Chi Minh. WHO had a fundamental role in the improvement of Vietnamese public healthcare and was the first UN organization to partner with the Government. The goal of WHO in Vietnam is to improve public healthcare and, most of all, to grant access to everyone an issue that is particularly accentuated in Viet Nam. In 2017, Vietnamese Government and WHO launched the "One Strategic Plan" for the period 2017 2021, following the *Delivering as One Principles*, to identify and focus on areas that need UN intervention in Viet Nam.

#### Criticism towards UN

In his 1954 historical declaration, Secretary General Dag Hammarskjöld said: "

The UN was created not to lead mankind to heaven but to save humanity from hell "29.

It's pretty easy to understand why Hammarskjöld spoke about hell: after Hitler's atrocities, nazist extermination camps and the shadow of a new nuclear war between the two power blocks, UN had the fundamental role to be the mediator between two enemies. Scholars are divided, even nowadays, on how much UN helped avoiding another world conflict but is also true, that UN from 1945 helped millions of people to improve their life and escape from their condition of poverty. In more than 70 years of operations UN collected a large number of successes that tended to overshadow the failures and critics to which the organization underwent: these are the thorniest ones:

- Problematic Memberships: as an obvious consequence to the huge number of members in the organization, UN has been criticized during the years to be a "den of dictatorships" that during the years gained power in the organization too. There are two main opinions on the presence of dictatorships even at higher levels of the organization: the first, is to let every region or group of countries to choose who they consider to be the best choice, not interfering with their vote while the secondo one, is to avoid the selection of certain states as leaders in the UN because they undermine the credibility of the organization.
- Corruption Problems: throughout the years the UN underwent numerous accusations for corruption like in 2005 when the UN's oil for food programme leader took kickbacks to let an oil company to win some contracts or in 2008, where more than 250 cases of corruption were

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<sup>&</sup>lt;sup>29</sup> See: Address by Secretary-General Dag Hammarskjöld at University of California Convocation, Berkeley, California, Thursday, May 13, 1954, at 10:00 a.m. https://digitallibrary.un.org/record/1291161

- discovered in the organization by the Office of Internal Oversight Service (OIOS).
- Role of the Five Permanent Members: "Sadly, there are no clear rules of intervention and the decisions made by the Security Council are increasingly dominated by the narrow politics of quid pro quo among the five permanent members who tend to form odd coalitions around any specific situation. This is true especially of so-called "humanitarian interventions", where strategic interests of the five are typically more significant than any truly human needs; witness, for instance, the eagerness to protect Kuwaitis under Iraqi occupation in 1991 and the utter lack of enthusiasm to prevent killings in Rwanda in 1997." China, France, UK, US and Russia have been, for the last few years, accused of using the organization to act in their interests and form a coalition to have more power on certain topics. This critique regarded also the UNSC that, having 15 chairs, of which 5 are reserved to the permanent members, is not able to represent enough the entirety of the UN but just the will of the Nuclear Club.

#### **ASEAN**

The Association of Southeast Asian Nations is an intergovernmental organization that operates in the Southeast Asia region. Nowadays it comprehends 10 nations that joined together to improve their economical relationships, the stability of the area and the socio – economic and their cultural integration.



# History of ASEAN

Before the creation of ASEAN Thailand, Philippines and the Federation of Malaysia formed an organization, in 1961, called Association of Southeast Asia or ASA. The 8<sup>th</sup> of August 1967 the three founding members of ASA together with Indonesia and Singapore signed in Bangkok the ASEAN Declaration, a document in which these five countries came together to solve some of the tensions in the area and, even if not explicitly said, to form a coalition against the rising communism issue in the area, especially in Viet Nam. These are the seven aims of the organization as explained in the declaration:

"[...] SECOND, that the aims and purposes of the Association shall be:

- 1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South-East Asian Nations;
- 2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
- 3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
- 4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
- 5. To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples; 6. To promote South-East Asian studies;
- 7. To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves. [...] "

Right now, ASEAN counts 10 members with Brunei that joined in 1984, Viet Nam in 1995, Laos and Myammar in 1997 and Cambodia in 1999 and is not simply a regional association but a real worldwide player: in 2006 the UN gave the Observer Status to the UNGA to ASEAN that responded by giving the Dialogue Partner status to the UN. The ASEAN community always wanted to become more and more similar to the European Union and many steps have been done in order to accomplish this:

 In 1995 the Southeast Asian Nuclear Free Zone Treaty was signed by every member but Philippines and become fully effective once the latter signed it the 21st of June 2001,

The 15<sup>th</sup> of December 2008 saw the launch of the ASEAN Charter, an
instrument issued by ASEAN that put emphasis on socio – economic co –
operation, territorial and cultural integrity and maintenance, sovereignty,
peace and the preserve of human rights,

• In November 2012 the ASEAN Human Rights Declaration became effective: after the 2008 crysis mined the achievement of the ASEAN Charter economic goals, the organization felt the need to integrate a new framework to protect human rights across its members. This declaration failed anyway to bring anything new to the table rather it lacked of some fundamental parts and for that has been harshly criticized by many international organizations like Amnesty International<sup>30</sup> and UN High Commissioner for Human Rights<sup>31</sup>.

## ASEAN in the World

ASEAN is no more a little organization but a well – established worldwide player, able to, at least from an economical point of view, seat at the same table with the major power blocks (EU, China and US). ASEAN is forecast to be one of the fastest growing regions for the next decade, reaching 7600 billion US\$ by 2030, exceeding Japan's GDP by near a trillion US\$<sup>32</sup>. The Asia – Pacific region, or APAC, is considered to become the world's most important economical

<sup>&</sup>lt;sup>30</sup> See: Amnesty international public statement

https://www.amnesty.org/download/Documents/24000/ior640052012en.pdf

<sup>&</sup>lt;sup>31</sup> See: UN official welcomes ASEAN commitment to human rights, but concerned over declaration wording, https://news.un.org/en/story/2012/11/426012

<sup>&</sup>lt;sup>32</sup> See: Week Ahead Asia-Pacific Economic Preview

https://cdn.ihs.com/www/pdf/1802151 1802204 1.0.pdf

growth engine, thanks to its three most important assets, being namely China, India and ASEAN, that is gaining more and more importance from an economical point of view. ASEAN is not a homogeneous group of nations, being composed by countries with very different economic situations. Indonesia for example is the largest economy in ASEAN, counting for near 40% of the total

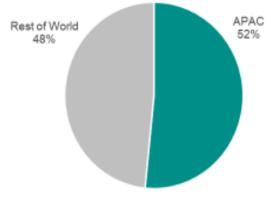
GDP 2013, current prices \$ trillion		Real GDP growth, 2000-13		GDP growth volatility, <sup>1</sup> 2000-13		Share of debt to GDP, 2013 %		Inflation rate, 2013 %, GDP deflator	
United States	16.8	China	10.0	Russia	4.2	Japan	243	India	7.0
China	9.3	India	7.0	India	2.4	Italy	133	Russia	6.5
Japan	4.9	ASEAN	5.1	United Kingdom	2.3	United States	105	Brazil	6.5
Germany	3.6	Russia	4.4	Italy	2.3	France	94	ASEAN	2.8
France	2.7	Brazil	3.2	Germany	2.3	United Kingdom	90	Germany	2.3
United Kingdom	2.5	Canada	1.9	Japan	2.2	Canada	89	United Kingdom	2.1
ASEAN <sup>2</sup>	2.4	United States	1.8	Brazil	2.2	Germany	78	China	1.7
Brazil	2.2	United Kingdom	1.5	China	1.8	India	67	United States	1.5
Russia	2.1	Germany	1.1	United States	1.7	Brazil	66	Canada	1.5
Italy	2.1	France	1.0	Canada	1.7	ASEAN	47	Italy	1.4
India	1.9	Japan	0.8	France	1.6	China	22	France	1.1
Canada	1.8	Italy	0.0	ASEAN	1.5	Russia	13	Japan	-0.6

<sup>&</sup>lt;sup>1</sup>Standard deviation of GDP growth rate.

Source: IHS; International Monetary Fund, World Economic Outlook; McKinsey Global

Figure 13 - ASEAN economic figures in comparison with other world players

GDP and surpassing the 1 trillion US\$ threshold in 2017, being **ASEAN** fundamental part for economic growth in the future. Other ASEAN economies like Malaysia, Philippines and Thailand are likely to reach the trillion threshold in the next Figure 14 - APAC contribution to the increase



of world GDP

<sup>&</sup>lt;sup>2</sup> Association of Southeast Asian Nations

future while, smaller economies like Viet Nam and Myanmar are attracting FDI mainly from developed countries, thanks to the low cost of their labour force and high specialization in manufacturing sectors. At the same time poor countries like Laos, Cambodia and Myanmar can take advantage of their membership in ASEAN to develop their economies.

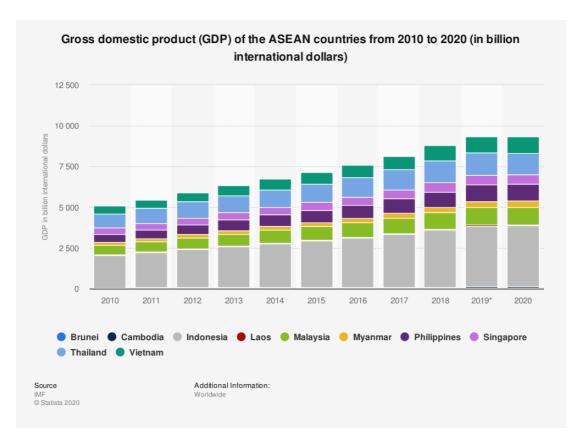


Figure 15 - ASEAN economic growth for the period 2010 / 2020

#### Viet Nam in ASEAN

ASEAN was born, even if it wasn't officially declared, from the fear of the founding countries to succumb to the growing menace of communism: Viet Nam was a menace for the entire area, being strictly correlated with the Soviet Union and China. The Singaporean prime minister Lee Kuan Yew outlined the situation perfectly, by saying:

"[...] The unspoken objective was to gain strength through solidarity ahead of the power vacuum that would come with an impending British and later a possible US withdrawal... We had a common enemy – the communist threat in guerrilla insurgencies, backed by North Vietnam, China and the Soviet Union. We needed stability and growth to counter and deny the communists the social and economic conditions for revolutions... While ASEAN's declared objectives were economic, social and cultural, all knew that progress in economic cooperation would be slow. We were banding together more for political objectives, stability and security." 33

In 1976 the organization signed the Treaty of Amity and Cooperation in Bali, as a direct response to the communist threat to the region but in 1978 Viet Nam invaded Cambodia, blatantly violating the previous treaty. This event had a decisive consequence: despite the organization did nothing apart from condemning Viet Nam's military operations, the Cambodia invasion strengthen even more the relationships between the members, forming an even more steady coalization between them. Once the Soviet Union started falling apart, together with the communist dream, Viet Nam found itself poor, isolated from the global market and surrounded by countries that didn't see it well. These are the main reasons why Viet Nam, starting with the Đổi Mới reform of 1986, decided to change direction from both an internal and external point of view. Things started to change and foreign investments, especially from ASEAN, began flowing in the country. In 1989, a Thai trade commission visited Viet Nam, after more than 30 years and the following years, Viet Nam started proceeding through the "friends with all " path: it was only after October 1991, with the signing of the Cambodian peace plan, that Viet Nam really began to have closer ties with the ASEAN members. In 1992 Viet Nam became an observer and, in 1995, it became officially a full member of ASEAN. After more than 50 years after its creation, ASEAN is

<sup>&</sup>lt;sup>33</sup> Lee Jones (2007), ASEAN intervention in Cambodia: from ColdWar to conditionality, The Pacific Review, VOL 20 ISSUE 4, University of London, pp. 523 - 550

considered to be one of the most dynamic and crackling economic areas worldwide and Viet Nam has been playing an active role in the organization.

- Viet Nam has a strategic position, being consider the perfect bridge between South - East Asia and Maritime South - East Asia. This region is divided in mainland and maritime area: the latter comprises all the island countries in the region, like Singapore, Timor – Leste, Brunei, Malaysia, Philippines and Indonesia.
- Viet Nam actively contributed to increase the organization from the original six members to the ASEAN 10 that we see nowadays, pushing towards the acceptance of Laos, Cambodia and Myanmar.
- In 1997 ASEAN adopted the ASEAN Vision 2020 which envisioned the organization as a fine orchestra of all the nations in the area, aiming at living in peace, stability and prosperity. In order to make it possible, the Hanoi Plan of Action was conceived and Viet Nam, less than 3 years after its admission in the organization, was able to build up a framework of actions and plans to achieve those goals. The HPA covered 10 areas to work on and promote:
  - Macroeconomic and financial cooperation;
  - Economic integration;
  - Tech, science and information infrastructures development
  - Social development;
  - Human resources development;
  - Protection of the environment and sustainable development;
  - Regional peace and security;
  - Role of ASEAN in the region and worldwide;
  - ASEAN awareness in the global scenario;
  - Improve ASEAN's structures and mechanisms.

This point is particularly important in the History of the association, marking the beginning of the conceptualization of ASEAN as we know it nowadays.

- In 2001 Viet Nam was nominated as the chairman of the 34<sup>th</sup> ASEAN
   Standing Committee and successfully hosted various meetings like the ASEAN Ministerial Meeting, the ASEAN Regional Forum and the Mekong-Ganga Copperation.
- In 2010 Viet Nam took over the rotation Chairman nominee of ASEAN.
   The country helped to establish a dialogue with many countries like China, Russia and India. Thanks to Viet Nam's friendly approach, ASEAN gave the role to the country to manage its relationship with Japan for the years 2018 2021.

In general, Viet Nam gained its reputation as hard worker both from an economical and geopolitical point of view, thanks to all the results that the country brought to the table. Right now the country is a key component also for the relationships between ASEAN and China with particular focus on the biting situation regarding the South China Sea.

## Criticism towards ASEAN

ASEAN was born as an answer to the compelling menace of the communist wave after the WW2 and, after the fall of the communist dream, it became more and more an economic propelled organization: like we've seen in the previous paragraph, the organization collected a set of economic records and has been very helpful for poorer countries to grow. ASEAN didn't avoid anyway criticism towards its actions:

• The most vivid critic that ASEAN faces regards its non intervention policy that, through the years, caused many atrocities to happen like Marcos in the Philippines, the military regime in Thailand, Suharto in Indonesia or Pol Pot in Cambodia. One specific episode raised a storm of critics in the years to come: while ASEAN, respecting its principle of non – interference permitted to the mad man, Pol Pot, to do a genocide in Cambodia, it accused the intervention of Viet Nam in the country because it infringed the non interference principle. This approach was particularly useful to

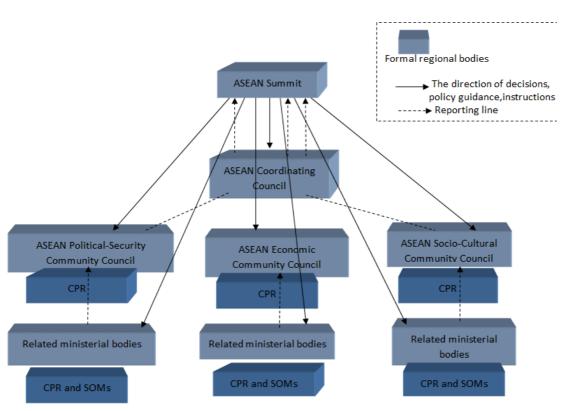


Figure 16 - Regional policy making process after the adoption of the ASEAN Charter

keep the Southeast Asia situation under control, made instable by the communist menace and the great number of secessionist conflicts that happened. At the same time, the elite classes of those countries aimed at consolidating their power: authoritarianism and human rights abuses usually go hand in hand and this is exactly what happened through the

years in Southeast Asia. Nowadays the situation has surely improved but countries in the area know that they can go back to authoritarianism without having to worry about interventions from the countries nearby.

- Another issue that ASEAN is criticized for is the slowness of the decision making processes: ASEAN uses the term "ASEAN way" to indicate a slow process based on consensus. This approach surely doesn't help ASEAN in reacting as fast as the challenges that the organization must face and also impede a strong answer to certain issues that afflict the area: the most compelling issue regards the South China Sea dispute between ASEAN and China, in which the latter answered weakly to China claiming all the area, also due to Cambodia, a well known Beijing allied<sup>34</sup>.
- Last but not least, ASEAN has a lack in power regarding the establishment and protection of human rights. Even though the economic figures that characterize the region are far from weak, the economic growth has been way more accentuated that the progress in human rights protection, with evident problems like child labour, poor living conditions for low wage workers or farmers, gender inequalities and even human trafficking<sup>35</sup>.

# World Trade Organization

The World Trade Organization is an international entity that regulates trade between nations by dealing with trade of goods, services or intellectual property, providing a framework of trade agreement, rules and disputes resolution in case

<sup>&</sup>lt;sup>34</sup> See: Asean hits 49th anniversary as it struggles with reaching consensus on South China. Sea tensions, economic development https://www.cnbc.com/2016/08/08/asean-hits-49th-anniversary-as-it-struggles-with-reaching-consensus-on-south-china-sea-tensions-economic-development.html

<sup>&</sup>lt;sup>35</sup>See: Human trafficking in Asia going online, https://www.eastasiaforum.org/2014/05/03/human-trafficking-in-asia-going-online/

of controversies. WTO forbids commercial discrimination between the members with exceptions for environmental protection or national security.

# History of GATT and WTO

WTO was founded January the 1<sup>st</sup> in 1995 after the sign of the Uruguay Round in Marrakech by 123 nations, replacing the General Agreement on Tariffs and Trade. GATT was conceived after the victory of allies in the WW2 as an organization to run alongside with the WB and IMF. GATT consisted in 9 rounds starting back in 1947 with the Geneva first round. Scholars divide GATT history in three principal phases, the recovery phase (1947 – 1962), the competition phase (1963 – late 70s) and the Expansion phase (1986):

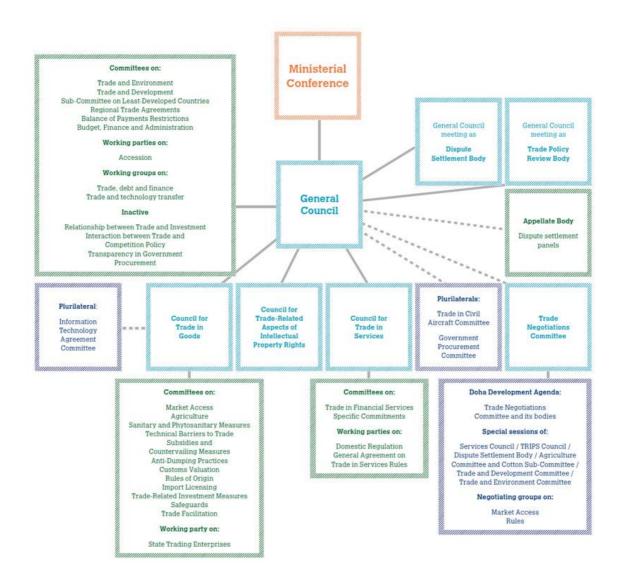
- Geneva Round, held in 1947 from April to October, was the first round of agreements, starting the GATT operations and the so called *recovery phase*. This new organization, led by the US, aimed at recovering the allied western nations and creating a stronger bond with the US against the Soviet Block, comprehended 23 countries. In this round there was the signing of the GATT and 45000 tariff concessions.
- Annecy Round, held in 1949 from April to August, was signed by 34 countries and the main topic was tariffs with countries exchanging 5000 tariff concessions.
- Torquay Round, held in 1950 from September to April 1951, signed by 34 countries, covered the same object as the Annecy Round, with countries exchanging near 9000 tariff concessions, cutting tariff levels by 25%.
- 2<sup>nd</sup> Geneva Round, held in 1956 from January to June, signed by 22 countries, covered classic objects like tariffs, ordinary administration tasks

- and the admission of Japan in the organization. Tariffs were reduced for more than 2.5 billion dollars.
- Dillon Round, held in 1960 from September to July 1961, signed by 45 countries, covered just tariffs and ordinary tasks in the organization seeing the signment of tariff concessions for near 5 billion dollars.
- Kennedy Round, held in 1964 from May to June 1967, signed by 48 countries, started the competition phase and covered, apart from ordinary tasks and tariffs, the anti dumping phenomenon. Tariff concessions worth peaked at 40 billion dollars.
- Tokyo Round, held in 1973 from September to November 1979, signed by 102 countries, covered the usual topics giving attention, this time, also to non – tariff measures and a more complex and complete legal framework.
   This round saw a reduction in tariffs for more than 300 billion dollars.
- Uruguay Round, held in 1986 from September to April 1994, is the 8th and probably the most important round for GATT. This agreement was signed by 123 countries and covered lots of topics like international transactions, tariffs on agricultural goods, intellectual property regulation and the creation of the WTO. The negotiations, especially for the last point, were not easy and required lot of years: despite in 1991 every point of the agreement was outlined and well defined, countries needed 3 more years in order to formalize everything. Besides the creation of WTO, this round extended the legislation of the intellectual property branches and gave more access to the international market to many developing countries.
- Doha Round, held from November 2001 and still to be concluded, is the longest and most numerous round ever, with 159 signing countries. This agreement is still to be concluded mainly due to two factors, being the difficulty to find an agreement between developed nations and developing ones and the financial crisis of 2008. This round covers mainly the relationships between rich and developing countries in more than 20

areas, focusing more on transactions regarding agricultural goods, services and intellectual property.

While GATT was a framework of rules agreed by nations regarding mainly physical goods, WTO is an international organization with the aim to regulate the transaction between nations of intellectual properties and services putting more emphasis on environmental, human rights and legal conditions within the transactions.

# Structure of WTO



The WTO is characterized by a complex structure with many parts, under the control of two principal organs, the Ministerial Conference and the General Council. The Ministerial Conference is the decisional organ of the organization, the head of WTO. The MC reunites at least once every two years, with all the members and is the only organ that can ratify new agreements through consensus. The second most important organ is the General Council. The GC reunites many times during the year, is constituted by representants of the members and its operations range from organizational tasks to resolutory organ for commercial disputes ( Dispute Settlement Body ) and auditor for commercial policies ( Trade Policy Review Body ).

Under the GC there are three more councils, specific for goods, services or intellectual property trading that operate on the field, at the operational level and assure that every disposition and guideline made by the MC is respected. There are also two other organs, specialized in plurilateral agreements that are not signed by all the members and study commissions that report their data and activities directly to the General Council.

#### Vietnam in the WTO

Since 29 of July 2016, WTO counts 164 members and 25 observers. The process to become a member in the WTO is long and complicated but it can be summarized in four phases:

- Country Description: the applying country must send a memorandum to the WTO describing all the aspects of trade and economic policies that are treated or can influence the WTO agreements.
- Bilateral Discussions: once the working party deeply analyzed all the policies and trade aspects the entering country starts a parallel bilateral

talk with every member, in order to outline the benefits that can receive and give to the others. This phase is particularly delicate and complicated, due to the complexity that the discussions between countries can assume.

- Membership Terms Draft: once the bilateral discussions and the examination made by the working party are concluded, the latter makes a draft with all the terms for the accession of the country. These terms are then presented in the *Protocol of Accession* and in the *Schedules*.
- Conclusion: the final package, comprehending the Protocol of Accession
  and the Schedules, is presented to the GC or the MC and the decision is
  left to the vote: if at least two thirds of WTO members accept all the
  conditions, the requiring country is free to sign the documents and
  formalize its membership.

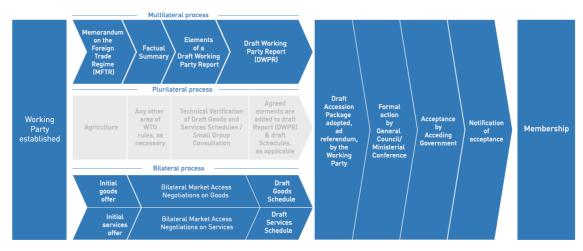
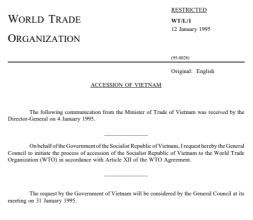


Figure 177 - Viet Nam's accession to WTO

Vietnam officially became the 150<sup>th</sup> member of the WTO the 11 of January 2007, after 12 years of negotiations. The first application signed by Vietnam dates back to the 4 of January 1995 and the first formal meeting of the working party occurred on the 27 of July 1998.



<u>Figure 188 - Accession official request by Viet</u> <u>Nam</u>

Multilateral Negotiations started in 1998, after the 1996 Memorandum on Foreign Trade Regime and finished in 2006 while the Bilateral Negotiations started in 2002 and finished in 2006 as well<sup>36</sup>. Since its

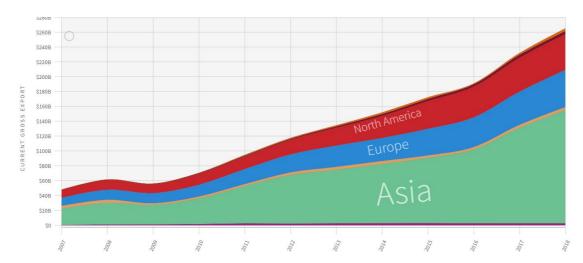


Figure 199 – Viet Nam's exports from 2007 to 2018

debut in 2007, Viet Nam benefitted greatly from its accession to WTO, augmenting its FDI and imports by many times, like shown in the picture down below: from 2007 to 2018, imports augmented by 420.8%. Another important aspect to consider by analysing Viet Nam's membership in WTO is that even though the membership didn't affected directly exports, inward FDI stimulated

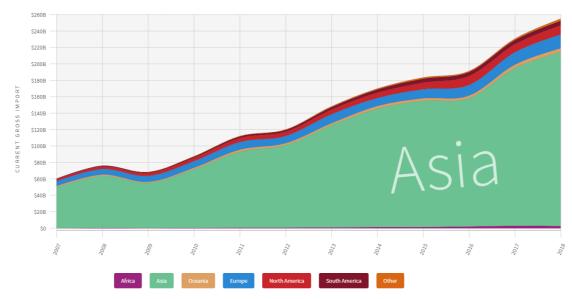


Figure 20 - Major exporters to Viet Nam

<sup>&</sup>lt;sup>36</sup> See: https://www.wto.org/english/thewto\_e/acc\_e/a1\_vietnam\_e.htm

Viet Nam's openness to the international market and, indirectly, exports. Vietnam's success is to be accredited not only to accession to WTO but also to the fact that it followed China's Economic Model and slowly started a liberalization process by safeguarding its internal market.

## Criticism towards WTO

There is no doubt about the fact that GATT, together with WTO, helped reducing tariffs and other trade barriers through the year but is questionable the promise that the economical advancements could reduce poverty and augment people's income. In all these years, WTO collected many critics over its operations:

- Developed Countries First: developed countries are used to put high trade barriers in order to let their new companies to flourish to contrast foreign more cheap or developed competitors. This is called *Infant Industry Argument*, a practice that usually results in weaker new companies and damaged developing countries. A well known critique to the WTO is South Korean Economist Ha-Joon Chang that in 2002 wrote for the guardian "History debunks the free trade myth" an article in which he talks about a paradox in the liberalists beliefs regarding free trade, presenting two valid points: growth was higher in the 1960 1980 period than in the 1980 2000 one, despite the market being more liberal and countries usually reduce trade tariffs and barriers once they get richer.
- Non Discriminatory Principle: trading without discriminations is at the
  core of WTO's operations. This principle makes perfect sense and at first
  its rightness is unobjectionable but in reality, it favours multinationals,
  because local companies can't decide to prefer local buyers.

- Failure on the Agricultural Side: WTO was not able to reduce trade barriers on agricultural goods and even today US and EU have high import tariffs that damage developing countries farmers.
- Unfair Treatment: WTO has been criticized during the years for not treating in the same way the introduction of trade barriers by developed and developing countries<sup>37</sup>.
- Environment: WTO has been harshly criticized by many for ignoring the
  environmental issue. The over emphasized egoistic aim at augmenting
  the GDP without caring how to do it, let many countries with low
  environmental laws and regulations to produce more and trade in a
  worldwide market, destroying the environment.
- Cultural Problem: freeing without restrictions the global market from barriers can lead to the cultural and social tissue disrupture: through the years many groups, like the no - global movement denounced the incoming problems, especially for developing countries, that a completely free market could bring.
- Slowness: WTO has been criticized for the slowness of its rounds and accession processes.

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 $<sup>^{37}</sup>$  Ha-Joon Chang (2002), Kicking Away the Ladder: Development Strategy in Historical Perspective, Anthem Press, pp 125 - 137.

# Chapter III Viet Nam relationships with world economic players

#### Viet Nam and USA

Relations between US and Viet Nam have never been easy due to a different approach to economy and politics. The worst scenario was reached after the Viet Nam War, where US forbid every economical exchange with Viet Nam. The embargo was then removed in 1994 and the two countries began to develop strict ties both from an economical and diplomatic point of view. Nowadays the two countries are good economic partners for eachother and despite the atrocities suffered from Viet Nam during the war, the Southeast Asia country is one of the most "pro – US" in the entire area<sup>38</sup>.

# Before the Embargo

After the Viet Nam war, relations between the two countries have never been smooth. The first sign of an openness to the Asian country by the US can be glimpsed in 1991 during the Bush persidency, when the USAID assistance began on April helping disabled people. In the same year, the US office for MIA Affairs officially opened for business in the capital, Hanoi and after supporting a UN peace plan for Cambodia, US declare its willingness to take some steps to normalize the relations with Viet Nam. The real game changer fot the Washington – Hanoi situation, was the election of the democratic William Jefferson Clinton in January 1993: on July of the same year, the new president's administration started creating a channel to permit international lending by organizations like IMF and World Bank to Viet Nam.

<sup>&</sup>lt;sup>38</sup> See: 40 years after fall of Saigon, Vietnamese see U.S. as key ally, https://www.pewresearch.org/fact-tank/2015/04/30/vietnamese-see-u-s-as-key-ally/

# The American Embargo

There's no doubt that the clamorous defeat suffered by the American army, forced to escape from a small southeast asian country with uncountless coffins and numerous traumatized soldiers shaked the American society and changed the view of the most powerful country in the eyes of many. Since the military oppression wasn't successful, US tried not to make communisms spread across Asia, avoiding the so called domino effect, by establishing economic obstacles to Viet Nam: the US president Gerald Rudolph Ford Jr., decided to put Viet Nam in the list of countries considered enemies by the Trading with the Enemy Act, a US federal law that gives to the president the power to oversee and regulate and even ban economic exchanges with a specific country. Nowadays the only country that is restricted under the TWEA legislation is Cuba but the list of countries is impressively long: Albania, Andorra, Austria, Austro-Hungarian Empire, Belgium, Bulgaria, Cambodia, China, Cuba, Czechoslovakia, Gdansk, Denmark, East Germany, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Monaco, Montenegro, North Korea, North Vietnam, Norway, Ottoman Empire, Poland, Portugal, Romania, Russia, San Marino, Serbia, Spain, Sweden, Switzerland, Thailand, The Netherlands, Union of Soviet Socialist Republics, Vietnam and Yugoslavia. Even though it seems very strange for the most capitalist country in the world to give the power to the president to intervene in economic affairs, it must be kept in mind that the TWEA was conceived in war times, to be more precise in 1917 against Germany and Austria - Hungary Empire.

"With a few exceptions, all commercial transactions between Vietnam and "U.S. citizens and permanent residents wherever they are located, all people and organizations physically in the United States, and all branches and subsidiaries

of U.S. organizations throughout the world" are illegal under the regularions. Maximum penalties for violating the sanctions are 12 years imprisonment, \$500,000 in corporate fines and \$250,000 in individual fines.<sup>39</sup> "

This embargo had many effects also on other companies and markets because every good produced with at least 10% of American manufacturing fell under the restriction. TWEA combined with the disastrous effects of staying under the COMECON, brought Viet Nam to a situation of isolation and extreme poverty, a condition that can still be observed today in certain areas. The embargo infact didn't just block the possibility to trade with Vietnamese realities but also blocked every direct investment even from international organizations: Washington has been harshly criticized by many for the tough policy against Viet Nam, expressed by blocking all the investments using its veto power on WB, IMF and ADB. The wave of dissent spreaded in the US soil too, especially in the senate and in the parliament mainly for two reasons: first, the conditions imposed by the TWEA impeded the free competition with European companies that could freely invest in the booming Vietnamese economy and above all, this kind of policies didn't fit well with the most capitalistic country in the globe. After all these turmoils and economic failures, George H. W. Bush lost the presidential race against Bill Clinton in September of 1992. In just more than a year, the neo – elected democratic president revoked the embargo on Viet Nam, the 3rd of February 1994: this action provoked an eruption of rage by all the families of those killed in the Viet Nam war. Even after the lifting of the embargo, Vietnamese exports have been subjected by high tariffs, since the nominee of the Asian country as "most favoured nation", gained by changing its policy and develop more as a free market in accordance to US standards. In 1995, with the guidance and advises of senator John McCain, a former naval pilot who had been

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<sup>&</sup>lt;sup>39</sup> Nick J. Freeman (1993), United States's Economic Sanctions Against Vietnam International Business and Development Repercussions in The Columbia Journal of World Business Volume 28, Issue 2, p. 13.

imprisoned for five years in a Vietnamese war prison, president Clinton established finally full diplomatic relations with Viet Nam. In 2016, under the last year of president Obama mandate, US lifted completely the embargo on Viet Nam, permitting the trade of weapons and other specific products that were not permitted before. In conclusion, the US embargo on Viet Nam didn't go as planned and can be considered a 20 years failure that didn't bring the expected policy results, giving the possibility to European companies to move in the Vietnamese economy way before American ones<sup>40</sup>. So, why US waited so long to lift the embargo from Viet Nam? The answer can be found in the necessity of the various presidencies not to lose consensus by moving towards the small Asian country and provoke rage outbursts from certain groups, like happened in 1994 with president Bill Clinton:

"[...] the wounds from the loss of the Vietnam War and its attendant domestic political upheaval, still surprisingly raw for many Americans, gives the policy its emotional base.<sup>41</sup>"

# After the Embargo

The end of the US embargo in Vietnam marked a turning point in the history of the two countries, opening the most powerful economy, at the time at least, to one of the most promising developing economies in the world. What follows are the most important steps for their relationship<sup>42</sup>:

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<sup>&</sup>lt;sup>40</sup> Nick J. Freeman (1993), United States's Economic Sanctions Against Vietnam International Business and Development Repercussions in The Columbia Journal of World Business Volume 28, Issue 2, p. 20.

<sup>&</sup>lt;sup>41</sup> E. Mihaly (May 30,1991), Treating the Syndrome, Far Eastern Economic Review

<sup>&</sup>lt;sup>42</sup> See: Chronology of U.S. – Vietnam Relations, https://vn.usembassy.gov/our-relationship/policy-history/chronology-of-us-vietnam-relations/

- 1995: the Veterans of Foreign Wars association show support for the normalization of the relationships with Viet Nam. This fact is particularly important due to both the strong bound that US have with their veterans and for the impact that the Viet Nam war had on American society. On July president Clinton declare the normalization of the relations with Viet Nam and on August the two countries open an embassy on their respective capitals.
- 1997: the first US treasury secretary to visit Viet Nam, Robert Rubin, declared the intention to let Viet Nam and US to deepen their ties, both diplomatic and economic, by defining the country as a nation with tremendous power<sup>43</sup>. The US treasury secretary, together with the Vietnamese finance minister Nguyen Sinh Hung, signed an agreement that established the repayment of a 145 million dollars debt from the former South Viet Nam government. This event was particularly important from a diplomatic point of view: it implicitly expressed the willingness from both the parts to cooperate and the recognition by the first world power of the existence of the Democratic Republic of Viet Nam. During the same year the US government passes a law to permit USAID to fully operate in Viet Nam, to improve trade through commercial laws and a technical program. On July the two countries signed a Copyright Agreement that came into effect on December 1998<sup>44</sup>.
- 1999: this year signs a particularly important step for the two countries
  that on July sign the US Viet Nam Bilateral Trade Agreement in Hanoi.
  This new agreement laid the foundations to the modern relationship
  intercurring between the two countries, facilitating trade and completely
  opening the two economies to eachother: trade tariffs dropped from an

<sup>&</sup>lt;sup>43</sup> See: U.S.-Vietnam Trade Council, Hanoi Secretary Robert Rubin, https://www.treasury.gov/press-center/press-releases/Pages/rr1588.aspx

<sup>&</sup>lt;sup>44</sup> See: Agreement between the UNITED STATES OF AMERICA and VIETNAM https://www.state.gov/wp-content/uploads/2019/02/13015-Vietnam-Intellectual-Property-Copyright-12.23.1998.pdf

average of 40% to 3%, the Most Favoured Nation status was extended and Viet Nam opened more its economy by applying some market liberalization laws in accordance with the WTO standards. This agreement is the result of more than 5 years of negotiations and, once it came into effect on December 2001, caused many protests by the most radical parts of the communist party. On September USAID, in order to accelerate the negotiations for the BTA, began a technical assistance program to the Vietnamese Ministry of trade<sup>45</sup>.

- 2000: on November, the United States Agency for International Development officially opens its first office in Hanoi.
- 2001: The US Congress passes the Viet Nam Education Foundation Act of 2000, in order to fund Vietnamese school development with 5 million \$ per year until 2019:

"To carry out an international fellowship program between the United States and Vietnam to enable Vietnamese nationals to pursue advanced studies in science, mathematics, medicine, and technology; to enable United States citizens to teach in those fields in Vietnam; and to promote reconciliation between the two countries<sup>46</sup>."On October, president George W. Bush signs the US – Vietnam Bilateral Trade Agreement in Public Law 107 – 52<sup>47</sup>.

2003: For the first time after the Viet Nam War, an American ship dock in
 Viet Nam: the USS Vandegrift docks in Ho Chi Minh City on November

https://www.everycrsreport.com/reports/RL30416.html

<sup>&</sup>lt;sup>45</sup> See: The Vietnam-U.S. Bilateral Trade Agreement,

<sup>&</sup>lt;sup>46</sup> See: Vietnam Education Foundation Act of 2000, https://www.congress.gov/bill/106th-congress/house-bill/5581/text

<sup>&</sup>lt;sup>47</sup> See: Joint resolution approving the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Vietnam, https://www.govinfo.gov/app/details/PLAW-107publ52/summary

19<sup>th</sup>, a clear message to witness the strong will to strengthen the relations between the two countries.

"The highly symbolic visit by the guided missile frigate USS Vandergrift is intended to mark a new chapter in relations between Vietnam and the United States, ending decades of suspicion that followed the Vietnam War."<sup>48</sup>

2004: on June Truong Dinh Tuyen, Vietnam's Minister of Trade, comes to
Washington to meet with the key US officials to discuss about Viet Nam's
accession to the WTO and implementation of the BTA. A week later
president George W. Bush puts Viet Nam in the "focus countries" for the
President's Emergency Plan for Aids Relief (PEPFAR), a government
association with the goal of preventing and fighting the diffusion of HIV

# of individuals receiving antiretroviral treatment as of March 31, 2010 <sup>1</sup>	35,602				
# of HIV-positive individuals who received care and support as of September 30, 2009 (including TB/HIV) <sup>1</sup>	136,464				
# of orphans and vulnerable children (OVC) who were served by an OVC program in the period between October 1, 2008 and September 30, 2009 <sup>1</sup>	5,302				
# of pregnant women receiving HIV counseling and testing services for PMTCT since the beginning of PEPFAR <sup>1, 2</sup>	1,146,326				
# of HIV-positive pregnant women receiving antiretroviral prophylaxis for PMTCT since the beginning of PEPFAR <sup>1,3</sup>	3,991				
# of counseling and testing encounters (in settings other than PMTCT) in the period between October 1, 2008 and September 30, 2009 <sup>1</sup>	259,635				
# of individuals reached with community outreach HIV prevention programs that promote Abstinence and/or Being Faithful in the period between October 1, 2008 and September 30, 2009 <sup>1</sup>	508,591				
# of individuals reached with community outreach HIV prevention activities that promote Condoms and related prevention services in the period between October 1, 2008 and September 30, 2009	571,827				
# of USG condoms shipped from Calendar Year 2004 to 2009	41,000,000				
Note: Numbers may be adjusted as attribution criteria and reporting systems are refined.					

3 It is possible that some pregnant women received antiretroviral prophylaxis more than once over the 5-year period, e.g. HIV positive women who were pregnant more than once.

Total results combine individuals reached through direct and indirect support.
 It is possible that some individuals were counseled and tested more than once.

Table 9 - PEPFAR Results in Vietnam from 2004 to 2010.

<sup>&</sup>lt;sup>48</sup> See: U.S. warship docks in Vietnam, CNN http://edition.cnn.com/2003/WORLD/asiapcf/southeast/11/19/vietnam.us/

- and AIDS on a global scale. Results obtained by PEPFAR in Viet Nam have been consistent, as shown in this table.
- Organization officially invites Viet Nam to become part of the organization. This event signs a very important step towards the so called "socialism oriented market economy" becoming reality on January 11<sup>th</sup> of 2007, when Viet Nam becomes the 150<sup>th</sup> member of WTO. On December of the same year, President George W. Bush signs the extension of Permanent Normal Trade Relations status to Viet Nam, a legal designation for free trade with a foreign country.
- The Obama presidency (2009 / 2017): In the last years, the relations between the two countries became tighter and tighter both from an economical and a geopolitical point of view. The overall trade between US

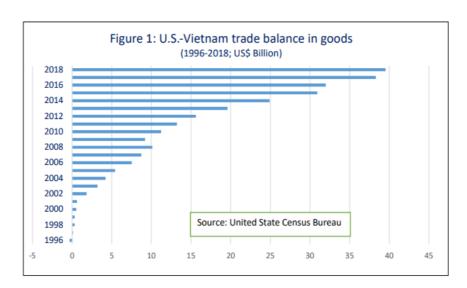


Figure 21 - Deficit in US trade balance with Viet Nam

and Viet Nam expanded year after year but in an unbalanced way: the more time passes, the more the trade deficit in favour of Viet Nam augment. For the globalist president Barack Obama this did not represent an issue at all and he continued to nourish the relations with Viet Nam. Exports to the US has been, in some sectors, unregulated for many years, leading to problems in both countries: US entrepreneurs, mainly in the

fishery and textile industries, complained about the risk that the vietnamese products implied for the local entrepreneurs, unable to compete with such low prices. Other important issues were the IPR, the intellectual proprerty right, and the anti-dumpling processes to which Viet Nam have been accused throughout the years. In the asian country this situation created a perfect environment for poor labour conditions, human rights infringments and humans, including children, exploitation. Even though the Đổi Mới has been a huge step towards a market economy, the reforms did'nt change the fact that the government still controls the monetary market and the industries in the country. In 2014 U.S. and Viet Nam established the U.S. – Viet Nam Joint Commission on Civil Nuclear Cooperation, an initiative to facilitate the implementation of the agreement on the pacific use of nuclear power:

"[...] Under the agreement, the United States can license the export of nuclear reactor and research information, material, and equipment to Vietnam. The agreement does not allow for the transfer of restricted data or sensitive nuclear technology, and contains required nonproliferation provisions. [...]"49

Despite having different trade issues<sup>50</sup>, the two countries bonds grew tighter and tighter also for a geopolitical reason: China. The South China Sea is the place for one of the thorniest issues regarding Asia: this portion of Pacific Ocean is a very prolific assets for all the countries that are lucky enough to be touched by its waters (this issue will be discussed in the last paragraph). For this reason, Viet Nam is a very important ally for the US, being one of the main opposers to China. In 2014, US started to partially

<sup>&</sup>lt;sup>49</sup> See: U.S.-Vietnam Nuclear Cooperation Agreement, https://fas.org/sgp/crs/nuke/R43433.pdf

<sup>&</sup>lt;sup>50</sup> See: U.S.-Vietnam Economic and Trade Relations, https://fas.org/sgp/crs/row/R40755.pdf

lift the lethal weapon embargo upon Viet Nam coming in 2016 to completely lift the embargo, starting to trade weapons with the asian country. The lift of the embargo was not the only initiative that U.S. brought up to establish a sort of "control" on the South China Sea: with the Southeast Asia Maritime Security Initiative, U.S. started founding all the states in the region and giving them ships and trainings<sup>51</sup>. This was the clear manifestation of the intentions of the U.S. on the region and its wilingness to stop the unregulated advance of the Chinese power. Problems however were fare from solved, with the U.S. worried abou the human rights issue and the power of the Communist Party in Viet Nam. On the other hand, parts of the vietnamese communist party were recluctant to the idea of a too tight cooperation with the U.S., accusing the western country to try to establish a democracy in subtle ways. In Viet Nam the "3 Nos" 52, no to foreign military bases on the national soil, no to military alliances and no to use or be used by a third country to fight another one, are still present and strong in the Vietnamese mindset and the so generous intervention by the U.S. is seen by many, as a way to grant economical and military assistance and alliance, if needed, to the west.

• The Trump Presidency (2017 / 2020): the major change in the U.S. presidency, coming from a global – oriented democrat to a nationalist republican, could be seen principally in the apporach to the foreign policy. President Donald Trump, fierce spokesman of the "Make America Great Again" motto, could not ignore the trajectory that the relations between U.S. and Viet Nam have taken through the last decades:

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<sup>&</sup>lt;sup>51</sup> See: U.S. Building Maritime Capacity in Southeast Asia, https://id.usembassy.gov/our-relationship/policy-history/embassy-fact-sheets/fact-sheet-u-s-building-maritime-capacity-in-southeast-asia/

<sup>&</sup>lt;sup>52</sup> See: US-Vietnam Defense Relations: Problems and Prospects, https://thediplomat.com/2016/05/us-vietnam-defense-relations-problems-and-prospects/0

"[...] A lot of companies are moving to Vietnam, but Vietnam takes advantage of us even worse than China. So there's a very interesting situation going on there [...] the single worst abuser of everybody." <sup>53</sup>.

This sentence is the emblem of the policy that Trump adopted throughout the years of its presidency. After these declarations, trump decided to extend the trade war with China to other asian countries, so the U.S. Commerce Department imposed a duty for more than 400% on steel products produced and imported from Viet Nam<sup>54</sup>. The first working day as a president, Donald Trump pulled U.S. out of the Trans – Pacific Partnership, a big blow to the twelve economies involved in the project. Despite these declarations and all the times that Trump acted against Viet Nam, the relations between the two countries didn't deteriorate but, conversely, they got stronger year by year. Let's analyze the real motivations behind this strange relations:

• Same national principles: the main reasons why the two countries continue to cultivate this relation is a certain degree of convergence in their principles. Despite being lead by two diametrically opposite forms of leadership, both U.S. and Viet Nam consider as vital national integrity and defence, sovereignty and independence. By agreeing to build and cultivate an advanced relation with Viet Nam, U.S. implicitly but officially accepted the one – party political system, a very important step to make the bond between these two stronger and a way to eradicate the belief of certain portions of the communist party of the possibility of a "peaceful evolution towards democrarcy". At the same time Viet Nam, by

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<sup>&</sup>lt;sup>53</sup> See: Trump threatens to expand his trade war by slapping tariffs on Vietnam,

https://www.businessinsider.com/president-trump-vietnam-tariffs-trade-war-target-2019-6?IR=T

<sup>&</sup>lt;sup>54</sup> See: U.S. Slaps Import Duties of More Than 400% on Vietnam Steel,

https://www.bloomberg.com/news/articles/2019-07-03/u-s-slaps-import-duties-on-vietnam-steel-in-ramp-up-of-tension

establishing such a strong economic tie with the simbol of western countries, accepts to embrace, at least partially, capitalism as a mean for economic success.

- The chinese matter: this is a particularly thorny isue due to the difficult situation reagrding both the South China Sea and the importance of the U.S. and China economy for Viet Nam. The South China Sea can be considered as the pillar of the relations between Viet Nam and the U.S.55 ( this issue will be discussed in the last paragraph) and together with the vietnamese economic expansion of the last decades, made this small country a very important asset for both for China and U.S. Viet Nam is a highly competitive country in workers specialization and workforce, having a young population combined with a centuries – old experience on commerce, textile and agriculture. In the last years, the country witnessed the blossoming of numerous tech companies thanks to the low cost of labour: what was the Chinese miracle in the 90's, is now happening in Viet Nam with high flows of investments flowing in the country. China is investing and also relocating its industries in Viet Nam, something unthinkable until a few years ago. After the normalization of the relations happened with President Bill Clinton, also the U.S. highly invested in Viet Nam and established a relations that went far beyond just an economic one.
  - Trade between the countries: the nature of the trade relations between these countries are very different: according to GSO data, in 2018 the trade deficit was around 23.9 billion with China and + 34.7 billion with U.S. Viet Nam is infact strictly related to China both for the supplying of raw materials used to fabricate electronics, machinery, heavy industry and textile products and the

<sup>&</sup>lt;sup>55</sup> See: https://www.defense.gov/Explore/News/Article/Article/1804307/us-seeks-stronger-defense-relationship-with-vietnam/

low cost vietnamese workforce. The trade relations with the U.S. instead is more based on low cost workforce and covering the demand coming from the States with finished products. If compared to the econmic ties with China, the ones with the U.S. are more complementary and beneficial for Viet Nam that, apart from the mere economic factor, is willing to build strong relations with

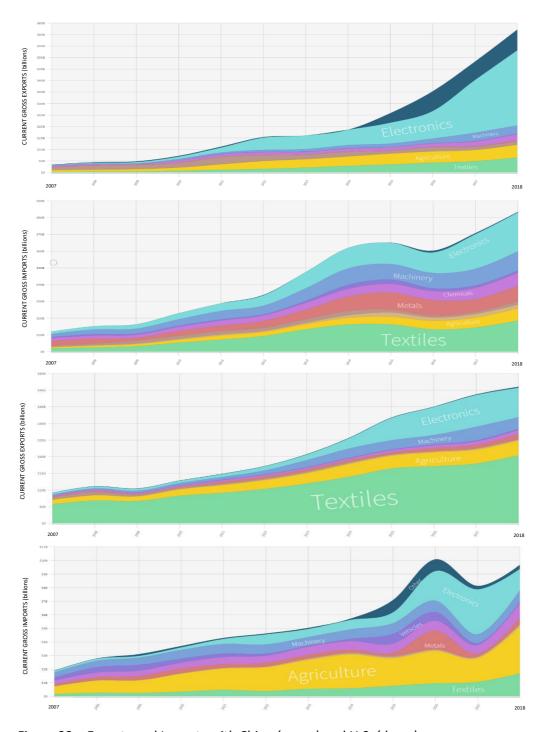


Figure 22 – Exports and Imports with China (upper) and U.S. (down)

the more advanced and rich western countries to import, knowledge, know how, technologies, foreign investments and mostly to not depend too much on Beijing. President Trump's decision to impose such high duties on steel products certainly didn't help the expansion of the metal and machinery sector but neither sank the relations with Viet Nam. Furthermore chinese leaders didn't adopt a more flexible and adjusted trade policy with other countries, including Viet Nam and, combined with the current dispute over the South China Sea, it was inevitable a streghten in the relations with the U.S. For these reasons President Donald Trump demanded vietnamese leaders to act in order to diminish the gap between import and exports receiving a positive response by Vietnam's Foreign Ministry spokeswoman Le Thi Thu Hang, who underlined the willingness to build up a mutually beneficial trading relation with the U.S<sup>56</sup>.

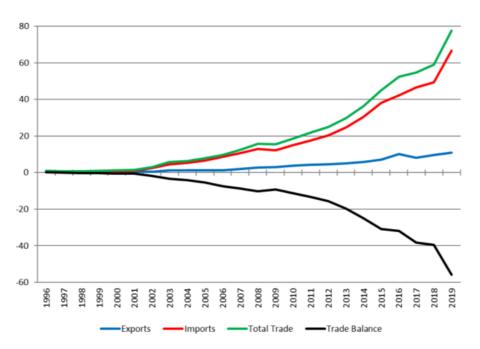


Figure 23 - Trade Balance between Viet Nam and United States expressed in billions

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<sup>&</sup>lt;sup>56</sup> See: https://www.reuters.com/article/us-usa-trade-vietnam/after-trump-threat-vietnam-says-it-wants-free-and-fair-trade-with-us-idUSKCN1TT2MS

#### Conclusions

The relationship with the United States was born from the ashes of one of the bloodiest and most gruesome wars ever fought in human history and grew in one of the best synergies observable worldwide. The strength of this bond roots in the geopolitical and geographical importance of Viet Nam, the geopolitical and economic power of the United States and the skyrocketing Vietnamese economy growth. Viet Nam is like a strong domino piece that United States need to avoid an even further Chinese expansion, both geographical and economical. It's strange to see how the Viet Nam War started for a very similar reason but the response by the country and its leaders have been completely opposite. At the same time, Viet Nam needs to be supported, or at least not to be opposed by the world economic and military power in the international scene. However not every issue have been solved and there have been many compromises through the years. Most of the issues comes from having a single communist political party as a government form. Human rights, freedom of speech, press and thought are the main concern for international organizations like the United Nations in which the United States fill a fundamental role. Facing the most challenging problem that ever came up to human kind, the environmental issue is no longer to be ignored or overseen for economic reasons neither by Viet Nam or the States. Vietnamese capital and industrial pole Ha Noi, have been ranked, many times in the last years, as the most polluted city in the world due to the morphological and weather conditions combined with an incredible industry activity<sup>57</sup>. In this sense, the Trump presidency did little or nothing to prevent or cure future upcoming issues and the change in the White House leader with Joe Biden being the next U.S. president, will hopefully bring some changes towards a more environmental friendliness in both economical and political systems of

<sup>57</sup> See: Hanoi became the world's most polluted city on Sunday, https://vietnaminsider.vn/hanoi-became-the-worlds-most-polluted-city-on-sunday/

the two countries. The US exiting from TPP and willing to come back in its steps and join the Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP) is yet another pending factor in the decisional pot that could change and strengthen even more the economic relations between the two countries. Other changes could derive by the willingness of Vietnamese leaders to be designed as a Market Economy (ME) instead of a Non Market Economy (NME) by the American law both for an economic and a "political" reason: being recognized as a ME means less antidumping and countervailing duties and less trade tariffs and, other than that, it would mean the complete normalization of the relations between the two countries. The relationship between United States and Viet Nam will surely improve in the next years and hopefully, this will lead to a wider openness between two worlds so different, both from an economical and a cultural point of view.

Viet Nam and European Union

Relations before 1990

The first interactions between Vietnam and EU can be found in the 17<sup>th</sup> century, when European jesuits visited Viet Nam to export Christianity. After many missions through the 17<sup>th</sup> and 18<sup>th</sup> century, Vietnamese leaders started fearing Europeans and banned them. This fear saw its apex under the Vietnamese king Tự Đức that banned Europeans from the country and even offered a reward for every European killed. This hostility caused a violent response by the French emperor Napoleon III who sent troups in Đà Nẵng in 1858: after 20 years Viet Nam became a French colony until 1945 year in which it gained its independence back. Due to the two Indochina Wars ( the Viet Nam war highly conditioned the relations between EU and the US, becoming an ideological battleground on the

role of the US in the foreign policy and its domain on the international panorama<sup>58</sup>) and the bipolarity deriving from the Cold War, EU and Viet Nam had no connection or relations whatsoever until 1990, after the fall of the Berlin Wall. Đổi Mới reforms and the Single European Act (or SEA), combined with the fall of the Wall created the perfect environment to build up new relationships:

- On the Vietnamese side, Đổi Mới reforms put an end to the centralized control over economical processes and gave to Viet Nam the possibility to enter in the international market, becoming a market economy.
- On the European side, the SEA is a turning point in EU history as a political and economical integration within the states and created the right conditions for the signing of the Maastricht Treaty in 1992.
- The fall of the Berlin Wall signed the fall of the Communist Dream and the division of the world in two major blocks as well. This event made in fact possible to realize all the intentions from each of the two parts to start a collaboration.

#### Relations after 1990

In the early 90's, Viet Nam was desperately searching for friendly and durable relations with western countries to rise from the ashes of the last five decades while EU was searching for new opens in the Asian region, to create new markets and relations. The first interaction between EU and Viet Nam was a humanitarian mission with the EU donating 45 million dollars to assist Vietnamese boat people to go back to Viet Nam and reintegrate in the society. Vietnamese Boat People is a dark page in the history of Viet Nam that saw hundred of thousands of people

<sup>&</sup>lt;sup>58</sup> Serge Ricard (2005), Review: Europe and the Vietnam War: A Thirty-Year Perspective, Volume 29, Issue 5, Oxford University Press, 879-883

dying in the sea trying to escape from their country: as a consequence to the victory of North Viet Nam and the following invasion of the South, near a million people escaped from Viet Nam, willing to avoid the re-education camps and the tyranny of the communist party. Of the 800′000 people escaping by sea from the country, it is esteemed that 20′000 to 400′000 died due to pirates, storms or inhuman conditions on the boats<sup>59</sup>. As the European commission stated, helping Viet Nam was not just to solve a humanitarian problem but also a development one:

"The international problem of reintegration of the boat people in Vietnam is both a humanitarian problem and a development problem" 60.

This aid helped repatriating more than 30'000 Vietnamese people with professional training and assistance, helping to improve poverty ratios in the poorest areas in Viet Nam<sup>61</sup>. As the year passed the relation between EU and Viet Nam grew stronger and on the 17<sup>th</sup> of July in 1995, the two parts signed the Framework Cooperation Agreement:

"[...] The Parties confirm their commitment to further cooperate towards the full achievement of internationally agreed development goals, including the Millennium Development Goals, through compliance with the existing mutual international obligations which are applicable to the Parties. [...] 62".

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<sup>&</sup>lt;sup>59</sup> Nghia M. Vo (2006), The Vietnamese Boat People, 1954 and 1975 – 1992, Mc Farland, pp. 55-57

<sup>60</sup> See: https://www.europarl.europa.eu/sides/getDoc.do?reference=A4-1996-

<sup>&</sup>lt;sup>61</sup> Hang Thi Thuy Nguyen, Bruno Mascitelli (2017), From European Colony to a New Era: EU-Vietnam Relations - 1990-2017, p. 86

<sup>&</sup>lt;sup>62</sup> See: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22016A1203%2802%29

This framework is still active, updated on the 1<sup>st</sup> of December 2017 and constitutes the base for the cooperation in every form, between EU and Viet Nam aiming at:

- achieving sustainable economic growth, promoting environmental sustainability in order to avoid or at least be able to face climate change consequences, promoting human, social and institutional development and supporting the progressive transition and integration into the global economic system (Title II, Art. 6);
- promoting peace and security between the parts, by countering the illegal trade and proliferation of weapons, both light and of mass destruction, fighting against terrorism and legally cooperating in order to achieve these goals (Title III, Peace and Security);
- helping the development and establish of a structured cooperation to improve trade and investments and facilitate the former by removing all the obstacles and preventing every illicit activity that can undermine the trustworthiness of the market to develop a free trade framework, accepting the sanitary, phytosanitary and animal welfare measures under the WTO framework (SPS), acting against intellectual property infringements and unfair competition to create the correct environment to develop a free market that involves external investors and a high number of economic actors (Title IV, Cooperation on trade and investment issues);
- fighting against organized crime, money laundering, terrorism financing, use of illicit drugs and the abuse of personal data (Title V, Cooperation in the area of justice);
- establishing a strong cooperation to manage migration flows through the
  two parties, creating a sustainable society both from an environmental and
  human point of view by protecting human rights, environmental rights
  and implementing efficient education and health infrastructures all across

Viet Nam and EU by permitting a continuous flow of information and knowledge (Title VI, Socio-economic development and other areas of cooperation);

 promoting scientific and technological cooperation between the parties by building up dense transport and communication networks, incrementing tourism and bosting cooperation on a financial level (Title VI, Socioeconomic development and other areas of cooperation).

In 1998 the European Chamber of Commerce, better known as EuroCham was founded in Viet Nam: this organization aimed at creating the right environment to attract investors to Viet Nam from European businesses. What follows is the company mission:

"EuroCham is the voice of European business striving for an open and fair market environment in Vietnam. We promote European sustainable investment and trade through good corporate citizenship, collaboration and engagement with Vietnamese society." <sup>63</sup>

Due to the success of the first cooperation, EU started an heavily funded campaign to help Viet Nam's fight against poverty, especially in the rural areas of central and southern Viet Nam: in ten years EU invested near 300 million dollars in the Asian country<sup>64</sup>. In 2003, EU launched together with ASEAN two important frameworks: the EU-ASEAN Trade Initiative and the Regional EU-ASEAN Dialogue Instrument. These two frameworks, together with the optimism about present and future collaborations, let the EU becoming on of the

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<sup>63</sup> See: https://www.eurochamvn.org/About-us

<sup>&</sup>lt;sup>64</sup> Ihid

important trading most partners for Viet Nam. bond between EU and Viet Nam developed also at deeper levels, creating a strong diplomatic relation: the first EU – Viet Nam summit was held in Ha Noi in 2004 and signed just the beginning of a long list of fruitful meetings aiming at bettering mutual understanding and faith on other laid each to the for fundaments future peaceful discussions about environment, human rights,

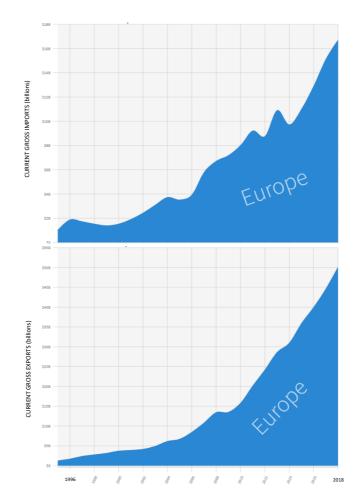


Figure 24 - Import and Export with the EU

democracy and freedom in general. It is obvious that in the first years, the relation between the two parties concentrated on human rights and development, helping EU to gain a useful access to the Southeast Asian region and Viet Nam

improve its to situation on many layers to be ready enter in the global scenario. Once Viet Nam was ready to enter the global in dynamics, it was clear the from

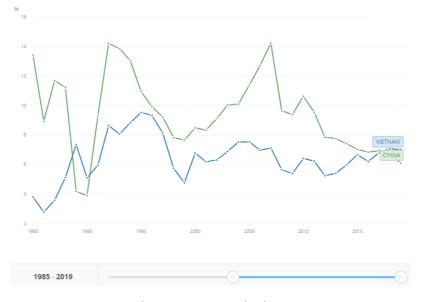


Figure 25 - GDP growth comparison with China

beginning that the small Asian country could become the next "China": since the second half of the first decade of the 2000's, the EU started focusing more on the economical and financial aspects of its relation with Viet Nam: the Multilateral Trade Policy Assistance Programme was a programme launched by the EU and implemented by the Vietnamese Ministry of Industry and Trade in 2012 and operated to 2018. This European project aimed at developing Viet Nam's capacity to integrate into multilateral networks like ASEAN and WTO by providing EU diplomatic experience and know how<sup>65</sup>. Bilateral trade relations became ordinary between the two parties and the activities of promotion made for Viet Nam started repaying back: right now Viet Nam is the 17th worldwide trade partner for the EU and the second biggest in the ASEAN and one of the most accredited investment destinations for European investors with more than 7 billion € invested in 2018. Even though the trade balance has always been extremely negative for the EU, the latter tried to enhance Viet Nam's situation through the actuation of poverty reduction projects by promoting trade between the parties: especially with the Multi - Annual Indicative Programme for Viet Nam EU funded the Asian country with 400 million € in order to sustain it developing its energy sector in a sustainable manner and strengthening its governance and laws. Due to its exponential growth, Viet Nam will need a help managing its energy sector and the physiological governance deficits: by 2030 Viet Nam will import 56% of the required energy to sustain its development with an augment of 21% if compared to its 2020 energy need66 at the same time the stability given by the single political party made possible the rapid development path that Viet Nam witnessed in the last years but accountability, the legislative and juridical system and the citizen's active participation in politics proceeded slowly<sup>67</sup>. The

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<sup>&</sup>lt;sup>65</sup> See: EU Vietnam Multilateral Trade Assistance Project III – Mutrap III,

https://www.dmiassociates.com/eu-vietnam-multilateral-trade-assistance-project-iii-mutrap-iii/

<sup>&</sup>lt;sup>66</sup> See: multiannual indicative programme for Viet Nam, https://ec.europa.eu/international-partnerships/system/files/mip20142020-programming-vietnam-20140818\_en.pdf <sup>67</sup> Ibid.

last big step made by the two parties is the signing of the EU – Viet Nam Free Trade Agreement or EVFTA: starting in 2015 this agreement needed 14 rounds of negotiation for over 3 years in order to become effective. The agreement became effective on the 1<sup>st</sup> of August of this year and provides the immediate removal of 65% of trade tariffs between EU and Viet Nam as for the remaining 35% but to be gradually removed in 10 years<sup>68</sup>. The EVFTA is the most ambitious project activated so far by the EU with Viet Nam deepening the relations between the two parts and granting the access to Viet Nam to a 500 million people market that accounts for a sixth of the global GDP. With this new agreement, Viet Nam officially surpassed its "regional rivals" Indonesia and Thailand, becoming the

second most important trading partner in the ASEAN region, after Singapore. Considering the economic growth that Singapore witnessed after the signment of the EU -Singapore Free Trade Agreement (EUSFTA), the EU commission estimated that Viet Nam will experience a GDP growth of 29% by the year 2035, reaching a 29.5 billion \$ GDP figure<sup>69</sup>.



Figure 26 - Trade and Investment figures between UE and Viet Nam

<sup>69</sup> See: https://thediplomat.com/2020/06/vietnam-ratifies-eu-free-trade-agreement-whats-next/

<sup>&</sup>lt;sup>68</sup> See: https://trade.ec.europa.eu/doclib/docs/2016/june/tradoc 154622.pdf

#### Viet Nam and Italy

Viet Nam and Italy officially established diplomatic ties the 23<sup>rd</sup> of March 1973. Since the 90's the two countries witnessed a deepening in their relationship thanks also to a high number of agreements signed since then:

- Framework Agreement on Economic, Industrial and Technological Cooperation signed in 1989, regulating the cooperation in the scientific, economic and technological fields between the parties, signing the first big step between the two countries<sup>70</sup>;
- The Agreement on Investment Promotion and Protection of 1990 is another fundamental step toward the establishment of the strong bond between the two countries. Signed in 1992 by both parts, this agreement establishes that the two parties must create the most favourable conditions to strengthen the economic collaboration between them and to create a secure and stimulating environment for investors and entrepreneurs, favoring the creation and growth of industries and links between industries of both parts<sup>71</sup>;
- The Agreement of Cultural Cooperation signed in the 1990, established the basis for the cultural interchange between the two countries, aiming at promoting and protecting cultural events of every nature<sup>72</sup>.
- The Italian Development Cooperation has been present and active in Viet Nam since the signing by both parties from 1990. The first office opened in Hanoi in 1998 and it coordinated the mandates to Cambodia and Laos

<sup>&</sup>lt;sup>70</sup> See: Programm for scientific and technological cooperation between Viet Nam and Italy, https://www.esteri.it/mae/resource/doc/2020/07/programma\_esecutivo\_scientifico\_e\_tecnologico\_20 21-2023 firmato.pdf

 <sup>&</sup>lt;sup>71</sup> See: Agreement for the promotion and protection of investments between Italy and Viet Nam,
 https://investmentpolicy.unctad.org/international-investment-agreements/treaty-files/1719/download
 <sup>72</sup> See: Executive programme for cultural cooperation between Italy and Viet Nam,
 https://www.esteri.it/mae/resource/doc/2018/09/programma\_esecutivo\_di\_cooperazione\_culturale\_2
 018-2021.pdf

too since 2007. The role of this initiative is the formulation, support and supervision of all the initiatives funded by the Italian government in the country: most of the programmes and projects are managed by local

Italian ODA in Vietnam per sector (million Euro)						
Sector	Ongoing projects		Approved and pipeline projects		Total	
	Grant	Loan	Grant	Loan		
Water & Sanitation	6.4	38.1	0.1	9.7	54.3	
Environment	5.6	0	0.1	7	12.7	
SME	0	0	0.3	15	15.3	
<b>Vocational Training</b>	0.7	0	1.1	3.5	5.3	
Health	0.7	12.7	0	0	13.4	
<b>Human Rights</b>	0.6	0	0	0	0.6	
Total	14	50.8	1.6	35.2	101.6	

Figure 27 - Italian ODA in Viet Nam

authorities with the help and supervision of the Italian Government in order to give know – how and all the needed materials, even human capital, for the realization of the goal. Since the 90's Italy invested a lot on the development of Viet Nam, funding projects and initiatives for over 100 million € over the years<sup>73</sup>.

- The Double Taxation Avoidance Agreement between Italy and Viet Nam entered into force in 1999 and is a fiscal agreement for the avoidance of double taxation for services and goods traded between the two countries and for the prevention of fiscal evasion.
- Last but not least is the Agreement on Child Adoption of 2003, an important step towards the abolition of adoption barriers between the two countries. Italy has a high number of adoption requests for children from

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 $<sup>^{73}</sup>$  See: Italian Development Cooperation in Vietnam , https://hanoi.aics.gov.it/wpcontent/uploads/2017/09/Brochure-IDC-Vietnam-Oct-2015\_FINAL-2.pdf

Viet Nam, despite the parameters that a couple must respect in order to be able to proceed with the adoption request<sup>74</sup>.

Italy was one of the first European countries to believe in Viet Nam, being an active player in the normalization of relations between Viet Nam and other European countries and international organizations. Not only the diplomatic relations between Italy and Viet Nam developed during the last 3 decades but also the trade and economic ones between the two skyrocketed: many italian companies obtained remarkable results investing and opening production sites or starting joint ventures like Piaggio, Iveco, Ariston and many others especially in the machinery, chemical and food industry. In recent years the two countries discussed to expand even further their relationship in other aspects, including the military and defense industries: in 2017 was held the Defense Dialogue in Rome, where the two countries discussed a wide range of sensible topics like counterterrorism, maritime security and North Korea while the last, held in Hanoi on July 2019, saw the focus on defense technologies and shipbuilding, probably due to the situation caused by the trade war between the US and China. Considering that Leonardo S.p.a. is the 8th biggest defence contractor worldwide by revenues<sup>75</sup>, held for near a third by the Ministry of Economy and Finance, the South China Sea situation surely represents yet another form of income for Italy. Speaking about the trade war with China undertaken by Donald Trump, Southeast Asia is considered to become the "new China" and Italian Prime Minister Giuseppe Conte, in the Third Edition of the Dialogue held in Hanoi the 5<sup>th</sup> and 6<sup>th</sup> of June 2019, expressed all Italy's interest in deepening economic relations with ASEAN and Viet Nam, declaring that ASEAN is a indispensable trade partner for Italy. Despite Italy falls behind some of its European

<sup>&</sup>lt;sup>74</sup>See: Adoption from Viet Nam, https://resourcecentre.savethechildren.net/node/5366/pdf/5366.pdf

<sup>75</sup> See: https://www.sipri.org/sites/default/files/2019-12/1912\_fs\_top\_100\_2018.pdf

<sup>&</sup>lt;sup>76</sup> See: Southeast Asia is the new China, https://www.corriere.it/opinioni/19\_novembre\_27/asia-sudest-nuova-cina-0335f330-1133-11ea-957c-6caba63f0e63.shtml

counterparts like UK, Germany, France and Netherlands, recording lower trade volumes with Viet Nam, the intention expressed by Italy is to catch up with its competitors and strengthen its economic ties with the Asian country.

#### Conclusions

Viet Nam has a long history of relations with some European States, particularly with France due to the colonialism of the 19th century. The beginning of the modern diplomatic and economic relations between the two parties can be traced to the Đối Mới reforms of 1986, seen as a step towards the western political and societal model. From the 90's the relationships between the two have flourished and both the parties gained substantial advantages by the synergies created: Viet Nam has the opportunity to enter into a market of 500 million people and gain knowledge, capitals and structure from it, while the EU has the opportunity to gain an access in the fastest growing world region and establish strong relations with one of the strongest China competitors in the area. The relations between the EU and Viet Nam are destined to develop and prosper even more but both parts have big issues to overcome: the EU has been facing in the last years big changes and problems like Brexit, the huge problem with migrant flows and terrorism while Viet Nam is struggling with internal issues like gender gap, human rights abuses and all the issues related to a fast development like food and water availability and security, unregulated urbanization and healthcare. Thanks to its high and constant growth rate and the demographic of its 90 million people citizens, most of them being young, aiming at improving their life conditions and perspectives, Viet Nam can surely be considered one of the most tempting industrial occasions for European countries: Italy is for sure one of the most "needy" countries when it comes to establish relationships with a reality with such an entrepreneurial and business potential, being one of the oldest countries in the world, second just to Japan<sup>77</sup>. Viet Nam is an exploding economy that has to be completely discovered yet: this small country has silently stole the spot to China as the "world industry" and China as well, recognizing Viet Nam potential, invested in it. The country is a reality to build up and for that, is a succulent opportunity for foreign investors and international traders. Thanks to its manufacturing ability, Viet Nam resulted to be a harsh competitor for European manufacturers, especially in the clothing industry and has been accused throughout the years and sanctioned for numerous anti dumping cases. Despite all the present and future challenges, the future for the EU and Viet Nam looks brilliant and both parts receive benefits from their collaboration. The EU Vietnam Free Trade Agreement is the last big advancement in the direction of a perfect trade environment between the two, removing all the trade tariffs in 10 years.

#### Viet Nam and China

The relations between China and Viet Nam have been hostile through the majority of time despite their similar approach to politic and society. Due to the 1000 years circa spent under the Chinese empire, until 938 AD, Viet Nam has developed a strong sense of suspicion towards China, willing to conquest its territory, even nowadays. The chinese dynasties entered into conflict many times throughout the centuries due to its strategic position:

from 1075 to 1077, the Lý-Song War is the only documented time when
 Viet Nam successfully occupied what is now Guangxi and Guangdong,

<sup>&</sup>lt;sup>77</sup> See: http://dati.istat.it/Index.aspx?DataSetCode=DCIS\_INDDEMOG1

- part of the Chinese empire. This war is considered to be the the main cause for the following wars between the two countries;
- from 1406 to 1407, the Ming Dyansty invaded the North of Viet Nam, at the time called Đại Ngu, and started occupying all Viet Nam causing many popular riots, peaked in 1418 with the beginning of the Khởi nghĩa Lam Son (or Lam Son uprising) which led to the liberation of Viet Nam in 1427 by rebel leader Lê Lợi, founder of the Lê Dynasty;
- in 1789, Trận Ngọc Hồi Đống Đa ( or the Battle of Ngọc Hồi-Đống Đa ) saw the conflict between the Tây Sơn dynasty ( Viet Nam ) and the Qing Dynasty in Ngọc Hồi. This war is considered the greatest Vietnamese victory against China and the last one before the beginning of the french colonial era.

1884 marked an historical change in the Southeast Asian area due to the Sino – French War. This ambiguous war that lasted for just 7 months and didn't end up in an effective victory by any of the parties, ended with the Treaty of Tientsin, an agreement between the french and the Chinese army that officially ended the Chinese influence on Viet Nam and started the french colonialism period. During WWII both China and Viet Nam were occupied by Imperial Japan and France, losing against Germany, quickly lost its grip on Indochina, letting the flourishment of riots like the Franco-Thai War and the faked coup d'etat made by Japan to take control of Viet Nam and establish their own colony called the Empire of Vietnam. In 1943 China officially decided to end its collaboration with Vichy France, establishing a direct relation with Viet Nam, further undermining the french grip on Viet Nam. After the declaration of independence made by Ho Chi Minh in 1945 and the following First War of Indochina (1946 – 1954), the US started their war on Vietnamese soil to support the french government to regain their colony: China has been an active player in the support of North Viet Nam since 1950 circa. Mao's main concern for Chinese security was represented by the

US, sharing the goal of maintaining Viet Nam an independent nation with the Soviet Union: this equilibrium was destined to come to an end in 1969 with the Sino – Soviet border conflict, result of a decade of deteriorating relations between the two.

Year	Guns	Artillery pieces	Bullets	Artillery shells	Radio transmitters	Telephones	Tanks	Planes	Automobiles
1964	80,500	1,205	25,240,000	335,000	426	2,941	16	18	25
1965	220,767	4,439	114,010,000	1,800,000	2,779	9,502	?	2	114
1966	141,531	3,362	178,120,000	1,066,000	1,568	2,235	?	?	96
1967	146,600	3,984	147,000,000	1,363,000	2,464	2,289	26	70	435
1968	219,899	7,087	247,920,000	2,082,000	1,854	3,313	18	?	454
1969	139,900	3,906	119,117,000	1,357,000	2,210	3,453	?	?	162
1970	101,800	2,212	29,010,000	397,000	950	1,600	?	?	?
1971	143,100	7,898	57,190,000	1,899,000	2,464	4,424	80	4	4,011
1972	189,000	9,238	40,000,000	2,210,000	4,370	5,905	220	14	8,758
1973	233,500	9,912	40,000,000	2,210,000	4,335	6,447	120	36	1,210
1974	164,500	6,406	30,000,000	1,390,000	5,148	4,663	80	?	506
1975	141,800	4,880	20,600,000	965,000	2,240	2,150	?	20	?
Total	1,922,897	64,529	1,048,207,000	17,074,000	30,808	48,922	560	164	15,771

Figure 28 - China military involvment in North Viet Nam

The drastic change in the dynamics and relations with the Soviet Union, caused a drop in the military and economic aids that China gave to Viet Nam: together with the Great Proletarian Cultural Revolution, this situation led to high tensions between Hanoi and Beijing, ending the Chinese help to Viet Nam. During the war the two countries decided anyway to stop their territorial fights over the islands in the South China Sea. Once the war ended, having discovered the potential of offshore oil deposits in the area, the two countries began to fight again over the claimed sea portions, particularly over Paracel and Spratly archipelagos. The 80's didn't start well for the diplomatic ties between China and Viet Nam due to the Cambodian – Vietnamese war: while Viet Nam started the invasion of Cambodia to overthrow the Khmer Rouge regime, China sustained militarly and economically the Marxist – Leninist dictatorship. This new issue highlighted the differences between the two countries: while China supported the Red Khmers together with the United States, Viet Nam supported the Kampuchea United Front for National Salvation, also known as FUNSK, together

with the Soviet Union. While Viet Nam denounced the new diplomatic bridge between China and the US and China cut the aids to Viet Nam in 1978, Viet Nam's tights with the Soviet Union become stronger, binding it even more to COMECON. The following year Chinese People's Liberation Army crossed the Vietnamese north border for a campaign lasted 2 weeks that caused tens of thousands of casualties on both sides and devastated the northern region of Viet Nam. This action has been used for many years by Chinese army as a warning for Viet Nam menacing to begin a new invasion of northern territories and a deterrent to retire its troups in Cambodia. The 90's saw the beginning of a new chapter for Sino - Vietnamese relations, starting from the "not announced" Chengdu summit held in September 1990<sup>78</sup>: this secret reunion permitted the agreement between the two countries regarding military withdrawal of Viet Nam from Cambodia and the acceptance of the UN Framework to establish peace between the parties. This agreement was needed by both parties: China needed to respond quickly to the shift in the US policy on Viet Nam and Southeast Asia while Viet Nam, without economic aids from the Soviet Union and COMECON needed to rapidly establish strong ties with as many partners as possible to enter in the "new world". At the beginning of the 2000's, China and Viet Nam ended their continuous border clashes, especially on the Tonkin gulf and in 2002, China's agreement with ASEAN to be against armed conflicts alleviated further the tensions within the region<sup>79</sup>. The "smile diplomacy"<sup>80</sup> adopted by China is the natural consequence of such drastic changes in the dynamics and balances of the worldwide geopolitical sphere: this policy consisted in assuring all the countries in the area, especially the ones in the ASEAN one, that the massive

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<sup>&</sup>lt;sup>78</sup> See: leaders of vietnam, china held secret talks,

https://www.washingtonpost.com/archive/politics/1990/09/19/leaders-of-vietnam-china-held-secret-talks/493fbfd0-e5a3-44d6-9af2-d811bca2c93e/

<sup>&</sup>lt;sup>79</sup> Joseph Y. S. Cheng (2011), Sino-Vietnamese Relations in the Early Twenty-first Century: Economics in Command?, in Asian Survey, Vol. 51, No. 2 (March/April 2011), pp 388/389,

<sup>&</sup>lt;sup>80</sup> See: Smile diplomacy, Working magic along China's periphery, https://www.economist.com/special-report/2007/03/31/smile-diplomacy

growth that China witnessed in the early 2000's would not represent a risk for its smaller neighbors. Some considered this move as a subtle way to accumulate "soft power"<sup>81</sup> and discourage any form of dissenteism towards its goals or the way to achieve them: observing the situation created in the South Asian area it's easy to say that "smiling" was not the right approach to establish good relations with countries in the area.

#### **Territorial Disputes**

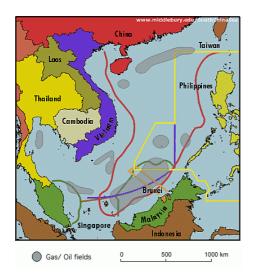


Figure 29 - Oil Deposits in SCS

Economic ties between ASEAN countries and China especially Viet Nam, are at a all time high but the biggest and most consistent issue that afflicts the geopolitical stability in the area is the territorial one: South China Sea (SCS) is the perfect scenario to analyze in order to have an idea of the dynamics in the area. China is claiming the biggest portion of the SCS in order to exploit newly discovered

oil reserves and the abundance of fishery potential in the area. The SCS area contains a high number of newly discovered crude oil sources, essential for the development of the countries nearby particularly in the Paracel and the Spratly Archipelagos: China refused any multilateral solution to the problem and continued to try to negotiate with the single countries only, trying to exercise its predominant power on each of them. Other than the abundance of crude oil, the fishery issue is another heat question for the players in the area: SCS is one of the most fishy seas in the world, weighting for more than a fifth of the worldwide

<sup>81</sup> See: The smile policy, South China Morning Post, https://www.scmp.com/article/450592/chinas-smile-diplomacy

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fishery, employing nearly 4 million people. Viet Nam is one of the most active players against the Chinese colossus, mainly due to the fact that China claims the great majority of its maritime space: the most evident consequence of the Chinese policy in the SCS was the 2014 Vietnam anti-China protest against the deposit of a Chinese oil rig on disputed waters, a violent riot that spread across all of Viet Nam and all the Vietnamese



Figure 30 - South China Sea claims

communities in the world capitals and saw the damaging of many Chinese controlled companies. In the last two years, there have been many cases of military ships sinking fishing vessels, raising tensions and maritime involvement<sup>82</sup>: the involvement of foreign forces to improve Viet Nam's maritime technologies ulteriorly increased tensions and China apprehension over the area<sup>83</sup>. Another important protest was the one moved on 2018 against the law that permits to extend the land leasing to private investors up to 99 years, inevitably favouring Chinese investors and threatening national security, according to protestors.<sup>84</sup>

<sup>82</sup> See: South China Sea conflict, Bloomberg, https://www.bloomberg.com/graphics/2020-dangerous-conditions-in-depleted-south-china-sea/

<sup>&</sup>lt;sup>83</sup> See: US patrols in South China Sea, Reuters, https://www.reuters.com/article/us-vietnam-usa-military-idUSKBN1XU0UP

<sup>&</sup>lt;sup>84</sup> See: In Vietnam, Protests Highlight Anti-Chinese Sentiment, The Diplomat, https://thediplomat.com/2018/06/in-vietnam-protests-highlight-anti-chinese-sentiment/

#### Conclusions

Sino – Vietnamese relations had always been a complicated argument to deal with: thousands of years of wars and disputes can't be simply hided under the economical aspects of the relationship. 2020 marked the seventieth anniversary between China and Viet Nam: diplomatic ties began in 1950 when China officially recognized the Socialist Republic of Viet Nam. Through the years the relations between the two countries witnessed highs and lows with China continuously trying to manipulate and control Viet Nam through economical or military aid or direct menace. These years though, can be considered the rock bottom of Sino - Vietnamese relations, worse than the ones in the 80's, when China invaded North Viet Nam. Nowadays the relation between China and Viet Nam is worsening due to the South China Sea situation and the expansionist Chinese approach through huge foreign investments. This tension is changing geopolitical dynamics not just in Asia but also in other countries: Viet Nam is becoming a key worldwide player for many powers and everyone is in a hurry to grab a piece of what is expected to be a future goldmine. In 2018 the biggest investor in Viet Nam was Japan, followed by South Korea and Singapore but in 2020, due to the COVID – 19 pandemic, Japan invested less in Viet Nam being overcome by Singapore (first) and Thailand (second). During this pandemic Viet Nam and China exchanged some hard blows: a Vietnamese hacker group called Ocean Lotus, responsible for many cyber attacks all over the globe, attacked the Ministry of Emergency Management ( MEM ) in order to obtain information regarding the origin of the pandemic. COVID – 19 is also the umpteenth pretext to tarnish Chinese reputation and nourish the racial hate towards Chinese people: Viet Nam publicly accused Chinese people of bringing the infamous virus to the country, without any evidence being recorded. Vietnamese people can be considered the perfect example of what, thousands of years of resentments and hate can lead to: the Sinophobia is the direct consequence of thousands of years of *Sinicization* and conquest aims pursued by China. The last conflict between the two countries was the borders fight occurred in 1979 and since then, the conflict switched to a trade war, for which Viet Nam is considered to be, despite its political beliefs, a cornerstone to contrast China.

### Conclusions

I've been Lucky enough to witness the joy and thrill of discovering a whole new world and point of view different in every way to the one developed in these 27 years lived in Italy. I've been able to question myself and understand the beauty of change and exiting the comfort zone, being obliged to adapt to the new world that Hanoi has been. Due to the COVID – 19 pandemic I could not enjoy in its entirety the wonderful experience as an intern at the Italian chamber of Commerce (ICHAM) in Hanoi but the nearly – three – months in the country, spent with the right people, let me understand some of the bad and good aspects of this booming economy. The single communist party that leads the country, surely is more "global oriented" if compared to the ones of China or North Korea and did a great job at leading Viet Nam to become a economic world player starting from an economy based on subsistence agriculture but is far from being a perfect system. Viet Nam suffers from a limited freedom of speech, press and even religion: the communist party controls media, indoctrinate people starting from a young age, oppresses political dissidents, even imprisoning people for long terms and restricts religious practice through legislation and surveillance. I've been personally touched by the result of this practice: asking many Vietnamese people, mainly 20 to 25 years old, no one ever acknowledged it or even accepted a different vision of how things should be (at least in a west oriented mind). It must be said that the communist party is not as oppressive or violent as the Chinese or North Korean one, giving people more "freedom" or at least the semblance of it. Despite being one of the most promising COMECON allies, Viet Nam was able to rise from its ashes once the organization fell and not being buried or heavily signed by the communist system from which it depended so much. Thanks to Vietnamese resilience and determination with a good portion of nationalism, Viet Nam has been considered in the last decades to be one of the most promising economies in the area both from an entrepreneurial and investment perspective, being able to count on a wide portion of young people, that means a strong, instructable and interchangeable workforce, to support the exponential industrialization and economic growth of the country. However this constant economic growth reveals a common issue among the developing countries like the excessive exploitation of natural resources and destruction of the environment, human rights abuses and even an extensive use of child labour, necessary to back up the rapid economic evolution. Viet Nam has been reported many times due to its human rights issues and the lack in trying to resolve them. How is all this growth alimented? Many western and even chinese companies, especially clothing, heavy machinery and tech ones, chose Viet Nam as the place where to delocate their production due to a low labour cost, a good manufacturing specialization and a relatively permissive legislation. Labour force and specialization is, as a consequence, a future issue to be solved: Viet Nam is hardly trying to acquire know how and industrial processes knowledge from foreign companies and investors in order to make this explosive growth sustainable and even be autonomous in producing high end products to sell worldwide. A perfect example to take into account is the "mega – corporation" VinGroup, a public agglomerate of companies founded in 1993 by Pham Nhật Vượng that comprehend a wide arrange of 48 companies operating in the most different sectors, from tourism to sanity, from tech to education. This company invests a lot in R&D and is acquiring know how, becoming independent and opening to the global market: Vinfast is the automotive branch of VinGroup, founded in 2017, that presented the LUX A2.0, its first model ever to the 2018 Paris Autoshow, developed in collaboration with BMW and Pininfarina. All this potential should be backed by a well structured schooling system to build up the new generation that will lead the country: with the 3<sup>rd</sup> largest ASEAN population and a young age structure, Viet Nam needs to accelerate on providing a good schooling framework: the best ranked university in Viet Nam, Viet Nam National

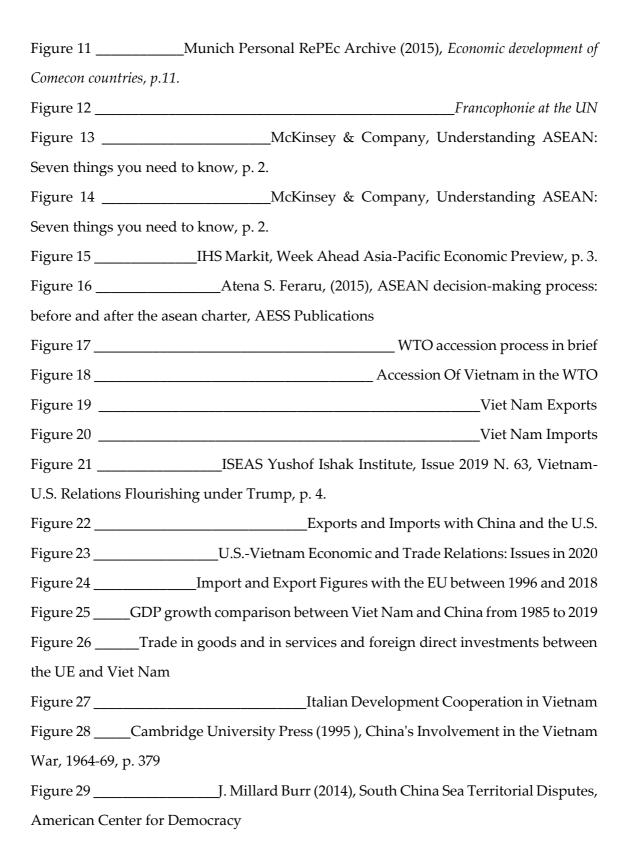
University of Ho Chi Minh, is a public school but is classified in the last part of the global ranking according to QS Top Universities. The positive aspect of this lack is the potential of investing in private schooling in Viet Nam, taking advantage of the average enrichment of the Vietnamese population at least in the big cities. This thesis is all about the exhibition of Viet Nam true potential both from a financial and social perspective. Viet Nam is far from being a perfect country to live or invest in due to strict regulation and the influence of the state on the economy of the country but the country is rapidly evolving and will for sure become a global economic player in some years. The Four Asian Dragons are the economies that boomed starting from the roaring 60's: Taiwan, Singapore, Hong Kong and South Korea are now considered to be on the top tier of developed and high income countries and became global economic and financial poles. Viet Nam is walking the same pattern, with the difference of not being fully capitalism – based, and the fact that the country didn't suffer as much as others during the Asian financial crisis of the late 90's, the infamous 2008 recession and was able to contain the COVID – 19 epidemy and the consequent effects of the newcoming crisis, gives trustworthy to Viet Nam in the eye of potential investors and entrepreneurs. This widespread sense of optimism will give to Viet Nam access to new investments to spend on social initiatives and infrastructures, in order to fill the gaps with its neighbours, shorten the distances with the western countries and become the next head of the Asian Dragons.

# Tables

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