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Office of Information Programs and Services
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Note: This is one of a series of self-study guides for a country or area, prepared for the use of USAID staff assigned to temporary duty in those countries. The guides are designed to allow individuals to familiarize themselves with the country or area in which they will be posted.
I refer to your letter dated March 11, 2007 regarding the release of certain Department of State material under the Freedom of Information Act (Title 5 USC Section 552).

We searched for and reviewed the self study guides that you requested and have determined that all except one of them may be released. They are on the enclosed disc. One of the guides is being released with excisions.

An enclosure provides information on Freedom of Information Act exemptions and other grounds for withholding material. Where we have made excisions, the applicable exemptions are marked on each document. With respect to material withheld by the Department of State, you have the right to appeal our determination within 60 days. A copy of the appeals procedures is enclosed.

We have now completed the processing of your case. If you have any questions, you may write to the Office of Information Programs and Services, SA-2, Department of State, Washington, DC 20522-8100, or telephone us at (202) 261-8484. Please be sure to refer to the case number shown above in all correspondence about this case.
We hope that the Department has been of service to you in this matter.

Sincerely,

[Signature]

Margaret P. Graefeld, Director
Office of Information Programs and Services

Enclosures:
As stated.
§171.52 Appeal of denial of access to, declassification of, amendment of, accounting of disclosures of, or challenge to classification of records.

(a) **Right of administrative appeal.** Except for records that have been reviewed and withheld within the past two years or are the subject of litigation, any requester whose request for access to records, declassification of records, amendment of records, accounting of disclosure of records, or any authorized holder of classified information whose classification challenge has been denied, has a right to appeal the denial to the Department’s Appeals Review Panel. This appeal right includes the right to appeal the determination by the Department that no records responsive to an access request exist in Department files. Privacy Act appeals may be made only by the individual to whom the records pertain.

(b) **Form of appeal.** There is no required form for an appeal. However, it is essential that the appeal contain a clear statement of the decision or determination by the Department being appealed. When possible, the appeal should include argumentation and documentation to support the appeal and to contest the bases for denial cited by the Department. The appeal should be sent to: Chairman, Appeals Review Panel, c/o Appeals Officer, A/GIS/IPS/PP/LC, U.S. Department of State, SA-2, Room 8100, Washington, DC 20522-8100.

(c) **Time limits.** The appeal should be received within 60 days of the date of receipt by the requester of the Department’s denial. The time limit for response to an appeal begins to run on the day that the appeal is received. The time limit (excluding Saturdays, Sundays, and legal public holidays) for agency decision on an administrative appeal is 20 days under the FOIA (which may be extended for up to an additional 10 days in unusual circumstances) and 30 days under the Privacy Act (which the Panel may extend an additional 30 days for good cause shown). The Panel shall decide mandatory declassification review appeals as promptly as possible.

(d) **Notification to appellant.** The Chairman of the Appeals Review Panel shall notify the appellant in writing of the Panel’s decision on the appeal. When the decision is to uphold the denial, the Chairman shall include in his notification the reasons therefore. The appellant shall be advised that the decision of the Panel represents the final decision of the Department and of the right to seek judicial review of the Panel’s decision, when applicable. In mandatory declassification review appeals, the Panel shall advise the requester of the right to appeal the decision to the Interagency Security Classification Appeals Panel under §3.5(d) of E.O. 12958.
The Freedom of Information Act (5 USC 552)

FOIA Exemptions

(b)(1) Withholding specifically authorized under an Executive Order in the interest of national defense or foreign policy, and properly classified. E.O. 12958, as amended, includes the following classification categories:

1.4(a) Military plans, systems, or operations
1.4(b) Foreign government information
1.4(c) Intelligence activities, sources or methods, or cryptology
1.4(d) Foreign relations or foreign activities of the US, including confidential sources
1.4(e) Scientific, technological, or economic matters relating to national security, including defense against transnational terrorism
1.4(f) U.S. Government programs for safeguarding nuclear materials or facilities
1.4(g) Vulnerabilities or capabilities of systems, installations, infrastructures, projects, plans, or protection services relating to US national security, including defense against transnational terrorism
1.4(h) Information on weapons of mass destruction

(b)(2) Related solely to the internal personnel rules and practices of an agency

(b)(3) Specifically exempted from disclosure by statute (other than 5 USC 552), for example:

- ARMEX Arms Export Control Act, 22 USC 2778(e)
- CIA Central Intelligence Agency Act of 1949, 50 USC 403(g)
- EXPORT Export Administration Act of 1979, 50 App. USC 2411(c)(1)
- FSA Foreign Service Act of 1980, 22 USC 4003 & 4004
- INA Immigration and Nationality Act, 8 USC 1202(f)
- IRAN Iran Claims Settlement Act, Sec 505, 50 USC 1701, note

(b)(4) Privileged/confidential trade secrets, commercial or financial information from a person

(b)(5) Interagency or intra-agency communications forming part of the deliberative process, attorney-client privilege, or attorney work product

(b)(6) Information that would constitute a clearly unwarranted invasion of personal privacy

(b)(7) Information compiled for law enforcement purposes that would:
   (A) interfere with enforcement proceedings
   (B) deprive a person of a fair trial
   (C) constitute an unwarranted invasion of personal privacy
   (D) disclose confidential sources
   (E) disclose investigation techniques
   (F) endanger life or physical safety of an individual

(b)(8) Prepared by or for a government agency regulating or supervising financial institutions

(b)(9) Geological and geophysical information and data, including maps, concerning wells

Other Grounds for Withholding

NR Material not responsive to a FOIA request, excised with the agreement of the requester
The **Self-Study Guide: Vietnam** is intended to provide U.S. government personnel in the foreign affairs community with an overview of important issues related to history, geography, politics, religion, culture, economics, and international relations. The guide serves only as an introduction and should be used as a self-study resource. Vietnam is far too complex and diverse a society to be covered in any depth using only the text in this guide. The reader is therefore encouraged to explore the questions and issues introduced using the Internet site guide and articles and books listed in the bibliography. Most of the bibliographic material can be found either on the Internet or in the Foreign Service Institute or Main State Libraries.

Professor Zachary Abuza of Simmons College prepared the first edition of this Guide in 2002. The second edition includes updated information provided by David Jensen, Coordinator for Southeast Asia Studies at the Foreign Service Institute. The views expressed in this guide are those of the authors and attributable sources and do not necessarily reflect the official policy or position of the Department of State or the National Foreign Affairs Training Center.

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Second Edition: December 2006
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VIETNAM'S "MARCH TO THE SOUTH" (939-1759)
**Chronology**

258 BC  Au Lac state created in northern Vietnam.

111 BC  Au Lac became part of Nam Viet (Tonkin) province in China when conquered by Han Dynasty forces.

39-40  First uprising against the Chinese, led by the Trung Sisters.

939  Ngo Quyen defeated the Chinese, ending 900 years of Chinese rule.

1058  The Temple of Literature and Confucian examination system was established.

1284  Tran Hung Dao defeated the 500,000-man Mongol army.

1406  China invaded with the avowed purpose of reinstating the Tran dynasty.

1418  Le Loi, a southern aristocrat, led a ten-year revolt against the Ming Dynasty culminating in the founding of the Le dynasty in 1428.

1527  Le Dynasty was weakened by a civil war fought between two families, the Trinh in the north and the Nguyen in the south; both claimed to fight in the name of the emperor.

1615  Jesuit missionaries began arriving.

1627  French Missionary Alexander de Rhodes adapted Vietnamese language to Romanized script; paved way for French domination.

1771  Tay Son Rebellion.

1787  French Missionard De Pigneau enlisted the support of Louis XVI for the pretender to the deposed Nguyen family. French missionary activity increased.

1788  Le Dynasty emperor appealed to the Qing court to intervene and fight the Tay Son. Tay Son launched a preemptive strike, defeating the 10,000-man Chinese force. Le emperor fled to China.

1802  Nguyen Dynasty founded.

1847  First French military expedition clashed with Vietnamese forces. New Vietnamese emperor vowed to rid the country of Christianity.
<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>1861</td>
<td>French captured Saigon and much of the Mekong Delta.</td>
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<td>1862</td>
<td>Treaty of Saigon ceded 3 southern provinces to the French. Cochinchina established.</td>
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<td>1863</td>
<td>French extended their control over Cambodia, making it a French protectorate.</td>
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<td>1866</td>
<td>French began a two-year expedition on the Mekong.</td>
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<tr>
<td>1883</td>
<td>French seized Hanoi.</td>
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<tr>
<td>1883</td>
<td>Annam and Tonkin became French protectorates.</td>
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<td>1885</td>
<td>Treaty of Tianjin. China renounced all claims to Vietnam.</td>
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<tr>
<td>1887</td>
<td>Indochinese Union founded.</td>
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<td>1893</td>
<td>Laos became a French protectorate after Franco-Siamese conflict.</td>
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<tr>
<td>1911</td>
<td>Ho Chi Minh left for France where he became a founding member of the French Communist Party and agitated for Vietnamese independence.</td>
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<tr>
<td>1919</td>
<td>Treaty of Versailles. Ho tried, but failed to negotiate Vietnamese independence.</td>
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<tr>
<td>1924</td>
<td>Ho Chi Minh sent to Moscow for training by the Comintern.</td>
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<td>1925</td>
<td>Ho Chi Minh founded Thanh Nien (Revolutionary Youth League) in southern China.</td>
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<tr>
<td>1930</td>
<td>Indochina Communist Party founded by Ho Chi Minh.</td>
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<tr>
<td>1940</td>
<td>Japan invaded Vietnam, but allowed Vichy French colonial authorities to continue administrating.</td>
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<tr>
<td>1941</td>
<td>Viet Minh established.</td>
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<tr>
<td>8/1945</td>
<td>Japan surrendered.</td>
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<tr>
<td>9/1945</td>
<td>Ho Chi Minh declared independence and the founding of the Democratic Republic of Vietnam (DRV) on September 2. Emperor Bao Dai abdicated.</td>
</tr>
<tr>
<td>10/1945</td>
<td>150,000 Chinese troops occupied northern Vietnam.</td>
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</tbody>
</table>
1946  Franco-Viet Minh talks held. In March, a preliminary agreement was reached. But the French high commissioner Admiral d'Argenlieu rejected the agreement. Ho and a DRV delegation left for France in May. D'Argenlieu violated the March agreement by establishing an independent government for Cochin China.

9/1946  Fontainbleau Conference collapsed.


1949  Elysee Agreement signed between Bao Dai and the French establishing the state of Vietnam.

1950  Military and economic aid agreement negotiated between the newly established People’s Republic of China and the Viet Minh.

1952  France gave Cambodia and Laos independence.

5/1954  French forces defeated at Dien Bien Phu. In Geneva Accords, Vietnam was divided at the 17th Parallel with elections scheduled in two years.

1955  Diem defeated Bao Dai in a referendum and established Republic of Vietnam (RVN). President Diem announced that national elections will not be held. US supported Diem; began supplying aid and training Diem’s army. Hanoi launched a violent land reform campaign, causing an economic crisis in North and mass flood of refugees to South. Hanoi ordered followers in the South to wage a "political war" in south, but not to fight.

10/1957  Insurgency began.

1958  Diem launched a half-hearted land reform campaign in the South. By 1960, three-fourths of the land still remained in hands of 15 percent of population.

1959  Communist network in the South devastated. LDP Central Committee in Hanoi, alarmed by how quickly Diem consolidated his power, changed its strategy in the South and authorized armed struggle.

11/1960  Attempted military coup on Diem and his brother Nhu who became more dictatorial.

12/1960  Hanoi founded the National Liberation Front (NLF), a Communist-led shadow government/resistance movement, in the South. Dubbed the Viet Cong, by 1961 the NLF had 300,000 members and controlled one-third of the South.


11/1961  Max Taylor, head of US MAG, called for the dispatch of an 8,000-man task force to assist RVN forces in a "combat support role" to "boost morale."

1963  Hanoi began to actively supply Viet Cong and infiltrate its own troops to the South.

5/1963  Diem's forces fired on Buddhist protestors in Hue, causing monks to self-immolate themselves to protest Diem's authoritarianism. In August, Diem launched raids on Buddhist pagodas across the country, arresting 1,400 monks. US Ambassador Lodge began to meet secretly with generals to plan coup.

8/1963  Lodge received intelligence that Diem and Nhu were secretly meeting with Viet Cong to negotiate a settlement.

10/1963  US cut off aid to South Vietnam to force Diem to reform.

11/1963  Diem and Nhu assassinated in a military coup. President Kennedy also assassinated in same month. President Johnson committed himself to not "losing" South Vietnam.

12/1963  US began to formally link Viet Cong activity to Hanoi and decided that Hanoi must be punished for aggression.

1/1964  General Nguyen Khanh launched another coup, with US support.

8/1964  Gulf of Tonkin Incident. US began bombing of North Vietnam. Gulf of Tonkin Resolution passed, which gave President Johnson the authority to take "all necessary measures in support of freedom" in Southeast Asia.

2/1965  LBJ ordered sustained bombing of the North to deter them from aiding Viet Cong. Coup launched against Khanh by General Nguyen Van Thieu.

4/1965  LBJ ordered a massive increase in US force levels to 184,000 troops (up from 23,300 in 1964) and authorized them to engage in combat operations. By end of 1965, there were 200,000 US troops.

12/1965  US army commander Westmoreland requested an increase to 443,000 men. The JCS approved 542,000 men for 1967.

1966  China, engulfed in the Cultural Revolution, increased aid to Vietnam.

9/1967  Nguyen Van Thieu was pressured by the US to hold elections. Although they were rigged, Thieu only took 35 percent of the vote.
12/1967 LBJ announced willingness to seek a negotiated settlement and suspended the bombing of the North as a good will gesture. Hanoi rejected Johnson’s 14-point peace proposal.

2/1968 Tet Offensive. Though costly for Communist forces, the anti-war movement in the U.S. gained momentum.

3/1968 LBJ ordered a temporary halt to the bombing, and offered a total cessation “if American restraint was matched by restraint in Hanoi.”

4/1968 Hanoi announced willingness to meet; first direct talks were held in Paris in May.

10/1968 Talks continued, but President Thieu resisted making concessions, waiting to see what position the newly-elected U.S. president would take.

11/1968 Nixon elected President. He announced during campaign that he "had a secret plan to end the war,” but was determined he would not be first US President to lose a war.

5/1969 Viet Cong representatives in Paris offered a 10-point peace proposal that called for unconditional US withdrawal, establishment of a coalition government that would not include President Thieu, holding of national elections, and establishment of an independent and permanent government structure in the South. Nixon's counter-proposal called for the simultaneous withdrawal of US and North Vietnamese troops, and the holding of an internationally-monitored national election.

6/1969 Nixon's Midway speech announced the withdrawal of 25,000 US troops as a goodwill gesture, and a policy of "Vietnamization" of the war. Troop levels fell from 542,500 in 1969 to 474,000 in January 1970, to 139,000 men in December 1971.

9/1969 Ho Chi Minh died. Power was consolidated by the hardliner, Le Duan.

4/1970 Nixon realized that this was his last chance. The US would need to launch a major offensive, as it was withdrawing most of its forces. Bombing of the North was intensified. Neutral Cambodia was invaded to close the Ho Chi Minh Trail and eliminate Viet Cong sanctuaries.

2/1971 "Vietnamization" of the war was put to the test as the South Vietnamese army was defeated by the North in a series of battles. US secretly reentered negotiations with Hanoi in Paris. Kissinger and Le Duc Tho met 12 times.

7/1971 Kissinger went to Saigon to meet with Thieu.

10/1971 Thieu was re-elected with widespread electoral fraud, but believed he had mandate to negotiate with the North. Talks broke down and the US resumed bombing of the North.

3/1972  Hanoi for first time openly sent its forces across the 17th parallel, taking several provinces. US retaliated by bombing Hanoi and Hai Phong.

4/1972  Nixon secretly arrived in Moscow and demanded that the Soviet Union pressure Hanoi to stop the invasion of the South. On 25 April, peace talks resumed in Paris.


9/1972  Peace talks resumed. Hanoi made a major concession by dropping demand that Thieu be removed before a cease-fire could be established, but refused to withdraw its forces. Thieu rejected this agreement.

12/1972  Peace talks broke down. Nixon ordered a massive bombing campaign to push Hanoi back to the negotiating table.

1/1973  Negotiations resumed. Washington halted bombing and mining. Agreement to end the war was signed. Cease-fire began on 27 January.

2/1973  Kissinger met with North Vietnamese Prime Minister Pham Van Dong in Hanoi.

6/1974  Large-scale fighting resumed.

4/1975  Saigon fell to North Vietnamese on 4/30/75. Two weeks earlier, Phnom Penh fell to Khmer Rouge.

5/1975  Vietnamese currency abolished in the South as part of the "socialist transition."

1976  Vietnam formally reunified. Socialist Republic of Vietnam was founded.

12/1976  With the founding of the Lao People’s Democratic Republic, Hanoi began to talk about an "Indochinese Federation", angering Cambodia.


9/1977  Pol Pot made high profile visit to Beijing, which pledged full support to Khmer Rouge.
12/1977 Vietnamese forces launched an attack into Cambodia in retaliation and then withdrew.

2/1978 Hanoi decided to establish and fund an anti-Pol Pot regime in Cambodia.

5/1978 China announced the termination of all aid projects in Vietnam. Hanoi, fearful of a "fifth column", began to "sell" exit visas for ethnic Chinese, starting the “boat people” crisis. Some 250,000 immediately fled; more followed later.

6/1978 Hanoi joined the CMEA Soviet trade bloc.

11/1978 Hanoi signed a 30-year Treaty of Friendship and Cooperation with the Soviets; massive economic and military aid began flowing to Hanoi from Moscow.


3/1979 China invaded Vietnam to "teach Hanoi a lesson for its ungrateful and arrogant behavior."

1982 The Coalition Government of Democratic Kampuchea, nominally headed by Prince Sihanouk but dominated by the Khmer Rouge, was established with American, Chinese and ASEAN support to fight the Vietnamese. The VCP’s 5th Party Congress held in midst of economic crisis. Some Chinese styled economic reforms were implemented.

3/1985 Mikhail Gorbachev came to power in Soviet Union.

7/1986 6th Party Congress. Nguyen Van Linh was rehabilitated and appointed General Secretary (Le Duan died shortly before). Doi Moi launched and a liberal foreign investment code promulgated.

1988 Foreign Minister Nguyen Co Thach unveiled Resolution 13 which radically redefined Vietnam's security policy. Thach called for the withdrawal of troops in Cambodia and the need to better ties with the ASEAN states.

7/1988 Jakarta Informal Meeting linked Vietnamese withdrawal to end of external support for warring Cambodian factions.

9/1989 Hanoi completed withdrawal from Cambodia.

10/1991 Paris Peace Accords signed, ending the Cambodian conflict; at same time, Soviet aid program terminated and most of Soviet forces stationed in Cam Ranh Bay withdrawn.

6/1991 VCP’s 7th Congress. Do Muoi elected General Secretary, Vo Van Kiet became Prime Minister, and Le Duc Anh President. In wake of socialism’s demise in Eastern Europe, political reform was thoroughly rejected.

1992  Vietnam became an observer in ASEAN.

1994  President Bill Clinton lifted economic embargo on Vietnam.

1995  Vietnam became a full member of ASEAN; diplomatic ties between the US and Vietnam were established.

1996  VCP’s 8th Party Congress. Political stalemate and factional infighting caused policy gridlock.


2000  President Clinton visited Vietnam.

4/2001  VCP’s 9th Party Congress. Nong Duc Manh elected General Secretary.


2002  Elections for National Assembly produce a larger, younger, better educated legislature.

2003  An outbreak of Severe Acute Respiratory Syndrome (SARS) is confirmed in Hanoi, but the Vietnamese government moves swiftly to contain the problem.

2004  Outbreak of avian influency (bird flu) emerged. The government’s quick response helped contain the threat, but did not eliminate it.

2005  Prime Minister Phan Van Khai made official visit to the U.S. The National Assembly passed the country’s first anti-corruption law in response to growing domestic criticism.

4/2006  VCP’s 10th Party Congress. Nong Duc Manh re-elected General Secretary. Nguyen Tan Dung became new Prime Minister and Nguyen Minh Triet the new President.


12/2006  Vietnam approved as 150th member of the World Trade Organization (WTO).

The Natural Setting

1. The Land

Vietnam’s total landmass is 331,114 square kilometers (127,243 square miles), and includes a 4,200 square-kilometer territorial sea zone. It measures some 3,444 kilometers from its northern most border with China to its southernmost tip in the Gulf of Thailand. Vietnam is only 600 kilometers at its widest point and 50 kilometers at its narrowest.

The country has a rugged and diverse topography. Two-thirds of Vietnam is covered in mountains and forests. The highest point is Fan Si Pan, which is 3,144 meters. The remaining third of the country includes plains, midlands, mangrove swamp, and forests. About 20 percent of the land is under cultivation, mainly with wet rice paddy. The paddy, and hence the majority of the population, is concentrated in the two major river deltas, the Red River Delta in the north and the Mekong Delta in the south.

The capital is the northern city of Hanoi and other major cities include: Ho Chi Minh City, Hai Phong, Hue, Da Nang, Nha Trang, Can Tho and My Tho.

Vietnam has a long frontier. Its inland border stretches 4,639 kilometers and abuts three states: China (1,281 km), Laos (2,130 km), and Cambodia (1,228 km). Vietnam has had territorial disputes with both Cambodia and China. A border treaty was concluded with Laos in 1977. In December 2000, after years of negotiations, China and Vietnam concluded an agreement on the demarcation of their land border. In November 2005, Vietnam and Cambodia ratified an agreement which reaffirms the basic boundary line mapped by the French in 1954. This agreement also sets a deadline of December 2008 for completing full demarcation, including the positioning of border markers.

Vietnam has a 3,444-kilometer coastline, and claims a 200-mile continental shelf and exclusive economic zone, and a 12 nautical mile territorial sea.

Vietnam has outstanding maritime claims in both the Gulf of Tonkin and the South China Sea. After 10 years of negotiations, China and Vietnam agreed in December 2000 to the demarcation of the Gulf of Tonkin. Vietnam claims both the Spratly and Paracel Island chains in the South China Sea. China seized the Paracel Islands in 1974 from the Republic of Vietnam regime. Vietnam currently occupies several reefs and atolls in the Spratly Islands, though China seized a number in 1988 in a brief naval skirmish. Vietnam has continued to claim the Spratly Islands, which are also claimed in their entirety by China and Taiwan, and in part by the Philippines, Malaysia and Brunei. Since its membership into ASEAN in 1995, Vietnam has downplayed its claim and de facto adopted a policy of maintaining the territorial status quo. Vietnam has used ASEAN as a platform to put pressure on China to sign a code of conduct in the South China Sea, and has rejected China’s offer of joint development.
Vietnam has had successful negotiations with Thailand regarding the demarcation of their shared maritime boundary, and an effective dispute resolution mechanism is in place to adjudicate disputes over fisheries and natural gas exploration. These agreements have come at the expense of Cambodia, with whom Vietnam also has a maritime boundary dispute. Vietnam is a coastal state and has many important ports, including Hai Phong and Vinh in the north, Hue, Da Nang, Cam Ranh, and Nha Trang in the center, and Ho Chi Minh City and Can Tho in the south. Vietnam’s long coastline and adjacent plains make the country susceptible to annual typhoon flooding.

2. Plants, Animals, and the Environment

Despite decades of war, Vietnam’s ecology is highly diverse. There are approximately 12,000 species of plants, 270 species of mammals, 770 species of birds, 180 species of reptiles, and 80 species of amphibians. Several of these species are unique to Vietnam. About 365 species of animals are threatened with extinction, of which 67 are endangered. The government has pledged to defend its bio-diversity, but poaching and logging are endemic.

Although nearly three-quarters of Vietnam’s land area is covered in forests and mountains, its forests are being felled at an unsustainable rate. Forested land fell from 44 percent of land area in 1943 to less than 20 percent today (2006). Much was destroyed or has not recovered from the war, when 72 million liters of herbicides destroyed over 2 million hectares of forests. Throughout the 1990s, Vietnam lost about 110,000 hectares of forest annually due to illegal and legal logging. Slash and burn agriculture, practiced by many of the ethnic minority hill tribes, contributes to deforestation as well as soil erosion and flooding. There have been some official attempts to reforest. In the 1990s, the government had an ambitious target of reforesting 100,000 hectares per year; the target is currently twice that.

Vietnam’s fisheries are also in jeopardy of being over exploited. There are over 300,000 fishermen and the government considers aquaculture products as a key export commodity. Water pollution also threatens marine life populations

Vietnam’s rapid urbanization has caused a number of environmental concerns. Urban infrastructure development has been unable to keep pace with rapid rural-urban migration, and safe water and sanitation are at low levels. Lax environmental enforcement, especially with regard to industrial waste, has served to attract foreign investment.

3. The Climate

Vietnam’s climate is mostly tropical. In the north, the climate is sub-tropical, averaging 17.2 degrees Celsius and 29.2 degrees Celsius in winter and summer, respectively. The monsoon season in the north lasts from mid-May to mid-September. The southern climate is tropical with two distinct seasons: dry and rainy. The average summer temperature is 29.7 degrees Celsius and the average winter temp is 24 degrees.
The average amount of rainfall is 1,800 mm in Hanoi, 2,900 mm in Hue and 2,000 mm in Ho Chi Minh City. Heavy or prolonged monsoon rains can result in serious flooding. Tropical storms are common in the autumn and monsoons and typhoons frequently devastate the central region.

**Study Questions**
1. In what way has Vietnam’s history been shaped by its geography?
2. What is the likely impact of Vietnamese economic development on the environment and natural resources?

**Suggestions for Further Reading**
The People

1. Demographics

With a population of more than 82 million (2004 estimate), Vietnam has one of the largest populations in Southeast Asia. It is an agrarian nation; about 80 percent of the population lives in the countryside. The country is densely populated, with an average of 250 people per square kilometer. Most of the population lives within the two delta regions, the Red River Delta in the north and the Mekong River Delta in the south. The Red River Delta area is the most densely populated region in the country. For example, Thai Binh province has a population density of over 1,000 people per square kilometer, over four times the national average. The mountain regions are sparsely populated; though they comprise almost two-thirds of the country’s territory, only 12 percent of the population inhabit them. There have been repeated attempts since 1975 to force people from the coast to migrate to the mountainous regions and border areas.

Vietnam has become a more urbanized state, both as economic policies that encourage industrialization have taken hold and as the growing socio-economic gap between the poor countryside and the urban centers draws migrants from the over-populated interior of the country. Despite the growth in urban areas around the country since 1986, the two largest cities, Hanoi and Ho Chi Minh City (Saigon), account for about 50 percent of the urban population.

Vietnam’s population exploded in the second half of the 20th century. The population in 1945 was 20 million. From the 1940s to 1960s, the birth rate was 4.6 percent and the overall population growth rate was around 3.4 percent. After the war, in 1979, the birth rate fell to 3.25 percent, though the overall growth rate remained an alarming 2.63 percent. Since the economic reform program doi moi was implemented in late 1986, the government has attempted to implement a two child policy. The population growth rate in 2004 was estimated at 1.02 percent.

Vietnam’s population is very young; over 60 percent the population is under the age of 30, meaning that Vietnam is on the verge of a large demographic bubble. Vietnam is already struggling to cope with the 1.3 million new entrants to the workforce every year.

Fifty-percent of the population is female, though that rate is much higher for older age groups because of the war. There is a problem, as in other Asian countries such as China, of female infanticide due to strong cultural preferences for male offspring.

2. Ethnic Groups

Vietnam has more than 50 individual minority groups, though about 85-90 percent of the population are ethnic Vietnamese. Other major ethnic groups include: the Chinese, Khmer, Cham, Hmong, and Thai. The smallest ethnic groups are on the verge of cultural extinction, with only a few hundred members left. With the exception of the Chinese and Khmer, most of the ethnic minorities live in the mountainous regions of the country.
Vietnam’s more than two million ethnic Chinese, concentrated mostly in southern Vietnam, constitute Vietnam’s largest minority group. Long important players in the Vietnamese economy, the Vietnamese of Chinese ancestry have been active in rice trading, milling, real estate, and banking in the south and shop keeping, stevedoring, and mining in the north. Restrictions on private sector economic activities following reunification of the north and south in 1975, together with a subsequent general deterioration in Vietnamese-Chinese relations, sent chills throughout the Chinese-Vietnamese community. In 1978-79, about 450,000 ethnic Chinese left Vietnam by boat as refugees (many were officially encouraged and assisted) or were expelled across the land border with China.

The second largest ethnic minority grouping, the central highland peoples (formerly termed Montagnards or mountain people), comprise two main ethno-linguistic groups sometimes called the Malayo-Polynesian and Mon-Khmer. About 30 such groups of various cultures and dialects are spread over the highland territories.

The third largest minority is the Khmer Krom (Cambodians), which numbers about 600,000 and is concentrated near the Cambodian border at the mouth of the Mekong River. Most are farmers. Other minority groups include the Cham (remnants of the once-mighty Champa Kingdom which was conquered by the Vietnamese in the 15 century), Hmong, and Thai.

The government’s policies towards the ethnic minorities have changed over time. For example, following the partition of the country in 1954, the North Vietnamese government established two “autonomous zones” in the mountainous north and northwest of the country, the region from which the Viet Minh launched their anti-colonial struggle against the French. These zones were enshrined in the 1960 Constitution. Following the reunification of the country in 1975-76, the Government abolished the “autonomous zones.” Having fought so long for national unity, the government in Hanoi wanted to centralize control, and it had no desire to share power with ethnic minorities. Hanoi took a harder line towards these groups because many of them in the Central Highlands region (the Hmong and Montagnards, in particular) served as mercenaries and scouts for the Americans during the war. Ethnic tensions were exacerbated in the late 1970s when the government forcibly resettled hundreds of thousands of internally displaced peoples. The government settled these migrants in “New Economic Zones,” which consisted of land in the border regions inhabited by ethnic minorities that the government sought to reclaim, cultivate, and bring under more effective central control.

Ethnic tensions resurfaced in the 1990s. Large-scale hydroelectricity projects forced the government to relocate hundreds of thousands of people. In addition, the large-scale cultivation of coffee in the Central Highlands region has led to the government’s encouragement of large-scale migration to the region, through land allocation and other economic incentives. The net result has been that in provinces such as Kon Tum and Gia Lai, where ethnic minorities once comprised a majority of the population, these groups are now in the minority. Land allocation to ethnic Vietnamese plantation owners has also compromised the traditional slash and burn system of agriculture of the hill tribes. In early 2001, ethnic tension peaked again as thousands of hill tribesmen demonstrated in the provincial capital of Buon Me Thuot.
The election of Nong Duc Manh, an ethnic Tay, to the post of General Secretary of the Vietnam Communist Party in April 2001, was thought to ameliorate some of the ethnic tensions. Yet as a majority of the ethnic minorities are evangelical Christians, they often feel persecuted on religious grounds as well (see below).

3. Healthcare

Recent improvements in healthcare have allowed Vietnam’s population to live longer and healthier lives. Despite its status as a developing country, the quality of life for Vietnam’s population is relatively high. The Democratic Republic of Vietnam regime was quick to establish a nation-wide network of health care in 1954, that despite little funding, penetrated to the local level and did much to improve people’s lives. Life expectancy, which was only 40 years in 1950, had increased to 68 for males and 74 for females by the year 2005. The infant mortality rate has correspondingly fallen from 45/1000 live births in 1995 to 26/1000 live births in 2005. In 2005, the death rate had fallen to 6.26 deaths/1,000, while the birth rate remained high at 21.62-births/1,000 population. The total fertility rate in 2005 was approximately 1.94 percent.

Despite some development successes, Vietnam remains a poor country, with annual per capita income in 2005 of about $640 (or $2,700 in purchasing power parity). Moreover, per capita caloric intake has fallen in many areas, and more than 40 percent of Vietnamese children are malnourished. Sanitary conditions are still poor and only about 40 percent of the total population have access to clean water. Apart from malnutrition, the most common affliction, Vietnam also has high rates of malaria, dengue fever, typhoid and cholera. About 220,000 Vietnamese are living with HIV/AIDS (2003 estimate), representing an adult prevalence rate of 0.4%.

Vietnam has a strong network of basic healthcare services. Ninety percent of the total population, and nearly 100 percent of the urban population, has access to basic healthcare. Yet, the government spends relatively little on it; about 85 percent of healthcare spending comes from individual citizens. Investment in healthcare has not kept pace with the growing population, and the number of hospital beds and nurses per 1,000 people has declined in recent years, though the number of doctors has increased.

4. Education

Vietnam has an excellent primary school system, and the country boasts developed country-rates of adult literacy. Adult literacy totaled over 90 percent of the population in 2002, 87 percent for females and 94 percent of males.

Yet investment in education has not kept pace with population growth. Although primary education is universal, there is a shortage of qualified teachers, and most are underpaid. Within schools, pedagogical tools and equipment are lacking, while facilities are in poor condition, if they exist at all.

A disproportionate amount of educational funding goes to urban and sub-urban areas.
Educational opportunities for ethnic minorities are minimal to the alarm of the international community.

There are over 100 institutions of higher education, 55 are clustered in Hanoi and Ho Chi Minh City, which adds to a rural-urban education gap. Less than 2 percent of the population has received tertiary- or graduate-level education.

5. Labor Force

The labor force is around 43 million (2004 estimate), but growing by around 1.3 million people a year. Most of the labor force is unskilled: 63 percent are engaged in agriculture, while industry and the service sector employ the remaining 37 percent.

Study Questions
1. What are the challenges posed by Vietnam’s youthful population?
2. What is Vietnam’s policy towards its ethnic minorities?

Suggestions for Further Reading
### 1. Traditional Confucian Culture

Historically, Vietnam was constantly under Chinese domination or the threat of it. One of the mechanisms Vietnamese leaders used to assuage the Chinese was to adopt Chinese political and cultural institutions. This process of Sinicization imposed Confucian culture at every level of Vietnamese society. The imperial system established a powerful mandarin class, selected through a Confucian examination system.

The rigid teachings of Confucianism emphasize proper social relationships, a rigid code of conduct that defines the rights and duties of individuals within a hierarchical society. Confucianism defines proper behavior based on social roles. The family is the microcosm of society. Confucian doctrines have also established a set of rigid guidelines of behavior, conduct, and duties. The five principle relationships (ngu luan) are: ruler-subject; father-son; husband-wife; elder brother-younger brother; and friend-friend. The hierarchical relationships have established a pecking order that creates inequality in traditional society. If everyone accepts one’s position and fulfills one’s duties, this would lead to social harmony. It is an asymmetric system of prescribed rights and duties.

At the heart of Confucianism is a respect for authority, as benevolent and sage leaders rule unchallenged, legitimized by the “mandate of heaven.” Only when the leader fails to provide for the nation do the people have the right to rebel.

### 2. The Role of Women

Traditional Confucian teachings have prescribed roles for women as daughters, wives, and mothers. Vietnamese women are expected to follow the “three submissions” (tam tong) to male authority. A woman must obey her father during childhood, her husband during marriage, and her eldest son when she reaches widowhood. Women are taught the four virtues (tu duc), a code of ethics for proper conduct and behavior. Cong, or labor, is the art of “mastering cooking, sewing, and embroidering.” A woman’s physical attractiveness (dung) is “to be only attractive to one’s husband, but not enticing to others.” Women are also expected to have appropriate speech, (ngon) by being “self-demeaning and rigidly polite rather than assertive or imaginative.” Finally, one’s proper behavior (hanh), is to be “honest and loyal to one’s superior.”

The status of women changed little under French colonialism, though more entered the commercial workforce while daughters of the elite were educated. Ho Chi Minh, however, saw women as being a revolutionary force and argued that the Confucian family system was one of sources of Vietnam’s backwardness. Ho recruited women into the Indochinese Communist Party (ICP) and recognized the necessity of the women’s involvement in the war effort. The Trung sisters, two of Vietnam’s venerated heroines who expelled the Chinese in 1 AD, were emulated as national heroes and symbols of patriotism.

Once in power, the ICP focused on equality of sexes by expanding rights and addressing issues of women. In the 1960’s, the Family and Marriage Act established the legal marriage age at 18, and
women had the right to choice of partner and to remarry without losing the claim to their children and property.

Many women were eager to join the ICP, which was an escape from the traditional prescribed roles and provided the opportunity for a modern, anti-feudal approach to women’s roles by rejecting traditional authoritarian ideology of Confucianism, especially the social hierarchy.

Once the war against the Americans started, women’s issues were diverted and were never fully re-addressed, although women’s participation in both fighting and economic production was crucial to sustaining the war effort. For the first time, women dominated factory work, and by the late 1960s, over 40 percent of local level leaders were women. Yet, after reunification, patriarchal culture re-emerged. Women’s status declined as the veterans returned home, and women were displaced and resumed their traditional roles within the home.

Although women are granted full equality under the constitution, Vietnam remains a patriarchal society, and women are under-represented in the higher echelons of management, business, and government.

Confucianism, which considers the scholar-official as the top of society, looks down on the merchant class. Consequently, Vietnamese women are often times found working in the informal business sector of the workforce. Rural women work the farms and are involved in animal domestication. They also supplement their income by engaging in sideline production of small handicrafts and local trading.

Women have benefited from the opportunities of the reform era. They are an important component of the urban white-collar workforce and now attend higher education in higher rates than their male counterparts.

3. Family Life

Vietnamese society is centered on family life that consists of a multi-generation household. The parents are the supreme authority in this single and well-integrated hierarchically structured unit. “The sense of family [has] included the deceased and those not yet born in a single fabric of spiritual unity and material well-being.”

In Confucian systems, children are forever indebted to their parents. This debt (on) can never be repaid and must be manifested through filial piety and respect. This continues after death when ancestors are worshipped in family altars within the homes and on special holidays when graves are visited.

At a young age, a girl performs household chores in preparation for life with her future in-laws. Girls were traditionally given limited education because they were considered as a liability since they will “marry out” of the family and become a “possession” of the husband’s family. Therefore, little money and time is typically invested in the future of the girls reiterating the cultural preference for sons. Once married, women must earn the respect and loyalty of her new
family. Her main purpose is to continue the family line by having a male heir. The eldest son is expected to carry on the family line and care for his widowed mother.

4. Language

Vietnam’s official language is Vietnamese. It is a Sinic-based language, though it uses a Romanized script. It is a difficult language with five tones and distinct regional differences. French is spoken primarily by the older generation. Russian is widely spoken by those trained in the former Soviet Union from the 1950s through the 1980s. English is now the official second language of the country. Among the countries minority groups, Chinese, Khmer, and tribal languages are spoken.

5. National Holidays

September 2 is the country’s Independence Day, which celebrates Ho Chi Minh’s Declaration of Independence from French colonial rule in Ba Dinh Square, Hanoi, on September 2, 1945.

The most important holiday is Tet, the lunar New Year. Tet falls between the end of January and the middle of February, depending on the year, and lasts for 3-4 days. The holiday embodies Vietnamese culture, and its importance is difficult to over-state; it has the components of a national day, a holiday of thanksgiving, and a New Year celebration rolled into one. During Tet, the country shuts down, as people spend 3-4 days visiting with friends and family. Since the economic reform program was implemented in 1986 and the people have become wealthier, Tet has become more elaborate and commercialized, as gift giving is now the norm.

Other official holidays include: May Day (May 1st), Armed Forces Day, and Women’s Day. In accordance with the socialist regime, all holidays are non-secular.

6. Religions

There is a paradox about religion in Vietnam today. On the one hand, there are more religious worshippers in Vietnam today than at any other time. About 80 percent of the population is considered at least nominally Buddhist, often practicing an amalgam of Mahayana Buddhism, Taoism, and Confucian traditions that sometimes is called the country’s “triple religion”. There are also an estimated 6 to 8 million Roman Catholics, officials of Cao Dai and Hoa Hao religions claim more than three million adherents each, and estimates of the number of Protestant Christians, located primarily in the northwest and central highlands, vary from an official government figure of 500,000 to claims by the churches of 1.6 million or more. Ancestor worship, Buddhist festivals, folk religions, and cults around historical figures are also commonplace. It appears that there is a significant growth of believers across the country.

On the other hand, while the government has shown little concern about individual faith, it is clearly concerned about the growth of organized religion, its authority structure, nation-wide network, and cadre of adherents. While promising freedom of religion for individuals, the
government has gone out of its way to control religions and prohibit any autonomous religious activity. There is deep-seated historical mistrust of religion. It was in the name of missionary freedom that France invaded and colonized Vietnam, and the government sees the Catholic Church as a vestige of colonialism.

Religion has always been politicized in Vietnam. Buddhists were active in the anti-war movement in South Vietnam, and Catholics in the North were often allies of the French against the Viet Minh. The Hoa Hao and Cao Dai sects raised their own armies and fought the Communists. The Catholics were closely allied with Ngo Dinh Diem’s regime.

The Vietnam Communist Party fears the growth of organized religion and strives to maintain control over all religious activity. The VCP believes that religions pose a threat to their monopoly of power. Religions, with their nation-wide network of churches and adherents, a hierarchical authority structure, and charismatic and morally upright leadership who are able to disseminate information and mobilize their congregations, are a potential challenge to the VCP’s monopoly of power. While freedom of religion for the majority of individual practitioners is being realized, the state seeks to control the six official religions, their leadership, and their organizations. Religious leaders who circumvent party control are persecuted and often imprisoned. Moreover, religion is perceived as a key component of peaceful evolution, and the VCP is convinced of the subversive role that the Catholic Church played in the collapse of Polish and East German Communism. The VCP sees religion as a primary mode through which foreigners can interfere in Vietnam’s internal affairs, whether through direct control of church organization and scripture, or through proselytizing. The Vatican, for example, often clashes with Hanoi over the right to appoint Bishops. As the Vietnamese government considers religion to be an arm of the state, the appointment of church leaders is not a suitable role for the Vatican.

The government has also prevented churches from engaging in social work. An example that portrays the party’s fear of organized religion was its reaction to the attempts by the Unified Buddhist Church of Vietnam to distribute relief aid to the victims of flooding in the fall of 2000. Confronted by the worst floods in 40 years, the government, while courting international relief aid for the nearly four million affected people, shunned relief support mobilized by local Buddhist temples and waged an all out campaign against the monks trying to contribute to relief efforts. While Australia, the UN World Food Program, and the International Committee of the Red Cross were all active in relief aid for the 190,000 people in need of emergency assistance, there was little that the international community could do for the approximately four million people who lost homes, livestock, or crops. Yet, at the domestic level, the state feels that if it were to lose its monopoly on the distribution of goods and services, its political authority will dissipate. Such civic organizations cannot be countenanced.

As a result of this profound fear, the Vietnamese government goes out of its way to control religion in several ways (note: Vietnam’s 1992 constitution does not guarantee ‘freedom of religion’ in the fullest sense, but rather ‘the freedom to believe or not believe in a religious faith’” — Article 70). First, religion is controlled through its incorporation as an organ of the state and through the denial of its autonomy. For example, the VCP tried to co-opt the UBCV after reunification in 1976. When church leaders refused to submit to party control, the UBCV
was banned, and an official church, the Vietnam Buddhist Church, was then established under the party’s mass-organizations umbrella organization, the Vietnam Fatherland Front. The UBCV has requested official recognition since 1981, but has been rebuffed. It is the same for the other religions as well. Each church has an officially sanctioned and elected ruling body that does the state’s bidding; for the Catholics, it is the Bishops’ Council of the Vietnam Catholic Church. In 1999, the Hoa Hao were forced to organize a leadership council under state control.

Second, as the state controls all religion, it also controls seminaries, and maintains sole responsibility for the ordination, appointment, and promotion of clergymen. As such, the state is able to apply a political litmus test to ensure that clergymen remain loyal to the Communist regime that they serve. Third, the government appropriated all church properties beginning in 1954 in the north and 1975 in the south. As all religions are organs of the state, all their properties belong to the state. Only 5-10 percent of all Buddhist properties in the south have been returned. To this end, we have seen the spread of “house churches” (tin lanh). Fourth, all church publications, from texts, to prayer books, to the writings of the monks and priests must receive official permission and the state has broad interpretive powers regarding church publications.

Vietnam does not ban religion. But the Communist Party forces it to operate in a bureaucratic maze, and any deviance is dealt with harshly.

Study Questions
1. How has the status of women changed throughout history? Have the promises made to women by the VCP gone fulfilled? In what ways has economic reform has contributed to or hindered women’s progress?
2. Does freedom of religion exist in Vietnam? Why does the VCP go out of its way to control religion?

Suggestions for Further Reading
History

1. Early History

Until recently, the early history of Vietnam, as that of the other states of Southeast Asia, was shrouded in mythology and a lack of scholarship. But in recent years, a much clearer picture of this early period has been emerging, thanks to academic research in a variety of disciplines. The first major historical marker that we now see clearly is the Kingdom of Van Lang, a feudal state founded in the first millennium BCE in the Red River Valley. Van Lang was populated by the ancestors of the Vietnamese, the Lac, who manufactured the celebrated Dong Son drums during their flourishing Bronze Age civilization. In 258 BCE, a South China war lord, Thuc Phan, conquered Van Lang and combined it with Au Viet, the hilly upland region along the Sino-Vietnamese border, thereby creating Au Lac. It was the first Vietnamese state combining the lowlands of the Red River Valley with the surrounding uplands extending northwards toward the Chinese border.

Au Lac did not long endure, not at least as an independent state, for it became a tributary and then an integral part of Nam Viet, a Cantonese kingdom that included Viet peoples living along the southern coast of China and the northern coast of Vietnam bordering the South China Sea. Then, in 111 BCE the dynamic and expansionist Han dynasty seized Nam Viet and integrated Au Lac into their imperial system as the province of Giao-chi.

The Chinese ruled Au Lac for just over 1000 years with, needless to say, major consequences for Vietnam. Among them were: (1) the implanting of many aspects of Chinese civilization, among the most important of which were the use of Chinese as the language of government and literary expression; (2) the dissemination of Chinese art and cultural forms; (3) the use of Confucian classics as the core of the education system; and (4) the migration of Chinese into Giao-chi, where they formed a Sino-Vietnamese ruling class which drew its wealth and power from a dyked and canal-fed, wet rice agriculture. However, in evaluating the effect of Sinication in Au Lac, it is important to be aware that it most manifestly did not result in a Confucian culture, as Chinese culture at the time was not Confucian but more complex, including many Hindu and Buddhist ideas that were brought to China from the sub-continent via the overland trade route. It is important to recognize also that Chinese influence was limited to Giao-chi. In the center and south of Vietnam, the situation was quite different. There the trading and sea-faring Chams were in the process of “localizing” the many Indian and Islamic ideas and institutions with which they had become familiar while conducting an extensive trade with the Indian sub-continent and Arabia.

This Chinese political and cultural invasion had two important consequences. First, it generated a millennium-long resistance by all classes and segments of the society that from time to time erupted in dramatic events, such as the revolt of the aristocratic Trung sisters in 40 CE. After the great Tang dynasty weakened and then was overthrown, the Vietnamese defeated the Chinese in a celebrated naval battle on the Bach Dang River in 938 and in 967. The Vietnamese emperor Dinh Bo Linh declared northern Vietnam independent in 967, naming it Dai Co Viet.
In the ensuing 600 or so years, politics in Dao Co Viet centered on dynastic struggles at home and struggles on its northern and southern borders, events which were, to be sure, interrelated. The dynastic struggles in Vietnam resulted in the rise of the Ly dynasty in 1009, the Tran in 1225, and the Le in 1426, the founder of which, Le Loi, renamed the country Dai Viet (or Great Vietnam). A subsequent Le emperor, the great Le Thanh Tong, (1460-1498), replaced Buddhism, which had been dominant under the preceding Tran, with Confucian institutions, e.g. the Confucian legal codes, the Confucian examination system, and a Confucian-inspired strict hierarchical government system. While these initiatives most surely were partly responsible for the success of the Le at home and on the northern and southern borders (of which more below), they were not enough to ensure its continuing dominant position. In 1527, the Le dynasty was overthrown by Mac Dang Dung. Although the Le did succeed later (in 1592) in ousting the usurping Mac and in replacing them on the throne, the Le ruled in name only. Two powerful, lordly families exercised the real power; the Trinh in Hanoi and the Nguyen in the South, both of which, along with the Le, were ousted by the Tay Son rebellion in the late 18th century.

Vietnam’s border problems in the North were essentially defensive, to hold back one after the other of aggressive Chinese dynasties. They did so by an astute strategy of resistance and recognition. The Mongols three times invaded Dai Viet in the 13th century; three times invaded Hanoi; and in each case they were later forced to withdraw. Each time the Vietnamese, in an effort to establish a modus vivendi with their powerful neighbor, agreed to a tributary relationship. Later, in 1406, the Ming seized Hanoi, but they were driven out by the Vietnamese in an all-out war of resistance led by Le Loi. Once again the two sides established a tributary relationship.

In the south, the issue was Vietnamese expansion, not defense. During the Chinese period, the Vietnamese and Chams had fought off and on over trade and territory. Then, after independence, the Vietnamese began a centuries-long campaign to subdue their rivals to the south, a campaign which would yield rich results, such as access to land, people, and maritime commerce along the South China Sea. In 1252, Dai Viet invaded Champa in response to numerous Cham raids; in 1307, Dai Viet acquired Cham territories north of present-day Da Nang; and in 1471, Le Tang Tong, continuing what has often been referred to as the nam tien or the “March to the South”, led Vietnamese into Vijaya, which, after the fall of Indrapura some years earlier, had become the capital of Indianized Champa. The southern-based Nguyen lords, who conquered all of Champa and most of the Mekong Delta, undertook the last stages of this campaign. In the wake of military conquest came the principal agents of Vietnamization, i.e., the migrating peasants in search of lands and Vietnamese government officials, who each in their own way extended the reach of Vietnamese culture and society, quickly laying the base for a regional state.

2. The Colonial Era

In 1627, the swashbuckling French Jesuit missionary, Alexander de Rhodes, led a mission to Vietnam. The Jesuits had trouble in the North with the Trinh Dynasty, which was suspicious of the Christians and unfavorable to the Romanization of the Vietnamese language. The Nguyen Dynasty of the South was more accommodating, however, and showed interest in Western guns and trade. Strengthened by this new weaponry, the Nguyen Dynasty continued its march south
along the coast to the fertile Mekong Delta. By 1750, Champa was defeated, and the entire Mekong delta region had been conquered from the Cambodians.

In 1777, the peasant-led, Tay Son Rebellion defeated the Nguyen and Trinh Clans, as well as the Le Dynasty. Nguyen Anh, the pretender to the Nguyen clan, which ruled the South, believed himself to be the rightful heir to the throne. Anh joined forces with a French priest, Pigneau de Behaine, who appealed to France to intercede on Anh’s behalf. In 1787, a reluctant France agreed to send 1,650 soldiers, weapons, and ships. In return, Vietnam would cede to France the port of Danang and Paulo Condore Island, and make commercial privileges “to the exclusion of all other European nations.” After Louis XVI reneged on the deal a few days before the masses stormed the Bastille (July 1789) sparking the French Revolution, Pigneau went to India where he convinced French merchants to give him money, guns, troops, and ships by exaggerating the wealth and trade potential of Vietnam. Though he returned to Vietnam with only a few hundred soldiers, this proved adequate to capture Saigon. Anh then moved north to Hue and Hanoi, which fell in 1802. France built forts and ensconced itself in Saigon, while Nguyen Anh declared himself Emperor Gia Long, and consolidated the Nguyen Dynasty. He established his court in the central city of Hue. For the first time in centuries, Vietnam was a unified entity. But an independent and unified Vietnam was short-lived, due to French colonial expansion.

Gia Long ruled from 1802-1820 and was succeeded by his son Minh Mang, who ruled from 1820-1841. Minh Mang, a Confucian, was xenophobic towards the West and its missionaries. In 1825, he was so concerned about the growing number of converts that he issued an edict declaring Catholicism heretical, and in 1833 ordered the arrest and execution of missionaries. This was the excuse that France was waiting for – the justification for intervention.

In 1840, Minh Mang sent a diplomatic mission to France, though by this point, the European powers were set in their imperialist ways. In 1841, the British launched the Opium War, pressuring France to acquire its own colonies. France was interested in Indochina, but only as a back door route to China. In 1843, a French fleet was permanently moored in Vietnamese waters to protect missionaries and French commercial interests. Under the pretext of protecting missionaries, France sent an expedition force to Vietnam. A small group landed in Danang on August 31, 1858. In 1861, the French captured Saigon and pushed south through the Mekong Delta. In 1862, Emperor Tu Duc signed the Treaty of Saigon, which ceded three southern provinces around Saigon and Paulo Condore to France, guaranteed freedom of religion, opened three ports to Europeans, and forbid Vietnam’s transferal of any other rights or territory to another European power.

The French new territory, officially known as Cochin China, was ruled under a French legal code. French rule in Cochin China was brutal, and from the outset was challenged by wide-scale peasant protests. But Cochin China began to adopt a very different political and legal culture. The ceding of Cochin China had a lasting impact, manifested in the failed 1946 negotiations between Ho Chi Minh and the French, who argued that the region was French territory rather than a part of Vietnam.
In 1863-1864, the French, interested in using the Mekong to trade with China, established a “protectorate” over Cambodia. In 1867, France seized the three southernmost provinces of Dai Viet and incorporated these into Cochin China. The 1866-1868 exploration of the Mekong convinced the French of the benefits of an Indochinese empire, though they concluded that the Mekong was un-navigable and thus could not be used to reach the Chinese interior. France then set its sights on the Red River in Tonkin. In 1873, Admiral Dupre declared the Red River open to trade and unilaterally lowered the tariffs to favor European traders. This caused an outrage among Vietnamese merchants and justified a small army led by French merchants to seize Hanoi. The French sent an official, Philastre, to sign a new treaty. In return for the French withdrawal from Tonkin, in 1874, Emperor Tu Duc recognized French suzerainty over all of Cochin China (including the territory seized in 1867) and granted them trading rights on the Red River.

The French were again denied access to the Red River, and the new French government responded. Prime Minister Jules Ferry argued that “colonial policy is the daughter of industrial policy” and was the first Prime Minister to make imperialism one of his central platforms. In 1882, French defeated the Nguyen army and seized Hanoi, and then the French parliament authorized five million francs for a full-scale expedition in Tonkin. In 1883, the French Navy arrived at the mouth of the Perfume River outside of Hue. The following year, the Treaty of Hue was negotiated, but not signed. Annam and Tonkin became French protectorates. In 1885, the Vietnamese revolted in what became known as the Battle of Hue, though they were defeated.

In 1887, the French founded the Indochinese Union, composed of Cochin China, Annam, Tonkin, and Cambodia. This later included Laos, which the French gained as a protectorate after negotiating a treaty with Siam in 1893.

By 1895, the Indochinese protectorates had fallen into terrible budget deficits, due in part to mismanagement and because of the squabbles of the residents superieurs, who separately ruled the four protectorates and Cochin China, over scarce government resources. Until 1897, Vietnam was never ruled as a single colonial entity. The French divided the country into three regions: Cochin China, Tonkin, and Annam. In 1897, the new Governor General created a self-sufficient Indochinese Union, something that would become a profit-making venture for France, free of subsidies from French taxpayers. Doumer’s first priority was to centralize control of Indochina, concentrating power in the hands of the Governor General.

3. The Anti-Colonial Struggle

What was fiscally sound for the French put a huge burden on the Vietnamese peasantry. There were sporadic revolts against French Colonial rule: for example, the 1908 uprising in Hanoi; the massive anti-tax revolt in Annam; the 1916 rebellion in Cochin China and Annam; and the 1930 uprisings in Tonkin and Annam. Organized anti-colonial struggle developed in the 1920s and 1930s. The most important groups were the nationalist VNQDD, which modeled itself on the KMT in China, and the Indochina Communist Party, founded in 1930 by Ho Chi Minh. The origins of the ICP date back to 1925 when Comintern official and Vietnamese nationalist leader Ho Chi Minh founded the Revolutionary Youth League in southern China. Hobbled by factionalism, the group was defunct by May 1929. After uniting feuding Communist groups that
operated in southern China, Ho founded the Indochina Communist Party in 1930. The group operated clandestinely, as French colonial authorities imprisoned many of its leaders. The ICP grew, however, into a pre-eminent, anti-colonial force.

To widen its appeal, Ho created in 1941 a broad nationalist united front, under the ICP’s leadership, known as the Viet Minh. The ICP was dissolved, however, to assuage fears that Communist forces would not dominate the new coalition government. Viet Minh troops waged a guerilla war against the Japanese and Vichy French troops. Following Japan’s surrender, Ho’s Viet Minh marched into Hanoi and declared the founding of the Democratic Republic of Vietnam (DRV) on September 2, 1945. However, it did not control a majority of the territory in the North, as much was in the hands of rival political parties.

Despite Ho’s declaration of independence and the establishment of a Viet Minh-dominated National Assembly, nationalist Chinese troops continued to occupy the north while the French returned to reclaim their colonial possession. In early 1946, Ho signaled his willingness to negotiate with the French. Although the French had defeated the Viet Minh in the south, they were interested in an overall political settlement. The talks were intense, as both sides knew that without a settlement, there would be war. Jean Saintaney, the French negotiator, was under pressure from French businessmen to demand a separate Cochin China. Ho compromised for a referendum at a later date. Under the 1946 Preliminary Agreement between the French and the Viet Minh, France would recognize the DRV as a “free state having its own government, parliament, army, and finances, forming part of an Indochinese Federation” and the “French Union.” Ho agreed to allow the stationing of 15,000 French troops to replace the 180,000 KMT forces.

But the agreement came to naught as the High Commissioner for Indochina, Admiral d’Argenlieu, refused to endorse the agreement and invited the Viet Minh to Dalat for “further talks” regarding Cochin China. At an impasse, Ho left for Paris and, in his absence, d’Argenlieu violated the agreement by declaring a Republic of Cochin China in the name of France. In Paris, the French government yielded nothing, especially regarding Cochin China and the Fortainbleau Conference ended in failure on September 13, after 8 weeks of talks. Ho sent Pham Van Dong and his delegation back to Hanoi, where he remained until the 19th after initialing the modus vivendi which maintained an independent Cochin China. Knowing that he would be under fire from Viet Minh hardliners, Ho returned to Hanoi uttering, “I have just signed my death warrant.”

It was clear from the start that the French had no intention of fulfilling the agreement, and violent confrontations between the returning French troops and the Viet Minh erupted immediately. When the Viet Minh refused to disarm and decamp in Hai Phong, D’Argenlieu dispatched French warships to bomb the city. Ho ordered the Viet Minh to the jungles to begin a long guerilla war.

The French were always looking for political alternatives to Ho Chi Minh and the Viet Minh. The man upon whom they increasingly relied was the last emperor, Bao Dai. Bao Dai, installed on the throne by France in 1932, had abdicated in 1945, giving his “Mandate of Heaven” to Ho. He remained a national symbol, however, and served as an advisor to the Viet Minh for one year.
before departing for Hong Kong. Fearful of a Bao Dai/Viet Minh alliance, the French courted the emperor, offering to dissolve the Republic of Cochin China and establish the State of Vietnam. Anti-Communists lobbied Bao Dai to sign the agreement to marginalize Ho and the Viet Minh, but the protocol fell far short of independence. On March 8, 1949, Bao Dai and the French president signed the Elysee Agreement, which established France’s recognition of some Vietnamese autonomy, but preserved French control over defense, foreign policy, and finance.

Despite the establishment of a puppet government, the French were bogged down in a guerilla war. From 1946-1950, the Viet Minh controlled much of the countryside, especially in northern Vietnam. The Viet Minh established an effective local administrative system.

The Viet Minh were no match for the superior French forces. It was not until the Chinese Communist Party’s victory in China in October 1949 that the tide turned, when Ho successfully negotiated with Beijing for military aid. With this aid, Viet Minh forces defeated the French at Dien Bien Phu in 1954.

4. Geneva Agreement

Following their defeat at Dien Bien Phu, the French were desperate to negotiate a political settlement that would somehow protect their commercial interests in Cochin China. France was under intense pressure from the US to not negotiate with Ho and to find a non-Communist alternative. After secret talks with the Chinese, a settlement was reached and forced on the Viet Minh leadership.

To save face for the French, and minimize the possibility of American intervention along its southern border, the Chinese forced the Viet Minh to give up much of the territory it had captured. Although in 1954 the Viet Minh controlled most of the country, it was pressured to accept the temporary division of the country into two zones that would be unified through a national election. Contention arose over the location of the dividing line and the timing of the national elections.

Pham Van Dong, the head of the Viet Minh delegation, argued that the country should be divided along the 13th Parallel, a boundary that encompassed most of the territory occupied by the Viet Minh at that time. Dong wanted to hold elections as soon as possible to capitalize on Ho Chi Minh’s enormous nationwide popularity. Likewise, he did not want to give any southern leaders time to consolidate their rule. France demanded that the country be divided along the 18th Parallel to reflect its traditional claim over Tonkin. Likewise, the French wanted a five-year period before national elections to allow for the southern government to consolidate and legitimize itself and for France to protect its commercial interests. A compromise was brokered by the Soviets: division at the 17th Parallel, along the Ben Hai River, with national elections to be held in two years (1956). A period of 300 days was allowed for regrouping, during which almost 130,000 people moved north, while as many as 900,000 people (mainly Roman Catholics) moved to the south. France won more at the negotiating table then it could on the battlefield, while the Viet Minh had all of their military victories nullified.
5. A Nation Divided

The elections were never held, and the country remained divided. Two diametrically opposite socio-economic and political systems were established in the respective halves of the country – the Democratic Republic of Vietnam in the North, and the Republic of Vietnam in the South.

In the North, the LDP was the sole political force and implemented an authoritarian political system and Stalinist economic program. The LDP’s land reform program, implemented in two phases between 1954 and 1960, was brutal and hampered production. Over 15,000 people were killed during the process. At the advice of Chinese advisors, Maoist-style “people’s courts” were established and “class labels” were applied to all members of society to identify and liquidate the landlord class. Wide-scale violence and peasant unrest led the LDP to sack its General Secretary and revise its policies. The economy was industrialized through massive amounts of Soviet and Chinese assistance. Caught in the middle of the Sino-Soviet dispute, Hanoi walked a diplomatic tight rope, seeking to maintain good relations with both Moscow and Beijing. The LDP also imposed a strict system of control over its writers and artists, beginning in 1954. There was an inevitable conflict of priorities between the desire to implement a Socialist revolution in the North, and the policy of ‘completing the revolution’ in the South.

In South Vietnam, an anti-Communist, but authoritarian regime was established under Emperor Bao Dai. His Prime Minister, Ngo Dinh Diem, outmaneuvered him, and declared his presidency in October 1955. Economically, culturally, and militarily, South Vietnam under Diem moved out of the French orbit and into the US sphere of influence. The RVN soon became dependent for its survival on US aid.

From 1954 to 1963, Ngo Dinh Diem and his brother Nhu dominated the politics of South Vietnam. Coming from a family of Roman Catholic mandarins, Diem was anti-French and anti-Communist. He became Prime Minister at the behest of the US in June 1954. His position was initially insecure. By October 1955, however, he was strong enough to hold a referendum, the result of which enabled him to depose Bao Dai and to proclaim himself President of the Republic of Vietnam. He also repudiated the Geneva declaration and rejected plans to hold elections. During the next few years, he attempted to destroy the Viet Minh (or, as he termed it, Viet Cong) network in the South. Many Communists and their sympathizers who had remained in the South in 1954 were imprisoned. In May 1959, the Communist leadership in Hanoi was alarmed at the devastation of their southern network and authorized a political and limited military campaign in the South. In December 1960, the Communists created the National Front for the Liberation of South Vietnam (NLF), to unite opposition to Diem, which was already mounting.

Diem had alienated almost every sector of society. The hunt for Viet Cong led to repression in the countryside. His failure to implement meaningful land reform, combined with his policies that angered the rural population (such as establishing strategic hamlets) drove the peasantry into
the arms of the NLF. Favoritism towards the Catholic Community and repression of Buddhist monks vexed the majority Buddhist community, while students and intellectuals were under suspicion of being supporters of the NLF.

Determined to prevent any Communist advance in Southeast Asia, President Kennedy provided US troops (numbering 8,000 by the end of 1962) to act as advisers to the South Vietnamese army. US confidence in Diem declined, and in November 1963, he was killed in a military coup with tacit US approval. However, the new government was equally unable to defend itself against a growing rural guerrilla movement whose ranks were swelling with peasantry spurred by the lack of meaningful land reform. During the latter half of 1963, Hanoi adopted a more offensive strategy. By the end of that year, the situation of the Saigon government was precarious. President Kennedy’s successor, Lyndon Johnson, committed the US to a policy to defend South Vietnam at all costs.

The failure in Vietnam was not a military but a political one, as no legitimate government in the south with a broad base of popular support was ever formed. The junta that replaced Diem lacked legitimacy and was fraught with factionalism and political rivalry. Soon afterward, a second military coup occurred in January 1964, led by General Nguyen Khanh, who himself was overthrown in February 1965 by a group of younger officers led by the air force commander, Air General Nguyen Cao Ky. A nominally civilian government under Phan Huy Quat was followed, in June 1965, by a new military regime, with Lt.-Gen. Nguyen Van Thieu as Head of State and Nguyen Cao Ky as Prime Minister.

6. The American War

Hoping to capitalize on this political turmoil, the LDP ordered the infiltration of North Vietnamese troops into the south of the country in 1963. This provoked a concurrent escalation of American troops dispatched to reinforce the Saigon Government. An incident involving US ships in the Gulf of Tonkin in August 1964 enabled President Johnson to obtain unrestricted authority from the US Congress, and he used the power granted to him to deal with the Vietnamese situation without any formal declaration of war. The number of US forces in Vietnam increased from 23,000 at the beginning of 1965 to more than 500,000 by March 1968; in addition, contingents were sent from the Republic of Korea, Australia, the Philippines, and Thailand. As a result, the conflict escalated into a war of major proportions. The Communists sent regular North Vietnamese troops to the South, and became increasingly dependent on aid from China and the USSR. The US commenced aerial bombardment of the North in March 1965.

A measure of political stability returned to Saigon while Nguyen Van Thieu held the presidency from October 1967 until 1975. Yet his regime remained unpopular and illegitimate, unable to implement any meaningful reforms for the majority of the population.
In January-February 1968, the Communists launched a major offensive in urban areas to coincide with the lunar New Year (known as Tet). It was on a larger scale than any previous operation, and included attacks on Saigon, Hué, and many other towns. There was also heavy fighting just south of the 17th parallel. The Tet offensive, although a military defeat for the Communists, forced the US government to reconsider its policy. Faced with a major financial crisis and increasing opposition to the fighting, President Johnson decided against a further expansion of the war. Discussions between American and North Vietnamese representatives began in Paris in May. In October, Washington and Hanoi agreed to extend negotiations, and the US suspended its bombing raids against the North. However, heavy bombing remained an essential component of US strategy in the South, and the talks failed to produce a cessation of armed conflict.

In January 1969, after Richard Nixon's inauguration, the informal talks in Paris were transformed into a formal conference between representatives of the US, North Vietnam, South Vietnam, and the NLF. In June 1969, the NLF was supplemented by the creation of a new provisional revolutionary government of South Vietnam. During 1969-70, the conflict continued; although the US began to withdraw its own troops, fears that the North Vietnamese might take advantage of the withdrawal led the US, ironically, to intensify the war. The most spectacular was the invasion of Cambodia in April 1970, following US-supported moves to overthrow the Government of Prince Sihanouk in Phnom-Penh. Equally important was the ‘Lam Son’ operation of February 1971 in Laos, which damaged North Vietnamese supply lines even though it ended in South Vietnamese retreat. By this time, the Communist war effort in the South was dependent on the presence of North Vietnamese regular troops.

In March 1972, with US forces reduced to about 95,000, the North Vietnamese launched a new offensive, which led to some of the most intense fighting of the war. The US government reacted by renewing its bombing of the North and by mining Haiphong and other harbors. By September it was clear that the situation had reached an impasse, while in the US itself there was mounting pressure to bring the war to an end. Secret meetings in Paris between President Nixon’s foreign policy adviser, Dr Henry Kissinger, and Le Duc Tho of the Vietnamese Politburo, beginning in 1969, showed some progress following Dr Kissinger’s visit to Moscow in September 1972. However, for reasons that remain unclear, in December, US planes conducted the heaviest bombing raids of the war against North Vietnam. Only after that was the cease-fire agreement finally signed in Paris in January 1973.

The Paris Agreement provided for the complete withdrawal of all US troops from Vietnam, together with the return of US prisoners of war, by the end of March 1973. That part of the agreement was fulfilled. However, the remaining terms of the agreement, including provisions for political freedom in the South and the creation of a National Council of Reconciliation and Concord, were ignored during the next two years. For the US, the war was over. Since 1961, America had suffered 45,941 combat deaths and over 10,000 deaths from other causes in Vietnam, as well as 150,000 casualties. In the same period, nearly 2 million Vietnamese on both sides, both combatants and civilians, had been killed in the war.
For the Vietnamese, however, the war was not yet over. The Paris Agreement provided for a cease-fire, without any requirement that North Vietnamese forces be withdrawn from the South. In July 1973, the US Congress made illegal any further US military action in Indo-China. The international commission set up to supervise the cease-fire was unable to prevent frequent outbreaks of fighting between the two sides, while the North Vietnamese were now free to undertake a final offensive. Following the fall of the entire province of Phuoc Long in January 1975, the pace was accelerated. By the end of March, the Communists controlled Huế and Danang and were advancing southwards along the coast. In April, they threatened Saigon. Thieu resigned, to be succeeded for a few days by his Vice-President and then by General Duong Van Minh. On 30 April, the last members of the US embassy and other personnel were evacuated and the Communists entered Saigon, which they renamed Ho Chi Minh City.

### COST OF US INVOLVEMENT IN VIETNAM: 1960-1975

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TROOP LEVELS</th>
<th>KILLED HOSTILE</th>
<th>KILLED NON-HOSTILE</th>
<th>WOUNDED HOSTILE</th>
<th>WOUNDED NON-HOSTILE</th>
<th>POWs</th>
<th>MIAs</th>
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<td>587</td>
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<td>237b</td>
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<td>24</td>
<td>36</td>
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<td>18</td>
<td>32</td>
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<td>150,375</td>
<td>591</td>
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1 As of Dec. 31 of each year
2 Average troop strength, 1960-72
3 All but 12 deaths in 1973 and all in 1974 were changes in status of persons previously listed as missing in action
4 Required hospital care
5 Did not require hospital care
6 The Defense Department listed 728 men missing in action (MIAs) as of Dec. 31, 1976. The discrepancy between this figure and the year-by-year total was attributed by the Pentagon to changes in status of persons originally listed as missing and later declared dead or returned from captivity.
7 Estimates by fiscal year. Includes only expenditures that would not otherwise have been spent on national defense.

Source: Department of Defense
7. Reunification and Stagnation

The period from the fall of Saigon in April 1975 to mid-1976 was one of transition. The NLF’s wartime platform, which established that following the war’s conclusion, South Vietnam would continue to be administered by its own administration, independent from the DRV, and the transition to socialism would be gradual, was abandoned. The war ended suddenly and on Hanoi’s terms without any need for negotiation with a South Vietnamese regime. To that end, Hanoi believed that they had every right to formally reunify the country under its control and begin the rapid socialization of the southern economy.

In May 1975, revolutionary committees were created at all levels in the South. The South had its distinct problems – its ‘national democratic’ revolution was still incomplete, whereas the North was already in the stage of ‘socialist’ revolution. A first priority in the South was to bring the economy under control. Private banks were closed, and the traders who had dominated the Saigon economy under Nguyen Van Thieu were accused of hoarding commodities, and their stores were confiscated. Their savings (in piastres) were rendered valueless by the introduction of a new currency that could be regulated more easily. The state took steps to control, if not to own, capitalist enterprises left behind by foreign investment while foreign banks and enterprises were no longer allowed. Former members of the South Vietnamese army and civil service were obliged to undergo ‘re-education’ courses, in camps where study was combined with labor. More than 300,000 Saigonese officials were sentenced to long-term re-education.

In November 1975, a reunification conference was held in Ho Chi Minh City, presided over by Truong Chinh (representing the North) and Pham Hung (representing the South), which formally decided that reunification should take place through elections to be held throughout the country during 1976. Accordingly, a single National Assembly was elected in April, and when it met on 2 July, it declared the inauguration of the Socialist Republic of Vietnam, with its capital in Hanoi. The Assembly also established a committee to draft a new constitution. The new government included a few members of the former provisional revolutionary government of South Vietnam, but it was dominated for the most part by the existing Political Bureau of the Vietnam Workers’ Party, which was renamed the Communist Party of Vietnam at the fourth Party Congress in December.

In 1976, Vietnam joined the IMF and the World Bank, and in 1977, it sought Western investment in Vietnamese industrial projects. That year there were moves towards the ‘normalization’ of relations between Vietnam and the US, which abandoned its opposition to Vietnamese membership of the UN, a body Vietnam joined in September 1977. Normalization talks broke down over Vietnam’s demand for war reparations, which the US Congress had forbidden.

But despite these tentative overtures to the capitalist world, Vietnam became closer tied to the socialist camp. By 1978, a new phase of economic transformation led to the abolition of private
trading and street markets in the South and the unification of the currencies (March-April 1978). These changes were accompanied by a program to convert agriculture to a system of cooperatives, to transform private industry in the South, and to step up the ‘redeployment’ of labor from cities to the New Economic Zones (NEZs).

Important political changes occurred during 1980-81, starting with a government reshuffle in January 1980. In December 1980, after four years of debate, a new constitution was adopted, under which a newly-elected National Assembly met in July 1981 and appointed both a State Council (a collective presidency) and a new Council of Ministers. Truong Chinh became President of the former, and therefore Head of State, while Pham Van Dong remained Chairman of the Council of Ministers (Prime Minister), with slightly reduced powers. Le Duan, still dominant in the Communist Party, was not included in either of the principal state organs. The party’s fifth Congress, twice postponed, was held at the end of March 1982. It became clear, from the reports of preparatory congresses at provincial level, that the party was divided and that some elements in the leadership were being blamed for the country’s severe economic failures. When the Congress met, a number of prominent figures were dropped from the new Politburo (including Vo Nguyen Giap) and others from the Central Committee. A number of younger men were promoted, but the generation of the 1950s had still not relinquished control.

8. The Third Indochina War

Throughout the war years, Vietnam was entrenched in the socialist camp. Dependent on both the USSR and China to support its war effort, Vietnam walked a tight rope following the 1959 Sino-Soviet split. But relations with China broke down following the Sino-American rapprochement in 1971, and Hanoi considered the Shanghai Communiqué to be a betrayal. Beijing wanted America off its borders and therefore put pressure on Hanoi to negotiate an end to the war. Following the 1973 Paris Accords, Beijing warned Hanoi that “the broom of the north should not sweep the south,” an explicit warning not to renew the war in the South. Yet one year after the signing of the Paris Peace Accords, Hanoi’s troops had begun the Ho Chi Minh campaign to conquer the south. Saigon fell on 30 April 1975, angering China.

Two weeks earlier, Phnom Penh fell to the Khmer Rouge, and in December 1976, Hanoi’s Communist allies in Laos, the Pathet Lao, took over Vientiane. Hanoi immediately set out to establish the Indochina Federation, ostensibly under its control. China wished to maintain direct relations with Cambodia and Laos independent of Hanoi, thereby thwarting Soviet ambitions in the region. The Lao acquiesced to Hanoi, but the xenophobic Khmer Rouge, who believed that the Vietnamese had territorial designs on Cambodia, refused to join. Almost immediately, the Khmer Rouge launched violent attacks across the border into Vietnam to regain the Khmer Krom region of the Mekong Delta, ceded to Vietnam by the French. Vietnam appealed to Beijing to control their clients, but Beijing stepped up the flow of military aid and diplomatic support for the Khmer Rouge.
Vietnam rejected ASEAN, which it considered to be a tool of the American imperialists, and demanded that the other Southeast Asian states join with the “progressive nations,” i.e., the three Communist Indo-Chinese states, to establish a new regional grouping under Hanoi’s leadership.

Disputes over sovereignty in the South China Sea also hampered relations. China seized the Paracel Islands in 1974 from a contingent of RVN troops, angering Hanoi. In 1977, the Chinese Government presented a memorandum stating that Vietnam had not honored agreements made in the 1950s concerning Sino-Vietnamese borders (both on land and in the Gulf of Tonkin).

The final irritant was Vietnamese policy towards ethnic Chinese residents (also known as ‘Hoa’ people), which had become so severe that vast numbers of them were taking to ships in the South China Sea. The ethnic Chinese dominated trade and money lending in South Vietnam and were hence targeted in the drive to socialize the economy; China, however, saw it as a politically motivated attack on its nationals. Vietnamese authorities did not prevent their departure, but charged large sums in gold or Western currencies for exit papers. More Chinese also crossed into China at this time. By mid-1979, it was estimated that there were 200,000 refugees from Vietnam in China, and perhaps another 200,000 had reached other countries of Southeast Asia, Hong Kong, Taiwan, or Australia. Many thousands more were thought to have drowned at sea. As a result of a UN conference in July, Vietnam agreed to an “Orderly Departure Programme,” sponsored by the UN High Commissioner for Refugees (UNHCR); by June 1992, about 354,500 people had left the country in this way. Illegal departures continued nonetheless.

Until this point, China maintained its economic aid to Vietnam. Between May and July 1978, however, it abandoned all projects, leaving the Vietnamese more dependent on the USSR and Eastern Europe. Alarmed at the rapid deterioration of ties with Beijing, especially after its retaliatory strikes against Cambodia in early 1978, Hanoi openly sided with the Soviet Union. In November 1978, it joined the Soviet trading bloc, CMEA, and signed a 30-year Treaty of Friendship and Cooperation with the Soviet Union, an explicit anti-Chinese security treaty. The Soviets soon after established a naval and SIGINT base in Cam Ranh Bay. This facility, the largest Soviet military base outside of the USSR, was located directly across the South China Sea from the American naval base at Subic Bay and the Clark Air Force base in the Philippines. By 1984, there were several thousand military and civilian advisers from the USSR in Vietnam.

From September 1977, the potential brewed for military confrontation between Vietnam and Cambodia (or Kampuchea, as it was known between 1976 and 1989). It became clear in late 1978 that the Chinese were unable or unwilling to escalate their own military involvement, and it was impossible for the Cambodians to hold out indefinitely. In December 1978, the Vietnamese invaded Cambodia in support of the Kampuchean National United Front for National Salvation, a group comprised of Khmer Rouge defectors. The Vietnamese gained control of Phnom Penh and other major Cambodian centers during the early part of 1979, enabling a pro-Vietnamese Government under Heng Samrin to take power (although Pol Pot forces continued to resist in more remote areas). In February 1979, this Government signed a treaty of friendship with Vietnam, comparable to one already signed with Laos, and accepted the continuing presence of Vietnamese forces.
Infuriated by the arrogant behavior of its former client state, China launched a punitive attack on Vietnam on February 17. This pedagogical war was brief but costly, particularly for the Chinese, who suffered 20,000 casualties and the sacking of the five provincial capitals along its the border during two weeks of combat. The Chinese declared victory and withdrew in March. Negotiations held in April and May produced no formal agreement, but it was decided in May to exchange prisoners of war. Throughout the 1980s, daily armed skirmishes occurred along the border.

Despite an annual average of $1 billion in Soviet military aid, Vietnam spent up to one-third of its national budget on defense and security. With over one million men under arms, Vietnam had one of the largest standing armies in the world.

The Khmer Rouge was not eliminated, however, and with Thai and Chinese assistance, it regrouped and rearmed. During the 1980s, Vietnam had between 100-200,000 troops in Cambodia, but it was never able to stamp out the Khmer Rouge guerilla forces. An annual cycle evolved; in the dry season, the Vietnamese were able to capitalize on mechanized armor and greater mobilization and firepower. In the rainy season, with mechanized armor all but incapacitated, the Khmer Rouge regained lost territory.

Although the Cambodian people were grateful that the Vietnamese unseated the Khmer Rouge, the Vietnamese were seen as an illegitimate occupying force. The Communist KPRP regime that the Vietnamese installed lacked popular legitimacy as well, and its economic policies kept the country impoverished.

In the early 1980s, tension between Vietnam and Thailand led to greater involvement of ASEAN member states in the Cambodian question. In 1982, ASEAN brokered an alliance between the Khmer Rouge and two non-Communist guerilla movements. The Coalition Government of Democratic Kampuchea, nominally headed by Prince Sihanouk, retained Cambodia’s seat in the United Nations, which routinely criticized Vietnam for its illegal occupation of the country. The guerrillas established base camps along the border between Cambodia and Thailand, but in early 1985, the Vietnamese captured and destroyed the bases of all three resistance groups. Nonetheless, it was never able to defeat the guerrillas. In 1984, Vietnam announced that it anticipated total withdrawal from Cambodia within 5 to 10 years. In August 1985, the official deadline was established as 1990. However, there was little reason to believe that the governments in Hanoi and Phnom Penh genuinely desired a compromise with the forces of Democratic Kampuchea, who continued their attacks within Cambodia during 1986. Meanwhile, the Chinese maintained pressure on Vietnam’s northern frontier, forcing a dispersal of Vietnamese forces.

With the adoption of the economic reform program in December 1986, Vietnam sought to improve its foreign relations. The new economic policy of export-led growth and courting of foreign direct investment (a law on foreign investment was passed in 1987) necessitated improved ties with Western countries, Japan and ASEAN. Extricating itself from the Cambodian quagmire was the foremost goal. The Jakarta Informal Meetings created a formula whereby, in return for Vietnamese withdrawals, foreign aid to the guerillas was phased out. In September 1989, Hanoi completed its unilateral withdrawal from Cambodia, though foreign observers never
monitored the troop pull out and reports continued that Vietnamese troops continued to fight along side their Cambodian allies.

The collapse of Communism in Eastern Europe had a profound effect on the leadership in Hanoi. This, coupled with its failure to resolve the Cambodian civil war, forced the Vietnamese leadership to seek détente with China. A secret summit between the leadership of the two Communist parties was held in Chengdu in September 1990. In October 1991, one month following the Paris Accords which ended the Cambodian civil war and established a UN peacekeeping force, the Chinese and Vietnamese re-normalized relations.

9. Doi Moi and Economic Reform

The ongoing quagmire in Cambodia, combined with economic mismanagement and a disastrous campaign to collect agriculture in the south, led to a severe economic and food crisis. The death of General Secretary Le Duan in mid 1986, allowed for a leadership transition. At the VCP’s 6th Congress in December 1986, Nguyen Van Linh, purged from the Politburo in 1982, was appointed Prime Minister. Linh was brought back to the party’s Secretariat in early 1986 in recognition of the success of his economic reforms in Ho Chi Minh City. Linh implemented Chinese-style agricultural production contracts and other market-based reforms. His economic reform program, known as doi moi, or renovation, entailed linking Vietnam to the global economy, by courting foreign investment and adopting a development strategy based on export-led growth.

Yet Linh faced difficulty in pushing through his reforms. The recalcitrant bureaucracy feared that the market reforms that he was espousing would dilute their power. So Linh called on journalists and writers to expose corruption to pressure the bureaucracy to push through economic reforms. There was a real loosening of ideological constraints, and great literature emerged that attacked the regime and provided the first accurate portrayals of life for the ordinary North Vietnamese soldiers and civilians before and after the war. This literature reflected the malaise in society and antipathy towards the corrupt and entrenched regime.

This ideological liberalization, known as coi moi, was short-lived. The collapse of communism in many countries had a sobering impact on the Vietnamese leadership, creating an ideological backlash and bringing closer ties with China, a fraternal socialist state. At the 7th Party Congress in 1991, the VCP adopted Chinese-style economic reforms, but rejected any movement towards political pluralism. Shortly thereafter, relations with China, which had been strained by the Cambodian crisis, were normalized.

In the first half of the 1990s, the economy raced ahead, and there was considerable excitement as Vietnam was poised to become the next Asian “tiger” economy, but stasis quickly set in. The Asian financial crisis hit Vietnam hard. Compounding the economic crisis was a political statement that prevented a robust response. Political factions were never more divided and there was complete gridlock in the policy-making process.
In June 1996, the Party held its 8th Party Congress, and the top three leaders, Prime Minister Vo Van Kiet, President Le Duc Anh and General Secretary Do Muoi, all refused to step down from their posts without concurrent moves by the others. Although Kiet and Anh did resign in September 1997, there was no consensus on who would replace Do Muoi. In the end, the conservative head of the VPA’s General Political Department, Le Kha Phieu, was elected as a compromise candidate. Phieu hoped that he could bridge the rift between advocates of economic reform and ideological conservatives, but he was unpopular and endeared himself to neither faction.

Widespread peasant unrest in Thai Binh province in 1997 to 1998 posed a real challenge to the Vietnamese leadership. Over 2,000 police were dispatched to the province to put down the unrest. Although the leadership condemned the systemic corruption that was the cause of the peasantry’s anger, more arrests were made of peasants than of corrupt cadres. The incident prompted several senior party leaders, including General Tran Do, to speak out about the party’s loss of legitimacy and the need to “broaden democracy.” Do was expelled from the VCP in January 2000.

Economic stagnation hurt the party’s legitimacy, already under attack because of rampant corruption. Le Kha Phieu launched a major two-year campaign to eradicate corruption in May 1999, though the crusade was a failure. Although several thousand cadres were disciplined, reprimanded, or expelled from the party, most were low-level officials, while senior party officials remained immune from criticism.

Political gridlock continued, and in October 1999, the politburo rejected a long-negotiated trade agreement with the United States. Although the politburo approved the agreement ten months later, the leadership remained divided.

Large-scale peasant unrest again shook Vietnam in February 2001, this time in the politically sensitive Central Highlands, an area predominately populated by ethnic minorities. The Communist party leadership blamed the unrest on the United States and FULRO, an ethnic minority organization that allied itself with the US during the war. In reality, the unrest was in response to corruption, the large-scale relocations of ethnic Vietnamese to the Central Highlands, and the loss of land used for slash and burn agriculture to coffee plantations.

At the VCP’s 9th Congress in April 2001, the Central Committee ousted General Secretary Le Kha Phieu, despite his endorsement by the Politburo. Central Committee members, the largest group of which are provincial-level officials, were dismayed at the ongoing economic recession. In Phieu’s place, the Central Committee elected the reformist Nong Duc Manh, the head of the National Assembly and long-rumored illegitimate son of Ho Chi Minh. The Central Committee elected a smaller Central Committee (135 members down from 170) and politburo (15 members down from 19 members).

During his first term in office, Nong Duc Manh fostered continued progress toward economic reform measures favoring a greater role for the private sector, while retaining VCP control over political matters to maintain support from conservatives within the party. Under his leadership,
the Party decided that Vietnam needed to open up more to the world, in part to create new jobs to avoid social unrest and in part to respond to concerns about China's growing involvement in the region. Party leaders decided that WTO membership was critical. They also encouraged closer links with the U.S., including exchange of military visits, allowing U.S. ships to visit Vietnam, and setting the stage for high level visits between the political leadership of both countries.

Efforts were also made to clamp down on growing concerns about corruption. The party began disciplining government employees for corruption and put senior officials on notice that they were not beyond the reach of the law. Seven members of the Central Committee and the Minister for Agriculture and Rural Development, for example, were sacked in May 2004 for allowing a swindle in a firm supervised by his Ministry.

At the tenth Party Congress in April 2006, Nong Duc Manh was re-elected as Secretary General of the Party, in a move widely seen as a vote of confidence for his success in maintaining party unity. During the Congress, he emphasized that corruption was damaging the party's leadership authority and that intensifying the fight against corruption would be a top priority in his second term.

**Study Questions**
1. How has Vietnamese history affected its behavior in the 20th Century?
2. What were the domestic causes of the Vietnam War?
3. How has Vietnam's policy towards Laos and Cambodia affected its overall relations with the region?

**Suggestions for Further Reading**

*Histories*
There are libraries full of books on the Vietnam War. The following are good overviews:


*Contemporary Vietnamese Literature*
Government and Politics

Vietnam is a one-party socialist state. The Vietnam Communist Party dominates all power and tolerates no opposition. Constitutionally, Vietnam is a republic, and Marxism-Leninism/Ho Chi Minh thought is the official ideology.

There are four key problems with politics and governance in Vietnam. First, Vietnam’s system of governance is hampered by its inheritance from the world’s three great bureaucratic cultures: the Chinese, French, and Soviet Stalinism. Second, the country is fraught with inter-locking directorates in which the VCP permeates almost every level of administration. Despite attempts since 1987 to separate the functions of the party and the state, the VCP still micro-manages the government. Third, the country is hampered by weak communications and infrastructure, which makes organization and policy implementation difficult. The country also has strong natural tendencies towards decentralization. Fourth, corruption is endemic, both because of low salaries, but also because of unclear property rights.

1. The Vietnam Communist Party (VCP)

The VCP is the leading organ of state and society. It is an elite organization with only some 2.3 million members despite a concerted effort to recruit new and younger ones. The party maintains its dominance of society through a system of interlocking directorates whereby at every level of the government, the military, and state-owned enterprises, there is a corresponding party organization that wields ultimate power. There has been an effort since 1986 to eliminate dual hats and end party interference in government business. Nonetheless, senior government officials are all senior party officials, and party membership is seen as a requisite for career advancement.

According to Party statutes, the highest body is the VCP’s National Congress, which is held every five years and was most recently comprised of 1,176 delegates from different party cells throughout the country and various bureaucracies at the Tenth Party Congress in April 2006. In between Party Congresses, power is vested in the VCP’s Central Committee. The Central Committee, currently at 160 members (with an additional 21 alternate members), has ranged from between 35 and 170 members over the years. The Central Committee usually meets at least twice a year, with each plenum focusing on a specific issue. At the end of each plenum, a communiqué is issued and passed down through the party apparatus for study and implementation.

The Central Committee has become younger and better educated. The composition of the Central Committee has changed, and the largest portion of members are provincial leaders. The military has a bloc representation on the Central Committee of between 11-13 percent of seats.

The Central Committee has a number of specialized Commissions with full-time staff members. The most important of these is the Organization Commission, which makes all decisions regarding personnel and appointments.
The Central Committee elects the elite decision-making body, the Politburo. The Politburo currently has 14 members, down from a high of 19 members. It is the ultimate decision-making body in the body, and though it usually does not get involved in the day to day implementation of policy, it sets major ideological guidelines and its Secretariat oversees day-to-day policy implementation. The Politburo always includes the Minister of Defense, the Minister of Interior, and the Head of the Central Committee’s Organization Commission.

Heading the Politburo is the VCP General Secretary. Although collective leadership is the hallmark of Vietnamese politics, the General Secretary is considered primus inter pares and is able to set the overall ideological tenor.

Beneath the Central Committee is the VCP Secretariat that is responsible for the day to day administration of the party and policy. The Secretariat was previously abolished in 1996, as there was too much overlap with the Politburo, and was replaced with a five-man Standing Board of the Politburo. This new arrangement was later deemed inadequate, however, and The Secretariat was reinstated at the 9th Party Congress in 2001.

Each of the country’s 61 administrative units has a party committee and is ruled by a powerful party secretary. The deputy party secretary is the head of the provincial government, though the party secretary occasionally holds both positions simultaneously. The party system is replicated beneath the provincial level at the district and the village level.

2. Government

Vietnam has been governed by four constitutions since its founding in 1945. Each one reflected a different set of national security and historical circumstances. The 1946 Constitution was a vague document that established a broad-based unity government in order to harness all political support for the anti-colonial effort. The 1960 Constitution was enacted in North Vietnam to legalize the radical transformation to a socialist economy; the document was explicitly socialist and anti-American. The 1980 Constitution was enacted to deal with the reunified country and legalized the Communist Party’s political leadership. The current constitution, enacted in 1992, reorganized the government. Article 4 established the VCP as the leading organ of the society, though the VCP is now supposed to operate within the framework of the law. The constitution also reflects the regime’s fear of Communism’s collapse in Eastern Europe, stating that it is the military’s constitutional duty to defend not only the country, but also the socialist regime. Yet the 1992 Constitution also legalizes a multi-sector economy, including the private sector.

According to the Constitution, the National Assembly is the highest political decision-making body in the country, yet it has traditionally been nothing more than a rubber stamp for party decisions. It has fought to expand its role and autonomy since doi moi was implemented in 1986. Until then, the 450-member Assembly was solely a rubber stamp.

Under General Secretary Nguyen Van Linh, the National Assembly was authorized to hold substantive debate over issues. In 1988, 36 percent of delegates voted against the party’s
candidate to become Prime Minister, Do Muoi, instead supporting the southern reformist Vo Van Kiet. In the mid-1990s, they began to televise the Assembly’s biennial sessions.

By the late 1990s, the NA had become far more powerful and assertive, often challenging the party and government’s line, though it still does not have true autonomy. In a way, it has been able to flex its muscles out of necessity, as economic reform makes a comprehensive set of laws necessary. The National Assembly cannot introduce legislation – only debate, alter, amend and pass bills.

The Communist party has traditionally controlled membership in the National Assembly. Although “independent” candidates have been eligible since the 9th National Assembly in 1992, the party must first vet them and all elections are directed by the party’s umbrella organization for mass organizations the Vietnam Fatherland Front. Less than 20 percent of the delegates are not party members.

The National Assembly technically elects the Prime Minister, who is the head of government. The Assembly must approve cabinet appointments and it has forced many cabinet ministers to resign. Yet in reality, the Politburo and Central Committee first decide all of these decisions. A system fraught by “interlocking directorates,” members of the government derive most of their power from their party position. All senior government officials are party members. Almost all of the 21 Cabinet ministers are members of the VCP Central Committee.

Beneath the Prime Minister is a varying number of Deputy Prime Ministers. The Deputy Prime Ministers are each in charge of certain sectors (e.g., the former foreign minister Nguyen Manh Cam became Deputy Prime Minister in charge of foreign affairs and foreign economic relations). A Deputy Prime Minister has oversight of several ministries.

There are currently 18 ministries. These are vertical organizations, and coordination is weak. Most have representation in each of the provinces. In addition to the line ministries, there are several state-level national commissions and committees, such as the Central Bank and the State Inspectorate, whose heads have ministerial rank.

As established in the Constitution, the Head of State is the President, who is also the Commander-in-Chief of the Armed Forces. From 1991 to 1996, the President was the former Minister of Defense Senior General Le Duc Anh. He was far more powerful than his successor Tran Duc Luong. On paper there was no difference. But in reality, Anh controlled promotions and patronage networks throughout the military. He had a vast power base. Luong was installed without a power base, and has no authority over the military. Thus, the post of Presidency became more ceremonial.

The country is divided into 64 administrative units, 59 provinces and five centrally controlled municipalities (Hanoi, Ho Chi Minh City, Hai Phong, Can Tho, and Da Nang). The number of administrative units has changed over time to meet different needs and challenges of the central government. France divided the country into 61 provincial units. Following division in 1954, both the DRV and RVN governments sought to centralize control over their respective halves of
the country, though they approached the task in different ways. In the south, the number of provinces proliferated, to keep them poor, small and dependent on the central government. In the north, where the leadership sought to impose central planning, it consolidated the number of Provinces. After reunification in 1975, the number of provinces again was reduced to thirty-four. Yet these provinces were too large and were able to withstand pressure from the central government. Since 1991, the central government has broken down the provinces and the number has increased to 61 units.

A governor and a provincial-level People’s Committee rule each province. This committee is indirectly elected by district-level people’s committees which, in turn are indirectly elected by local-level (wards in cities, villages in the countryside) people’s committees.

3. Vietnam People’s Army (VPA)

The Vietnam People’s Army (VPA) is one of the key political institutions in the country. In addition to its role in defending the country’s territorial integrity, it has important political and economic functions as well. According to the 1992 constitution, the VPA holds a legal obligation to defend the socialist regime against subversion attempts, and the Communist Party’s control of the VPA is assured through the “dual hat system” and corresponding network of political commissars and party cells at every level of the military. The VPA has a bloc of 10-13 percent of Central Committee seats and nearly all of the officers are members of the VCP.

The VPA has approximately 500,000 troops: about 410,000 army, 13,000 navy, 30,000 air force, and 40,000 border defense personnel. Over half of the army has been demobilized since withdrawal from Cambodia in 1989. During the 1980s, in addition to an average $1 billion in annual military assistance from the USSR, Vietnam spent over 30 percent of its budget on its security forces. Since then, the VPA’s budget, like its size, has been cut in half.

It augments this decline in revenue by engaging in economic activities. In addition to producing most of its own food and manufacturing much of its own equipment and material, the VPA has vast economic holdings in civilian products, including manufacturing, hotels and tourism, and transportation. Revenue from these ventures amounts to nearly 50 percent of its budget.

Most of Vietnam’s military equipment is from the former Soviet Union and dates back to the 1980s. Vietnam has had a hard time maintaining much of these weapons. During the 1990s, Vietnamese defense officials made several trips to the former Soviet Union to purchase spare parts and limited amounts of advanced weaponry, including S300 surface to air missiles (akin to the US Patriot Missiles), 6 SU-27 fighters, and 2 Tarantul-class missile attack vessels. Vietnam has also purchased coastal patrol craft from Australia and South Korea. In 2001, it entered into negotiations with India to establish a joint venture to produce naval vessels, though nothing to date has come of this.

In short, Vietnamese military planners are woefully aware of shortcomings in their arsenal, especially vis-a-vis the rapid military expenditures among China and the ASEAN states.
Vietnam’s has lagged far behind, but until the economy becomes more developed, the VPA will continue to receive limited funding for new arms acquisitions.

4. Judiciary

The judiciary is weak and is subject to influence by higher authority. The Vietnamese legal system blends Marxist legal concepts, in which the judiciary’s raison d’être is to defend the socialist state, with remnants of the old French civil code. Through personnel appointments and ideological directives, the Vietnamese Communist Party indirectly controls the judiciary. The Ministry of Justice was shut down from 1961 to mid-1980s when the advent of economic reform necessitated the massive codification of laws.

Vietnamese trials do not meet international standards. Trials are usually closed. There are few lawyers and judges have rudimentary legal training, often appointed to their position on the basis of political criterion. Verdicts seldom go against state interests, though this causes problems with the international business community.

5. Mass Organizations

The VPA exerts its control down to the grass roots through a network of mass organizations that are controlled through an umbrella organization, the Vietnam Fatherland Front. The most important mass organizations are the Vietnam Peasants Association, the General Confederation of Trade Unions, the Vietnam Woman’s Union, the Ho Chi Minh Youth League, and smaller organizations such as the Vietnamese Writers Association. As discussed below, all religious organizations must be legalized and part of the Vietnam Fatherland Front. By controlling each of these organizations, the VCP is further able to penetrate grass-roots level of society.

6. Political Dissidence and Pressure for Reform

Vietnam is a repressive regime, but it is not a police state. Since the introduction of economic reforms in 1986, there has been a gradual liberalization, especially in the arts, though political and religious dissent is still dealt with harshly.

Calls for political reform within Vietnam are interesting for a number of reasons. First, they come not from outside the polity, but from within and often from the highest echelons. The leading dissidents are not disenfranchised malcontents, but are often life-long party members who have impeccable revolutionary credentials. And unlike outsiders who have nothing to lose by challenging the state, the Vietnamese dissidents have everything to lose – their positions and status, including those of their children and family. The major exception to this has been a few southern dissidents, many of whom gained their political consciousness protesting the Republic of Vietnam regimes, and members of both the Catholic clergy and the outlawed United Buddhist Church of Vietnam, who have protested against the government’s control of religion. Unlike Eastern Europe, where the forces of change were autonomous groups in society, those in Vietnam are still weak. There is no independent labor movement, even an underground one. Moreover, the size of the urban proletariat is relatively small.
Because most of these dissidents are party members, they appear to be a nascent loyal opposition, rather than a subversive counter-revolutionary grouping. These dissidents do not want to be dissidents. Having dedicated most of their lives to the revolution, wars of liberation, and the party, they are patriotic, and many remain loyal to the party, though are unhappy with its policies implemented since reunification. And even if they are more critical of the party, few deny the important role that it has played in the nation’s independence.

Most dissidents see themselves as a loyal opposition within the party who want to raise issues and policies that will strengthen Vietnam and rejuvenate the party. In the Confucian-Marxist tradition, the intellectuals are bound to the state and career advancement is linked to loyalty to the regime. Their demands are thus reasonable and moderate. For these individuals, serving as a loyal opposition and making demands on the party and government is not only a right, but also a duty.

The dissidents have thus far been unable to gain a wider following because they represent such diverse interests and have few bases of institutional support. Dissidents, which include life-long Communists, supporters of the old Saigon regimes, Buddhist monks, and intellectuals wanting freedom of expression, often mistrust one another. Thus divided, Hanoi has been able to isolate and control them.

**Study Questions**
1. What political reforms have been implemented in Vietnam?
2. How has the National Assembly’s power changed over time?
3. What is the political role of the Vietnam People’s Army.

**Suggestions for Further Reading**
Foreign Affairs

1. Post-Cambodian War Foreign Policy

Hanoi’s resolution of the Cambodian civil war brought immediate improvements in relations with other Asian states, particularly with Japan and the ASEAN member states. Following withdrawal from Cambodia, these countries began investing in Vietnam and became key export markets for Hanoi. This influx of foreign exchange was essential, because in 1991 Vietnam lost all subsidies from the former USSR. Diplomatic ties expanded rapidly, starting with Australia, Japan, and other European states. In February 1993, President Mitterrand of France became the first Western head of state to visit Vietnam. Vietnam joined ASEAN in 1995. In that same year, it also normalized diplomatic relations with the United States. Since then, Vietnam has strived to maintain an omni-directional foreign policy, eschewing a formal alliance with any one country.

2. The United States

Relations between Vietnam and the US remained an exception to the general improvement in Hanoi’s relations with the outside world during 1991-94, owing largely to the lingering problem of the more than 2,600 US servicemen listed as ‘missing in action’ (MIA) during the Vietnam War. In October 1990, however, the Vietnamese Minister of Foreign Affairs, Nguyen Co Thach, met leading US officials in Washington (the first visit there by a Vietnamese delegate in 15 years) to discuss the UN peace plan for Cambodia and the possible release of information concerning the MIAs. The meeting represented a significant move towards the establishment of diplomatic relations between the two countries.

In early 1991, a US representative was stationed in Hanoi to supervise inquiries into the MIAs, the first official US presence in Vietnam since 1975. In April, the US proposed a four-stage program for the establishment of normal diplomatic relations with Vietnam, conditional on Vietnamese co-operation in reaching a diplomatic settlement in Cambodia, and in accounting for the remaining MIAs. In March 1992, relations improved further when the US Assistant Secretary of State, Richard Solomon, visited Hanoi, the most senior US official to do so since 1986. In exchange for enhanced co-operation on the MIA issue, Solomon announced that the US would grant Vietnam $3 million in humanitarian aid, though the embargo remained in place and despite criticism from US allies in the region. In October 1992, following the discovery of more than 4,000 photographs of the remains of MIAs, discussions took place between the Vietnamese Minister of Foreign Affairs and the US Secretary of Defense, Richard Cheney.

Expectations that a Democratic administration under President Bill Clinton would lead to the early normalization of relations between Vietnam and the US were not realized. Nevertheless, in July 1993, the US did withdraw its long-standing opposition to loans to Vietnam from the IMF, the World Bank, and the ADB. The resumption of large-scale external aid was expected to give impetus to the improvement of the country’s infrastructure, regarded as essential for its economic development. However, despite increased Vietnamese efforts to assist in the search for MIAs and the stationing of US diplomats in Hanoi from August 1993, President Clinton announced in
September a renewal of the embargo against Vietnam, which he later lifted in February 1994.


In April 1997, US Secretary of the Treasury Robert Rubin visited Vietnam and signed an agreement settling a US $150 million debt issue outstanding since the end of the Vietnam War. During the course of his visit, Rubin stated that Vietnam would be required to undertake a series of measures, such as protecting intellectual property and agreeing to a trade accord, before the US would grant Most Favoured Nation (MFN) trading status (now referred to as Normal Trade Relations or NTR). Although an agreement on intellectual property rights was signed, negotiations on a trade agreement initially made little progress in the face of US demands that Vietnam open its markets, remove various trade barriers, abandon investment licensing, and grant ‘national treatment’ to US banks, law firms, and advertising agencies.

In late June 1997, US Secretary of State Madeleine Albright made a brief visit to Hanoi, where she signed an agreement on copyright protection and urged Vietnam to initiate dioi moii 2 (renewed reforms). In March 1998, however, Vietnam’s co-operation with the US on a resettlement program for Vietnamese boat people resulted in President Clinton’s decision to waive the Jackson-Vanik Amendment to the 1974 Trade Act. This amendment prohibits the US from trading with or providing investment funds to countries that do not permit free emigration. As a result of the waiver, the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank were permitted to commence operations in Vietnam. (Note: OPIC provides special insurance cover for US firms doing business in Vietnam, while the Export-Import Bank provides loans to US companies to assist their exports to Vietnam.) During 1998, Vietnam and the US intensified negotiations on trade and aviation agreements. In late September 1998, Deputy Prime Minister and Minister of Foreign Affairs, Nguyen Manh Cam, made an official visit to the US at the invitation of the US Secretary of State.

In February 1999, President Clinton affirmed that Vietnam was ‘fully co-operating in good faith’ in all areas of bilateral relations in which the US itself sought progress (particularly in the area of joint searches for the remains of MIAs). Vietnam also intensified its co-operation with the US on immigration issues. Following some initial difficulties, the Vietnamese Government gave permission for refugees in overseas camps to return to Vietnam for processing, in preparation for emigration to the US under the Resettlement of Vietnamese Returnees Program. It also expedited the processing of former re-education camp detainees. Improved Vietnamese cooperation in these areas led to President Clinton’s agreement to the second waiver of the Jackson-Vanik Amendment. As a result, US export promotion and investment support programs
offered by the Export-Import Bank, OPIC, the US Department of Agriculture, and the United States Trade and Development Agency were permitted to recommence.

In 1999, Vietnam and the US also made substantial progress in their negotiations of a Bilateral Trade Agreement, and considerable progress was achieved in particular during the eighth round of negotiations held in mid-June. During negotiations, Vietnam was reluctant to grant the US access to certain protected sectors, such as telecommunications. The most contentious issues during the final round of negotiations were those of non-tariff barriers and tariff reduction schedules. Vietnam sought an eight-year time frame for the full implementation of the agreement, whereas the US insisted on a time frame of four years. On July 25, Vietnam and the US announced a final agreement in principle upon the terms of the Bilateral Trade Agreement. However, following a tense meeting between US Secretary of State Madeleine Albright and the General Secretary of the Communist Party Le Kha Phieu, hopes that the trade agreement would be signed at the APEC summit, held in the September in Auckland, New Zealand, were dispelled. In October, the Politburo rejected the trade accord. The Vietnamese Government attempted to renegotiate certain provisions of the agreement, although the US refused, offering only to clarify certain aspects. The US made efforts to continue discussions on the issue, with a series of high-level visits in the first half of 2000.

US Secretary of Defense William Cohen travelled to Vietnam in April 2000, after the Vietnamese authorities had twice postponed his visit. Although the visit represented progress in improving bilateral military links, the Vietnamese Government was reluctant to support Cohen’s suggestion that Vietnam and the US were potential allies against ‘growing hegemony’ in the region and to allow port visits of US naval vessels. The US praised Vietnam for its cooperation regarding the search for MIAs, although Hanoi made little progress in appealing to the US Government for aid to locate the remains of some 300,000 servicemen. Cohen’s visit coincided with the 25th anniversary of the fall of Saigon, which the Vietnamese celebrated throughout April. The anniversary generated some tension, following the assertion by US Senator John McCain that he and other captured US servicemen had been tortured. A resolution by the US Congress condemning the Communist regime in April also prompted hostility. The continued effect of Agent Orange used in South Vietnam during the war remained a contentious political issue; the US Government agreed to conduct joint research, but refused to pay reparations.

In July 2000, newly-appointed Trade Minister Vu Khoan, travelled to Washington at the invitation of US Trade Representative Charlene Barshefsky. As expected, the bilateral trade agreement was finally signed. Vietnam was accorded Normal Trade Relations, lowering tariff rates on exports from about 40% to 3%. The US ceded to Vietnamese demands that foreign companies would only be allowed to become minority partners in the telecommunications sector. In return, Vietnam accepted a three-year period of introduction for other components of the accord, as opposed to the four years that had been previously negotiated. The agreement laid the foundations for Vietnamese membership of the World Trade Organization, which ultimately occurred in 2006.
President Clinton visited Vietnam in November 2000, the first visit by a US President since the country’s reunification in 1976. Clinton received a chilly reception from the leadership; General Secretary Le Kha Phieu gave the president a 45-minute lecture on US imperialism, the Vietnam war, and the triumphs of socialism. In contrast, however, the US President received a warm welcome from the general Vietnamese public.

Relations between the former adversaries have become deeper and more diverse in the years since political normalization. The two countries have broadened their political exchanges through regular dialogues on human rights and regional security. They signed a Bilateral Trade Agreement (BTA) in July 2000, which went into force in December 2001. In 2003, the two countries also signed a Counter-narcotics Letter of Agreement, a Civil Aviation Agreement, and a textile agreement. In November 2006, President George W. Bush came to Vietnam to represent the US at the annual meeting of the Asia Pacific Economic Cooperation (APEC) forum, which was hosted that year by Vietnam. In December 2006, the US Congress agreed to extend Permanent Normal Trade Relations to Vietnam, thus ending the need for annual reviews.

As of April 27, 2005, the US Government listed 1,836 Americans still unaccounted for in Southeast Asia, including 1,398 in Vietnam. Since 1973, 747 Americans have been accounted for, including 523 in Vietnam. The US considers achieving the fullest possible accounting of Americans missing and unaccounted for in Indochina to be one of its highest priorities with Vietnam.


3. China

Vietnam’s China policy is complex. On the one hand, China is a fraternal socialist state, an ideological comrade, a model for political and economic reform, and a close ally during the war years. On the other hand, China is a country that has a several thousand-year history of domination of Vietnam. This has created a legacy of mistrust and antipathy towards China. Despite ideological solidarity, China has been a potential threat to Vietnam’s territorial integrity. The slow pace of negotiations over numerous territorial disputes between the two countries, along their land border, over the Gulf of Tonkin, and in the South China Sea, has reinforced Hanoi’s suspicion of China’s intentions towards Vietnam and Southeast Asia in general.
Several confrontations between the nations have reinforced Vietnam’s fears over Chinese aggression in South China Sea. There was the 1988 clash in which two Vietnamese naval vessels were sunk by the Chinese military. In another incident, a Chinese oil rig was towed into waters claimed by Vietnam in Gulf of Tonkin. Also, China awarded an oil concession to a US firm on Vietnam’s continental shelf. After a decade of talks, negotiations were concluded in late 2000 to demarcate the land border and the Gulf of Tonkin. No agreement has been reached on the South China Sea.

To manage this complex relationship, Hanoi has adopted a two-pronged approach. On the one hand, it reinforces ideological and historical ties to China, citing fraternal socialist identity and the dilemmas that both countries face as they justify continued Communist rule in the face of market reforms and the decline of the ideological basis of their rule. On the other hand, Vietnam has striven not to become dominated by China, and it has adopted an “omni-directional” foreign policy that seeks to balance the historical ties to China. In 1995, Vietnam joined ASEAN in large part to “balance” its relations vis-à-vis China. Although ASEAN is not a formal alliance, Vietnam believed that China deemed its relations with ASEAN too important for its own development to risk a confrontational policy against one of its members. In short, there would be a “trans-ASEAN” cost that would moderate China’s Vietnam policy.

Under the tenure of General Secretary Le Kha Phieu, there was a tilt towards China. There was an economic rationale for his behavior. Vietnam was interested in learning from the China’s reform experience, especially with regard to dealing with the private sector and reforming or privatizing state owned enterprises (SOEs). Phieu also believed that closer ties with China would help resolve their longstanding territorial and other bilateral disputes. Phieu came under attack for this, however, because most Vietnamese policy makers do not believe that China will reward Vietnam for its quiescence; they believe that, for Beijing, such behavior is expected of a former vassal state.

Under the new leadership of General Secretary Nong Duc Manh, Vietnam has pursued a more balanced relationship with China. It has expanded its trade relations with other East Asian neighbors as well as with countries in Western Europe and North America. As mentioned above, it has also encouraged closer relations with the U.S. in political as well as economic areas.

4. Russia

Ties between Russia and Vietnam cooled following the demise of the Soviet Union. Vietnam was aghast at the Soviet Communist Party’s dissolution and the voluntary surrender of power and most bilateral contacts. All aid programs and trade subsidies from Moscow ceased. Russia demanded repayment of Hanoi’s outstanding loans, but a dispute arose over the valuation of the ruble-denominated debt. The Russians demanded nearly $11 billion. Relations further soured, as Russia became the key arms supplier to China, improving Beijing’s military capabilities.

In June 1994, the Prime Minister and the Minister of Defense traveled to the former USSR to re-negotiate the 1978 Treaty of Friendship and Cooperation. The new document stipulated bilateral
consultations in the event of a crisis and no defensive obligation. Vietnam and Russia also reached an agreement on $180 million of arms and spare parts. The Russians were interested in “maintaining and developing” their naval and SIGINT base in Cam Ranh Bay, whose lease expired in 2002, but negotiations snagged on Vietnam’s demand for an increase in annual rent for the base.

Ties improved in 1998 when a Russian firm and PetroVietnam received a joint license to build a US $1.1 billion petroleum refinery at Dung Quat in central Vietnam. Bilateral relations further improved in March 2001 with the visit of President Vladimir Putin, which was the first visit ever to Hanoi of a Russian head of state. Putin nearly erased all of Vietnam’s debt to the Russia, with the objective to ensure Russia’s affordable use of Cam Ranh Bay. Nonetheless, in mid-2001, Vietnam rejected any Russian attempt to renew the lease and announced their plans to develop the facility into an export-processing zone.

5. Laos and Cambodia

Although Vietnam pulled its troops out of Laos in 1989, Vietnam continues to wield considerable influence in this small, neighboring nation. There is no country with which Vietnam has a more comprehensive bilateral relationship. Ties cooled in the early 1990s when Laos sought to improve ties with China. But the Lao regime’s more open policy led to factional infighting and a renewed sense of maintaining political allegiance to Hanoi. Vietnam stepped up military assistance to Laos in 2000 and reportedly re-introduced troops to help the Lao confront a resurgent Hmong insurgency, though it publicly denied this. In recent years, Vietnam has built several new roads into Laos in order to link Vietnamese ports more closely with the land locked, but resource-rich Laos. Ideologically, the two states remain close, and there is a plethora of bilateral exchanges each year from all political, economic, cultural and military organizations.

Vietnam’s relationship with Cambodia has been more complex. Despite his installment in Cambodia by the Vietnamese, Cambodian Prime Minister Hun Sen has exercised considerable independence from Hanoi, and on occasion has angered his former patrons by taking a hard line position on the issue of Vietnamese settlers in Cambodia. The Vietnamese Government was concerned by the Cambodian National Assembly’s adoption in August 1994 of a new immigration law, which, it claimed, contravened international agreements on human rights and would lead to discrimination against the Vietnamese minority in Cambodia. While this approach has upset Vietnam, it is politically popular for Hun Sen who has condoned pogroms against ethnic Vietnamese. Border disputes have been another ongoing irritant in the bilateral relationship, but these may have been resolved, at least for now, in a border agreement reached by the two governments in November 2005.

Although Vietnam’s relationship with Laos and Cambodia differ, Hanoi continues to concentrate its diplomatic resources in maintaining cooperative relations with these strategic border states. It remains wary, however, of growing Chinese influence in both Laos and Cambodia.
6. ASEAN

In July 1992, Vietnam signed the 1976 ASEAN Treaty on Amity and Co-operation, and was granted observer status at its annual meeting of foreign ministers. In July 1994, Vietnam became a founding member of the ASEAN Regional Forum, a security discussion group. In July 1995, at ceremonies in Brunei, Vietnam became ASEAN’s seventh member. On the same occasion, Vietnam announced its intention to join the ASEAN Free Trade Area.

Vietnam’s accession to ASEAN occurred several years before most observers expected. The primary reason was China’s aggressive stance over the South China Sea and Spratly Islands. China’s claims overlap both the continental shelf and claims by the Philippines, Malaysia, Brunei, and Indonesia, as well as Vietnam. Many in ASEAN saw the wisdom of bringing Vietnam in to help shore up its collective position vis-a-vis China.

Vietnam’s membership into ASEAN has not been without controversy. At the 31st annual ASEAN ministerial meeting in July 1998, Vietnam opposed a Thai and Philippine initiative to modify ASEAN’s long-standing policy of non-interference in the internal affairs of member countries. Angering the original members of ASEAN, Vietnam established a caucus of new members, Myanmar, Laos, Cambodia, and Vietnam, all of whom single-party authoritarian regimes. Many analysts have argued that this grouping of countries has often limited ASEAN’s ability to develop a more united effort in promoting democracy in the region.

7. Japan

In September 1993, full diplomatic relations were re-established between Vietnam and Japan. By the mid-1990s, Japan had become Vietnam’s largest aid donor and principal trading partner. It remains the largest aid donor, the leading source of foreign direct investment, and the second largest market of Vietnamese exports, after the US. In 1999, the Vietnamese Prime Minister, Phan Van Khai, made an official visit to Japan. Each country extended “most favored nation” trading status to the other, and Japan pledged continued assistance programs in Vietnam.

8. Other Western States

Australia was the first Western country to restore diplomatic relations with Vietnam. Beginning in 1995, Australia began consultative dialogue on human rights. In 1997, Australia opened a regional security dialogue with defense officials in Hanoi; the first formal dialogue took place in May 1998. The Vietnamese Prime Minister, Phan Van Khai, paid an official visit to Australia in March 1999. During that visit, Australia announced it would increase its official development aid to Vietnam; a separate agreement on co-operation in the areas of education and training was also signed.

In February 1993, President Mitterrand of France became the first Western Head of State to visit Vietnam since its reunification. He was followed in early 1995 by the French Minister of Foreign Affairs, and in early 1997 by the Chief of Staff of the French army. In November 1997, President Jacques Chirac of France made an official visit to Vietnam, which was hosting a
summit meeting of French-speaking countries.

Vietnam has always had close relations with the Scandinavian countries, in particular Sweden, which was the only Western country to maintain diplomatic relations with the DRV regime during the war. Sweden has also concentrated much of its bilateral development assistance in the Southeast Asia region to Vietnam.

**Study Questions**
1. Why is Vietnam’s relationship with China so complex? How does Hanoi “cope” with China?
2. What benefits does Vietnam enjoy from its membership in ASEAN?
3. What are the prospects for improved relations with the United States?

**Suggestions for Further Reading**
- Thayer, Carlyle, and Amer Ramses, eds., *Vietnamese Foreign Policy in Transition* (Singapore: Institute of Southeast Asian Studies, 2000).
The Economy and Infrastructure

Despite rapid economic growth in recent years, Vietnam is still a relatively poor, densely populated country. Its economy remains based on agriculture, primarily wet rice cultivation, with around 60 percent of the labor force working in agriculture. Vietnam continues to be a leading exporter of agricultural products, such as coffee, rice, pepper, and cashew nuts. However, the relative importance of agriculture to the economy declined to about 21 percent of nominal GDP in 2005, down from about 40 percent in 1991. Vietnam’s industries have been growing by more than 10 percent annually, and industry (including construction) contributed about 41 percent of GDP in 2005, compared to around 23 percent in the early 1990s. By this measure, Vietnam is a rapidly industrializing economy. Industry is relatively diversified, and all sub sectors have expanded over the past decade, with particularly rapid growth in steel products, garments, footwear, cement, and car and motorcycle assembly. Mining (mainly oil and gas) accounted for around 10 percent of industrial GDP in 2005. The services sector has grown steadily over the past decade, but its share of GDP has fallen, dropping to around 38 percent in 2005 from 44 percent in the mid 1990s.

1. Colonialism to Communism

In 1945, Vietnam inherited an economy from the French that was poor, underdeveloped, exploited, and geared to serving the colonial regime. The French, who had colonized Vietnam from the 1860s, changed landholding patterns, created millions of landless peasants and day laborers who worked on French-owned plantations, and imposed taxes that kept the peasantry in a cycle of indebtedness. State monopolies and limited attempts to industrialize also distorted the economy, which was then shattered by nine years of anti-colonial war between 1946 and 1954.

Following the 1954 Geneva Peace Accords that divided Vietnam at the 17th parallel, the two competing regimes implemented different economic policies. In North Vietnam, the Communist regime under the Lao Dong Party (LDP) socialized the economy. In the countryside, the LDP implemented a two-phase land reform program to redistribute land and abolish “landlordism”. The implementation of this policy was marked by mass violence as Maoist “class labels” were applied. After two years, massive peasant unrest caused the party to slow down the implementation of land reform. Despite an increase in the amount of collectivized land, per capita agricultural output fell. The state monopolized the harvest and marketing of the rice, paying the peasantry below-market prices for their crops, so that the urban proletariat could receive subsidized food.

The urban economy of the North was also socialized in a strategy of Stalinist industrialization. Private enterprise was abolished, trade was monopolized by the state, and the North began a process of heavy industrialization with massive amounts of Chinese and Soviet aid. Between 1955 and 1965, North Vietnam received $457 million and $364 million in Chinese and Soviet aid, respectively. Central economic planning was adopted and the country was put on Soviet-style five-year plans. All economic resources were directed to the war against U.S.-backed South Vietnam after 1963, causing economic dislocations.
In South Vietnam, the economy was a quasi-capitalist system. Unlike in the North, land in South Vietnam was inequitably distributed. This infuriated the peasants who supported the Communist-backed Viet Cong National Liberation Front, which promised land reform. The South Vietnamese regime’s base of support came from the landlord class, which resisted land reform and the peasants suffered under absentee landlordism, high rates of landlessness, and high taxation.

The South Vietnamese regime was dependent on U.S. economic aid, which by 1963 amounted to more than $1 billion. But unlike North Vietnam, South Vietnam invested little of that aid in industrialization; the economy remained overwhelmingly agrarian. As in the North, the war caused massive dislocations. The government became increasingly dependent on U.S. aid, having lost much of its own revenue. The economy was also racked by inflation and smuggling, and was dominated by an enormous black market.

2. Reunification, the Socialist Transition, and Economic Malaise

Following reunification under North Vietnam in 1976, Hanoi socialized the southern economy. Private enterprise was abolished, land was collectivized, and wholesale, retail, and foreign trade were nationalized. The ethnic Chinese, who dominated the South Vietnamese commercial sector, were persecuted and fled en masse. Additionally, radical currency reform wiped out capital holdings. There was a postwar economic malaise following the loss of Chinese aid in 1978, the imposition of an international trade embargo after Vietnam’s December 1978 invasion of Cambodia, and the huge domestic expenditures (amounting to one-third of Vietnam’s budget) for the Cambodian occupation.

Vietnam joined the Soviet-led trade bloc, the Council for Mutual Economic Assistance (CMEA), in 1978 and received approximately $1 billion in Soviet economic aid annually during the 1980s. Much of the aid was wasted, however, and the country suffered huge trade deficits. The leadership believed that the collectivization of agriculture in the South would lead to net gains in output, but there were food shortages as output could not keep pace with the postwar baby boom. In 1982, agriculture in the South was partially de-collectivized, and Hanoi began to experiment with Chinese-style agricultural production contracts. By 1986, triple-digit inflation and severe food shortages had wracked the economy.

3. Doi Moi

The 6th party congress of December 1986 adopted an economic reform program known as doi moi, or renovation. Agriculture was completely de-collectivized, and fifteen-year contracts for individual production units were granted. As a result, Vietnam went from a net importer of rice to the world’s third largest exporter within a year. Vietnam also became the world’s second largest producer of coffee robusta. Market forces were introduced and central planning was eliminated for all but essential commodities. Vietnam rejected a model of heavy industrialization in favor of sectors in which its economy had a comparative advantage: agricultural commodities (rice, coffee, rubber); natural resource (oil and natural gas) exploitation; and labor-intensive manufacturing. The labor market was freed up. Foreign investment was courted, and the
government marketed the country as an offshore center for manufacturing. Currency reform eliminated the inflationary forces caused by an overvalued currency and the black market. Having withdrawn from Cambodia in 1989, Hanoi began to renew ties with the international community. Embargoes were eased, and bilateral and multilateral lending and development assistance resumed. This was essential, because Hanoi lost all Soviet aid and subsidies by 1991.

Since 1989, real GDP growth has averaged almost 8 percent a year. GDP in 2005 reached $53.1 billion. Inflation, which was in the triple digits in 1986, was brought down to a low of 3.6 percent in 1997 and is currently 8.4 percent. Per capita income more than doubled from $220 in 1994 to $638 in 2005, with a related reduction in the share of population living in acute poverty. However, regional differences in average income are wide, with $638 per capita for the whole country on average, but about $1,800 in Ho Chi Minh City and much lower than average in poorer provinces of the central and northern highlands.

4. The Internationalization of the Economy

The most significant change in the Vietnamese economy in recent years has been its moves toward greater internationalization. Since 1987, when Hanoi passed a Law on Foreign Investment, Vietnam has adopted a strategy of growth that is based on the integration into the international economy through export-led growth and foreign direct investment.

Vietnam’s principle exports are, in order of importance: petroleum; textiles and garments; footwear; marine products; furniture; electronic parts; rice; coffee; and rubber. Its principle imports are: machinery and parts; refined petroleum; steel; and textile inputs. The direction of trade has shifted away from CMEA states. Vietnam’s principle markets are: the US; Japan; Australia; and China. China is the leading source of imports, followed by Singapore, South Korea, and Japan.

Vietnam has sought to attract foreign investment in its industrial sector. The Government sees foreign investment as an intrinsic part of its reform program for state owned enterprises (SOEs). Unwilling to privatize or close SOEs for fear of exacerbating unemployment, the government forced the larger SOEs to take over the weaker ones. Hence, the number fell from 12,000 to less than 6,000. But these SOEs remain inefficient and dependent on subsidies; over half are in the red financially.

Vietnam has participated in international economic and trade forums. Following its membership into ASEAN in 1995, Vietnam pledged to reduce its tariffs in accordance with the AFTA by 2003. In 1996, Vietnam began the application process for WTO membership, which was completed and approved in December 2006. In November 1998, Vietnam became a member of the Asia-Pacific Economic Cooperation forum (APEC), and in November 2006, Vietnam hosted the annual meeting of APEC leaders, which included U.S. President Bush.

Tourism has become an important and growing source of revenue. There were a record 3.5 million tourist visitors to Vietnam in 2005, up from 1.6 million in 1996.
While the country has moved toward a more market-oriented economy, the Vietnamese government still holds a tight rein over major sectors of the economy, such as the banking system and state-owned enterprises. The government has plans to reforming key sectors and privatizing state-owned enterprises, but implementation is slow. Greater emphasis on private sector development is crucial for job creation. Urban unemployment has been rising in recent years, and rural unemployment (estimated to be between 25 and 35 percent during non-harvest periods) is already at critical levels. Layoffs in the state sector and foreign-invested enterprises combined with the lasting effects of an earlier military demobilization further exacerbate the unemployment situation.

The entry-into-force of the Bilateral Trade Agreement (BTA) between the U.S. and Vietnam in December 2001 was a significant milestone for Vietnam’s economy and for normalization of U.S.-Vietnam relations. Implementation of this agreement, which includes provision of trade in goods, trade in services, enforcement of intellectual property rights, protection for investments, and transparency, is fundamentally changing Vietnam’s trade regime and helping liberalize its economy. The BTA gave normal trade relations (NTR) status to Vietnamese imports in the U.S. market. Bilateral trade between the two countries has expanded dramatically, reaching $6.8 billion in 2005.

5. The Limits of Incomplete Reform

Agriculture

Agriculture remains the primary source of livelihood for about 80 percent of the country’s population, though its share of GDP has fallen from 42 percent in 1989 to 21 percent in 2005. The initial reforms that de-collectivized agriculture improved the standard of living in the countryside; beginning in the late 1990s, however, there was widespread unrest as a result of corruption, inequitable distribution of land, and the many new taxes and fees.

Paddy rice production (wet rice cultivation) dominates agricultural output. The introduction of the contract system led Vietnam from being a net importer of rice to the world’s 2nd largest exported in 1997, behind Thailand but surpassing the US. Vietnam exported 3.6 million tons of rice in 2005, earning over $1 billion in revenue.

But agriculture has become more diversified. Vietnam is now the world’s largest exporter of robusta coffee, which is used for instant coffee. It also exports large quantities of peanuts, rubber, tea, maize, and cassava. Large-scale animal processing, such as exists in Thailand, has not occurred in Vietnam. Animal husbandry remains a household-based industry.

Lack of land and credit hinders rural growth, as well as poor access to markets and inefficient farming techniques. Under-employment in the countryside also remains a problem and migration to the cities is putting inordinate pressure on urban infrastructures.
Industry

The Vietnamese economy slowed down in the mid-1990s, hampered by its half-capitalist, half-socialist system. Vietnamese authorities slowed implementation of the structural reforms needed to revitalize the economy and produce more competitive, export-driven industries. Although the government pledged to reform inefficient SOEs and liberalize trade, it failed to implement a comprehensive solution. Although the number of SOEs has been halved, these firms continue to pose a considerable economic burden. Privatization is subject to political sensitivities, while the country’s dynamic private sector is denied both financing and access to markets. There is concern over high rates of unemployment. Complicating SOE reforms is a banking crisis, brought on by large debts and non-performing loans. In addition, the revenue base remains small and tax collection sporadic.

Infrastructure

Vietnam is hampered by a weak physical infrastructure. There are only 126,000 km of roads, according to official statistics, less than half of which are paved. Over 10 percent of the country’s villages are inaccessible by road for at least one month a year. A second north-south highway is currently under construction via the Central Highlands along the Ho Chi Minh Trail. This project has been criticized for its dependence on forced labor and negative environmental impact. Vietnam is in desperate need of more investment in its highway infrastructure.

There are 3,260 km of railways, though the rail system is overburdened and outdated. Vietnam has several important ports, including Hai Phong, Quang Ninh, Da Nang, Ho Chi Minh City, and Can Tho, which handled 34 million tons of freight in 2005, up from 4.5 million tons in 1993.

In 2005, Vietnam’s total electricity-generating capacity was 53.3 billion kilowatts. More than eighty percent of this was hydroelectric, while the remainder was obtained from fossil fuels. Electricity consumption nearly matches production. More dams are being constructed and the government’s goal is to double existing hydroelectricity output. This has caused ethnic tensions as over 100,000 people have undergone forced migration make way for the reservoirs.

Vietnam’s telecommunications sector has been expanded and upgraded since 1991. In 2005, there were 5.7 million telephone lines. Between 2000 and 2005, the penetration rate of mobile phone subscribers rose tenfold to ten subscribers per 100 popular, although this remains low compared with around 12 in Thailand and 28 in China. Internet services, which became available in mid-1998 in both Hanoi and Ho Chi Minh City are expensive, but there were about 4.3 million users in 2005.
**Study Questions**

1. What problems does Vietnam face as it moves from a centralized economy to a market-based one?
2. How can Vietnam alleviate its growing unemployment crisis?
3. Which sectors of the economy have benefited from *doi moi*?

**Suggestions for Further Reading**