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## Fairness, Globalization, and Public Institutions

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# **Adapting to Globalization in Vietnam**

## Seeking Development in the Global Economy

LE VAN ANH

Promoting international cooperation and integration has become a major feature in the renovation process in Vietnam. Since 1991, our country has consistently implemented the policy that “Vietnam wants to befriend all nations of the world and strives for peace, independence and development.” With this policy, Vietnam has gained a number of major economic, cultural, and social achievements. The living standard and infrastructure throughout the country have gradually improved. The country is approaching the national goal of “a wealthy people, a powerful nation, a fair, democratic and civilized society.” See Yongseok Seo’s *Further Thoughts, “A Brief History of Vietnam,”* on page 316.

### **Economic Globalization and Socialist Markets**

We are aware that economic globalization is a natural trend, a development of production forces and transnational, transregional, and global economic relationships in which goods, capital, information, and labor all naturally circulate and in which regional and national economic relationships intertwine as individual economies gradually expand and become interdependent.

Our economy has shifted from a centrally planned economy to a socialist-oriented market economy. Though laws of market value and competition have tremendous importance in a market economy, the state will continue to play an important role in planning and monitoring these laws. Thanks to our own advantages, we hope to exploit the efficiency of our economy and, with international market cooperation, enjoy the latest technological achievements and cultural essences of all nations of the world. We need valuable and efficient support from friends all over the globe. Therefore, just as we formerly participated in SEV (the former socialist Union of Mutual Economic Assistance), so now we are reinforcing international integration and cooperation, especially with the countries in the region through the Association of Southeast Asian Nations (ASEAN).

## Provincial Connections to Globalization

Fostered by this national policy, and thanks to different cooperative relationships and international integration, Thua Thien Hue Province has been making use of its own advantages for expanding development. Though our production is still underdeveloped and limited, we have already sold several products on the international market—for example, sea products, garments, mineral and agricultural products, and handicrafts have all been sold to Japan, China, America, and Europe with a modest turnover of US\$25 to 40 million per year.

Though situated in a less-favorable location in terms of weather, our province has implemented some projects with foreign investment in cement production and other construction materials for hotels, breweries, and so forth. At the same time, Thua Thien Hue has received funding from Official Development Assistance (ODA) and nongovernmental organizations (NGOs) in order to further improve the infrastructure and social welfare system. With the additional comparative advantage of being a “world cultural heritage” area, with beautiful natural landscapes and unique cultural traditions, we have attracted visitors from all over the world, gradually promoting tourism, services, and international cultural exchanges.

We have involved ourselves recently in urbanization and have continued more extensive participation in international urbanization. Hue City maintains close relationships with such organizations as La Fédération Mondiale des Cités Unies (FMCU), CITYNET (a network of local authorities for the management of human settlements in the Asia-Pacific region), the city of New Haven, Connecticut, in the United States, and various cities in France, Italy, Portugal, Japan, and China. We share experiences in urban management, such as cultural heritage development and maintenance, infrastructure building, and waste treatment. In addition, we cooperate technically in the fields of health, culture, foreign languages, and administration.

As a very small area in Vietnam with an adverse climate, we have to make every effort to develop actively and to participate in economic cooperation and integrate with other countries so as to create new opportunities for local development.

## Challenges from the Global Market

Like other developing countries, we face many challenges as we try to integrate into the global economic community. With small-scale production and poor productivity due to old-fashioned technology and equipment, we can hardly compete in strict markets. It is extremely difficult for our key products to have access to suitable foreign markets. Farmers and fishermen usually suffer losses when

farm products (including seafood), animal husbandry, agricultural, and forest products undergo difficulties in both the production conditions of harsh weather and foreign market integration. This consequently has negative effects on living conditions.

As a developing country, we face a fundamental lack of understanding of international markets and poor managerial capacity. This increases the risks of economic integration. In addition, with powerful economic potential and hundreds of years of business experience, big companies and corporations from many countries have easily established themselves and become extremely competitive in our own small market, retarding the development of our domestic production. Moreover, with the boom of information technology, the Internet, international telecommunications, and the rapid development of television and radio corporations, our traditional culture is quite vulnerable to foreign influences. The penetration of drug trafficking and addiction, prostitution, and crime into the country requires integrated approaches for resolution. In some cases, foreign influences have threatened the stability of the local community. This is one of the challenges that we constantly have to cope with in our new world.

In the market economy, the commodification of all goods and the law of competition have intensified inequality among the different classes. The poor are getting poorer as they no longer enjoy social subsidy. This is one of the most difficult social problems our state has to tackle. We must, therefore, adopt different macro policies.

### **The Role of the State in Fairness**

In order to achieve sustainable development in the pursuit of international integration, we are, step-by-step, promoting the role of three partners: the state, enterprises, and the people.

Together with careful planning and monitoring of the whole process of economic, cultural, and social development, the state will strengthen legislation, economic institutions, and policies, thus creating fair regulations so that all economic organizations and sectors can have fair and healthy competition. The state will take different measures in order to create a necessary power of its own during the process of integration. These measures will also do away with any obstructions in international affairs in accordance with signed agreements and will facilitate all economic sectors to fully utilize their potential for development. It will create favorable conditions for promoting various forms of training, including jurisprudence, business management, and the technical professions, so that all citizens can improve their knowledge through learning. The state will perfect domestic markets, provide support for foreign market expansion and guidelines, build up suitable relations and attitudes toward multinational corporations

and regional economic organizations, as well as set up an attractive environment for trade and investment. The state will also provide legislative guarantees and support enterprises so as to raise their global competitiveness through policies, financial assistance, and credit.

Enterprises from all economic sectors are pioneering toward international economic integration. At present, under the leadership of the state, enterprises in all economic sectors are making arrangements for suitable reform, gradually reducing their reliance on the state and accepting the competition of the market. Our state policy is to facilitate the development of all economic sectors and to encourage healthy competition in order to create motivation for development. As transnational companies hold most of the key markets of the world, Vietnamese enterprises have to find suitable solutions for an effective connection on the basis of improving their quality and impact in the marketplace.

The community plays an important role in the national economic integration process. Currently in Vietnam different social strata have different views on globalization. Some do not see its adverse side. Therefore, through mass media it is necessary to help people to understand globalization better and to take more responsibility in this process. Since the public is the beneficiary through the consumption of material, cultural, and spiritual products, the people have rights to fair selections without any restrictions. In addition, it is the public who works directly for the state, enterprises, and social organizations. The role of these people will decide the actual results in all fields during the process of global economic integration.

### **Balancing Development and Fairness**

In order to respond to the challenges and foster Vietnam's integration into the economic globalization process, we have concentrated on human-resource training. We have made significant advances in education. We have almost achieved universal primary education, and we hope to complete universal junior-high-school-level education soon. In our province, five universities, many high schools, and vocational training and education facilities improve the knowledge and skills of our people. Focusing on international cooperation in human-resource training, we have recently had access to the modern science and technology of other countries. This is an important element for the success of economic integration.

With state and local investment and the creative cooperation of mass organizations such as youth unions, women's associations, trade unions, farmer's associations, and war veteran's associations, poor households have been effectively supported in the production of knowledge, advanced technology, and capital. Furthermore, the state also has special programs that invest in remote and isolated areas—for instance, by building rural roads, houses, and clean water supply

systems, and by providing medical assistance, books, and notebooks for education. As a consequence, the living conditions of the poor have notably improved, poverty rates have decreased from 32 percent to 17.6 percent, and there are no longer households in hunger. The economic gap between areas and localities is relatively small. We are striving to build a society without poor people.

In order to overcome and prevent an increasing gap between the rich and the poor, we have successfully implemented hunger and poverty eradication policies at both national and local levels.

Although the quality of material life in general is still not very high, the government has paid much attention to building a better spiritual life for the community. Cultural institutions have been supported. Democratic regulations at the grass-roots level continually build up the people's role. Cultural villages are created that are self-managed in accordance with village traditions. The purpose of all this is to preserve national identity. We do not want our people and their culture to be eroded by the process of international integration.

We believe that the above-mentioned issues are simultaneously our solutions, our achievements, and our lessons during the international economic integration process that is essential for our development.

## FURTHER THOUGHTS

### **A Brief History of Vietnam**

*Yongseok Seo*

#### **The First Wave of Global Pressure: Sinicization and Indianization**

Vietnamese history is a story of the struggle to develop a sense of identity and to maintain it against external pressures. The first major external pressure to Vietnam's existence was the conquest of the Red River Delta by Han China (206 BC–AD 220) in the first century BC. Vietnam was under Chinese control for the next millennium. The Vietnamese response to Chinese rule was twofold. On the one hand, they developed a national consciousness. On the other hand, they accepted various Chinese cultural practices such as political ideologies, administrative styles, and Chinese written characters. Despite this extensive accommodation and borrowing, "there has been a significant tension between the claims of non-Chinese elements in Vietnamese life and the claims of the Chinese elements" throughout Vietnamese history (Osborne, *Southeast Asia: An Introductory History*, 31). Paradoxically, the Sinicization process created a national consciousness in Vietnam that enabled the Vietnamese to resist Chinese political domination in later centuries. By the end of the Tang dynasty in China, there was frequent resis-