

Vietnam: On the road of renewal towards socialism

By Tran Dac Loi

Years ago, while we were fighting the US war of aggression, the word "Vietnam" became very familiar to the world. However, over the past decades, less information about Vietnam has reached to the outside world, and therefore understanding of Vietnam has become less among its world friends. It is against this background that I would like to take this opportunity to provide you with a broad overview about history of Vietnam, with the main focus on its development over the past 30 years.

The history of Vietnam had always witnessed untold hardships and challenges in its struggles against foreign invasions for national defense and construction.

In 1858, the French legionnaires invaded Vietnam, suppressing all resistance forces in blood, step by step occupied the country and finally imposed the colonial yoke on the Vietnamese people. As the rulers, instead of bringing "civilization", "liberty", "equality" and "fraternity" to our country, the French colonialists did nothing other than brutally exploit our natural resources and human labour. They built more prisons than schools. They produced more alcohol and opium than rice. Towards the end of World War II, Japanese fascism jumped into Vietnam and collaborated with the French in ruling Vietnam. The Vietnamese people were thus put under a double yoke.

In 1945 alone, two million out of the then total 22 million-strong Vietnamese population died of starvation, while some 95% of the nation were illiterate, Under the leadership of the Vietnam Communist Party and Ho Chi Minh, we succeeded in launching the August 1945 Revolution that won the power from the Japanese and the French. On September 2, 1945, President Ho Chi Minh proclaimed independence for the country and founded the Democratic Republic of Vietnam. Under the threat of a French comeback, this newly born revolutionary government declared a war against hunger, illiteracy and foreign aggression while holding the first free elections in the nation's history.

Between 1946 and 1954, the young republic had again to fight the French colonialists, who were then supported by the US imperialists in the nine-year long war that was brought to an end by the historic Dien Bien Phu victory. With the Geneva Accords signed in the first international conference on Vietnam in July 1954, independent Vietnam was officially recognized by the world, and the country was expected to be unified after a temporary two-year division for regrouping of opposing forces in preparation for a national general election.

However, this never happened, as US imperialism sabotaged the Geneva Accords, replaced the French in the southern part of the country, and set up a dictatorial government and puppet army. Under the label of "freedom" and "democracy", they on one hand repressed the southerners and their revolutionary forces, and on the other hand, carried out an air war of destruction against the North. With cries, "Bomb North Vietnam back to the stone age", "kill up, fire up and destroy up", the US military dropped 14.3 million tons of explosive in Vietnam, which equals to 725 of the nuclear bombs dropped on Hiroshima in 1945 and four times the tonnage of bombs that were used during the Second World War. At the same time, the US military used up to 80 million litres of chemicals to "clear" the land. It sprayed more than 45 million litres of Agent Orange, containing 366 kg dioxin, the most toxic of all chemicals discovered so far. Please note that only 80 grams of dioxin could kill the whole

population of New York City, and that the total amount of dioxin used by the US military in Vietnam could kill humankind. In Vietnam, an estimated 4.8 million people have fallen victim to Agent Orange/dioxin, suffering from virtually incurable diseases and deformities. Throughout the war, three million Vietnamese had been killed; another four million had been wounded. The country's major infrastructure was destroyed. Landmines have been found scattered in many areas and continue to be hidden killers of civilians in many villages. Today, 30 years after the war, as many as 300,000 Vietnamese are still missing, and their remains are still nowhere to be found by their loved ones.

Yet, the brutality of the strongest imperialist power could not subjugate the will of the Vietnamese people. Under the leadership of the Communist Party and Ho Chi Minh, in the spirit of "Nothing is more precious than independence and freedom", the Vietnamese people once again rose up in the struggle against the US imperialists and their puppet army. After the US forces withdrew from Vietnam as a result of the signing of the Paris Agreement in January 1973, our liberation forces intensified their offensives, completely liberated the South, and reunified the whole of the country through the historic Ho Chi Minh campaign in April 1975.

Stunted development

The war resulted in very heavy consequences on Vietnam. Before the war, Vietnam used to be a poor country. Obviously, the war prevented our country from developing during those years by destroying the country's economic and social infrastructure, living environment and, most seriously, killing as many as three million ordinary people, wounding 4.5 million and leaving behind millions of victims of Agent Orange/dioxin. These are just some figures, but I hope they can provide you with a picture about the massive and grave destruction the US inflicted on Vietnam during its war, as well as the difficulties we are still facing even today, 30 years after the war.

After the war, we badly needed a peaceful environment as well as resources, support and assistance to heal the wounds, rebuild the country and improve the people's living conditions. But that did not happen. Vietnam had to go through another period of hardship after the war.

The US economic embargo which was imposed on Vietnam until 1994 prevented us from access to the world's resources and markets. The only limited assistance we received was from the Soviet Union and socialist countries, which also faced economic difficulties during that period. The West and its allies tried to instigate all possible political and economic sabotage against Vietnam. The liberation of Cambodia from genocidal Khmer Rouge and the subsequent struggle to prevent the return to power of the Khmer Rouge were also a heavy cost in human and material resources for Vietnam. Border conflict with China was an additional big problem for us.

The subjective factor aggravating the situation was the inefficiency of the national economy. The centrally planned economy based on state and collective ownership was applied in Vietnam. It had brought about social equality but could not simulate economic development. Inside the country, the economy stagnated. Labour productivity was remarkably low. Being an agro-based nation, we suffered from chronic food shortages and, as a result, we had to import approximately one million tons of food a year. Essential consumer goods were also lacking. The people's livelihood was in very bad shape. The inflation rate was rocketing in the 1980s, reaching 774.7% at its peak. We were in fact engulfed in a severe social-economic crisis. We realized that it is because we had applied a form of productive relationships which

was not adequate to the very low level of existing productive forces in Vietnam, as well as a form of distribution which was beyond our productive capacity. In other words, there had been confusion between the desired objectives and existing reality.

Doi Moi

In 1986, at its 6th National Congress, the Communist Party of Vietnam adopted the policy of renewal; called in Vietnamese Doi moi. The fundamental concept of Doi Moi is to bring socialist construction to the objective reality of the initial step in the transition period towards socialism in Vietnam, taking into consideration of the current world situation.

Under renewal, the economic policy consists of the following main components:
Application of a socialist-oriented market economy with a view to improving economic efficiency as a means to develop the economy and to improve the population's living conditions. In our view, the market itself will never solve social problems. We actually do not trust the so-called "free market", which actually means an economic jungle which allows big private capital to control and dominate the economy while workers are more and more exploited. Instead, the market must be under state management through policies that ensure the healthy development of the economy and balanced regional development, thus facilitating social advancement. The market is only a tool for the stimulation of economic development; and the functioning of the market depends largely on who is using the tool and for what purposes.

Diversification of forms of ownership and modes of production with the state sector playing the leading role so as to release all production forces and tap all available potentials and resources for development. Within this multi-sector economy, the state economic sector plays a positive and decisive role, monopolizes certain sectors vital to national security, and maintains the dominant role in such major social and economic areas as natural resources, railways, aviation, public transport, electricity, water, communications, banking and insurance, etc.

State-owned enterprises play an active role in businesses that are significant to the development and interests of a large portion of the population, such as mining, construction, agriculture, heavy industry, textiles and garment, etc. Promotion of international economic cooperation and integration on the basis of mutual benefit and prioritizing mobilization of all domestic resources and potentials.

As such, this policy has brought about radical positive changes to the country over the past two decades. The economy has begun to grow. GDP has increased at a fairly high rate, averaged at about 7-8% per year. In 2006, GDP increased by 8.2%. Vietnam satisfied its population's needs for food consumption in the late 1980s. Food production output has increased from 17.5 million tons in 1987 to 35 million tons and 39.7 million tons in 2000 and 2006 respectively. At present, Vietnam is the world's 2nd largest rice exporter and one of the world's largest agro-based product exporters. Industry has enjoyed rapid development rates, from 8% in the 1980s to 12-13% and 13-15% in the 1990s and early years of the 21st century respectively; industrial share in GDP increased from 29% in 1986 to 41.5% of GDP in 2006. Exports went up by 20-25% per year, reaching 22.1% in 2006. Foreign investment has kept flowing in, amounting to a total registered capital of over US\$60 billion at present, of which

about US\$30 billion has been realized. 2006 saw a record of FDI inflow with US\$10.2 billion. The number of international tourists visiting Vietnam has increased year after year, e.g. by 21.8% in 2006. Per capita GDP increased from US\$120 in 1986 to US\$720 in 2006. In 2005 as a proportion of GDP output, the state sector contributed 38.42%, collectives 6.83%, household production 29.95%, national privately owned 8.91 % and foreign-owned private sector 15.89%. This means that the state sector continues to play a leading role in the economy.

Social development

However, the market economic mechanism and the open-door policy have both led to previously unseen social problems such as unemployment, corruption, prostitution and other serious problems, like trafficking in women and children, drug smuggling and addiction, and HIV/AIDS, etc. Polarization between the rich and the poor, and between rural and urban areas, has come to the fore. These are the major challenges we are confronted with in the process of national renewal and socioeconomic development.

Regarding social development, the renewal policy comprises the following key elements: To make the human the centre of development, and economic development as the facilitator for the implementation of social objectives. In turn, the implementation of social policies will promote economic development. To ensure that social equity is translated into reality and that social progress is accompanied with every step of economic development.

To enable all people to realise their capability and potential; encourage them to become rich lawfully while the state should concentrate its efforts on eliminating hunger and alleviating poverty, assisting the poor and people with disabilities or in difficult circumstances.

To regard the development of education, training, science and technology as a prime national policy to develop human resources and a catalyst for sustainable social development.

Vietnam at present has a population of 84.11 million people, 78% of them are living in rural areas. Economic development has helped the country overcome the socioeconomic crisis in the 1980s and has visibly improved the people's livelihoods.

The socioeconomic development strategy for 2001-10 set up in 2001 is projected to record an annual economic growth rate of 7%, reduce the population growth rate by 1.23%, reduce poverty to 10-11%, bring the child malnutrition rate down, and uplift the average life expectancy to 70 years.

The national program on agricultural and rural development has been an important priority for the country. Electricity, roads, schools, communication and health care centres have been constructed in rural areas. By 2006, 89% of villages had electricity (compared with 60.4% in 1994), 96.7% villages have roads (compared with 87.9% in 1994), 99.6% villages have primary schools and 91.2% have junior secondary schools (compared with 76.6% in 1994), 94.4% have telephone communication (compared with 82.6% in 2001), 99.3% have healthcare centres.

About 24-25% of the yearly national budget has been earmarked for social programs. Hunger eradication and poverty reduction constitute the primary goals of the socioeconomic development strategy. Poverty incidence has been brought down from 75% in 1986 to 58.1 % in 1993, 37.4% in 1998, 28.9% in 2002, 24.1% in 2004 and 19% in 2006, which means that some 310,000 people have been lifted from poverty each year. Within the 10-year period (1991-2000), Vietnam has already fulfilled the UN millennium goal set for 2015 of halving the poverty rate. Tens of thousands of houses for the poor are built every year. The state continues to play the leading role in the fields of education and health care. The universal primary education program was completed in 2000. At present, the universal junior secondary education program is being carried out in 34 out of 64 provinces and cities. Enrollment

increased from 14.9 million in the 1994-95 academic years to 23.5 million in the 2006-07 academic years, while the university and college student population increased from 203,000 to 1,405,000 in the same period. The number of universities and colleges increased from 109 in 1995 to 255 in 2005. The literacy rate is as high as 95% of the national adult population.

Certain epidemic diseases have been put under strict control. Over the past decade, the child malnutrition rate has gone down from 45% to 25%. The infant mortality rate declined from 44% in 1990 to 16% in 2006. The average life expectancy increased from 62 years in 1990 to 72 years in 2006. The country's Human Development Index (HDI) jumped up from 0.498 in 1991 to 0.688 in 2000 and 0.810 in 2006.

The 10th Congress of the Communist Party of Vietnam held in April last year set an important task for the country in the forthcoming period. Our objective is to lift the country from underdeveloped status by the year 2010 and to turn the country into a modernised industrialised one by the year 2020. Poverty will be reduced to 10-11% by the year 2010. Education and health care will get higher shares of the national budget.

People's power

Politically, the key issue for the socialist political system in Vietnam is to guarantee people's power for people's interests. In doing so, it is very important to maintain politics free of influence of money, to be non-market space on the one hand and at the same time, to constantly strengthen people's democracy on the other. The overall political concept is based on trying to achieve social consensus instead of confrontation while state power should be always on the side of majority of the population, which is the working people.

The Communist Party of Vietnam continues leading the country. The CPV comprises more than three million members. Without departing from its foundation as a party of the working class, striving for the interests of working people, the ruling party is trying also to embrace the interests of the whole nation and entire population. Being aware of the permanent dangers of bureaucratization for a party in power, the CPV is focusing on an anti-corruption campaign, enhancing the party's capabilities and militancy, strengthening the ties between the party and people, and launching the campaign to follow the example of President Ho Chi Minh among all party's members and cadres.

Vietnam is now in the process of building a law-governed socialist state of the people, by the people and for the people. The National Assembly is the supreme legislative body and is elected every five years by secret ballot and through a direct elective system. All citizens aged 18 and older have the right to vote and stand for elections at all levels. Although voting is not compulsory, the voting rate has always stood more than 90%. Mass and people's organizations number more than 300 at the national level and tens of thousands at local levels.

It is through these channels that people from all walks of life participate democratically in the socioeconomic development process. There are more than 700 national and local newspapers to keep the population updated on local and international developments. Nowadays, there are about 13 million Buddhists, 5.7 million Catholics, 2.3 million Cao Dai believers, 2 million Hoa Hao followers, 421,000 Protestants and 65,000 Muslims; all citizens are entitled to freedom of religion and non-religion.

Women's role and status has kept improving. At present, Vietnam is the leading country in Asia in terms of women's representation in parliament, with 27.3% of the National Assembly deputies being women. Ethnic minorities enjoy great attention from both the state and the public, and as an example of which, about 17% of the deputies to the National Assembly are from different ethnic minority groups. Implementation of "grassroots democracy" enables people to directly participate in the decision-making, monitoring and implementation processes in their localities. Institutionalized democracy aims to enable each and every individual to control his or her own destiny, as well as that of the country.

International relations

In the field of external relations, we stand for a foreign policy based on independence and self-determination, and diversified and multilateral international relations based on the principle of respect for independence, sovereignty, and territorial integrity, non-interference in the internal affairs, equality and mutual benefit. Vietnam is a friend and reliable partner with all countries in the world community, striving for peace independence and development.

Given the current complicated international situation, we have been able to break down the blockade and embargo imposed by hostile forces on our country and reach out to the outside world. We have succeeded in establishing diplomatic relations with nearly 170 countries, maintaining normal relations for the first time in our history with all major countries of the world.

Apart from the UN, Vietnam has also belongs to the most important international and regional organizations. Specifically, in our foreign policy and practice, relations with socialist countries, communist and workers' parties, and traditional friends are always among our top priorities.

Conclusion

Looking back at the experiences of more than 20 years of Doi Moi in Vietnam, I can make the following conclusions:

Socialist construction can be not only economically effective but more importantly, can solve social problems much better than any other society with similar economic conditions. In other words, socialism is -not only possible but is viable, is good for society and for the people.

While maintaining and being consistent with socialist objectives aimed at the elimination of exploitation, promotion of social equity and justice along with developing productive forces, the road towards socialism in each country should be based on the objective existing reality and conditions in the given country;

Socialist construction is not a spontaneous process. It is a long-term, self-conscious and oriented process which requires consistent policies and efforts towards set objectives. That's why it is vitally important to maintain the stable leadership of the political party leading this process.

Still, there are a number of problems requiring a solution from us. As a poor and developing country, our per capita GDP remains still very low as compared with other countries in the region and the world. Our competitiveness in the international market is modest. The quality of our education and healthcare systems remain less than desired. As many as 19% of the population are still living in poverty, and 25% of children are still malnourished. War consequences, especially those left by Agent Orange/dioxin, remain extremely serious.

Neoliberal globalisation poses huge challenges to Vietnam. The prevailing inequitable economic order and unfair trade practices are adversely affecting the interests of millions of Vietnamese workers and farmers. Vietnam's admission into the World Trade Organisation,

along with opening up new opportunities, also poses many challenges for our socioeconomic sovereignty and development.

There are at the same time external forces that attempt to undermine Vietnam's independent and socialist-oriented course. They are resorting to all possible ways and means to destabilise our country politically, and interfere in our internal affairs under the pretext of "promoting democracy" and "protecting human rights". Since Vietnam is among the few socialist countries in existence, activities to sabotage and undermine its socialist orientation and the leadership of the Communist Party are colossal.

These are also internal challenges we are confronted with. We are very conscious of the many problems and shortcomings on our side, and of the many things we need to do to develop the economy, consolidate the social system and reform the administrative apparatus with a view to enhancing our political, economic and social potential. Yet, there is one thing I can assure you: we are persistent in the clear goals of advancing towards an independent socialist country, where the people can enjoy a life in happiness and abundance, where power belongs to the people and serves the interests of the people, and where the society is advanced, democratic and equitable. We do understand that this is not an easy task, especially in the current international situation. There is no ready-made formula for it, but it is our people's choice, and we will strive our very best to achieve it. This is our new struggle, and once again, we need the solidarity and support from you, from the people all over the world in this new struggle.

Thank you.

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VIETNAM FACT SHEET

Population

Population (2006):	84.11 million
Population in urban area (2006):	21.7%
Annual population growth rate (2006):	1.21%

Economy

	1986 - 1990	1991 - 1995	1996 - 2000	2001	2002	2003	2004	2005	2006
GDP per capita (US\$):	120	220	318	375	394	482	564	638	729
Real GDP growth (%):	4.4	8.2	7.0	6.9	7.1	7.3	7.8	8.4	8.2
GDP composition by economic sector (% of GDP):				1986	2000	2003	2006		
- Agriculture				43.0	24.6	21.7	20.4		
- Industry & Construction				29.3	36.7	40.5	41.5		
- Services				27.7	38.7	37.8	38.1		
GDP composition by ownership (% of GDP):				1990	2000	2003	2005		
- State				31.7	38.5	39.1	38.4		
- Non-state domestic				63.0	48.2	46.4	45.7		
- Collective							6.8		
- Household							30		
- Private							8.9		
- Foreign-invested				5.3	13.3	14.5	15.9		

Rural development

	1994	2006	2010	2015
Villages having electricity coverage	60,4%	89%	95%	100%
Villages having auto road to the center	87,9%	96,7%		
Villages having primary schools		99,6%		
Villages having junior secondary schools	76,6%	91,2%		
Villages having telephone communication	82,0% (2001)	94,4%		
Villages having health care centers		99,3%		

Poverty alleviation

	1986	1993	1998	2002	2004	2006	2010(target:)
Population living in poverty (%)	75	58	37	29	22	19	10

Health

	1990	1995	2000	2005
Life expectancy at birth (years)	62	65.2	67.8	72
Infant mortality rate (per 1,000 live births):	44.4	32	23	16
Under-five mortality rate (per 1,000 live births):	58	44	30	19
Children underweight (%):	51.5	44.9	33.1	25.2

Education

Adult literacy rate:	(2005): 95%
Net primary enrolment ratio:	(2005-2006): 98%
Net secondary enrolment ratio:	(2005-2006): 80%
University and college:	1995: 109 ; 2000: 148 ; 2005: 255
University and college students (thousand):	1995: 203 ; 2000: 899,5 ; 2005: 1,404,7

Human Development

	1991	1995	2000	2003	2006
Human Development Index (HDI)	0.498	0.661	0.688	0.704	0.810

