

VIET NAM TOMORROW

Pierre Darriulat, July 2017
VNSC

YESTERDAY:

➔ a glorious past

TODAY:

➔ a young Viet Nam

➔ a cheap Viet Nam

➔ a changing world

TOMORROW:

➔ the challenges

➔ a change of style

YESTERDAY: → a glorious past

The 20th century has seen Viet Nam under French rule during the first half and suffering wars and starvation during most of the second half. The difficulties that Viet Nam is facing today are largely the legacy of these decades of pain. The scars of what it endured are still with us and it will take the whole 21st century to see them disappear.

During the 20th century the population has been multiplied by 6 and illiteracy divided by 15. The country went from a feudal regime under French rule to an independent modern republic. Life expectancy, women liberation, number of schools, universities and hospitals have exploded. It takes generations to absorb such changes, it will take the whole 21st century to digest them.

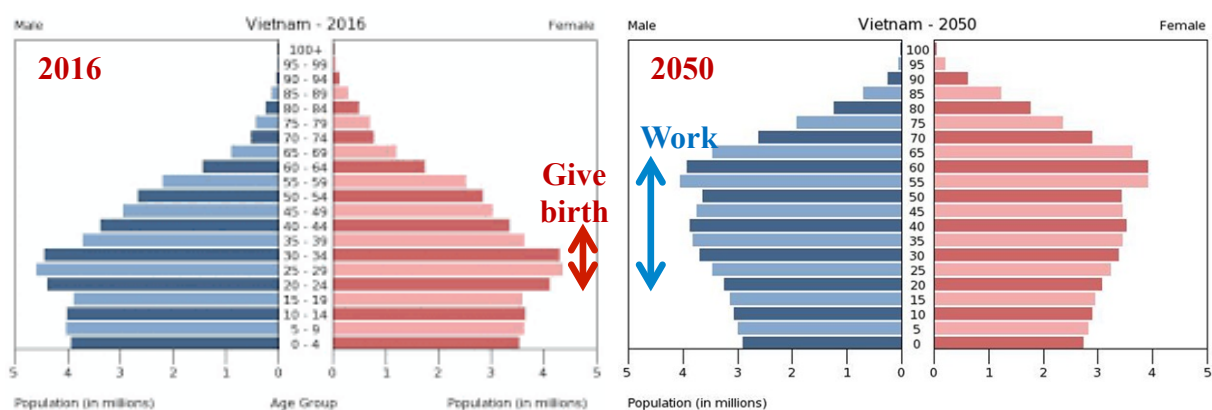
The fight of Viet Nam for its independence, its courage, its determination and finally its victory have been seen by the whole world as one of the most glorious pages of modern history. The country can rightly be proud of it.

But having won the wars is not enough. Viet Nam has still to win the peace. It will take as much courage and determination, and as much time. It will take the whole 21st century.

Indeed, the world keeps changing, faster and faster all the time, fighting for a better world is an endless cause. But *fighting for the highs is enough to fill the heart of a man.*

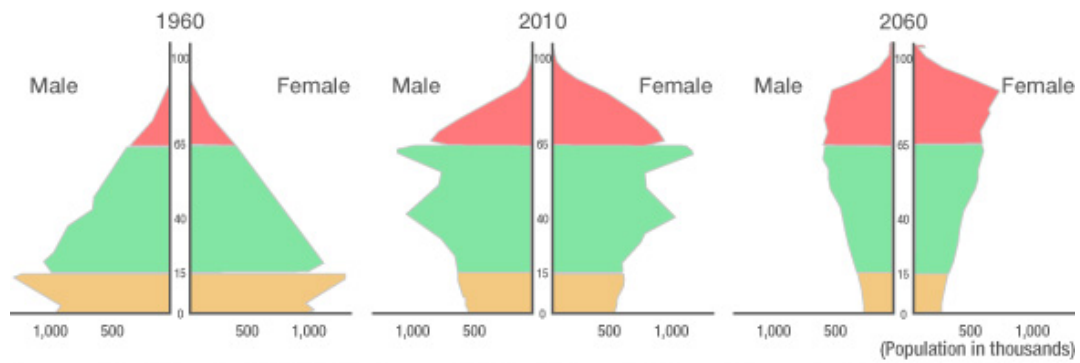
TODAY: → a young Viet Nam

Ageing Populations



Observers of Viet Nam are unanimous: the main asset of the country is its young age. To make an efficient use of it the country needs to trust the young generation and give it important responsibilities, much more than it currently does. Young age does not last, the time is now.

Japan's Changing Population Pyramid (population by age)



Vo Nguyen Giap was 33 when Ho Chi Minh gave him the task to put together the liberation army; Dang Van Viet was 25 when he raised the flag of the revolution on the big mast in front of Hue's Imperial City; Viet Phuong was 19 when he was political commissar of a regiment in Buon Me Thuot; Pham Van Dong was 23 when he was sentenced 10 years to Poulo Condor; Nguyen Van Troi was 24...

Why don't we trust Youth in peace time as much as we do in war time?

Nguyễn Văn Trỗi (1940-1964)



To the journalists, a few minutes before being shot:

"It is the Americans who have committed aggression on our country, it is they who have been killing our people with planes and bombs ... I have never acted against the will of my people. It is against the Americans that I have taken action".

When a priest offered him absolution, he refused, saying:

"I have committed no sin. It is the Americans who have sinned".



Remember that young people may happen to tell the truth while old people do not even listen.

TODAY: → a cheap Viet Nam

The other main asset of Viet Nam, as seen by foreign partners investing in the country, is an abundance of low-wage labour. The minimal monthly wage is 110 USD, compared with 160 in China and 230 in Thailand.

This is much less glorious an asset. Vietnamese cannot be expected to rejoice at such low income; at best, they can only see it as a necessary step toward a wealthier future.

As Vietnam is becoming increasingly accessible to foreign investments, FDI (Foreign Direct Investment) inflows have steadily increased, reaching 24.4 billion US dollars in 2016, a 9% growth compared with the preceding year; 78% of these came from within Asia, Korea alone having invested >7 billion USD.

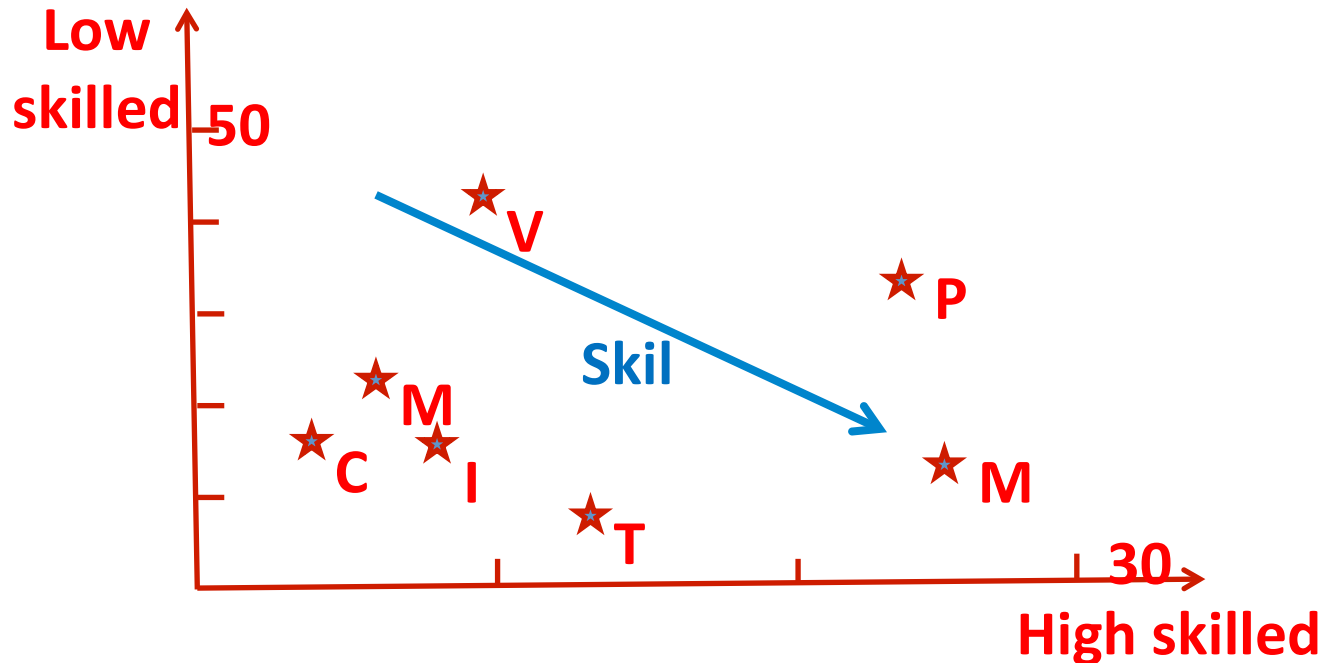
But one should not mistake “cheap labour” for “a rich source of foreign investment that will boost the economy.”

The quality of the country’s productivity and workforce is low and lags behind the region. The country cannot hold onto low wages forever; if it does, there will be no pressure for technology innovation and move to more advanced techniques. Competing in terms of low wages should only be considered an edge in the short-term

Skilled workers in the region

Ha Phuong, VNEXPRESS, 02/01/2017

(<http://e.vnexpress.net/news/business/data-speaks/why-is-it-so-hard-to-hire-skilled-workers-in-vietnam-3509044.html>)



Young and cheap

A high economic growth results, 6% last year, some estimates place the country as the world's eighth-fastest growing economy by 2050. The country's labour force grows at an annual rate of over 1 million people, yet unemployment remains at a low 2.5% level. The middle class is the fastest growing in Southeast Asia, reaching 33 million by 2020. The median age is just over 29. Nearly 70% of the population is between 15 and 64. About a quarter of Vietnamese are below 15.

In the short-run, FDI help create new jobs and attract workers from rural areas. In the longer-run low wages in industry contribute to increased relative poverty and workers are exposed to high levels of vulnerability: they may easily fall into poverty again.

If Vietnam continues as now, it will get stuck with industries that provide jobs, but without increasing productivity and therefore without improving the lives of the people further.

TODAY: → a changing world

The world is changing fast. Globalization accelerates such changes at an unprecedented pace in human history.

Europe delocalizes its industry and faces an unprecedented flux of migrants from poorer countries. It fails to stick together (Brexit, strong populist movements) and countries with a weak industrial sector tend to put up barriers to protect themselves; signs of a similar trend are visible in the US of President Trump.

In terms of manufacturing value added, in the past two decades, the share of Europe has decreased from 35% to 24%, that of emerging countries has increased from 21% to 40%, that of Asia (excluding Japan) from 8% to 31%.

China...

Some recent quotes...



- *In the big scheme of things, the new grand chessboard isn't Western capitalism versus Soviet communism; it's the West versus the East and China is in the pole position.*
- *While the West fiddles, China races to define the future.*
- *Easternization: Asia's Rise and America's Decline from Obama to Trump and Beyond.*

In addition to difficulties that are specific to Viet Nam, the country has to face planetary emergencies that are common to all.

The current demographic explosion (7 billion in 2011, 8 in 2025, 9 in 2045) causes growing poverty and famine, exhaustion and pollution of natural resources essential to human survival, and the migration pressure from the poor to the rich. Asia hosts 60% of the world population (> 1.3 billion in China and 1.2 in India). In the future, the proportion of Asia will come down and that of Africa will grow up to 24% of the world population in 2050. Between now and 2050, the number of people living in developing countries will increase from over 5.7 to 8 billion. Population ageing has major social and economic consequences.

Demographic explosion goes hand in hand with global urbanisation: while around 1950 less than 30% of people lived in cities, this proportion has increased to more than 50% and will reach two thirds around 2050. Megapoles are appearing across the world and people are leaving rural areas as never before. As a result, slums and squatter settlements proliferate. It becomes increasingly difficult to collect and distribute energy, water and food resources



The limits of growth, the finite size of the planet and of the resources that it offers, are becoming more and more apparent.

Environmental emergencies are becoming increasingly acute as a result of the impact of human activities: deforestation; pollution of the air, the oceans and the rivers; emission of carbon dioxide contributing to global warming. Viet Nam is particularly exposed to natural disasters: floods, rise of the sea level concomitant with the depression of the deltas, destruction of the mangroves, increase of the coastal salinity, deforestation, landslides.

Everywhere, the gap between the rich and the poor keeps increasing and deepening. The world's wealthiest 54 people control 1.4 trillion US dollars, the same amount attributed to the combined wealth of the bottom half of the world population.

Planetary emergencies are causing an increase of poverty and of social and geographical inequalities that are rightly perceived as unacceptable injustice. Such injustice, in turn, generates terrorism and wars. No country is sheltered from this threat.

TOMORROW: → the challenges

The Government is very well aware of the challenges that Viet Nam is currently facing and has put together in all sectors plans aiming at major improvements by 2020.

- *We need a new economic growth model with focus on quality, productivity and knowledge* (Pham Binh Minh, DPM)
- *Vietnam is set to focus on developing its human resources, science, and technology in order to keep up with the fourth industrial revolution* (Nguyen Xuan Phuc, PM)

But in most cases the goals are very far from being reached, or even approached.

- *“Let me get it straight: the 9.3 trillion VND national program on teaching foreign languages at general schools has failed to meet its target”* (Phung Xuan Nha, MOET). More than 80% of high school students scored less than 5 at the 2015 finals, the average score from the 2016 foreign language test was 3.4.

Higher Education

Representative statements from competent observers

There is a close relationship between development and higher education; without urgent and fundamental reform to the higher education system, Viet Nam will fail to achieve its enormous potential.

A major hurdle facing Vietnam is reform of higher education. It expanded very fast, universities tend to hire their own graduates so weaknesses get prolonged, lecturers are under pressure not to fail students, curricula are not always up to date, and there is little in the way of a culture in universities of teaching quality as opposed to quantity.

As long as Vietnamese students don't get independent thinking and problem solving skills, companies will not bring the higher-end jobs to Vietnam; there is a need for systemic change in the way we think about education.

Nguyen Van Nha & Vu Ngoc Tu (in VNU, December 2015) list for us the ten challenges facing Viet Nam's higher education that have been used to elaborate the Higher Education Reform Agenda (HERA) in 2006:

- *Respond to emerging demands of growing economy*
- *Inappropriate structure, no attention to research*
- *Insufficient, inefficient financing*
- *Low quality and efficiency, backward methods*
- *Only 12% PhDs and 47% masters among teachers/lecturers*
- *Poor, overcentralized management by MOET*
- *No healthy competition, no long-term vision*
- *Inability to keep pace with economy, integration, socialization*
- *Lack of equity*
- *Inappropriate curricula, outdated teaching & evaluation methods*

MOST report (Vietnamnet 30/03/2017)

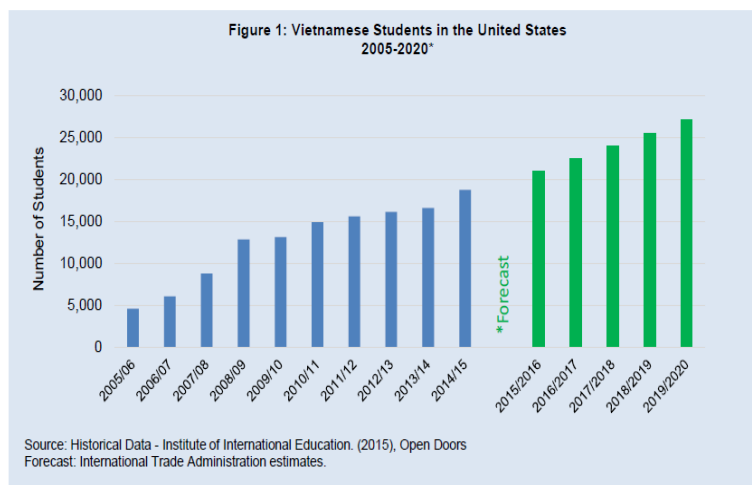
Viet Nam is absent from the 2017 list of 300 best Asian universities. It has 24'000 PhD and 100'000 masters, increasing at a rate of 12%/yr since 1996, but in the past 15 years 170 times less scientific publications per inhabitant than Singapore, 18 times less than Malaysia, 8 times less than Thailand.

In 2014 Vietnam registered 20 patents. Per inhabitant, this means 61 times less than Thailand, 57 times less than Malaysia, 450 times less than Singapore.

Brain Drain

130 000 Vietnamese students study abroad, (29% in Japan, 24% in Australia, 22% in the US).

2 000 foreign students study in Viet Nam



Nearly 100,000 Vietnamese leave their country each year to live in a more developed country and nearly 5'000 renounce Vietnamese citizenship. From 1990 to 2015, as many as 2.6 million Vietnamese citizens migrated overseas. Of the five million overseas Vietnamese, about 300,000 are directly involved in scientific and technological development; Vietnam needs their expertise back home.

An illustrative example of failure:

Regulations in Viet Nam are such that a PhD student who has worked under joint supervision with a foreign university, sharing time between home and abroad, must wait two years or so to obtain the Vietnamese degree after having been awarded the foreign degree, following a thesis defence in front of an international panel equitably shared between experts from both countries. Such violation of the joint supervision agreement duly signed beforehand by both parties is shameful, as if Vietnamese scientists were so much better than their foreign colleagues that they cannot trust the judgement of the international panel.

The student has to defend the thesis a second time in front of a purely Vietnamese panel, and go through all kinds of painful and useless exercises.

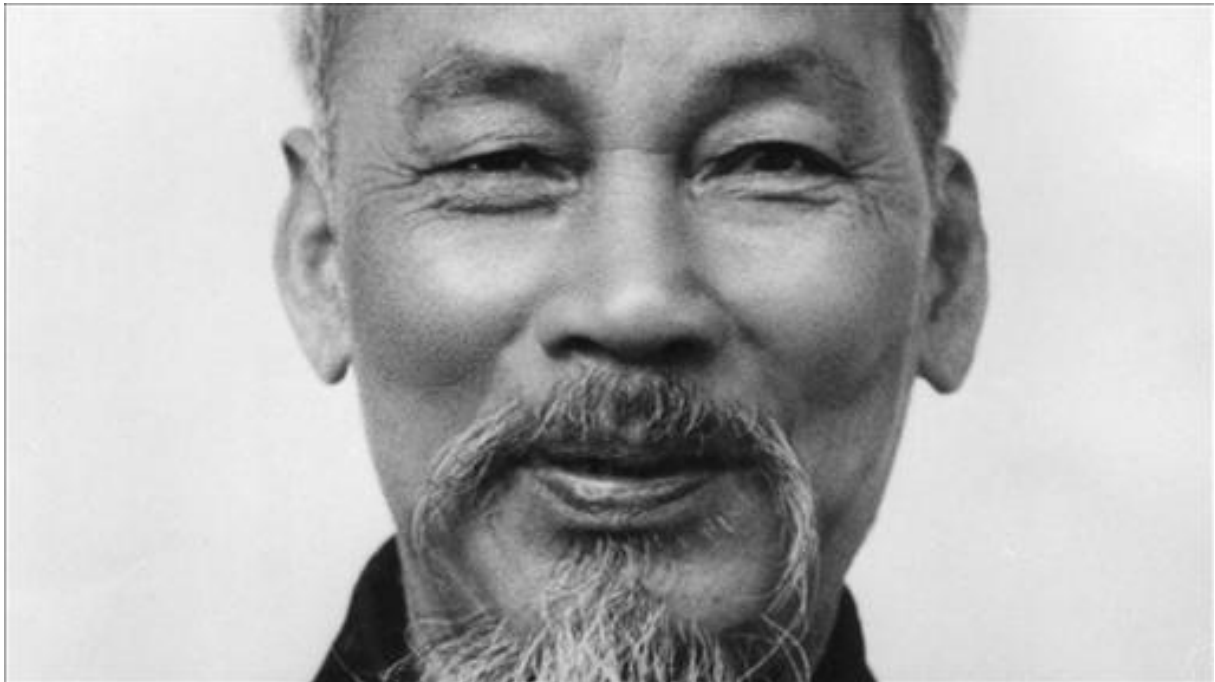
A few years ago, I wrote an open letter to MOET, alerting them about the extravagance of the situation and pleading in favour of joint supervision as an excellent win-win deal for Viet Nam. Vice-Minister Bui Van Ga very kindly told me that he was fully aware of the situation and that his staffs were working toward its normalization, **but nothing has happened.**

TOMORROW: → a change of style

In order to free Viet Nam from the chains that prevent it from progressing we need to change style.

- We need to demonstrate exemplary intellectual and moral rigour.
- We need to fight corruption and cheating, to make evaluation, recruitment and promotion procedures transparent.
- We need to encourage competence and professionalism.
- We need to care for the country, to feel responsible for its progress, to do our utmost to serve its interest.
- We need to make it attractive to the most brilliant of its children, to tell them and show them that the country needs them.
- We need to stop the brain drain, to do our utmost for the country to offer competitive wages and working conditions.
- We need to respect knowledge more than money.
- We need to help the government, not to blame it. Indeed blaming anyone is useless, we need to look ahead with a constructive and positive spirit.
- We need to be confident in what Viet Nam can achieve, to be confident in what Vietnamese youth can achieve.
- We need to attract foreign scientists and teachers at home rather than sending our children and students study abroad.
- We need to condemn arrogance and be humbly open to criticisms and suggestions for improvement coming from home or from abroad.
- We need to understand that taking up responsibilities means serving the community, not exerting power.
- We need to respect other cultures, to understand that patriotism does not mean to think narrowly and believe that we are better than our neighbours. We need to become aware that we are citizens of the world.
- We need to learn from the past and never to forget in peace time what horror and ruin wars are causing.
- We need to learn lessons from the experience of others but in no case should we copy them. The world keeps changing with time, the context and environment is different in each country, at each moment we must adapt anew.
- In a changing world, we need to be free of dogmas, to be prepared to change our rules and regulations as soon as they no longer match realities.
- We need to encourage free speech as long as it is constructive, we need to listen to what our countrymen have to say.
- We need to have the ambition of not only leaving for our children a better world than we inherited, but also of making them eager to do the same for their own children. We need to understand that the fight for a better world is an endless task.
- We need to be aware of the world around us. We need to learn recent history and understand the geopolitics of the world we live in and of the difficulties that our country has to face.
- We need to understand what are the planetary emergencies that are threatening us and which are the priorities that we must adopt in order to better protect ourselves from their nuisance.

- We need to understand that nothing is black or white, that it is a characteristic of human endeavour to display positive and negative features. We need to find the right balance that serves best the interest of the country.
- We need to fight conservatism and promote progress. We need to fight bureaucracy and sclerosis.
- We need to remain faithful to the motto of the country: independence, freedom, happiness. We need to remain faithful to the eternal values of justice and solidarity that make human dignity.



None of the statements in the previous page should be seen as “reactionary” or “against” something. For each of them it is easy to find a quote by president Ho Chi Minh that says precisely the same thing.

If Viet Nam fails adopting such a change of style, it will not progress

Only the young generation has the potential to devote to it the energy, the courage and the determination that it requires.

Everything must be done to give them a chance, to encourage them to speak up, to get together, to stop being passive, to become active and creative, to care about the future of the country, to become aware that it is in their hands, that they will soon get old, that if they don't act now, they will miss the opportunity to leave a better world for their children.