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*Vietnam in the 21<sup>st</sup> Century*

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Good morning.

To begin, I'd like to suggest that the most important thing to remember about Vietnam is this: The Vietnamese have endured 130 years of conflict over the last 150 years and enjoyed just 20 years of peace. The years of peace are the most recent, the 20 years from 1989 to the present.

By good fortune, my family and I lived in Vietnam for ten of these 20 years—from 1997 to 2007. With the economy rocketing along at growth rates of 7 to 8 percent a year during that time, dramatic changes literally took place before our eyes—more and better goods in the shops, people dressing better and fixing their homes, an explosion of new buildings, roads and ports. We also saw more information coming in, more opportunities of every sort, and more openness. This breakneck pace of change over the last 20 years — first into peace, then into prosperity—provides the starting point for my talk today about Vietnam in the 21<sup>st</sup> century.

I thank Council President Marshal Bouton and his staff for this invitation.

Let me now go back for a moment to the pivotal period of 1988-89. At that time, Vietnam had no diplomatic relations with the United States, with China or with any of its neighbors. But it did foresee the collapse of its long-term patron, the Soviet Union, and the end of its preferred trading relations with the other Warsaw Pact countries. The Vietnamese Communist Party and government needed to act quickly. They introduced a policy they called renovation, or “doi moi.” It had two basic features:

- A change from a centrally planned economy to a market economy, while preserving a major role for state owned enterprises; and
- A fundamental shift in foreign policy, from relations primarily with other socialist countries to a policy of building thick webs of relationships worldwide, aimed at promoting Vietnamese security and trade and finding a respected place in the community of nations.

The most notable results of this policy were a dramatic reduction in the number of Vietnamese households living in poverty and a dramatic increase in jobs created and levels of household consumption. About two-thirds of Vietnamese households had been living below the poverty line before this new policy took hold. By 2007, only 18 percent of households

were still below that line. History offers few other examples of countries where the daily lives of so many citizens improved so quickly.

Contemporary Vietnam is a dynamic society, where power is shifting from politics to business and from central institutions to provincial government. I'm going to touch on six trends or forces in that shift that are shaping Vietnam in the 21<sup>st</sup> century. The first two are demographic—a youthful population and rapid urbanization. The next two are in governance—access to information and civic participation. The third two trends are economic growth and new foreign relations.

### **Six Trends Shaping Modern Vietnam**

**1: Youth.** Vietnam today is a country of young people. Two-thirds of Vietnamese are under the age of 26; fully 85 percent are under the age of 40. The experience of young, particularly urban, Vietnamese differs markedly from that of their parents and grandparents. They have no direct experience of war. As a group they are better educated. For the first time, a distinctive youth culture is beginning to emerge.

Many young urban males are on the first rungs of career ladders in technical fields and in private business. This will bring them into decision-making positions at an earlier age than their parents. Until now, *leadership* has been a term reserved for Vietnamese 50 and older, but young Vietnamese will soon redefine it. Young people are also beginning to offer open challenges to their parents' authority. And youth crime and drug abuse are also on the increase, as are domestic violence and divorce.

**2. Urbanization and an emerging middle class.** With 86 million people, Vietnam is now the world's thirteenth largest country. Current projections say 45 percent of Vietnamese will live in urban centers by 2020 -- double the number now filling towns and cities. This is a level Vietnam has never before experienced.

Urban Vietnamese will live in a few coastal megacities, increasingly differentiated between rich and poor neighborhoods. At the same time, an emerging urban middle class has called forth the first truly national market for consumer goods and a concern for style and fashion. The urban transition is therefore a source of both tension and opportunity, transforming Vietnamese society and space under the influence of government planning, foreign investment and consumer culture.

**3. Greater access to information.** Information technologies have spread rapidly in Vietnam over the last 15 years, beginning with fax machines and followed rapidly by cable and satellite television. These now carry dozens of local and international channels, including CNN. Vietnam has 58 million telephone subscribers; internet services became available in 1997 and today 20 million Vietnamese connect to the internet, reading more than 70 online newspapers. Blogging was introduced in 2005 and today some one million Vietnamese blog regularly.

The authorities realize that these media play an important role in providing information, enabling commerce and creating a safety valve for expression of public opinion. The new media also allow people to pursue knowledge outside traditional frameworks and contexts. In the medium term, individuals with knowledge and skills that were unavailable earlier to anyone will begin to move into decision-making positions.

For the time being, however, the authorities urge journalists and bloggers to “be responsible.” When this fails, they intervene to impose their own definition of responsible commentary. In January 2009, authorities reportedly banned anti-government commentary on blogs and arrested a number of prominent bloggers for violating article 88 of Vietnam’s criminal code, which bans “conducting propaganda against the government.”

**4. Citizen participation.** Many Vietnamese will tell you that most of their compatriots don’t care about politics and public policy but prefer to focus on their families and getting rich, ignoring issues they see as beyond their control. Others will say they care, but prefer not to rock the boat because they have heard a lot about the unstable and dangerous times through which their parents and grandparents lived.

The truth is that over the last 20 years Vietnam has changed dramatically, from a country where nearly every criticism was spoken in a hushed voice to a country where issues and debates erupt in the public sphere. Vietnamese leaders are seeking to make government more open and more representative within the framework of a single-party system. Elections to the National Assembly offer a choice of candidates, and the Assembly has a wide mandate for fact-finding and debate. Ministers appear before the Assembly to answer questions, and this “question time” is televised. New laws aim to revitalize citizen participation in local government decision-making about projects, budgets and personnel.

At the same time, Vietnam is not an easy environment for civil society. It has no overarching legal framework that might allow civil society organizations to register and operate freely. The Law on Associations, first proposed in 1993, remains stuck in debate among the National Assembly, various ministries and the Communist Party. Meanwhile, in the absence of a law, the Vietnam Union of Science and Technology Associations has registered more than 300 national associations, some 2,200 provincial and city-level associations, and thousands of district and commune-level groups. These organizations are making important contributions to the development of Vietnam and are the leading edge of a much broader civil society in the future.

**5. Rapid economic growth.** Vietnam’s export-led growth strategy has made its economy one of the fastest-growing in the world: export total value now equals 80 percent of GDP. Vietnam has changed from a net food importer into the world’s second largest exporter of rice and second-largest producer of coffee. Vietnamese policy-makers believe they must create a 7 percent annual growth rate in order to produce enough jobs for the one million Vietnamese who enter the labor force each year. Due to the global recession, growth in 2009 was 5.2 percent and is projected at 6.5 percent in 2010.

Since 2002, the United States has emerged as Vietnam's largest export market, and American firms have become one of Vietnam's principal sources of foreign direct investment. How did this happen? At the end of 2001, the U.S. and Vietnam signed a bilateral trade agreement, and in 2006, with U.S. sponsorship, Vietnam joined the World Trade Organization. Vietnam also continued market reforms, which led to further growth in its privately owned and foreign invested sectors. Consequently, two-way U.S.-Vietnam trade grew from \$1.4 billion in 2001 to \$15.3 billion in 2008—a tenfold increase over seven years. The United States has now replaced China as Vietnam's number-one export destination.

**6. Foreign relations.** Vietnamese foreign policy has established its economic and political priorities: First, the two Great Powers—China and the United States; second, other countries in East and Southeast Asia; third, the UN, its specialized agencies, WTO and the World Bank; and finally, the rest of the world.

China is Vietnam's most important bilateral relationship. Politically, the two countries draw from similar ideological roots. Economically, China is Vietnam's largest trading partner and source of imports. But some Vietnamese are concerned about China's increasing economic influence over Vietnam and Southeast Asia in general. And while the two countries have now demarcated their common land border and their sea border in the Gulf of Tonkin, disputes continue over ownership of islands in the South China Sea, or as the Vietnamese call it, the East Sea.

Vietnam has sought to upgrade its relations with the United States in part to ensure continued access to U.S. markets and because the U.S. can create the favorable international economic environment that Vietnam needs to continue its economic expansion. U.S. voices favoring improved relations include businesses interested in Vietnam's growing market and others who see a U.S. strategic interest in cooperating with a populous country right next door to China. Still others argue that improvements in the bilateral relationship should be tied to improvements in Vietnam's human rights record. One million Vietnamese-Americans, 90 percent of them born in Vietnam, play important roles in these debates.

These six trends, taken together, give some sense of the ways Vietnam may develop in the 21<sup>st</sup> century -- absent external surprises such as a major global recession or rise in sea levels. According to a poll conducted in 2008 by the Chicago Council on Global Affairs, 76 percent of Vietnamese say U.S. influence in Asia is positive.<sup>1</sup>

However, there remains one holdover from the 20<sup>th</sup> century about which the Vietnamese public feels strongly. It is a persistent irritant in the bilateral relationship and it bars full normalization of relations between the United States and Vietnam. This is the lingering legacy of Agent Orange.

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<sup>1</sup> Christopher B. Whitney, *Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion*, The Chicago Council on Global Affairs (2009) p.12.

## Agent Orange

From 1962 to 1971, during the U.S.-Vietnam war, the United States sprayed close to 20 million gallons of Agent Orange and other military herbicides across central and southern Vietnam. This was done to defoliate dense jungles in order to detect troop movements and to destroy the food crops of opposition forces. Agent Orange was sprayed at concentrations up to 50 times normal agricultural use. Spraying over the course of a decade destroyed forests and cropland over an area about the size of Massachusetts.

Agent Orange carried with it dioxin, a persistent and toxic chemical poisonous in very small amounts. Exposure to dioxin is strongly associated with chronic ill health, shorter life spans, and even more notably, with increased numbers of children born with severe and often multiple disabilities. This issue still touches many lives, not only in Vietnam but also those of American Vietnam veterans and their families.

Two groups of Vietnamese remain at risk today because of exposure to dioxin: First, soldiers on both sides, and civilians—people who were in the sprayed areas during the 1960s—and their children and grandchildren; and second, people who live in communities close to several former U.S. airbases where the soils are contaminated with dioxin residues left over from Agent Orange storage areas and spills. People in these communities continue to be exposed to dioxin, primarily through the food chain.

The government of Vietnam estimates that some three million Vietnamese, the majority children and young adults, have been affected by direct or indirect exposure to Agent Orange.

The U.S. government, however, has for 35 years asserted that no causal links between Agent Orange and severe health problems have been scientifically proven. At the same time, under the Agent Orange Act of 1991, the U.S. government is providing compensation and health care to U.S. veterans of the Vietnam War who suffer any of more than a dozen listed cancers, conditions and birth defects. For children of veterans, *spina bifida* is recognized as linked to their parents' Vietnam duty. For the children of female veterans, an additional 18 birth defects and childhood disabilities are recognized as service-related, including cleft palate, congenital heart disease and club foot. In 2008 the Veterans Administration provided compensation of \$13.8 billion to 1,015,410 Vietnam veterans.

So the Agent Orange legacy is both the dioxin itself and the fact that Vietnam and the United States were not able to reach common ground on this issue for many decades. A breakthrough occurred in November 2006 when President Bush, in Hanoi on an official visit, committed the United States to help Vietnam clean up dioxin-contaminated soil at former U.S. military airports. In 2007, Congress appropriated \$3 million for cleanup at the former U.S. airbase in Da Nang, and for health programs in surrounding communities. Another \$3 million was appropriated in 2009 and a like amount is planned for 2010.

Meanwhile, Vietnam is doing what it can. The government has allocated funds to environmental clean-up and gives a stipend up to \$17 per month to more than 200,000 Vietnamese believed affected by Agent Orange. In 2008 this amounted to \$40.8 million.

Many U.S. and Vietnamese non-governmental organizations are at work caring for disabled veterans, young adults and children. But these programs only reach a small percentage of those in need.

The Ford Foundation role in all this has been that of a neutral party working with both sides—the government of Vietnam and the government of the United States. We have been bringing people together who might not otherwise easily talk, and we have been funding confidence-building projects for which there is no other donor while we seek to mainstream this issue in the United States.

We also support the U.S.-Vietnam Dialogue Group on Agent Orange/Dioxin, a committee of citizens from both countries working to solve this legacy of the war. Among the Americans are Walter Isaacson of the Aspen Institute, former EPA director Christine Todd Whitman, and Susan Berresford, former president of the Ford Foundation. People of similar stature are members of the Dialogue Group from the Vietnamese side. Since the precise causal link between exposure to dioxin and disability is disputed, the Dialogue Group has taken an inclusive humanitarian approach—aiming to assist all in Vietnam who are disabled, beginning with those living in Agent Orange high-impact areas.

So far, these efforts have helped to mobilize \$29.3 million from institutional donors. This is being used for three purposes: to clean up the dioxin, to improve services for children and young adults with disabilities, and to advocate further action. To the total of \$29.3 million, the Ford Foundation has contributed \$11.7 million in grants. The Bill and Melinda Gates Foundation, the Atlantic Philanthropies and other American foundations, foreign governments, and the United Nations have contributed nearly the same amount, \$11.5 million. The U.S. government has so far disbursed or obligated \$6.1 million.

Let me give you a quick idea on how this money is being used.

**Dioxin cleanup:** Analysis of soil and sediment samples at former U.S. military bases has identified 28 dioxin “hot spots” that require remedial attention. Three of these, the airports in Da Nang, Bien Hoa and Phu Cat, are especially contaminated and have been given priority.

Recent measurements at Da Nang have documented the way dioxin has been moving from originally contaminated soils up the food chain and into people. Here are the facts:

- In 2009, soils at the northern end of the Da Nang airbase, where Agent Orange was stored and then loaded onto spray planes in the 1960s, have dioxin concentrations that are 300 to 400 times higher than internationally accepted standards and guidelines.
- Tilapia, the most common fish harvested from ponds near these contaminated sites, exhibit a median dioxin concentration of nearly 60 parts per trillion (ppt); some fish sampled were found to have dioxin concentrations greater than 7,000 ppt, significantly higher than an internationally accepted standard of 20 ppt for fish tissue.
- The fisher folk who have been earning a living from one of the ponds all had blood dioxin levels well above the WHO permitted maximum of 10 ppt. One 42-year-old fisherman had a blood dioxin level of 1,340 ppt.

- Dioxin was found in breast milk samples from each of 14 women tested in 2009. Dioxin ingested by their infants ranged from 23 to 2,320 picograms TEQ (toxic equivalent) per kilo of body weight per day. The maximum daily intake permissible for infants is 4 picograms, according to the World Health Organization, indicating unacceptably high levels of dioxin exposure to nursing mothers.
- Finally, dioxin analytical profiles confirmed that the main source of dioxin contamination at the north end of the Da Nang airport is Agent Orange and other dioxin-containing herbicides.

These findings document clearly that dioxin is at very high concentrations at the Da Nang airport, that it has reached infants of nursing mothers living nearby, and that it originated from Agent Orange.

Even before these results were released, the Vietnamese and US governments and the Ford Foundation worked to halt dioxin's further spread at Da Nang. As of January 2008, all fishing and agricultural activities on the pond have been stopped, the most contaminated soils have been sealed with a cement cap, rainwater runoff from less contaminated areas is being filtered and an airport perimeter fence now separates the pond from nearby residential areas.

The final stage of environmental remediation is of course the immobilization or destruction of dioxin. A Vietnamese scientist, Dr. Dang Thi Cam Ha, has identified microbes that digest and breakdown dioxins, a process she has demonstrated in her lab. The Vietnam Academy of Science and Technology, the Ministry of Defense and the U.S. Environmental Protection Agency are now doing a joint study at the Da Nang airport, funded by the Ford Foundation, to determine whether this biotechnology can significantly reduce dioxin concentrations in larger volumes of soil. Results so far show great promise for a cleanup technique that is effective, safe and low-cost.

**Health care:** The Vietnam Public Health Association has prepared targeted messages, leaflets and posters to increase local people's attention to food safety in both Da Nang and Bien Hoa. Other Vietnamese agencies and their partners are receiving support to improve services in health, education and employment for children and young adults with disabilities, especially those linked to dioxin exposure. The needs of young people with disabilities change as they grow and develop into young adults, and these needs vary from person to person and family to family.

The environmental remediation of dioxin is the easy part. The real challenge of the Agent Orange legacy of the Vietnam War is to deploy resources—funds and expertise—to ensure healthy families, and to ensure that people with disabilities in Vietnam can maximize their capabilities and live with self-confidence and self-respect.

We have seen encouraging progress in recent years, but it's still just a beginning. NGOs and diverse donors were able to create this momentum, but now the scale and scope of the revealed needs are such that only governments can address them comprehensively. The main tasks—reaching every citizen in need and sustaining programs over time—will require the reach and scale of government.

In conclusion, I would like to say that the last several years have seen renewed promise on addressing the issue of Agent Orange. And with that promise has come a renewed urgency in the United States and in Vietnam to end this lingering legacy of a long-ago war. But more is required of all of us. The Dialogue Group is preparing a plan to help move us forward but it would require \$30 million a year over the next ten years. Our hope is that a commitment will emerge to support this humanitarian mission and our belief is that working together it can be done.

Thank you.