

“P.E.S.T.L.E” REPORT ON VIET NAM 2011

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I. INTRODUCTION: COUNTRY PROFILE

Viet Nam is the easternmost country on the Indochina Peninsula in Southeast Asia. It is bordered by China to the North, Laos to the Northwest, Cambodia to the Southwest, and the East Sea to the East. Vietnam is the world's 13th-most-populous country, and the eighth-most-populous Asian country, with approximately 87,84 million people, of which the Viet or Kinh ethnic group constituted nearly 85.8% of the population; and 53 ethnic minority groups constituted the rest. The official national language of Vietnam is Vietnamese, a tonal monosyllabic language of the Kinh, which is spoken by the majority of the population. Various other languages are spoken by Vietnam's minority groups. Viet nam has 64 provinces and cities. The biggest city is Ho Chi Minh city with approximately 7,6 million people; and the second one is Ha Noi, the capital of the country, with approximately 6,67 million people.¹

Viet Nam has a long history. It originated in the Red River basin in the first millennium before Christ and was then dominated by the Chinese Empire for more than 1000 years until the 10th century AD (938). Then, Viet Nam spent an independent period that lasted around 900 years, until French colonization in the 1870s and 1880s. After gaining the liberation from the French, Vietnam had to face the difficulty: the country was divided into two countries in the mid-20th century, with a Communist government in the North, and the Republic government supported by the U.S in the South. Fighting between the two sides continued, which has been called as Vietnam War, and ended with the victory of the North in 1975.²

After the war, with the “seclusion” policy, Vietnam was isolated and experienced an economic crisis in 15 years (until 1995). This crisis put the country on the brink of bankruptcy. Thus, the government decided to take into place the reform, which was introduced in 1986 as Doi Moi (renovation); and the situation was beginning to improve. Vietnam established a normal relation with the United States in 1995. And in 2006, Vietnam became a WTO member to formally join the economies of the world market.

This report is based on the method of “P.E.S.T.L.E” analysis to give an overview on Vietnam in 2011.

II. “P.E.S.T.L.E” REPORT ON VIET NAM 2011

1. Politics

The Socialist Republic of Vietnam is a single-party state. Its current state constitution, which replaced the 1975 constitution in April 1992, asserts the central role of the Communist Party of Vietnam in all organs of government, politics and society.

In 2011, Viet Nam held the 11th Congress of Vietnam Communist Party, in which happened the Election of the Party Central Committee for the new term. Mr. Nguyen Phu Trong was elected to be the General Secretary. After the Congress, there happened the fist Congress of the Parliament, term 13th, in which Mr. Nguyen Sinh Hung was elected to be the President of the

¹ These information are based on the official report of the country at the end of 2011. Cf: <http://www.gso.gov.vn/default.aspx?tabid=507&idmid=&ItemID=12128>

² Cf. Huu Ngoc, *Wandering Through Vietnamese Culture* (Ha Noi, The Gioi Press, 2007), 517-523.

Parliament, Mr. Truong Tan Sang the President of the Country, and Mr. Nguyen Tan Dung was elected to continue the position of Prime Minister. This Congress also issued 4 degrees: first, approving the State Budget, second, agreeing on the program of building laws and ordinances in 2012, third, beginning the study of the amendments and supplements of the 1992 Constitution and establishing the revised draft of the 1992 Constitution, and finally, the degree on the issuance of certain additional tax measures to remove difficulties for enterprises and individuals, contributing to economic development in 2011.³

In 2011, the disputes over the East Sea was the main cause of some changes in relations between Vietnam and some important countries in the world, especially the Vietnam - China and Viet Nam - U.S. Tension in the East Sea has escalated due to China's provocative acts in May, 2011. Then happened many anti-Chinese protests in Ha Noi and Ho Chi Minh city. In this context, the relation between Viet Nam and the U.S was proclaimed to be elevated to strategic partnership.⁴ And late 2011, the tensions in the Vietnam-China relations down to the visit by the senior officials of the two countries.

In terms of politically domestic policy, the government kept a political stability, and showed some positive signs. For example, the freedom of the press seemed to be extended. In addition, the government was also more aware of its limitations and of the policy mistakes. Concretely, at the Fourth Conference of the Party Central Committee (XI), Mr. Nguyen Phu Trong said: *“Besides the achievements, the Party building work still has many limitations and shortcomings, weaknesses, even spanning multiple defects; these limitations would reduce people's trust in the Party; if not corrected, they will be the challenge for leadership of the Party and the survival of the regime.”*⁵

2. Economy

The year of 2011 was important for the economy of Viet Nam because this is the first year in the latest Socio-Economic Development Strategy (2011-2020), with the goal of becoming an industrialized and modern economy by 2020. This strategy goes on to identify the country's key priorities to meet this ambitious target: stabilize the economy, build world-class infrastructure, create a skilled labor force, and strengthen market-based institutions.⁶

According to *Vietnam Development Report (VDR) 2012*, meeting these aspirations will not be easy. In fact, the country has experienced bouts of macroeconomic turbulence in recent years—double-digit inflation, depreciating currency, capital flight, and loss of international reserves—eroding investor confidence. Besides, rapid growth has revealed new structural problems. The quality and sustainability of growth remain a source of concern, given the resource-intensive pattern of growth, high levels of environmental degradation, lack of diversification and value addition in exports, and the declining contribution of productivity to growth. Vietnam's competitiveness is under threat because the power generation has not kept pace with demand, logistical costs and real estate prices have climbed, and skill shortages are

³ Cf. <http://www.na.gov.vn/htx/vietnamese/default.asp?Newid=50235#FU99dIQbBtQ7>

⁴ Cf. <http://tuoitre.vn/Chinh-tri-Xa-hoi/446519/Dua-quan-he-Viet---My-len-doi-tac-chien-luoc.html>

⁵ <http://hanoimoi.com.vn/newsdetail/Chinh-tri/536254/mot-so-van-de-cap-bach-ve-xay-dung-%C4%91ang-hien-nay.htm>

⁶ Cf. <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/VIETNAMEXTN/0,,contentMDK:22416790~menuPK:387571~pagePK:2865066~piPK:2865079~theSitePK:387565,00.html>

becoming more widespread. And these difficulties strongly existed in 2011. Concretely, the inflation in 2011 was 18.13%; the growth of GDP has slowed (5,89%). Domestic and international gold price gap increased. The Corruption index 2011 from Transparency International ranked Viet Nam at the position 112.⁷ This shows that Viet Nam has been faced one of the most difficult challenges of economic development.

In terms of financial, according to the document of World Bank, in 2011, foreign direct investment inflows (to Viet Nam) continued at a steady pace, although new commitments declined. International reserves increased in the first half of the year while the Vietnamese dong benefitted from a period of relative calm. In the last quarter of the year, however, exchange rate fluctuations increased due to volatility in gold prices, deepening uncertainties and the seasonal increase in demand for foreign currency as the year end approaches.⁸ With approximate 9 billion U.S. dollars, the amount of money coming from overseas Vietnamese was one of the biggest sources of foreign currency in 2011. This amount is equivalent to the amount of FDI.⁹ Hong Kong, Singapore, and Japanese are the countries that contributed the biggest investment to Viet Nam in 2011. Hai Duong, Ho Chi Minh city, and Ha Noi are three places that has been most invested in recent time. The sectors that most attract the attention of foreign investors are processing industry, electricity supply, and accommodation and dining service.¹⁰

However, according to the analysis of a chief economist, Dr. Allan Pham, though facing the difficulties as mentioned above, the economy is coming to a better prospect in 2012, especially with a certain success in the fight against inflation of the country (the inflation has been trending down since the 4th quarter of 2011).¹¹

Following is the figure of the selected macro indicators of the economy in recent years:¹²

Key Indicators	2007	2008	2009	2010	2011E	2012F
GDP growth (%)	8.5	6.2	5.3	6.78	5.8	6.0
CPI (%)	12.6	23.0	6.52	11.75	18.0	12-14%
Trade deficit (USD Bn)	12.5	17.8	12.2	12.4	12.1	13.3
Exports (USD Bn)	48.4	62.5	56.6	71.6	80.2	86.5
Imports (USD Bn)	60.8	80.3	68.8	84.0	92.4	99.8
FDI commitments(USDbn)	21.3	66.5	21.5	18.6	15.0	18.0

⁷ Cf. <http://www.guardian.co.uk/news/datablog/2011/dec/01/corruption-index-2011-transparency-international>

⁸ http://www-wds.worldbank.org/external/default/main?pagePK=64193027&piPK=64187937&theSitePK=523679&menuPK=64187510&searchMenuPK=64187283&theSitePK=523679&entityID=000333038_20111207235515&searchMenuPK=64187283&theSitePK=523679

⁹ Cf. <http://www.tinmoi.vn/viet-nam-top-10-the-gioi-nhung-02668910.html>

¹⁰ Cf. <http://www.diendandautu.com.vn/p0c221n152/tinh-hinh-fdi-10-thang-nam-2011.htm>

¹¹ Cf. http://www.vinacapital.com/userfiles/file/Investor_Update_2011_Macro.pdf

¹² The information contained herein is not officially issued by the government, but articulated by the VinaCapital Limited Company. Cf. http://www.vinacapital.com/userfiles/file/Investor_Update_2011_Macro.pdf

FDI disbursement (USDbn)	8.0	11.5	10.0	11.0	12.0	12.5
Credit growth (%)	54	21	37.7	27.6	15.0	18.0
SBV Base rate	8.2	8.5	8.0	9.0	9.0	9.0
Deposit rate (%)	7.0-8.0	7.0- 8.5	9.5-10.5	10 - 11	14.0	12.0
Lending rate (%)	10.0-12.0	10.0-12.5	10.5-12.0	13.0-13.5	18 .0– 20	14-16.0
USD/VND (bank rate)	16,016	17,486	18,600	19,500	21,500	22.500

3. Socio-Culture

3.1 Education

Viet Nam's population enjoys a relatively high standard of education. In fact, Confucian ethics has strongly influenced upon Vietnamese's viewpoint of social values, and education has always been considered as one of the best values that a person should desire to achieve.

Nowadays, education has been still considered as one of the most important issues that the country has to pay great attention. Recently, at the 11th Party Congress, the government is determined to develop a national education policy as one of the priorities of the country.

As a result, the country has gained big success in education. Concretely, according to the 2009 Census results, there are only nearly four million people who have never attended school (5.0% of the total population aged 5 years and over) and as compared with the 1999 Census this number has decreased 5% (6.9 million people, account for 10.0% of population aged 5 and over). This shows the significant progress of Vietnam's education sector in minimizing the number of people who never go to school. The official figures also point out that the literacy rate for the population aged 15 years and over increased by 3.7% (from 90.3% in 1999 to 94.0% in 2009). The female literacy rate increased 4.9%, while the male literacy rate increased 2.2%, significantly narrowing the literacy rate gap between men and women. Ha Noi, Hai Phong and Ho Chi Minh City are three provinces having the highest literacy rate (97.9%) while Lai Chau has the lowest (59.4%). This data shows that the literacy rate was not only increased quite rapidly but also express successes of Vietnam's gender equality work in the education sector.¹³

Certainly, besides such successes, Vietnamese education system also has faced many challenges, including poor infrastructure, lack of equipment and teaching materials, low wages precipitating an acute shortage of skilled teachers and academic staff, a relatively poor linkage of higher education with research, production and employment, and some contradictions of the system.

As the analysis of RFA, the situation of education in Viet Nam in 2011 had some notable points as following¹⁴:

¹³ http://www.gso.gov.vn/default_en.aspx?tabid=599&ItemID=9788

¹⁴ <http://rfavietnam.wordpress.com/2012/01/30/nh%E1%BB%AFng-di%E1%BB%83m-sang-va-t%E1%BB%91i-c%E1%BB%A7a-giao-d%E1%BB%A5c-vi%E1%BB%87t-nam-nam-2011/>

There were three positive points of the education in Vietnam in 2011. The first point is the plan of "reducing the load of textbooks" from primary to secondary school of the Ministry of Education and Training. The second is the plan of achieving universal preschool education for children of 5 years old. In this plan, the Ministry of Education will build public kindergartens for children at age 5 in the mountainous areas; and the poor students will be exempt from tuition fees, with the plan of over 95% of children enroll in 2 sessions / day by 2015. And the third is the policy of training and vocational training in poor areas such as the Highlands.

On the contrary, there were also many crucially negative points of the education in 2011. First of all, there was the imbalance in enrollment in universities and colleges between students with practical needs. The sectors of social sciences, agriculture, forestry and fishery were registered by only 2.5% of exam registration records (while Vietnam has up to 70% of the population are farmers). And the sectors in demand such as business, tourism ... had to be encountered the difference between training and recruitment practices; and this leads to the fact that graduates get difficulty to find job. Secondly, teacher's salary does not meet their living when inflation is high; and this leads to some problems: the teachers could not focus on their business as they had to find extra jobs, or to open extra classes. Thirdly, there has existed the problem of the degradation in social ethics of many students, due to lack of paying attention on humanity teaching, which can be proved by many cases of students committed violent guilty or crime.

3.2 Human Resource

The national average population in 2011 estimated 87.84 million, up by 1.04% compared to 2010, including male population 43.47 million, (49.5%), and female population 44.37 million, (50.5%). Urban population is 26.88 million, (30.6%); rural population is 60.96 million (69.4 %).

According to the official report, the population structure by age in Vietnam is in a positive change. The population in the working age is 46,48 million, increased 0,12% compared to 2010. The proportion of workers in the agriculture, forestry and fisheries declined from 48.7% in 2010 to 48.0% in 2011; in industry and construction rose from 21.7% to 22.4%; and in the services maintained at 29.6%. The unemployment rate in the working age was 2.27% in 2011, of which the urban areas account for 3.6%, the rural areas 1.71%. This is the period of the country with advantages in labor force, also known as the "demographic window period", which began in 2003 and may last from 30 to 50 years. This is considered as a big advantage for the industrialization and modernization of the country, if it takes advantage of the superiority Vietnamese on the labor force.¹⁵

3.3 Traffic: Conditions And Problems

In 2009, the Prime Minister ratified a master plan on road traffic development in 2020 and visions toward 2030, targeting to meet demands for both cargo and passenger transportation in good quality, greater safety, and at reasonable prices. In 2011, the Government continued to run this plan by building many expressways and let the local transport network be eventually

¹⁵ Cf. <http://www.gso.gov.vn/default.aspx?tabid=507&idmid=&ItemID=12128>

upgraded to meet the requirements of rural industrialization and modernization, and connect itself with the national system.¹⁶

However, due to the high-speed urbanization, Viet Nam has been coping with many traffic problems, especially in Ha Noi and Ho Chi Minh city. The first problem is traffic jam and water-flood. The second is traffic accidents. According to the report of the Traffic Safety Commission, within 11 months of 2011 (not including the December), in the whole country, there were 12,123 traffic accidents, killed 10,129 people, injured 9,287 people. Compared to the same period of 2010, the situation of traffic accidents in 2011 decreased in 3 aspects: the number of cases (down 2,85%), the number of deaths (down 2,49%), and the number of injuries (down 2,85%).¹⁷

3.4 The Difficulties Of The Ethnic Minority Groups

Besides many issues of the country, Vietnam also has to encounter the fact that the ethnic minority groups and the rural people have many difficulties compared to the Kinh, Hoa (Chinese in Vietnam) and the urban people. For example, MICS (Assessment Survey Report targets children and women Vietnam from 2010 to 2011), a report of UNICEF, provides evidence that ethnic minorities and rural people are not faring well in most surveyed areas. For example, in the area of immunisation, the report shows that one in two urban children between 12 and 23 months were fully immunised, compared to only one in three in rural areas. In addition, a person living in a Kinh or Hoa household is more than twice as likely to have access to drinking water and improved sanitation as a person living in an ethnic minority household. Or virtually, all women in Kinh or Hoa households delivered in a health facility compared to three out of five women from ethnic minority households. Finally, the stunting rate among ethnic minority children is twice as high as the stunting rate among their Kinh or Hoa peers.¹⁸

In addition, though there is not any official report about the economic difficulty of the ethnic minority groups, they have to face a very hard life; and one of the main reasons of this is that they do not have enough agricultural land.

3.5 The Issues of Immigration, Marriage with Foreigners and Labor Export

According to the *Report on Completed Census Results* in 2010, during 5 years from 2004-2009, the number of migrants increased by more than 2.2 million people compared to the period 1994-1999, especially, the increase in the number of migrants rose with the migration distance. While intra-district migration only increased by 275,000 people, inter-district migration within the same province increased by 571,000 people, and inter-provincial migration increased by nearly 1.4 million people. Inter-regional migration increased by more than 1 million people. This indicates the pace of socio-economic development and the broadened labour market have impacted strongly on migration flows over the last 10 years. The report also points out that there are many reasons for people to migrate, but the main reason is to seek employment.¹⁹

Another important issue is the marriage with foreigners and labor export. According to the HCMC Department of Justice, there were 3,450 Vietnamese women made registration of

¹⁶ Cf. <http://news.gov.vn/Home/VN-eyes-an-advanced-road-traffic-system-by-2030/20098/4639.vgp>

¹⁷ Cf. <http://www.gso.gov.vn/default.aspx?tabid=507&idmid=&ItemID=12128>

¹⁸ Cf. http://www.unicef.org/vietnam/media_17885.html

¹⁹ Cf. http://vietnam.unfpa.org/webdav/site/vietnam/shared/Census%20publications/3_Completed-Results.pdf

marriages with foreigners in 2011, of which more than 89.6% married with Korean. The considerable problem here is that many of them have got difficulties due to the lack of knowing foreign languages, or other reasons; many got violence, and some of them even committed suicide. In addition, many of them had to send their children back to Viet Nam; and this has caused many social troubles.²⁰

In the field of labor export, 88,000 employees were sent to work in foreign countries in 2011 (reached 101.15% of the plan, up 2.9% compared to 2010). The major markets are Taiwan, Korea, Japan and Malaysia. This number is lower than the expectation, due to economic difficulties of the world, and especially, the crisis of Lybia.²¹

3.6 Catholicism in Vietnam

Catholicism claims more than 6 million followers in Vietnam, making it the second largest religion after Buddhism among Vietnam's people. The Vatican and Vietnam do not have diplomatic relations but in recent years have begun a reconciliation, although the land issue remains a point of contention. Vietnam's communist government says it respects the freedom of belief and religion, but religious activity remains under state control.²²

In general, religious activity is closely monitored in the communist Vietnamese state. Due to historic reasons, the relation between Vietnam Catholic Church and the Communist Government has been in tension. The Government has restricted many activities on Catholic life. This is particularly expressed in remote and mountainous areas, where local authorities still employ religious persecution citizens and Catholics in particular. And many faithful live in fear. It seems that members of different religions do not enjoy security. Local authorities now appear to use "groups of hooligans", sometimes armed, to exercise violence against religious believers or those who have opinions different from theirs.²³

In recent years, tensions between the Hanoi government and Vietnam's Catholic community have led to unrest over Church property seized by the communists during the Vietnam War. In December 2007, thousands of Vietnamese Catholics marched in procession to the former Apostolic Nunciature in Hanoi and prayed there twice aiming to return the property to the local Church. A little later the protests were supported by Catholic faithful in Ho Chi Minh city and Ha Dong, who put forward the same demands for their respective territories. In February 2008, the governments promised to return the building to the Roman Catholic Church. However, in September 2008, the authorities changed their position and decided to demolish the building to create a public park.²⁴

In 2011, there was great tension between the Hanoi government and the Redemptorists in Vietnam. The main reasons for this includes the demand of the Redemptorists asking the government to return the land to them, and their voiced raised for the *justice* and the human beings. In 2011, 15 young Catholics have been arrested and imprisoned without trial. These people attended short courses of the Redemptorists on how to better serve the motherland. So far

²⁰ Cf. <http://www.phunuonline.com.vn/honnhan-giadinhh/2012/Pages/gian-nan-duong-ve.aspx>

²¹ Cf. <http://www.molisa.gov.vn/news/detail2/tabid/371/newsid/54282/seo/Xuat-khau-lao-dong-nam-2012-Thach-thuc-va-co-hoi/language/vi-VN/Default.aspx>

²² <http://www.rfa.org/english/news/vietnam/catholics-12022011141616.html/>

²³ Cf. <http://vietcatholic.net/News/Html/96121.htm>.

²⁴ Cf. http://en.wikipedia.org/wiki/Roman_Catholicism_in_Vietnam

three have been released, but the other 12 remain in prison awaiting to appear before the judges.²⁵ On Dec. 2, 2011, Police in Ha Noi arrested some 20 Catholics (Hanoi's Thai Ha parishioners – a Redemptorists' parish) and their parish priest Friday as they marched to demand the return of what they say is land belonging to their church.

Hope for progress: on February 27 and 28, the Vietnam-Vatican Joint Working Group held a third meeting in Hanoi as part of a bid to consider the possibility of establishing diplomatic relations. Following that meeting, Vietnam and the Holy See agreed to a Vatican appointment of a nonresident Representative for Vietnam as a first step toward the establishment of full diplomatic relations.²⁶ Archbishop Leopoldo Girelli had been the nonresident Pontifical Representative for Vietnam (since 2011); and he is now also apostolic nuncio in Singapore and apostolic nuncio in Malaysia and Brunei.

4. Technology

In terms of technology, Viet Nam is a rapidly developing country. The year 2011 was the beginning of the strategic plan of economic and social development, period 2011-2020, in which infrastructural building is considered as one of main targets. With this plan, the country has been building many expressways and will let the local transport network be eventually upgraded to meet the requirements of rural industrialization and modernization, and connect itself with the national system.²⁷

In addition, the above plan also includes a project which will work to narrow its scientific and technological gap with the world in some key fields by 2020. To launch this project, the Government will give top priority to enhancing the competence of scientists and related managers while encouraging the organization of training courses partnered with foreign competent partners. According to the project, the Government will focus on scientific and technological renovation to sharpen the competitive edge of local products and assisting businesses to purchase patents in some prioritized areas: biotechnology, information technology, new materials technology - nano technology, manufacturing technology and automation.²⁸

5. Legislation

The communist party-controlled government of Vietnam has ruled under four state constitutions. The first was promulgated in 1946, the second in 1959, the third in 1980, and the current in 1992 (amended in 2001). Significantly, each bore the mark of its time.

On paper, all these constitutions seem to establish a solid democracy. In fact, the purpose of the 1946 constitution was essentially to provide the communist regime with freedom of speech, the press, and assembly. The second constitution was explicitly communist in character. Its preamble described the Democratic Republic of Vietnam as a "people's democratic state led by the working class," and the document provided for a nominal separation of powers among legislative, executive, and judicial branches of government. The 1980 Constitution concentrates

²⁵ Cf. <http://www.asianews.it/news-en/Hanoi,-families-of-imprisoned-Catholics-appeal-to-religious-leaders-to-pray-for-their-release-22527.html>

²⁶ Cf. <http://www.rfa.org/english/news/vietnam/vatican-02272012160059.html>

²⁷ Cf. <http://news.gov.vn/Home/VN-eyes-an-advanced-road-traffic-system-by-2030/20098/4639.vgp>

²⁸ Cf. <http://news.gov.vn/Home/VN-seeks-higher-rank-in-worlds-science/20115/10587.vgp>; and <http://www.chinhphu.vn/portal/page/portal/chinhphu/chienluockhoahoccongnghe?categoryId=845>

power in a newly established Council of State much like the Presidium of the Supreme Soviet, endowing it nominally with both legislative and executive powers. Many functions of the legislature remain the same as under the 1959 document, but others have been transferred to the executive branch or assigned to both branches concurrently. The executive branch appears strengthened overall, having gained a second major executive body, the Council of State, and the importance of the National Assembly appears to have been reduced accordingly. The role of the Council of Ministers, while appearing on paper to have been subordinated to the new Council of State, in practice retained its former primacy.²⁹

Having inherited the previous constitutions with substantial and basic changes, on the one hand, the 1992 Constitution continues reaffirming the basic principles in the constitutional history of Vietnam. First, it reiterates the target of socialist construction in Vietnam and the popular nature of the State. Second, the 1992 Constitution continues affirming the Communist Party of Vietnam's leadership over the State and the society. Third, it continues affirming the mechanism of State powers performed by the people through the National Assembly and the People's Councils, the organization and operation of the State under the principle of concentrated powers; the concentration of State powers uniformly into the National Assembly with the division of responsibility among State bodies for the exercise of the legislative power, executive power and judicial power. On the other hand, the 1992 Constitution sees big changes: Vietnam decided to take economic renewal as the central task, First, building the multi-sector and multi-ownership market economy along the socialist orientation. open-door policy and international economic integration.³⁰

In reality, however, final authority on all matters rested with the Political Bureau; especially, the guarantees provided by the constitutions for freedom of speech, the press, and assembly has been never intended to be carried out. The constitutions eventually show its limitations since Vietnam has joined the stream of globalization, especially in the field of human rights and land-ownership law.

In a report made public at the Conference on the Rule of law for human rights in the ASEAN region held by the Human Rights Resource Centre for ASEAN (HRRCA) in Jakarta, Indonesia on 30 April 2011, Mr. Vo Van Ai, President of Que Me: Action for Democracy in Vietnam and the Vietnam Committee for Human Rights called on Vietnam to urgently reform its legal system and bring domestic legislation into line with international human rights laws. Mr. Vo Van Ai declared: *"36 years after the end of the Vietnam War, the rule of law exists only in theory in Vietnam. The government has incorporated human rights into its 1992 Constitution. Yet it has also adopted a whole arsenal of Laws, Decrees, Ordinances and Decisions which restrict or even nullify the exercise of these rights, in total violation of the UN Covenant on Civil and Political Rights (ICCPR) to which Vietnam adhered in 1982"*.³¹

At the beginning of the New Year 2012 (Jan 1, 2012), there happened The Tien Lang land withdrawal case: in Tien Lang district (on the outskirts of Haiphong, a port city east of Hanoi) a fish farmer, Doan Van Vuong, and his family had resisted a large force moving in to

²⁹ Cf. <http://www.country-data.com/cgi-bin/query/r-14705.html>.

³⁰ <http://vietnamese-law-consultancy.com/english/content/browse.php?action=shownews&category=&id=43&topicid=99>

³¹ <http://www.country-data.com/cgi-bin/query/r-14705.html>

enforce an eviction order. With an improvised mine and muskets bought on the black market, they'd wounded two soldiers and four policemen, including the local police chief.

Prime Minister Nguyen Tan Dung himself had to meet the Haiphong City authorities to resolve the case; and finally came to the conclusion on Feb 2 that the Haiphong government was absolutely wrong in the case; and he ordered the Haiphong City authorities to review their wrong works as and repair the situation.³²

This case is just one among so many cases that show matters association with the land law. And this shocked case has raised the question of reforming the land law, which has been ambiguously claimed by the constitution as "land is possessed by the whole people". Mr. Dang Hung Vo, former Deputy Minister of Natural Resources and Environment, comments that *"it's possible to see the recent incident at Tien Lang as a climactic demonstration of the faults in our Land Law and how it is implemented at the local level. A good farmer, pure, simple and hard-working, who's driven to defend his right to his land with home-made weapons – what misery! Everybody believes that there's such a thing as justice and that the law ensures it. Certainly that's what the farmers who built the fish ponds at Tien Lang believed. They went to the court expecting fair play, but the simple truths they understood proved elusive. The hopelessness of their situation drove them to take desperate measures."*³³

As mentioned above, the 11th Congress of Vietnam Communist Party held in 2011 issued four degrees; and one of them is beginning the study of the amendments and supplements of the 1992 Constitution and establishing the revised draft of the 1992 Constitution. This is urgent and necessary for the development of the country.

6. Environment

Viet Nam is blessed by the nature, with a great ecological and hydrological diversity. The country is made up of equatorial lowlands, high, temperate plateaus and cooler mountainous areas. It lies in the inter-tropical zone and local conditions vary from frosty winters in the far northern hills to the year-round subequatorial warmth of the Mekong Delta. At sea level, the mean annual temperature is about 27°C in the south, falling to about 21°C in the far north. Geographically, it stretches over 1600km (1000mi) along the eastern coast of the Indochinese Peninsula; and has two main cultivated areas, that are the Red River Delta (15,000 sq km/5400 sq mi) in the north and the Mekong Delta (60,000 sq km/23,400 sq mi) in the south. Vietnam also has diverse wildlife, with rare and precious fauna such as elephants, rhinoceros, tiger, leopard, black bear, snub-nosed monkey, crocodile and turtle. Forest area accounts for 2% of total forests in East Asia and Pacific. Fish catch is among the 10 highest countries in the world, with 1,451,800 tons per year.³⁴

However, as the report of the World Bank on the environment in Viet Nam, *"Rapid economic growth in Vietnam over the last ten years, and its associated industrialization, urbanization, as well as increased exploitation of natural resources, has created significant*

³² Cf. <http://vnexpress.net/gl/xa-hoi/2012/02/chinh-quyen-sai-toan-dien-trong-vu-tien-lang/>

³³ http://www.asiasentinel.com/index.php?option=com_content&task=view&id=4191&Itemid=213

³⁴ Cf. <http://www.globeaware.org/vietnam-environment>; and <http://siteresources.worldbank.org/INTEEI/Data/20859210/Vietnam.pdf>

pressures for the environment.”³⁵ For example, the diverse wildlife is in precipitous decline because of the destruction of habitats, illegal hunting and pollution. In fact, Viet Nam Rhino was officially extinct in 2011.

One of the most obvious examples for illustrating the environmental pollution is the phenomenon of getting narrowed of the lakes in Ha Noi. According to the Hanoi Construction Department, there are 111 ponds and lakes in Hanoi which cover a total area of 1165 hectares. The total area of lakes has decreased sharply during the urbanization, while a lot of them have disappeared. It is estimated that 80% of the lakesides have got polluted, 71% of lakes have suffered from pollution, 26% of the lakes still do not have embankments, while 8% of lakes have partial embankments. Environmentalists have called on to take urgent actions to protect the remaining lakes, or they would also disappear one day.³⁶

Vietnam is among the countries that can be seriously affected by climate change. And the fact shows that the increasing deterioration of environmental conditions is emerging as a barrier to growth and development in recent years. In fact, according to the General Statistics Office, domestic natural disasters occurred in 2011 has made 257 people dead and missing, 267 wounded; nearly 1.2 thousand houses collapsed and swept away; 391.8 thousand houses were submerged or damaged; more than 760 km of dykes, and the 680 km road motorized traffic bursts, landslides; 867 power poles broken or poured; nearly 54,000 hectares of rice and vegetables has been lost; more than 330,000 hectares of rice crops were flooded or damaged. Total value of damage caused by natural disasters in 2011 was estimated at over 10 trillion VND.³⁷ Thus, this is really a big challenge of the country; and it needs a national and urgent action to prevent an ecological and hydrological catastrophe.

III. BRIEF CONCLUSION

With the aforementioned analysis of “P.E.S.T.L.E”, we see that in 2011, on the one hand, Viet Nam constantly attempted to keep its strategic plan of development, and also has obtained some important goals; on the other hand, the country had to face many difficulties and challenges which came both from outside and from inside.

In my opinion, there are some main issues that the government should pay great attention in the coming years: reforming the education system, fighting against corruption (especially, promoting fiscal transparency and the public availability of economic data and information), reforming the state-owned sectors, amending laws, narrowing the gap between the Kinh, the Hoa and the ethnic minority groups, and improving environmental conditions.

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³⁵ <http://www.worldbank.org/vn/environment>

³⁶ <http://vea.gov.vn/en/EnvirStatus/StateOfEnvironmentNews/Pages/Hanoi%E2%80%99s-lakes-getting-narrowed,-environmentalists-raise-alarm-.aspx>

³⁷ Cf. <http://www.gso.gov.vn/default.aspx?tabid=507&idmid=&ItemID=12128>