

**Vietnam and the Trans-Pacific Partnership:
Political History and National Outlook**

Andy Kim

May 17th, 2016

ILRLR4990: Independent Study (*Vietnam GSL*; 2 Credits)

Richard Fincher and Donna Ramil

Abstract (Objectives and Key Recommendations):

The Trans-Pacific Partnership (TPP) signals a major shift in Vietnam's development and overall engagement with the international community. This piece will foremost examine Vietnam's political and governmental structures and history, before delving into the TPP and the Vietnamese leadership's outlook on the agreement. In regards to the TPP, Vietnamese political and historical realities affect how 1) Vietnamese stakeholders perceive the agreement, and how 2) Vietnam will implement the changes prescribed.

I will begin this essay with an introduction to Vietnamese governmental and political systems, before moving onto a history of the Communist Party of Vietnam (CPV). Once understood, these mechanisms and events can better place the TPP within a Vietnamese framework. I will run through a detailed explanation of the TPP agreement itself, and its projected impact on Vietnam. Crucially, Vietnam's 12th Congress convened in January 2016, and from it, we have a clearer picture of the Vietnamese government's stance on the agreement.

My experience in Vietnam with ILR certainly inspired this research. Speaking with representatives of various groups – from garment factory management to TDTU faculty – I noticed limitations to what could be said about the TPP. I learned as much, if not more, from informal interactions with students of TDTU. There was more at work in Vietnam than I gleaned from reports by American opponents to the TPP. It was about time that I reexamined my preconceived notions of the agreement.

Table of Contents

I.	Introduction // 2
II.	Governmental Structures of Vietnam // 3
III.	History of the Communist Party of Vietnam (CPV) // 6
a.	1925-1944: Political Formation // 6
b.	1945-1975: Indochina Wars // 8
c.	1976-2016: National Rule // 10
IV.	The Trans-Pacific Partnership: History, Provisions, and Implications // 11
V.	The 12 th Congress: Vietnamese Outlooks of the TPP // 14
VI.	Conclusion // 17

I. Introduction

Frankly, I didn't know much about Vietnam before this trip. I had eaten my fair share of pho, and sure, I've tried banh mi. In Dallas, I had a handful of Vietnamese friends – a Tran here, a Nguyen there. Nguyen, in particular: I remember seeing that surname for the first time. “Nuh-gai-yen,” I said: a mouthful, luckily corrected.

Otherwise, I knew about the war. I saw plenty of movies, sneaking only the goriest into middle school sleep-overs. There was *Forrest Gump* too. Friends' fathers and uncles were veterans. As a child, I didn't think America “lost” any wars. It was inconceivable in the first grade perhaps, saying the Pledge of Allegiance every weekday. I asked a librarian about it, and that's when I first heard about “Vietnam.” She said it quite sternly.

Since then, I heard about Vietnam from time to time. Bitter, old television tropes called it “Nam,” like my father's name – short for *Nam-woo*, meaning “tree” in Korean. I went to an exhibit housed in the building JFK was shot from. It was filled with pictures of blood and fire and Agent Orange. It was terrible, but I didn't think much about it. It was a war that *happened* like most wars in my mind. We withdrew our troops. That's about all I knew.

It wasn't until this trip that it crossed my mind what it meant for the *North* to have won their war: the one-party system, one-union system, stylized propaganda and hammers and sickles strewn across the streets – but most of all, the images of Ho Chi Minh and Marx. Growing up, these figures were evil in some way. Bad by American standards, but even worse by South Korean. It was Pyongyang again, Kim Jong-Il or Jong-un.

On our second day with the TDT students, we passed a statue of Ho Chi Minh, and a student pointed to it, asking if I knew who that was. I looked up at Uncle Ho waving much like Walt Disney, and I said that I did. “Very proud,” she said, and she smiled. That day, I borrowed his biography from Helena, but I think I learned more from a novel I borrowed as well. It was a satire written during the French-colonial era: *Dumb Luck* by Vu Trong Phung.¹ It was good – funny and surprisingly raunchy. Vu read like Vonnegut. What's more, he granted me insight into an era I knew nothing about. His work clarified how much the French colonial experience influenced modern-day Vietnam. The nation's fight against imperialism gave rise to the communist state we know today.

¹ Vũ, Trọng P, Nguyệt C. Nguyễn, and Peter Zinoman. *Dumb Luck: A Novel*. Ann Arbor: University of Michigan Press, (2002).

It was over ice cream, alone, with three students that we finally spoke on the Party and TPP. “Secret,” one said, repeating the word. I didn’t fully understand what she meant, gesturing with a lime green spoon. “Politically difficult,” she elaborated. The students heard plenty of remarks from their faculty about the TPP, and they admitted we wouldn’t glean meaningful information over formal conversation or lecture. We could learn as much from their silence, however – observing what implicit lines were drawn in our discussions.

What did I take away from that silence? Well, not nearly enough for this assignment, but perhaps just enough to determine my research topic. Everyone else seems interested in the mechanisms of Vietnamese labor – some technical business on dispute resolution, union structure, etc. It’s definitely interesting, but it’s an aspect of Vietnam I never would have learned about if not for this program. So I want to take a different approach: still grounded in the TPP, but with a closer look at Vietnam’s political organs and history. What actions have Vietnamese legislators taken, pushing away or pulling towards the TPP? What is at the core of Vietnam’s current leadership? The communist nature of Vietnam’s government has long been a roadblock for freer trade with the western world. Some have interpreted the TPP’s labor side agreement as a gateway to reform for the country – albeit, a small step in that direction.

I will begin this essay with an introduction to Vietnamese governmental and political systems, before moving onto a history of the Communist Party of Vietnam (CPV). Once understood, these mechanisms and events can better place the TPP within a Vietnamese framework. I will run through a detailed explanation of the TPP agreement itself, and its projected impact on Vietnam. Crucially, Vietnam’s 12th Congress convened in January 2016, and from it, we have a clearer picture of the Vietnamese government’s stance on the agreement.

II. Governmental Structure of Vietnam

The Socialist Republic of Viet Nam is a single-party state under the Communist Party of Vietnam (CPV).² The CPV maintains centralized control over the Vietnamese state, media, and military with a mission to lead the Vietnamese People "in carrying out the country's renovation, modernization and industrialization."³ The CPV’s supremacy is guaranteed by the National Constitution: "established and trained by President Hồ Chí Minh, [the CPV] has led the

² Vi, Quang Dao. “The Socialist Republic of Viet Nam.” *Government Portal*. n.d. Web. <http://www.gov.vn/portal/page/portal/English>.

³ Ibid.

Vietnamese people to carry out successfully the August Revolution, establishing the Democratic Republic of Việt Nam, now the Socialist Republic of Việt Nam, to defeat foreign invaders, to abolish the colonial and feudalism regime, to liberate and reunify the country, and then carry out the cause of renovation and socialist construction and firmly defend national independence.”⁴

The Government of Vietnam is headed by the President and Prime Minister, who are elected by the National Assembly. The first president of Vietnam was Hồ Chí Minh, and the current president, elected in 2016, is Trần Đại Quang.⁵ The President officially represents the government in domestic and international matters, maintaining the operations and stability of the nation. Importantly, the President appoints ministers and other officials with consent from the National Assembly. As with many nations, the President of Vietnam serves as commander-in-chief.⁶

The Prime Minister is elected by the National Assembly, following candidacy proposal by the President. The Prime Minister acts as a bridge between the National Assembly (legislative branch) and Central Government (executive branch), proposing and communicating the creation and removal of ministries.⁷ Thus, the Prime Minister must also be a member of the National Assembly. In regards to labor relations in Vietnam, the *Ministry of Labour - Invalids and Social Affairs* (MOLISA) is a component of the Central Government.⁸ MOLISA works closely with organized labor, responsible for state implementation of policy on “labour, employment, occupational safety, social insurances and vocational training; policies for war invalids, martyrs and people with special contribution to the country; social protection and prevention of social evils; child care and gender equality.”⁹ The Vietnamese government and CPV are ideologically invested in worker representation upon which “revolution” is built.¹⁰ The Vietnam General Confederation of Labor (VGCL) is the sole labor union of Vietnam – founded as the Red Workers’ General Union in 1929, before expanding representation to the whole country in 1975.¹¹ All Vietnamese trade unions must affiliate with the VGCL.¹²

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ “Ministry of Labour - Invalids and Social Affairs.” *Socialist Republic of Vietnam*. 11 Nov. (2014). Web. <http://www.molisa.gov.vn/en/Pages/Home.aspx>.

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

The VGCL is under oversight of the CPV and quite political in nature. The VGCL's official roles include a "responsibility to implement the Party's directions and policies and to contribute to the Party's development."¹³ The VGCL leadership is likewise often consisted of high-ranking members of the CPV.¹⁴ The VGCL interacts with the Vietnamese Central Government and administration via MOLISA. The two organizations work closely together, and with the TPP's labor side agreement on the horizon, will be instrumental in the process of reforming Vietnam's organized labor systems.

Finally: Under Vietnam's Constitution, the National Assembly is Vietnam's highest level governmental organ, wielding power to amend the constitution, create and amend legislation, define governmental positions and councils, and elect and remove government officials.¹⁵ Vietnam's National Assembly is unicameral and composed of 500 members, elected through their respective districts.¹⁶ In historical practice, the National Assembly has been tightly controlled by the political bureau (politburo) of the CPV.¹⁷ The National Assembly has historically converted politburo resolutions into legislation with little open debate on the Assembly floor. As prescribed by Leninist thought, the party is organized upon principles of *Democratic Centralism*: this organizational structure implies that political party members are free to discuss and debate matters of policy and national direction, but once a stance is chosen within the party through majority vote, all party members are expected to support and uphold the decision.¹⁸ Assembly members are expected to vote along party guidelines, and the same goes for ministerial elections, thus the President and Prime Minister are often high-ranking members of the CPV.¹⁹

Although the CPV is dedicated to Marx, Lenin, and Hồ Chí Minh ideologies, in-fighting and factional politics do occur in contemporary Vietnam.²⁰ Since Vietnam's shift into a mixed economy, allowing capitalist enterprise and increased privatization, the CPV broadened its national vision beyond class-based ideology, instead basing its goals

¹³ Ibid.

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Vi, Quang Dao. "The Socialist Republic of Viet Nam." *Government Portal*. n.d. Web.

¹⁷ Major General Nguyen, Manh Hung. "National Defence journal." *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹⁸ Tong, The Gia. "Democratic centralism – a guarantee of a strong and pure party." *National Defence Journal*. (2013). Web.

¹⁹ Ibid.

²⁰ Ibid.

upon the interests of the entire Vietnamese people.²¹ Pure Marxism-Leninism may have lost its ideological legitimacy within the framework of Vietnam's mixed economy; however, the party's official stance on Vietnam's economic structure posits that the nation is "in the period of transition to socialism." Under communist theory, a mixed "socialist-oriented market economy" adheres with national aspirations for a purely communist state – transition from capitalism to communism would gradually transition through stages.²² More important to the contemporary CPV, however, Ho Chi Minh Thought is largely devoted to Vietnamese nationalism and the preservation of tradition.²³ To the CPV, communist symbols and terminology are very much a part of a Vietnamese tradition.²⁴

III. History of the Communist Party of Vietnam (CPV)

A. 1925-1944: Political Formation

The CPV can trace its origins to the Vietnamese Revolutionary Youth Association (Thanh Niên), established in 1925 by Nguyen Sinh Cung – a young well-traveled and educated man who would one day take on the name Ho Chi Minh.²⁵ The Thanh Niên foremost sought the end of colonial occupation in Vietnam through armed revolution and the revival of patriotism.²⁶ It aimed to establish a new Vietnamese nation under Communist ideals, as Ho Chi Minh was exposed to Communist thought and models for youth revolution during his time in Paris and Moscow in the early 1920's.²⁷ By 1928, however, the Thanh Niên organizational headquarters in Canton was forced underground by the anti-communist wave led by the Chinese Nationalist Kuomintang.²⁸ Ho Chi Minh was hit particularly hard by these events, caught in party politics and ultimately disengaging with Thanh Niên leadership over the ensuing years.²⁹

This period spurred conflict within the Thanh Niên leadership, culminating in the national breakdown of the organization into several communist party cells across Southeast Asia – by 1929, this included organizations such as the Indochinese Communist Party, Communist Party of Annam, and Communist Party of Indochina. These splinter

²¹ Major General Nguyen, Manh Hung. "National Defence journal." *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

²² Ibid.

²³ Ibid.

²⁴ Vi, Quang Dao. "The Socialist Republic of Viet Nam." *Government Portal*. n.d. Web.

²⁵ Huỳnh, Kim Khánh. *Vietnamese Communism, 1925-1945*. Cornell University Press, (1986).

²⁶ Ibid.

²⁷ Ibid.

²⁸ Ibid.

²⁹ Ibid.

parties engaged in power struggles over regional leadership of the growing radical Vietnamese liberation movement.³⁰ The Indochinese Communist Party would win out over this struggle. From 1929-1931, the Indochinese Communist Party found the most success in organizing worker demonstrations and labor actions in key industrial cities.³¹ The French government responded with force, killing participants and further provoking action from the Vietnamese peasant population.³² After much violence, France reasserted control of the region, forcing the splinter Communist parties out of the region. However, by 1936, the Indochinese Communist Party was restored as French control further weakened in light of World War II.³³

With the fall of France in 1940, the French colonial authority of Indochina sided with the Axis, yet the area was still invaded by Japanese troops.³⁴ Vietnam came under joint French and Japanese occupation.³⁵ In response, the Indochinese Communist Party went into hiding again, but many key members were arrested and killed at the time. With the old leadership defunct, Ho Chi Minh returned to Vietnam in 1941, joining a new leadership under a unified Communist party.³⁶ The League for the Independence of Vietnam (Viet Minh) was established upon Ho Chi Minh's return.³⁷ The Viet Minh proved itself an effective fighting force against the Japanese. In the period's political vacuum, the Viet Minh under Ho Chi Minh's leadership gained popularity and legitimacy among the Vietnamese people.³⁸ When the Japanese surrendered World War 2 in August 1945, the Viet Minh quickly mobilized to retake Hanoi and Saigon before French dominance could be reestablished.³⁹ This movement, known as the August Revolution, succeeded in North Vietnam, but failed in the South.⁴⁰ Ho Chi Minh declared the independence of the Northern Democratic Republic of Vietnam, but allied troops in the form of the Chinese, British, and French came back into the area. Luckily, for Ho Chi Minh: In the North, the Chinese forces cared little about local politics.⁴¹ The Viet Minh quickly and violently

³⁰ Ibid.

³¹ Ibid.

³² Ibid.

³³ Ibid.

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Ibid.

removed local opposition in Hanoi. In the South, however, allied command was effectively established and French authority was restored. The following years of tenuous reestablishment and resistance to colonial power in the region set the stage for nearly three decades of conflict: the Indochina Wars.⁴²

B. 1945-1975: Indochina Wars

With the Allied victory of World War II, the major powers determined that Indochina would return to French control. At the encouragement of the Soviet Union, Ho Chi Minh allowed the French to reenter the region, replacing the Chinese troops.⁴³ Although the Viet Minh officially won elections in northern Vietnam, they were removed from power by the French and British later that year. As France's allies left the area, however, the Viet Minh launched a guerrilla campaign against the French. With this, the first Indochina War began.⁴⁴ In 1950, the Soviet Union and People's Republic of China supported the legitimacy of the Viet Minh government based in Hanoi.⁴⁵ On the other hand, the French State of Vietnam was supported by the United States and Great Britain. Following the outbreak of the Korean war, Western policymakers began prioritizing the containment of Communist expansion in Asia.⁴⁶ With the support of Chinese military advisors and arms, guerilla elements of the Viet Minh were transformed into a regular, standing army. In the same year, the United States took an active role in training and support of Southern troops. By the end of the first Indochina War in 1954, the US is estimated to have provided nearly 80 percent of the costs related to French operations during the conflict.⁴⁷

Despite America's vested interest, the Viet Minh handily defeated the French by 1954. The French Union organized a ceasefire along with independence for its Indochinese colonies: Laos, Cambodia, and Vietnam.⁴⁸ French troops evacuated, and Vietnam was temporarily divided along the 17th parallel as negotiations continued regarding the future of the Vietnamese state.⁴⁹ The Vietnamese government in Saigon and the United States did not agree to the

⁴² Ibid.

⁴³ Neale, Jonathan. *The American War: Vietnam 1960-1975*. Bookmarks, (2001).

⁴⁴ Irving, Ronald Eckford Mill. *The First Indochina War: French and American Policy, 1945-54*. Croom Helm, (1975).

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid.

conditions of the Viet Minh victory.⁵⁰ Prime Minister of the Southern State of Vietnam Ngô Đình Diệm was elected president through rigged elections, declaring South Vietnam an independent state under the title Republic of Vietnam. As a whole, however, the Vietnamese public supported Ho Chi Minh.⁵¹ Both prospective Vietnamese states entered a period of violent opposition removal, resulting in the migration of civilians across either side of the border – for example, many Catholics moved to the South.⁵² This hostile climate led to the formation of the militant National Liberation Front (Viet Cong) in the South, an organization unifying anti-government South Vietnamese activist – not only Communists.⁵³ Foremost, this group desired the end of American influence in the South, as Diệm was seen as a brutal imperial sympathizer while Ho Chi Minh was a national hero.⁵⁴ Particularly, the Viet Cong movement gained popularity in the countryside as rural Vietnamese villagers heard of Northern land reform policies.⁵⁵

One could point to the constant insurgent activities across Vietnam in the late 1950's as a component of the Second Indochina War (Vietnam/American War). Violence never truly subsided in the transitional period of the 1950's, and it would be accurate to chart the period of the Vietnam/American War as between 1955-1975.⁵⁶ However, conventional military activity did not occur between the North and South Vietnamese governments until the 1960s.⁵⁷ America had sent military advisors to South Vietnam since 1950, but regular U.S. combat units did not arrive until 1965.⁵⁸ The Viet Cong continued to wage guerrilla campaigns against enemy combatants as direct North Vietnamese military involvement escalated.⁵⁹ As the conflict escalated, America's campaign in the region relied on air superiority, crossing borders into Cambodia and Laos.⁶⁰ American activities in the conflict peaked in 1968 as public faith in America's ability to wage war in the region greatly subsided following the Tet Offensive.⁶¹ The United States opted to gradually withdraw US troops from this point onwards, transferring responsibility to the Republic of Vietnam. By 1973,

⁵⁰ Ibid.

⁵¹ Tucker, Spencer C., ed. *Encyclopedia of the Vietnam War, The: A Political, Social, and Military History: A Political, Social, and Military History*. Abc-clio, (2011).

⁵² Ibid.

⁵³ Ibid.

⁵⁴ Ibid.

⁵⁵ Ibid.

⁵⁶ Ibid.

⁵⁷ Neale, Jonathan. *The American War: Vietnam 1960-1975*. Bookmarks, (2001).

⁵⁸ Ibid.

⁵⁹ Ibid.

⁶⁰ Ibid.

⁶¹ Ibid.

direct US military involvement ended, and by 1975, the North Vietnamese Army captured Saigon, ending the war. North Vietnam won the war, unifying the country and officially forming the contemporary Communist Party of Vietnam in 1976.⁶² Although Ho Chi Minh had died of heart failure in 1969, his vision and image would live on in the new Socialist Republic of Vietnam.⁶³

C. 1976-2016: National Rule

Unfortunately, Vietnam entered another period of deep turmoil after the war: As Hanoi moved to standardize economic policy in the newly formed nation by collectivizing property such as farms and industries, the Vietnamese economy collapsed and inflation skyrocketed.⁶⁴ Plans for reconstruction greatly slowed, and at least one million South Vietnamese individuals were sent to reeducation camps.⁶⁵ Between 100,000 to 200,000 were executed directly, while hundreds of thousands fled the new regime, resulting in an international refugee crisis.⁶⁶ This turmoil was made worse by Vietnamese military actions against Cambodia and China from 1978 to 1979, although Vietnam was successful in installing a new government to replace the Khmer Rouge in Cambodia in response to attacks on Vietnamese settlements. This conflict is known to some as the Third Indochina War, and because of it, Vietnam increasingly relied upon Soviet aid.⁶⁷

In 1986, Vietnam's political culture monumentally shifted during the 6th National Congress.⁶⁸ Reformist politicians usurped old leadership, calling for new economic direction for Vietnam. Nguyễn Văn Linh, the CPV's new general secretary, implemented free-market reforms known as the *Đổi Mới* reforms.⁶⁹ The government strived to transition away from the wreckage of its planned economy to a "socialist-oriented market economic" system. As the government privatized ownership of enterprises, farms and factories, the authority of the CPV-backed government remained intact. Vietnam was successfully able to deregulate its economy and welcome foreign investment. The *Đổi*

⁶² Ibid.

⁶³ Tucker, Spencer C., ed. *Encyclopedia of the Vietnam War, The: A Political, Social, and Military History: A Political, Social, and Military History*. Abc-clio, (2011)

⁶⁴ Vo, Nhan Tri. *Vietnam's economic policy since 1975*. Institute of Southeast Asian, (1990).

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Mott, William H., and Geoffrey Murray. "Vietnam: Dawn of a New Market." (1998).

⁶⁹ Ibid.

Mới reforms also consisted of general liberalization and relaxation of censorship and freedoms of expression. The CPV continued to move away from its historical role as a homogenous entity with a single political perspective.⁷⁰ In 1991 and 1996, with the 7th and 8th congresses and apparent early successes of the *Đổi Mới* reforms, inter-party debate and factionalism grew between reformers and conservatives.⁷¹ The 10th congress in 2006 marked further democratization in political power within the CPV.⁷² Power was balanced more evenly within the CPV central committee as the strength of individuals within party leadership was diminished. This is the climate in which we examine contemporary Vietnam and the TPP.⁷³ The 12th Congress of Vietnam was held in January 2016 with promises of continued democratization and economic liberalization as key figures in reform politics denounced Chinese activities in the South China Sea.⁷⁴ The promises of the TPP are at the crux of this movement. With knowledge of the CPV's history, its conflicts and ideologies, we better understand this political momentum.

IV. The Trans-Pacific Partnership: History and Implications

The Trans-Pacific Partnership can be traced back to 2005 when it served as an extension to the already standing Trans-Pacific Strategic Economic Partnership agreement signed between Brunei, Chile, New Zealand, and Singapore.⁷⁵ In 2008, however, the 2016 agreement began to take shape as additional member countries entered discussion of a larger agreement – including Vietnam and the United States.⁷⁶ The negotiations were projected to be completed by 2012 at the time, but contentious provisions regarding agriculture, intellectual property, and investments, in particular, prolonged talks until a final agreement was reached in October 2015 between all twelve of its participating nations.⁷⁷ All twelve nations signed the agreement on February of 2016 in New Zealand after nearly seven years of negotiations.⁷⁸

According to the US Trade Representative, the TPP "promotes economic growth; supports the creation and retention of jobs; enhances innovation, productivity and competitiveness; raises living standards; reduces poverty in our

⁷⁰ Ibid.

⁷¹ Elliott, David WP. *Changing worlds: Vietnam's transition from the Cold War to globalization*. New York: Oxford University Press, (2012).

⁷² Ibid.

⁷³ Ibid.

⁷⁴ Ibid.

⁷⁵ Schott, Jeffrey J., Barbara Kotschwar, and Julia Muir. *Understanding the Trans-Pacific Partnership*. Peterson Institute, (2013).

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Ibid.

countries; and promotes transparency, good governance, and enhanced labor and environmental protections.”⁷⁹ To date, twelve countries have signed the agreement. The TPP facilitates free trade by lowering tariffs and influencing policy in member states – the 30-chapter agreement protects investors and ensures fair competitive conditions of trade, creating and enforcing uniform labor, financial services, environmental, and intellectual property policies.⁸⁰ Controversially, the agreement also establishes investor-state dispute settlement (ISDS) mechanisms as an additional enforcement mechanism.⁸¹ ISDS grants investors the right to engage in dispute settlement and arbitration proceedings against foreign governments.⁸² If a country were to breach a provision of the TPP, an investor from a foreign country could sue that country’s government in a tribunal organized through the United Nations or World Bank.⁸³ Controversy arises as transnational corporations could sue governments for lost profits due to a perceived or actual breach – a government’s actions would be judged by its effects on profits and economic interest, regardless of public interest. Mainly, however, to implement its provisions, the TPP requires commitments from member nations, and the agreement would enforce such commitments through punitive trade sanctions.⁸⁴ The agreement hopes to actively “level the playing field” for participating nations, preventing a “race to the bottom” particularly in regards to labor rights.

The TPP require all party nations to adopt “fundamental labor rights as recognized by the International Labor Organization (ILO), including freedom of association and the right 2 to collective bargaining; elimination of forced labor; abolition of child labor; and the elimination of employment discrimination.”⁸⁵ In regards to Vietnam, there is a labor side agreement that particularly addresses the unique nature of Vietnam’s current organized labor systems through the VGCL.⁸⁶ Under the TPP, Vietnamese workers will be allowed freedom of association: workers may “establish and join an independent union, with full autonomy to elect their leaders, adopt a constitution and rules, manage their affairs, bargain collectively, and strike.”⁸⁷ The Vietnam labor side agreement contains an implementation plan with formulated

⁷⁹ “*Text of the Trans-Pacific Partnership*”. New Zealand Department of Foreign Affairs and Trade. (2015).

⁸⁰ Ibid.

⁸¹ Ibid.

⁸² Ibid.

⁸³ Ibid.

⁸⁴ Ibid.

⁸⁵ “TPP - Labor.” *United States Trade Representative*. n.d. Web. <https://ustr.gov/sites/default/files/TPP-Chapter-Summary-Labour-1.pdf>.

⁸⁶ Ibid.

⁸⁷ Ibid.

legal and regulatory suggestions along with a review mechanism implementing independent committees to monitor and guide the transition within Vietnam.⁸⁸ The review mechanism of the labor side agreement contains provisions by which the United States may “withhold or suspend tariff reductions” for Vietnam if compliance is not deemed satisfactory within five years.⁸⁹

The TPP will not enter into force until the ratification of its provision by all signatories within two years – with ratification meaning the domestic approval of the TPP by each member nation’s respective legislatures through each member nation’s respective ratification processes.⁹⁰ In the United States, that means approval by Congress, Senate and House. As of now, Congress is expected to vote on the TPP following the 2016 presidential elections.⁹¹ If not ratified by all nations within two years, the agreement will still enter into force if at least six states, with a combined GDP of more than 85% of the combined GDP of all signatory nations, ratify the agreement.⁹²

The United States is instrumental for this threshold to be met. Together, the United States and Japan alone account for a little under 80% of the combined GDP of all signatory nations.⁹³ As such, the United States was a major player in shaping the TPP. It has been said that “if you want to be in a trade agreement with the U.S., you have to start out with labor laws and practices that are consistent with international standards.”⁹⁴ Economically, the TPP will improve the “commercial infrastructures” of countries such as Vietnam, allowing them to be more reliable partners for trade.⁹⁵ The United States has little to lose from the TPP in its current form. In regards to job loss, the US will not be greatly impacted by increased trade with Vietnam – Vietnam’s key manufacturing industries mostly compete with countries such as China, Bangladesh, and Pakistan.⁹⁶ The United States has “lost” those jobs already. Through the TPP, Vietnam will have to play on American and International terms, but perhaps that is what Vietnam wants.⁹⁷

⁸⁸ Ibid.

⁸⁹ Ibid.

⁹⁰ Putz, Catherine. *TPP: The ratification race is on*. The Diplomat, 5 Feb. (2016). Web.

⁹¹ Palmer, Anna; Bresnahan, John. “*Trade pact may not come up in House until after 2016 election*”. Politico, (2015).

⁹² Ibid.

⁹³ Ibid.

⁹⁴ DePillis, Lydia. “How More Business with Nike Could Affect Workers in Vietnam.” *Washington Post*. 8 May. (2015). Web. 23 May 2016.

⁹⁵ Ibid.

⁹⁶ Ibid.

⁹⁷ Ibid.

V. The 12th Congress: Vietnamese Outlooks of the TPP

Vietnamese analysts look to the TPP as a sign of “*Đổi Mới* 2.0” – in fact, the next logical step for the historic reforms launched in 1986.⁹⁸ Key Vietnamese policy makers emphasize the *Đổi Mới* reforms as an “interconnected process between politics and the economy.”⁹⁹ Just as the initial steps of the *Đổi Mới* economic reforms led to a liberalized government, Vietnam’s participation in the TPP will enable “more competent, transparent governance and pressure to overhaul domestic corporations to be more competitive.”¹⁰⁰ Recent political rhetoric in Vietnam has been inundated with uncharacteristically direct language against corruption and for the expansion of democratic spaces in Vietnam – although, not in a way to undermine the Party’s monopolistic control of power.¹⁰¹ The TPP is key in these larger steps towards more comprehensive economic and democratic reforms.¹⁰²

The events of the 12th Congress in January 2016 only reaffirmed Vietnam’s strategy and outlook to the TPP. Although the Congress’s results included the election of a conservative and historically pro-China CPV General Secretary, Nguyen Phu Trong, over pro-business reformer, Nguyen Tan Dung, Vietnam’s leadership is not deeply divided in its opinion of the TPP.¹⁰³ In regards to economic ideology and development, there is little visible dissent among Vietnam’s senior leadership.¹⁰⁴ The CPV will only gain power by delivering on its promises of economic growth and general prosperity. In accepting an open and competitive economy, replete with diverse international engagement, Vietnam can forestall domestic discontent. The 12th Congress’s economic resolutions were clear and consistent: for 2016-2020, plans were outlined for the direct support of private sector growth, “including creation of a level playing field with equal access to credit, land, and other resources.”¹⁰⁵ Leadership publicly espoused the private sector as “an important engine of the economy,” urging a national movement for supportive policies.¹⁰⁶ The Congress’s 2020 economic targets aim for an “average annual 6.7 percent

⁹⁸ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

⁹⁹ Schwarz, Adam. *Vietnam’s economic reforms to continue under new leadership*. The Diplomat, 30 Jan. (2016). Web.

¹⁰⁰ Ibid.

¹⁰¹ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹⁰² Schwarz, Adam. *Vietnam’s economic reforms to continue under new leadership*. The Diplomat, 30 Jan. (2016). Web.

¹⁰³ Ibid.

¹⁰⁴ Ibid.

¹⁰⁵ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹⁰⁶ Ibid.

GDP growth and a rise of GDP per capita to \$3,750 by 2020, an increase of 83 percent from 2014 levels.”¹⁰⁷ The TPP is instrumental for these optimistic numbers. Vietnam’s largest industries – seafood, and garment and textiles – are expected to greatly benefit from the elimination of import taxes in member nations.¹⁰⁸ Vietnamese apparel and footwear exports are projected to increase 50% in a decade.¹⁰⁹ Furthermore, the TPP will certainly attribute to increased foreign direct investment in Vietnam: “Companies such as Texhong Textile Group Ltd., Shenzhou International Group Holdings Ltd. and Pacific Textiles Holdings Ltd. are relocating operations to Vietnam to take advantage of the trade agreement.”¹¹⁰ Investors have already made moves on Vietnam, granting a short-term boost to Vietnamese markets.¹¹¹ As Vietnam is projected to benefit most out of all twelve member nations of the TPP, there is near universal governmental support for the agreement – including the CPV Central Committee’s endorsement for TPP ratification in preparation of the 12th Congress.¹¹² Vietnam’s economy performed well over recent years; however, as it watches China’s economy slow, Vietnam’s leadership is anxiously looking for accelerated systemic reform.¹¹³

Not all Vietnamese markets will benefit, however. Vietnam’s domestic agriculture is projected to struggle against multinational corporations.¹¹⁴ Pharmaceutical products will also be limited as increased patent protections prevent the domestic production of new drugs.¹¹⁵ This will further lead to an increase price of medicines for the general public. As ratification for the TPP approaches, Vietnamese leadership closely examines its necessary transitions.¹¹⁶ Vietnam has looked to restructure its agricultural industries in order to aid against international competition.¹¹⁷ State-owned enterprises along

¹⁰⁷ Ibid.

¹⁰⁸ Ibid.

¹⁰⁹ West, Sean, and David Brown. “The Trans-Pacific Partnership: Sizing Up the Stakes - A Political Update.” *The Eurasia Group*. (2015). Web.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹¹³ West, Sean, and David Brown. “The Trans-Pacific Partnership: Sizing Up the Stakes - A Political Update.” *The Eurasia Group*. (2015). Web.

¹¹⁴ Dang, Kim Khoi. “VIETNAM JOINS TRANS-PACIFIC PARTNERSHIP (TPP): CHALLENGES AND OPPORTUNITIES FOR AGRICULTURAL PRODUCTION.” *Centre of Agricultural Policy – Institute of Agriculture and Rural Development*. (2015). Web.

¹¹⁵ “*Text of the Trans-Pacific Partnership*”. New Zealand Department of Foreign Affairs and Trade. (2015).

¹¹⁶ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹¹⁷ Ibid.

with the VGCL's role in the new multi-union system has been reexamined.¹¹⁸ Thus far, proposed institutional changes have been publicly supported by the Vietnamese Government.¹¹⁹ State-owned enterprises have already been targeted for reform: Over the past few years, their inefficiencies have been brought to light.¹²⁰ Calls for privatization were met with pushback, however, as state-enterprise business leaders cited constitutional support of state capital preservation as a mechanism of economic stability.¹²¹ In response, the TPP provides further leverage for governmental reform as privatization procedures are examined and required of the Central Government: these proposals would affect nearly 500 enterprises, including the likes of "Vinamotor, Vietnam Posts, Telecommunications Group (VNPT) and Vietnam Airlines."¹²² The VGCL also acknowledges freedom of association as an inevitability for Vietnam, accepting the future legitimacy of other unions.¹²³ This move would not weaken the VGCL's power, necessarily. The TPP does not recommend dismantling the VGCL, and it would maintain close ties with the CPV.¹²⁴

More than an economic boon for Vietnam, the TPP also serves as a political and highly strategic agreement, undermining Chinese influence in Southeast Asia. The Vietnamese leadership recognizes the TPP as a balancing strategy against Chinese authority.¹²⁵ It is no secret that Vietnam hopes to rely less upon its relationship with China, and anti-Chinese sentiment has blossomed into a serious force in Vietnamese politics with recent confrontations between the two nations.¹²⁶ In 2014, Chinese movement into the South China Sea spurred riots across Vietnam. These violent demonstrations largely targeted foreign-owned factories, including the Taiwanese far Eastern Group manufacturing plant we visited on our GSL.¹²⁷ The looting and destruction of capital was well-documented, and measures were taken to distance the facility from Chinese influence – the motto of the corporation, for example, was replaced with Vietnamese words as opposed to the Chinese characters that were torn down in the riots. Just recently, Vietnam once again observed Chinese movement to deploy oil

¹¹⁸ Le, Hong Hiep. "The TPP's Impact on Vietnam: A Preliminary Assessment." *RESEARCHERS AT ISEAS – YUSOF ISHAK INSTITUTE SHARE THEIR UNDERSTANDING OF CURRENT EVENTS*. 2015.63 (2015): n.pag. Print.

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Ibid.

¹²² Ibid.

¹²³ Hoang, Lien. "Vietnam Labor Union 'Happy' to End Monopoly for TPP." *Bloomberg*. Apr. (2016). Web.

¹²⁴ Ibid.

¹²⁵ Luong, Dien. *Why Vietnam loves the Trans-Pacific partnership*. The Diplomat, 16 Mar. (2016). Web.

¹²⁶ Ibid.

¹²⁷ Ibid.

rigs in the South China Sea.¹²⁸ With such movement, the 12th Congress conveyed further consensus that Vietnam needed to stand against China to maintain its own sovereignty.¹²⁹ The statements of Congress will have little actual impact on Chinese actions, but the message is clear that Vietnam is ready to engage with the TPP for political means. In 2015, Vietnam actively and successfully negotiated trade agreements with South Korea and the European Union.¹³⁰ Although Vietnam is dedicated to a “non-alignment” approach to foreign policy when it comes to “great powers” such as China and the United States, the multilateral nature of the TPP means that Vietnam can still strengthen its ties to the United States without directly aligning itself with the nation.¹³¹ Crucially, the TPP represents a large step for US-Vietnamese relations as Vietnam hopes to distance itself from Chinese support.

VI. Conclusion

Unlike my initial perceptions from the GSL, the Vietnamese government has taken a more transparent angle of support for the TPP. Through the 12th congress, the CPV has crafted a tangible economic blueprint for Vietnam’s development over the next few years, calling for “growing the GDP by 7% every year through international integration, meaning trade deals, and the pursuit of foreign investment in export manufacturing.”¹³² The CPV’s authority is near absolute in Vietnam, and little internal checks-and-balances can change this national direction.¹³³

Vietnam’s position on the TPP should not have come as a surprise. Historically even, Vietnamese economic policy has certainly built to this through the *Đổi Mới* reforms.¹³⁴ Vietnam’s economy is expected to rise in rank to 17th in the world by 2025, and the TPP will be a large part of that – the TPP signatories account for a whopping 40% of the world’s TPP.¹³⁵ Foreign Direct investment (FDI) increased last year with news of the TPP looming on the horizon, and further enthusiasm for Vietnam’s economic future is expected after the results of the 12th Congress.¹³⁶ Vietnam’s leadership is openly

¹²⁸ Ibid.

¹²⁹ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹³⁰ Ibid.

¹³¹ Ibid.

¹³² Jennings, Ralph. “What Political Upheaval? In Vietnam, One Communist Leader Like Another.” *Forbes*, 1 Feb. (2016). Web.

¹³³ Ibid.

¹³⁴ Vo, Nhan Tri. *Vietnam's economic policy since 1975*. Institute of Southeast Asian, (1990).

¹³⁵ Le, Hong Hiep. “The TPP’s Impact on Vietnam: A Preliminary Assessment.” *RESEARCHERS AT ISEAS – YUSOF ISHAK INSTITUTE SHARE THEIR UNDERSTANDING OF CURRENT EVENTS*. 2015.63 (2015): n.pag. Print.

¹³⁶ West, Sean, and David Brown. “The Trans-Pacific Partnership: Sizing Up the Stakes - A Political Update.” *The Eurasia Group*. (2015). Web.

committed to “proactive international economic integration” in line with the tenants of the *Đổi Mới* reforms.¹³⁷ Vietnam’s major partners in the TPP, such as the United States and Japan, are consumerist complements to Vietnam’s producerist capacities. Vietnam’s strengths will be highlighted as demand for its primary exports and manufacturing capacities increase. Vietnam’s main economic competitors (China, India, and Thailand) remain outside of the TPP.¹³⁸ The agreement’s economic benefits for Vietnam are certain.

Critics of the TPP raise questions of enforcement within Vietnam, particularly on labor standards; however, Vietnam truly has enough to lose from sanctions and trade barriers.¹³⁹ With the TPP, Vietnam has negotiated itself into a strong position, and the nation should be expected to fight to maintain that. It should also be acknowledged that the United States recently crafted stronger labor rights enforcement mechanisms into its most recent trade agreements: for example, labor inspectors have grown in number for Latin American countries who signed trade deals with the US as far back as the 1990s.¹⁴⁰ Quick action and improvement was observed in Bangladesh since the United States revoked trade privileges in response to a deadly factory collapse two years ago.¹⁴¹ It is generally understood what economic power the United States wields, but its effectiveness as a policy instrument for positive change should not be underestimated.¹⁴² It is the responsibility of “great powers” to facilitate development, and in the realm of international development, it should be understood: Unless a developing country discovers a miraculously valuable natural resource within its borders, there is little hope for development in our contemporary age of global markets beyond freer economic participation. The Trans-Pacific Partnership is absolutely historic in this regard, serving as a necessary step for the development of Vietnam. Fortunately, the CPV recognizes that – through its long tumultuous history, Vietnam recognizes that.

¹³⁷ Major General Nguyen, Manh Hung. “National Defence journal.” *Military and Political Theory Organ of the CMC and VMND*. n.d. Web.

¹³⁸ “*Text of the Trans-Pacific Partnership*”. New Zealand Department of Foreign Affairs and Trade. (2015).

¹³⁹ Ibid.

¹⁴⁰ Mauldin, William. “TPP Gives U.S. Increased Power to Push Nations to Improve Labor Practices.” *Wall Street Journal* 5 Oct. (2015). Web.

¹⁴¹ Ibid.

¹⁴² Ibid.

Bibliography

- 112th Congress (2012) (23 May 2012). "S. 3225 (112th)". Legislation. GovTrack.us.
- Betz, Christiaan J. *Vietnam: Social Transformation from Confucianism to Communism*. (1977). Print.
- Cheng, Shuihua. *TPP, China and the Future of Global Trade Order*. YaleGlobal Online (2014).
- Chan, Anita. *Labour in Vietnam*. Singapore: Institute of Southeast Asian Studies, (2011).
- Dang, Kim Khoi. "VIETNAM JOINS TRANS-PACIFIC PARTNERSHIP (TPP): CHALLENGES AND OPPORTUNITIES FOR AGRICULTURAL PRODUCTION." *Centre of Agricultural Policy – Institute of Agriculture and Rural Development*. (2015). Web.
- Elliott, David WP. *Changing worlds: Vietnam's transition from the Cold War to globalization*. New York: Oxford University Press, (2012).
- Fergusson, Ian F. *The Trans-Pacific Partnership Negotiations and Issues for Congress*. (2013).
- Giebel, Christoph. *Imagined Ancestries of Vietnamese Communism: Ton Duc Thang and the Politics of History and Memory*. Seattle: University of Washington Press, (2004). Print.
- Grey, Clark, Shih and Associates, Limited. *The Trans-Pacific Partnership: NAFTA 2.0 or Doha Revisited? Cracks, Crevices and Imbalance in the Trans-Pacific Partnership Negotiations*. Ottawa, ON, CAN: Grey, Clark, Shih and Associates, Limited, (2012).
- Hayton, Bill. *Vietnam: Rising Dragon*. New Haven: Yale University Press, (2010). Print.
- Hoang, Lien. "Vietnam Labor Union 'Happy' to End Monopoly for TPP." *Bloomberg*. Apr. (2016). Web.
- Hoàng, Văn C. *From Colonialism to Communism: A Case History of North Vietnam*. New York: Praeger, (1964). Print.
- Huỳnh, Kim Khánh. *Vietnamese Communism, 1925-1945*. Cornell University Press, (1986).
- Irving, Ronald Eckford Mill. *The First Indochina War: French and American Policy, 1945-54*. Croom Helm, (1975).
- Jennings, Ralph. "What Political Upheaval? In Vietnam, One Communist Leader Like Another." *Forbes*, 1 Feb. (2016). Web.
- Karnow, Stanley. *Vietnam, a History*. New York: Viking Press, (1983). Print.
- Le, Hong Hiep. "The TPP's Impact on Vietnam: A Preliminary Assessment." *RESEARCHERS AT ISEAS – YUSOF ISHAK INSTITUTE SHARE THEIR UNDERSTANDING OF CURRENT EVENTS*. 2015.63 (2015): n.pag. Print.
- Luong, Dien. *Why Vietnam loves the Trans-Pacific partnership*. The Diplomat, 16 Mar. (2016). Web.
- Mauldin, William. "TPP Gives U.S. Increased Power to Push Nations to Improve Labor Practices." *Wall Street Journal* 5 Oct. (2015). Web.

- “Ministry of Labour - Invalids and Social Affairs.” *Socialist Republic of Vietnam*. 11 Nov. (2014). Web.
<http://www.molisa.gov.vn/en/Pages/Home.aspx>.
- Mott, William H., and Geoffrey Murray. "Vietnam: Dawn of a New Market." (1998): 239-241.
- Neale, Jonathan. *The American War: Vietnam 1960-1975*. Bookmarks, (2001).
- Palmer, Anna; Bresnahan, John. "Trade pact may not come up in House until after 2016 election". Politico, (2015).
- Putz, Catherine. *TPP: The ratification race is on*. The Diplomat, 5 Feb. (2016). Web.
- Schott, Jeffrey J., Barbara Kotschwar, and Julia Muir. *Understanding the Trans-Pacific Partnership*. Peterson Institute, (2013).
- Schwarz, Adam. *Vietnam's economic reforms to continue under new leadership*. The Diplomat, 30 Jan. (2016). Web.
- Stiglitz, Joseph. *On the wrong side of globalization*. The New York Times (2014).
- Swearingen, Rodger, and Hammond Rolph. *Communism in Vietnam: A Documentary Study of Theory, Strategy and Operational Practices*. (1967). Print.
- "Text of the Trans-Pacific Partnership". New Zealand Department of Foreign Affairs and Trade. (2015).
- "TPP - Labor." *United States Trade Representative*. n.d. Web.
<https://ustr.gov/sites/default/files/TPP-Chapter-Summary-Labour-1.pdf>.
- "TONG LIEN DOAN LAO DONG VIET NAM." *Vietnam General Confederation of Labor*. n.d. Web.
www.congdoanvn.org.vn.
- Tong, The Gia. "Democratic centralism – a guarantee of a strong and pure party." *National Defence Journal*. (2013). Web.
- Tucker, Spencer C., ed. *Encyclopedia of the Vietnam War, The: A Political, Social, and Military History: A Political, Social, and Military History*. Abc-clio, (2011).
- Vi, Quang Dao. "The Socialist Republic of Viet Nam." *Government Portal*. n.d. Web.
<http://www.gov.vn/portal/page/portal/English>.
- Vo, Nhan Tri. *Vietnam's economic policy since 1975*. Institute of Southeast Asian, (1990).
- Vũ, Trọng P, Nguyệt C. Nguyễn, and Peter Zinoman. *Dumb Luck: A Novel*. Ann Arbor: University of Michigan Press, (2002).
- Ward, Pete J, and Irving E. Ross. *Emerging Markets for U.S. Trade: The Pacific, Middle East & North Africa*. Hauppauge, N.Y: Nova Science, (2012). Print.
- West, Sean, and David Brown. "The Trans-Pacific Partnership: Sizing Up the Stakes - A Political Update." *The Eurasia Group*. (2015).
- Williams, Brock R. *Trans-pacific Partnership (tpp) Countries: Comparative Trade and Economic Analysis*. (2013).