What North Korea Can Learn from Vietnam

By Rajaram Panda

While the failure of the Trump-Kim summit in Hanoi to reach any agreement triggered widespread disappointment, the choice of Vietnam as the venue of the meeting had hidden within it the intriguing possibility of a more positive narrative, one that could ultimately point to a different future for North Korea. Vietnam and North Korea have many similarities that could make the Southeast Asia nation — one of the world’s fastest growing economies — a potential model for Pyongyang, writes Rajaram Panda.

THE LONG-AWAITED second summit between US President Donald Trump and North Korean leader Kim Jong-un in the Vietnamese capital of Hanoi ended abruptly and inconclusively. Now the two sides have entered a period of deep uncertainty, if not fresh crisis. While Trump left Hanoi early with no deal and no agreed plan for another summit, Kim stayed on for a state visit. The main reason the summit ended in a fiasco was that while North Korea offered to close its Yongbyon nuclear plant in return for a partial easing of sanctions, Trump, the self-styled master negotiator, called for more concessions in return for sanctions relief. With neither side willing to yield, the fate of the summit was a foregone conclusion.

It was a significant disappointment for all stakeholders. Yet, all hope must not be lost, and diplomacy must remain relevant as the only viable option. This is because North Korea promised not to resume missile testing and the US is sticking to its promise to freeze large, joint military exercises with South Korea. This goodwill-building “dual suspension” was promoted by China, which shows how relevant Beijing is to a resolution of the North Korean nuclear issue. The summit’s abrupt end disappointed Japan and South Korea, while Beijing remained vague in its comments. Both parties to the summit gave conflicting accounts of what happened; it is unclear what future denuclearization negotiations may result.

The purpose of this essay is not to dissect the North Korean nuclear issue. Instead, it is to examine how Vietnam came to be the host for such an important summit. I will attempt to identify the factors that went in Vietnam’s favor and determine if the Vietnamese model of economic development could be the right strategy for North Korea to emulate. In a larger context, I will examine what hosting the summit means for Vietnam in both a regional and global context.

WHY HANOI?

When the idea was floated to finalize the summit venue as Vietnam, the country’s prime minister was quick to express his willingness to host the event. Early in the planning process, North Korea’s top general, Kim Yong Chol, visited Washington to meet with Trump to discuss Hanoi, the capital city, as a potential summit venue. Amid a swirl of rumors and conjecture, Hanoi or the coastal city of Da Nang were identified as potential venues. With past bitterness between the US and Vietnam buried and strong economic and political relations now a reality between the two countries, Washington saw Hanoi as an ideal venue. Although it was not in Vietnam’s hands to make the final decision, it was ready with logistical preparations if the US and North Korea made that decision.

Like several other Southeast Asian countries, Vietnam maintains diplomatic and friendly ties with both Pyongyang and Washington. With rapid economic growth in recent decades, Vietnam’s stake in other regional security and strategic issues has assumed greater importance and the country is keen to host major global events. In 2017, it hosted a major Asia-Pacific Economic Co-operation meeting in Da Nang. It also hosted North Korea’s foreign minister in November 2018 for a visit, during which he reportedly learned some lessons from Vietnam’s economic success story.

The Trump-Kim summit demonstrated that Hanoi is now a suitable venue for international events. In 2018, when Vietnam hosted the WEF-ASEAN forum, it was praised by World Economic Forum founder Klaus Schwab as the “most successful event” of its kind in the forum’s 27-year history. But Vietnam is capable of more than just hosting global events; its role in regional peace and stability is even more important.

Writing in the Los Angeles Times on Feb. 8, Shashank Bengali offered five reasons why Vietnam was chosen to host the summit:

1. Location. Hanoi lies 2,700km from Pyongyang, and although Kim decided to travel in his own armored train via China, covering a distance of 4,000 km, it suited him because he was able to hold a face-to-face meeting with Chinese President Xi Jinping on his way to Hanoi. Surprisingly, he did not meet Xi on his return, after the failure of the summit.

2. Security. Kim was convinced about the security arrangements to be provided by Vietnam, which exercises strict control over dissent, public demonstrations and the media.

3. Neutral ground. Since the end of the Vietnam War in 1975, the main concern of the US and Vietnam has been how to manage the challenge. This is after the great bonhomie between the US and Vietnam on economic and security fronts, particularly on the issue of the South China Sea. China’s advance into the South China Sea is something that brings Vietnam and the US closer, because both respect global rules governing maritime commerce as opposed to China’s aggressive unilateral stance. Vietnam’s participation for the first time in the US-led “Rim of the Pacific,” the world’s largest international maritime exercise, is testimony to this understanding.

4. Economic inspiration. Hanoi’s decision in 1986 to introduce Doi Moi, its program of economic liberalization after the failure of Stalinist experiments with collectivization that led to people starving, could be an inspiration for Kim to consider — it produced a stunning economic turnaround in a short span of time. Host-
ing the summit was also an opportunity for Vietnam to advertise its credentials on the world stage, thereby securing international legitimacy for the ruling Communist Party. It is worth recalling the remarks by US Secretary of State Mike Pompeo, made to business leaders in Hanoi in 2018, in which he hinted to Kim, “This miracle can be yours.”

5 A model for reshaping US ties. In holding the summit in Hanoi, the North Korean leader could perhaps ponder how two once-bitter enemies — the US and Vietnam — could become close partners. The US and North Korea could perhaps follow a similar path.

VIETNAM’S INTEGRATION WITH THE WORLD

Hanoi wants to enhance its status in the international community. After successfully fighting against first the French and then South Vietnam and the US and earning its freedom, Vietnam adopted a comprehensive international integration strategy after its economic reforms began to yield successful results. In 1995, it normalized relations with the US. And within the Association of Southeast Nations, it has been registering the bloc’s fastest economic growth. Its increase in economic weight is being translated into active engagement in regional security and strategic issues. Even beyond its borders, Vietnam has been playing a constructive role. For example, in October 2018, Vietnam sent its first field hospital to South Sudan. It supports the denunciation of the Korean Peninsula, though its direct role remains limited. Before hosting the Trump-Kim summit, Prime Minister Nguyen Xuan Phuc dispatched Deputy Foreign Minister Nguyen Quoc Dzung as his special envoy to Myanmar, where he offered US$100,000 for humanitarian aid, reconstruction and development in troubled Rakhine State. In such ways, Vietnam is demonstrating its willingness to contribute to peace and stability in the region. There are also reports that Vietnam is willing to host a secret Japan-North Korea meeting to discuss the return of Japanese abductees.

A MODEL FOR NORTH KOREA?

With one-party rule, strict censorship, minimal dissent and a top-down system of control, even after integrating into the global economy, Vietnam is an attractive model for Pyongyang. If North Korea decides to open its highly centralized, socialist economy, Vietnam’s model of development could be a blueprint to emulate. To be sure, if North Korea were ever to transition into a market economy, regime stability would figure as its top priority. It must have studied communist governments such as those in China and Vietnam, which have succeeded in state-managed growth and still integrated into the world economy.

In what other ways could Vietnam provide a model for North Korea? One is as a model for reconciliation. After remaining divided by war for two decades, Vietnam formally achieved reunification in 1975, although some differences remained between those who followed the Saigon regime and people in North Vietnam. This did not constrain the people of Vietnam and the government from taking measures to achieve national reconciliation, political integration and nation building. By hosting the Trump-Kim summit, Vietnam was bringing the message of peace and reconciliation to the world — and to Pyongyang.

Also, the situation in North Korea is similar to what prevailed in Vietnam from 1975 to 1994, when post-war Vietnam faced harsh economic sanctions and a trade embargo. By choosing freemarket economic reforms in 1986, Vietnam’s per capita GDP increased by more than 24 times in 29 years, from US$95 in 1989 to US$2,342 in 2017. It is projected that by 2045, when Vietnam celebrates 100 years of independence, its per capita GDP could reach US$18,000. Similarly, if North Korea pursues economic reform strategy in co-operation with its willing southern brother, it could expect to experience a similar feat. If two former foes — Vietnam and the US — could reconcile and establish a comprehensive partnership in 2013, there is no reason that North Korea couldn’t experience the same thing with South Korea. In today’s world, it is not just military and nuclear power that make a nation great; a country needs economic power.

COULD KIM CHANGE COURSE?

The Trump-Kim summit failed because Kim was unwilling to surrender the country’s nuclear and missile capabilities — built over decades of hard work and capital investment — and which it sees as a source of regime security in exchange for sanctions relief. It remains to be seen whether Kim will ultimately decide to change course.

There could be a good rationale for Pyongyang to take counsel from Hanoi. Both are good friends. North Korea supported Vietnam during the Vietnam War. Its founding father, Kim Il Sung, visited Vietnam twice. The alleged involvement of a Vietnamese woman in the assassination of Kim Jong Nam, the half-brother of Kim Jong-un, in Malaysia in 2017 did not dramatically affect China emerging as a strong competitor and an adversary of Vietnam (and others) on the issue of the South China Sea, it has become an important economic partner, as it is with North Korea. China’s economic power and ambitions in Asia help maintain some balance between the three com-
munist states — China, North Korea and Vietnam — despite strong political differences, which is why the Vietnamese model could be an appropriate option for North Korea to choose.

There are signs that Pyongyang is open to seeing Vietnam as a model. In 2012, a North Korean delegation visited Thai Binh province to examine rural development there. As mentioned earlier, Foreign Minister Ri Yong Ho visited Hanoi in 2018 to study Vietnam’s reforms. There were unconfirmed reports suggesting that Kim wanted to visit Samsung’s massive factory in Vietnam after the summit with Trump. Samsung’s factory in Vietnam produces half of Samsung’s smartphones and accounts for 25 percent of Vietnam’s exports.

For its part, it would be worthwhile for the US to consider whether economic sanctions are more effective than economic engagement. The US might consider its relations with Vietnam as a test case and apply the same strategy with North Korea. Such a cost-benefit analysis might result in a win-win situation and not a zero-sum game.

The Vietnamese and North Korean political systems are also comparable in many ways. While the Communist Party of Vietnam has ruled the state since independence in 1945, the Workers’ Party of Korea has governed North Korea since its founding. Both were under UN sanctions — North Korea for developing nuclear weapons and Vietnam for occupying Cambodia — and fueling Cold War tensions despite overthrowing the murderous Khmer Rouge regime. The invasion of Cambodia in 1978 resulted in Vietnam’s isolation from much of the world. As a result, it was denied access to international financial support for more than a decade. Similarly, North Korea is seen as a pariah state due to its nuclear and missile programs. But the biggest comparison could come when North Korea decides to reform its economy. That would catch the world’s attention, as was the case with Vietnam.

When Vietnam ended its occupation of Cambodia in 1990, and adopted free-market reforms, it unleashed the market forces that have led it to become one of the world’s fastest growing economies. If Kim wants to learn from the Vietnamese experience, that would be good for North Korea and the world.

In 2014, Kim did introduce measures to reduce the size of farms and allow some agricultural production for households and for sale in markets. These reforms have since expanded, with greater emphasis on decentralized decision-making. This demonstrates that Kim is not completely averse to reforms, and if he can receive assurances about regime stability, the country’s future could take a different turn.

Vietnam has close ties with the US despite ideological differences and also has friendly relations with the two Koreas, Russia, Japan and India — this is an attractive alternative for North Korea if it aspires to reform. But such high hopes would be conditioned on Pyongyang giving up its nuclear and missile development programs.

**FOLLOWING VIETNAM**

Vietnam is the new tiger in Asia, and it would be in North Korea’s interest to emulate its model. Many Asian countries with varying backgrounds have modernized rapidly and prospered, but North Korea has much more in common with Vietnam, a communist-ruled country, than it does with the others. In Asia, for example, Singapore is a tiny entrepôt, South Korea is the rump of a former monarchy, Indonesia is a mish-mash of disparate tropical islands — but all of these achieved spectacular growth rates over extended periods of time by capitalizing on their comparative advantages in the global trading system and promoting private enterprise. All of these countries followed different development strategies. North Korea can find its own route based on its own characteristics and conditions. But for now, with harsh sanctions in place, any hope of following the example of Vietnam — or any other country — is a fantasy. So, the onus is on both the US and North Korea to find a solution. Instead of focusing solely on denuclearization, the focus ought to be on this kind of change.

Vietnam and North Korea are communist systems, but with a difference. The regime in Vietnam is based on collective leadership, but North Korea’s is based on a family dynasty. That difference could constrain Pyongyang from emulating the Vietnamese model. But it could also be an advantage. A strong leader such as Kim could be helpful in the decision-making process, without any opposition or dissent.

Vietnam has been helpful to North Korea in periods of distress. Despite a souring of bilateral ties in the 1970s, Vietnam never completely shut down assistance to North Korea, and diplomatic missions in both countries remained active. Since 2010, Hanoi has helped Pyongyang with training in the fields of agriculture, fisheries, energy, hydropower, horticulture and manufacturing. It also played a supportive role in securing the admission of North Korea into the ASEAN Regional Forum in 2000.

As the Trump-Kim summit and the recent engagement of Vietnam in regional issues demonstrate, Vietnam is becoming a responsible actor in the rules-based international system. Its aspirations have become larger with valid reasons, and it now wants to secure a non-permanent seat on the UN Security Council in 2020-21. If the Trump-Kim summit had resulted in a peace declaration, Vietnam’s role in history would have been written in golden letters. Even without that happening, it managed to showcase its diplomatic abilities and its suitability for a role on the international stage. That is a lesson Kim would also do well to note.

Rajaram Panda is currently Lok Sabha Research Fellow, Parliament of India.

E-mail: rajaram.panda@gmail.com.