

Why Vietnam admires capitalism



by RAINER ZITELMANN

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Ho Chi Minh city, Vietnam & Capitalism (image created in Shutterstock)

Officially, Vietnam calls itself “socialist”, but ever since the Doi Moi reforms at the end of the 1980s, the country has been steadily moving toward a market economy. Vietnam has opened up to the outside world more than China, it welcomes private investors, and an entrepreneurial spirit is making itself felt throughout the country.

In Vietnam, the public opinion research institute Indochina Research conducted a representative telephone survey of 800 people between 19 October and 7 November 2022. I have now published the results in my book *How Nations Escape Poverty* [here](#).

We wanted to know which economic systems around the world our Vietnamese respondents most admire. So, we asked them whether they have a positive or negative view of the economic systems in the following countries: China, South Korea, North Korea, Japan, Taiwan, France, Singapore, the United States and Russia.

The clear winners are all capitalist countries: Japan with an approval rating of 82 percent, South Korea with 79 percent and Singapore with 78 percent. The United States gains 71 percent approval, while Russia receives as equally high an approval rating as the United States – a result that is difficult to understand, given the inefficiency of the Russian economic system.

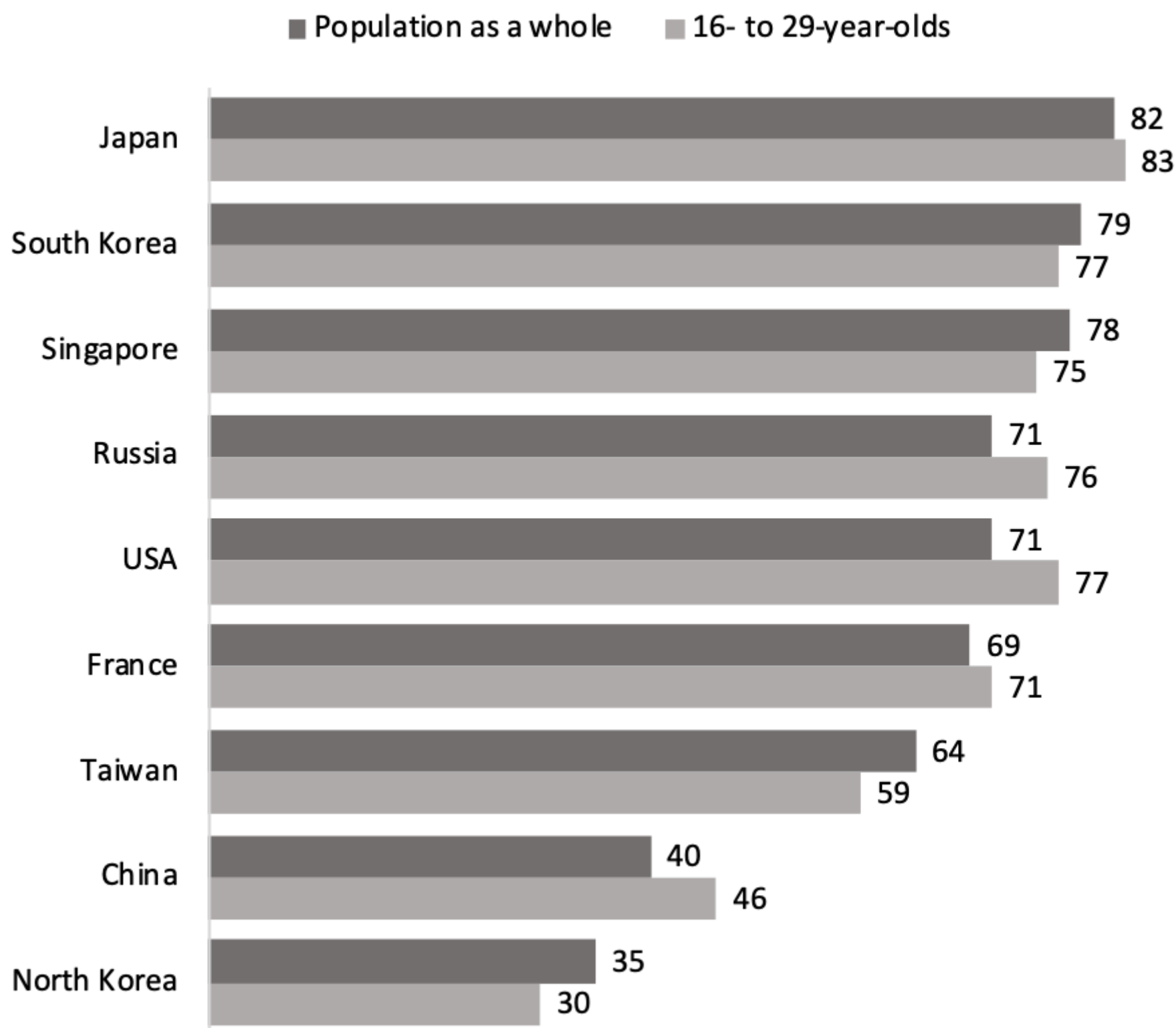
In contrast, the two countries that describe themselves as socialist – as Vietnam does – receive the lowest levels of approval: only 40 percent of Vietnamese respondents admire China’s economic system, while 55 percent say they disapprove of it. The proportion of respondents who like North Korea’s economic system is even lower, at 35 percent, while 38 percent reject it.

It is possible, however, that the results partly express general sympathy/antipathy for the countries – for example, we know that the United States, despite the Vietnam War, is generally well regarded in Vietnam, while China has a very negative image. Among young Vietnamese respondents under the age of 30, the American economic system is actually the second most popular – after Japan – along with South Korea. And approval of the system in North Korea is even lower than in the population as a whole.

Vietnam: Which economic systems do the Vietnamese like?

Question: “When you think of different economic systems from different countries, which one do you like well, and which one do you like less?”

Answer: “I like the economic system of this country”



Source: Indochina Research

Although Vietnam calls itself socialist, the population – especially the young – are more closely aligned with capitalist countries, such as Japan and the USA. The people of Vietnam have learned that capitalism is not – as many people in the West believe – responsible for poverty, but quite the opposite – only capitalism helps people to escape poverty.

Before the economic reforms began, every bad harvest led to hunger, and Vietnam relied on support from the UN’s World Food Programme and financial assistance from the Soviet Union and other Eastern Bloc countries. As late as 1993, 79.7 percent of the Vietnamese population were living in poverty. By 2006, the rate had fallen to 50.6 percent. In 2020, it was only five percent.

Vietnam is now one of the most dynamic countries in the world, with a vibrant economy that creates great opportunities for hardworking people and entrepreneurs. From a country that, before the market reforms began, was unable to produce enough rice to feed its own population, it has become one of the world’s largest rice exporters – and a major electronics exporter.

If Vietnam continues to follow its current free-market path and succeeds in implementing the reforms that are still pending, it has a good chance of becoming one of the world's leading economies. However, if Vietnam – like China in recent years – forgets why it has achieved such enormous improvements in living standards and goes back to relying more on the state, it would be squandering a massive opportunity.

Another finding of our survey in 35 countries: in most countries, people associate “capitalism” with negative terms. In Vietnam, in contrast, people tend to associate “capitalism” with positive features, such as “progress” (81 percent), “innovation” (80 percent), “a wide range of goods” (77 percent), “prosperity” (74 percent), and “freedom” (71 percent). Negative terms such as “greed” and “corruption” (64 percent each) or “coldness” (55 percent) are selected somewhat less frequently.

*Rainer Zitelmann is the author of **How Nations Escape Poverty**, which contains the detailed results of the survey. **How Nations Escape Poverty** is also available on Amazon.*