

Thursday 27 February 2025 5:17 am | Updated: Wednesday 26 February 2025 6:09 pm

Vietnam defeated America, can it beat China too?



Rainer Zitelmann

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(Photo by Linh Pham/Getty Images)

'Escape from China' is the watchword in Vietnam for businesses offering an alternative to Beijing's communist encroachment, says Rainer Zitelmann

Vietnam played an important role in my youth. I was a Maoist back then, and of course all my sympathies lay with the National Front for the Liberation of South Vietnam. I first visited Vietnam in 2014, then returned in September 2022 and again in December 2024. It is immediately obvious how the country is growing from year to year and, during my conversations with entrepreneurs, I witnessed their incredibly strong entrepreneurial spirit first-hand.

What does Vietnam think of America now?

There is probably no other country in the world where the pursuit of wealth is as important as it is in Vietnam. I commissioned the opinion research institute Ipsos to conduct a survey in 13 countries to find out more about popular attitudes toward wealth. One of the questions was: "How important, if at all, is it for you personally to be rich?" In Europe and the US, an average only 28 per cent of respondents said it was important for them to be rich. Nowhere did so many people say it was important for them to be rich as in Vietnam, where the figure was 76 per cent. Another survey I commissioned showed that the Vietnamese associate the word "capitalism" primarily with positive terms such as freedom, innovation and prosperity.

Given the destruction and suffering of the Vietnamese people in the war with the United States, it would not be surprising if Vietnam was a hotbed of anti-Americanism. But anti-Americanism is far more pronounced in many other parts of the world. It is something you encounter far more often in Arab countries and Russia, as well as across Europe, than you do in Vietnam.

Đình Minh Tuấn, a scholar from a think tank I met in Hanoi, said: "We Vietnamese don't look back to the past, but to the future. Unlike with China, we have no territorial disputes with the USA. Many Vietnamese people also appreciate that the working conditions in American companies here are often better than in Asian companies that invest in Vietnam." I also talked to Ngyuen Xuan, founder of an audio book company, about the topic. "I was born in 1987, when the war had already been over for 12 years. My parents and grandparents told me about how terrible the war was, but they never had a bad word to say about Americans. On the contrary, they told me, 'You have to learn English, dress like Americans, eat what Americans eat, and above all, learn to think like Americans think. Then you will be successful.'"

In 1975, the Vietnamese defeated the Americans, and this already proud country became even prouder, for they had defeated the greatest military superpower in history. But their pride suffered over the next 10 years as the introduction of a socialist planned economy had a devastating effect on the south of the country.

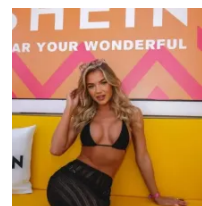
'Escape from China' is the watchword

At the 6th Party Congress in December 1986, the country's leaders adopted a comprehensive package of reforms known as *Đổi mới* ("renewal"). As in China under Deng Xiaoping, private property was allowed and the party increasingly focused on the development of a market economy. In 1990, with a per capita GDP of 98 US dollars, Vietnam was the poorest country in the world, behind Somalia (130 US dollars) and Sierra Leone (163 US dollars). As late as 1993, 79.7 per cent of the Vietnamese population was living in poverty. By 2006, the rate had fallen to 50.6 per cent. Today it is only three per cent.

I had lunch with a group of business people, including the founder of a private equity firm that invests in high-tech companies in Vietnam. I asked him what he thought of the official commitment to socialism. "Well, some people may still talk about Marxism-Leninism, but in reality, everyone here takes a capitalist approach to business."

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A businessman from Korea who I arranged to meet for lunch explains: "Because China has been increasingly regulating private companies in recent years and making life difficult for them, many are now coming to Vietnam. 'Escape from China' is the watchword."

During our conversation, Din Tuan Minh highlighted the important role played by women in business in Vietnam. According to a survey, 36 per cent of executives in Vietnam are women, compared to 19 per cent in Thailand. In my home country, Germany, the figure is 29 per cent.

In Hanoi, I gave lectures at several universities, including the renowned NEU (National Economics University) and the Foreign Trade University. At the Foreign Trade University, I was invited to a workshop on the motivation to become rich. The motto of the workshop was "Rich people, rich country". It was about how to improve the image of the rich. No university in the US or Europe has ever invited me to a workshop with this question. In my experience, you are more likely to find Marxists at universities in Europe and the USA than you are at a university in Vietnam.

The importance of entrepreneurship is writ large at Vietnam's universities, including the state-run VNU Vietnam University of Economics & Business. Here, I was invited to give a talk as part of the Business Challenge Session. During the competition, several teams of students developed business ideas over a few months, supported by a team of mentors made up of entrepreneurs and former entrepreneurs. At the end, the winners got cash prizes. The aim was to promote entrepreneurial thinking among students.

Censorship in Vietnam

Vietnam is a one-party system and there is no freedom of the press as we know it in Western countries. The newspapers are state-owned and they always adhere to the government line. A Youtuber from Saigon explained: "I used to work for state TV, where there were very strict regulations. I wanted to express myself more freely and launched

my own YouTube channel. In any case, young people in Vietnam hardly watch TV anymore and don't buy the print editions of newspapers, they get their news from Youtube and social media."

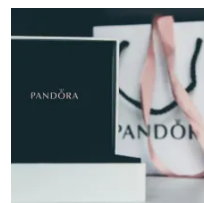
Whenever one of my books is published in Vietnam, it first has to pass through the state censorship office. With books like Dare to Be Different or The Wealth Elite this is just a formality and no problem at all. I found a publisher in Vietnam for my book The Power of Capitalism and they had already finished the translation. But after everything had been prepared, the publisher told me that the censors had not approved the book after all.

Overall, it is fair to say that Vietnam is far from Western standards in terms of freedom of the press and freedom of expression, but is nevertheless freer than China. This is evident from the fact that Google, Facebook and X are blocked in China, whereas in Vietnam you have free access to the internet and can read Western media and use all social networks.

Excerpt from Rainer Zitelmann, *The Origins of Poverty and Wealth: My world tour and insights from the global libertarian movement*

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