CHAPTER VI

CONCLUSION

Reunification is the process of integration of partitioned countries to the status of a unified one. With reunification, a country has to deal with a number of tasks for the process of its nation-building. This study "Geopolitical Analysis of Nation-building in Reunified Countries: A Case Study of Vietnam" is focused on the process of nation-building and the geopolitical problems associated with it. Simultaneously, the study also discusses the major difficulties and problems of nation-building in reunified countries comprises winners and losers situation, domination of one part over another, psychological differences, internal conflicts, problems of dissidents, lack of monetary resources, discrimination by the winner party, unemployment, poverty, lack of foreign aid and assistance, boundary related issues, and the issues in evolving foreign relations. Vietnam was reunified in 1976 and in its post reunification phase it had to deal with the geopolitical and geoeconomic factors, which affected the nation-building in Vietnam. The study also presents a theoretical analysis of the nation-building of Vietnam and other examples of reunification.

The geopolitical setting and the location of Vietnam has a significant role in developing a new system in relation to regional and international community. The reunified countries had faced some similar type of problems. The study attempts to present the geopolitical factors responsible for partitioning of a single country in parts and reunification again. The study also focuses on the changing geopolitical patterns and traditions in relation to division and unification. The contemporary geopolitics of a region along with the geoeconomic factors of world economy plays a significant role in the decision-making processes of the reunified countries. Most popular and appropriate examples of reunification are Vietnam, Germany and Yemen. The study is an attempt to explore and investigate the common features and consequences of nation-building efforts in reunified countries.
The process of ‘nation-building’ process comprises peacekeeping, law enforcement, security, humanitarian relief, governance (local and national), economic stabilization, democratization and development. There are more problems than opportunities in reunified countries in the context of nation-building. While discussing reunification, this study has also focused on the targets of nation-building in the post reunification phase. Success in the nation-building of a country is affected by its geopolitical location. The geostrategic location of a country alters the nation-building efforts from neighbouring countries and foreign actors. Since reunification, Vietnam ushered into a new era of peace making, unification and national construction. Vietnam’s economy fell into crisis and stagnation. The present study analyzed the development operations in Vietnam since its reunification and their achieved success. This study is also an attempt to provide an understanding how far foreign led nation-building operations succeeded in Vietnam.

The present study has discussed the significance of nation-building operations in the reunified countries, with special emphasis on the reunified Vietnam. It has analyzed policies and reforms, which took place in post reunified Vietnam in its socio-economic and political sectors, with special emphasis on the processes of nation-building in the post-colonial and post-war states. The literature available on Vietnam mostly concerns its historical aspect, war with US and economic reforms after doi moi. The role of geoeconomic variables in the nation-building of Vietnam was almost neglected, which had an inevitable effect on its nation-building. The study has discussed the responsible geoeconomic factors which affected the nation-building in Vietnam and the reasons behind the same.

Vietnam had centrally planned economy that was highly based on agriculture. Vietnam was heavily dependent on foreign aid, supplied mainly by the Soviet Union until 1991. Vietnam had begun to attract trade and investment from a number of Asian and Western countries, with the amendment and implementation of foreign investment law of 1988. Vietnam is also an example of reunification like Germany and Yemen but the circumstances which led it to the reunification were much different from the other ones. Vietnam was not reunified as a result of the end of the Cold War politics; instead it was
reunified after gaining victory in its War against US. It was in effect, a take over of the defeated South Vietnam by the victorious North Vietnam. It had also involved forced transformations of the socio-economic and political sectors of South Vietnam. The nation-building of Vietnam was highly influenced by the external factors and the geoeconomic consequences of the war with US.

It was remained as an isolated and devastated country, bearing the bitter fruits of the long and fatal series of war. Due to war ravaged economy, Vietnam had faced the stages of poverty, unemployment, and low growth rates, lack of capital, deteriorated health and education facilities. The post-War Vietnam was intensively indulged in its nation-building. Vietnam was accepted into the WTO on November 7, 2006. Its accession to WTO has proved as a milestone for the economic re-construction of Vietnam. Consequently, it has benefited by the agreement with WTO and the subsequent results. Through Vietnam’s recent history, the Vietnam Peoples Army has actively been involved in it’s workforce to develop the economy of the country, in order to co-ordinate socio-political systems. With the implementation of four five-year socio-economic development plans, Vietnam has become the second largest rice exporter in the world from a food importing country.

Nation-building is a process of socio-political development and economic, which ideally allows loosely linked communities to become a common society with a nation-state corresponding to it. Nation-building processes can proceed successfully with proper management and effective decision making. The nature of foreign intervention lays great impact in achieving success from the nation-building tasks. In post war Vietnam, Russia was motivated by the geopolitical importance of the resources and position of the Southeast Asian states, to supply aid and support to Vietnam.

The study evaluates the whole process of nation-building in context of the reunified countries. Nation-building needs a national infrastructure, transport and communication facilities for the development of a national economy. It aims at unifying the several sections of society for the proper functioning of the nation-building operations. Nation-
building is always a contentious process, fought out in a political, cultural, social, economic and military setting. Economic development means to create a market economy and political development refers to the development of a nation-state. For the fulfilment of nation-building objectives, the political development is a prerequisite for economic development. Post conflict societies have proved attractive candidates for development assistance from the external forces. The nation-building requires the development of various sectors of the country for the fulfilment of tasks. Even more than infrastructure, nations emerging from conflict need institutions.

With the introduction of transformation from centrally planned economy towards a market oriented economy, Vietnam began to get massive inflows of FDI and foreign aid for the nation-building processes running across the country in post-reunification period. FDI and foreign aid are the two essential requirements for the nation-building of countries and it proved as an influential and effective factor in case of Vietnam. After defeating from Vietnam, US imposed trade embargoes and economic restrains on Vietnam, in order to teach a lesson. It was a condition, which played a role of decisive factor for Vietnam to develop its economy.

The role of regional geopolitical factors also played an important role in the nation-building of reunified countries. This condition is hypothetically proved in case of reunification, such as Germany and Yemen, along with Vietnam. Prior to the implementation of new foreign investment law, it was facing a large number of difficulties, that hampered the growth and it witnessed a low rate of development. China, the nearest big power in the north, looms largest in Vietnam’s geostrategic perceptions because of its location in the Southeast Asian region. Northern Vietnam acts as a sea gateway for China, Central Vietnam for Northeast Thailand and Laos, and Southern Vietnam for Cambodia. It was the main reason for the French colonization of Vietnam and then, the US’ intervention in Vietnam. The US intervention in Vietnam was an outcome of the ‘fear’ of Russian hegemony and increasing influence of communism in the Southeast Asian region.
The study also attempts to analyze the role of FDI and foreign aid in the nation-building of Vietnam in post reunification era. The war had proved disastrous for the Vietnam, no matter who was defeated. Frustrated with the result of war, US had proved it as the most serious and decisive obstacle in the development of Vietnam in post war era. Foreign aid was a major determining factor in the poverty reduction and growth and other nation-building processes. It also analyzed the problems associated with the nation-building of Vietnam. The pattern of uneven development and investment and the responsible factors also constitutes as the part of the present study. In unified Vietnam, the South Vietnamese integration into the North Vietnam economy was a serious problem for the government. The common feeling of two parts was of varied nature in reunified Vietnam. The lack of the feeling of collective responsibility has proved ineffective for the uneven development of Vietnamese economic and social transformation. The ideological differences of societies in reunified countries lays a significant impact on the policy formulation and decision making processes.

The southern part of Vietnam experienced a condition of market economy and the northern part was working under the influence of socialist ideology. The economy of Vietnam has been influenced by the ideology in its earlier phase of reunification. In 1986, the scenario began to change with the introduction of renovation policy (doi moi). With the implementation of doi moi reformation policy the state of Vietnam has started to transform itself from the centrally planned economy to a market economy.

The transformation has proved vital for its nation-building. Despite being a socialist country, it realized the effects of globalization and liberalization. When it began to transform the society and economy, the results were outstanding. With the change in outlook of Vietnam itself, the western world also began to reorient its policies in relation to Vietnam. The introduction of new and effective investment policy, the FDI inflow in Vietnam began to rise considerably. Initially, Vietnam was failed to minimize the gap of development and growth between North and South Vietnam, because of the more or less uniform orientation of foreign aid towards South Vietnam rather than the centrally planned industries of Northern Vietnam. It was an outcome of the ideological orientation
of the respective parts of Vietnam. The southern part witnessed high growth rate at the time of reunification, because it was getting financial aid and technical support from the external world due to the involvement of US.

The differences of North and South Vietnam were clearly visible in terms of economic growth and political development of the country. Ideological differences pose severe hardships in nation-building of Vietnam. The nation-building of reunified countries did not come to the notice of scholars, may be because of the very limited examples of reunification; Yemen, Germany and Vietnam. The present study has made an attempt to fill the gap and provide a framework for the decision making in reunification examples. Vietnam has been implementing a foreign policy based on diversification and multi-lateralization, while expanding foreign and economic relations to support the country’s economic growth. Vietnam had the transition economy in Southeast Asian region and it was in need of redefining the role of state in enterprises and financial sectors. With the change in attitude and foreign policy of Vietnam, the results were outstanding. It has become the economy experiencing highest growth rates in Southeast Asian region.

The study analyzed the international relations and trade policies, which reflects the attitude of a particular country or organization, towards an aid seeking country for its nation-building. The geopolitical changes always lay their impact on the development and nation-building of the countries, especially in the cases, which are highly dependent on the foreign aid and support. With the reunification of Vietnam, the political ideological differences of North and South Vietnam started to widen and it faced the situation full of challenges to construct the socialist society throughout the country. Reunification started the development of gaps and unevenness in the socio-economic and political development patterns of the north and South Vietnam. The trade embargoes and economic sanctions on Vietnam by US in pursuit of revenge led to worsen conditions of Vietnamese economy and nation-building. The US nation-building measures and operations in South Vietnam were guided by its own motives.
By that time, Vietnam was receiving foreign aid just because of US intervention policy and its struggle against North Vietnam. In case of Germany, the process of reunification consequently changed the economic policy in both parts of Germany and the role of foreign investment began to play a significant role in the economic transformation of the country. Like Vietnam and Germany, Yemen was also dependent highly on the external aid and support for its nation-building.

North Vietnam had followed a Russian approach for industrialization and planning between 1953 and 1965. State enterprises were the main sources for growth of the country. Rapid agricultural development also contributed substantially to the dramatic poverty reduction in Vietnam over the past 15 years. When Vietnam was struggling to transform its society and economy from the centrally planned economy to the market driven socialist economy, it introduced many laws favourable for the country’s economic growth and also amended several existing laws. The state guides national economy according to unified plans and organizes social production on the lines of larges scale socialist production.

The study provides a description of reforms and policies in Vietnam and their effect on its nation-building. The reforms had played a vital role in the economic growth of Vietnam, but the outbreak of Asian financial crisis raised concerns for Vietnam’s financial system. The regional crisis made Vietnam less competitive. The revenue system of Vietnam based on the export and import sector has decreased sharply. Vietnam had decided to renovate the system of management and equitisation of the state enterprises. The implementation of economic reforms in Vietnam after 1989 led the country to achieve one of the fastest growth rates in the world.

FDI has played an important role in dealing with the socio-economic target difficulties in nation-building of Vietnam. The study has discussed the role and consequences of geoeconomic factors in the nation-building of Vietnam. The foreign investment has benefited the industrial and service sectors and banking sector of Vietnam. The foreign owned financial companies and banks also helped Vietnam to increase its economic
growth. It formulated a number of regulations in relation to encourage foreign investment. Since it started the ‘open door policy’ and its access to WTO provided a significant boost to Vietnam’s economy and motivated to ensure the continuation of liberalizing reforms and create options for trade expansion. The amended Foreign Investment law was also a milestone for the economic growth of Vietnam. This law provides the environment for the joint-ventures and foreign investment in Vietnam.

In the early years after the war ended, Vietnam established diplomatic relations with a number of countries, especially with the capitalist countries, drawing support from many countries and international organizations for the post-war economic reconstruction and national development. In December 1986, Vietnam began its all-round reforms including diplomatic policies, strategies and activities. It had witnessed an enhanced success in relation to the development of improvised foreign relations with the western world and international organizations like WTO. With effective management, Vietnam successfully got out of isolation and blockade. Vietnam has solved several border and territorial disputes, resulting in developing and maintaining cordial and peaceful relations with the neighbouring countries, which in itself was an essential task to develop a healthy and supportive environment for the country. Vietnam has been actively integrated into the world community, actively participating in regional and international cooperation process.