

United States-Vietnam Relations: How Far We've Come

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This year marks the 15th anniversary of the year the United States re-established diplomatic relations with Vietnam. We will commemorate this important milestone with joint ceremonies, cultural events, symposiums and high level visits. But more important, perhaps, than the tributes we are organizing to mark the occasion is the genuine reflection by both sides on just how far we have come in such a short time. The relationship between the United States and Vietnam has evolved from deep-seated mutual distrust to a robust partnership based on respect and cooperation. Where before the two sides saw little or no common ground on which to base our diplomatic relations, today we collaborate on a wide range of issues, from trade and investment, to education and health, to security and defense.

We have our differences, particularly in our approach to human rights, but even in these areas we are engaged in constructive dialogue. We continue to underscore that a free media and functioning civil society would help the Government of Vietnam address the many challenges it faces, such as education reform, corruption and environmental degradation. Through our engagement we are helping ensure that a prosperous, better governed society, and a better partner for the United States, emerges in Vietnam. Why highlight the significance of both sides pausing to reflect during this anniversary year? Because looking back on what we have achieved in such a short time compels us to optimism about what we can accomplish in the future.

Our economic relationship with Vietnam is illustrative. Fifteen years ago there was virtually no US investment in Vietnam, and bilateral trade was just \$451 million annually. In 2009, the United States was the largest foreign investor in Vietnam and two-way trade reached \$15.4 billion. US exports to Vietnam have nearly tripled since 2006. The United States implemented a Bilateral Trade Agreement (BTA) with Vietnam in 2001, and negotiated a cargo Open Skies agreement in 2008. We recently started negotiations with Vietnam and other partners on the Trans-Pacific Partnership (TPP) regional free trade agreement, a potential platform for economic integration across the Asia-Pacific region that will advance US economic interests with some of the fastest growing economies in the world, particularly Vietnam. US companies continued to show strong interest in Vietnam throughout the global economic crisis, and we see no signs of that interest dwindling.

Progress in our bilateral trade and investment relationship has coincided with a tremendous economic transformation in Vietnam. Real income in Vietnam has grown an average of 7.2 percent per year over the last decade, and GDP per capita has gone from \$189 in 1993 to \$1,052 in 2009. Vietnam's poverty rate has fallen from 58 percent in 1993 to 12.3 percent in 2009. Vietnam is one of the most rapidly transforming countries in the world, and in many ways the United States has helped shape this transformation.

The United States is exporting more than products to the Vietnamese—we are exporting one of our greatest assets, an American education. Fifteen years ago less than 800 Vietnamese were studying in the United States; today there are 13,000 Vietnamese students in the United States, a figure that has tripled in the last three years and shows no signs of slowing down. In January 2010, the US embassy hosted its third annual Education Conference in Hanoi, “Building Partnerships in Higher Education: Opportunities and Challenges for the United States and Vietnam,” which brought together over 600 American and Vietnamese educators to discuss how Vietnam can benefit from the US experience to improve the quality of its universities. Since resumption of Fulbright exchanges with Vietnam in the nineteen-nineties, 950 Vietnamese and American students and scholars have studied, conducted research or taught in each other’s country in many academic fields. The Vietnam Education Foundation, which is also funded by the United States, has placed 306 Fellows at 70 top US graduate institutions, largely for doctoral degrees in the sciences.

Health diplomacy is another pillar of the bilateral relationship. Since the re-establishment of diplomatic relations, about 75 percent of all US official development assistance to Vietnam has been invested in health-related activities. HIV/AIDS prevention and treatment is a key area of collaboration—the United States will provide \$95 million in 2010 to help Vietnam battle the devastating effects of HIV/AIDS. (Since 2004, the United States has provided Vietnam \$400 million in total HIV assistance.) The United States is the largest bilateral influenza donor in Vietnam, contributing approximately \$42 million since 2005 to assist the government in combating pandemic and avian influenza, and in developing a national coordinated response should an influenza outbreak occur.

While debate continues over the possible human effects of exposure to dioxin, a contaminant in the wartime defoliant Agent Orange, the United States is working closely with the Government of Vietnam to address environmental and possible health concerns associated with dioxin contamination. Building on earlier efforts, over the past three years the United States has allocated \$6 million for dioxin mitigation and related disabilities support, with an additional \$3 million appropriated in fiscal year 2010. USAID has already committed substantial resources for fiscal years 2010 and 2011 to begin remediation of dioxin-contaminated soil at the Danang airbase, where large amounts of Agent Orange were stored during the war. Responding to concerns of the Vietnamese government and people about the possible negative health effects of exposure to dioxin, the United States has provided more than \$46 million in aid for Vietnamese with disabilities, without regard to the cause of their disability.

During a visit to Thailand in July 2009 for the ASEAN regional forum, Secretary Clinton joined with the foreign ministers of the Lower Mekong Countries (Cambodia, Laos, Thailand and Vietnam) to establish a five-country forum, the Lower Mekong Initiative (LMI), as a vehicle for US engagement in the region in environment, health and education. We plan to formalize this initiative through annual high-level meetings and through technical cooperation in many fields. Vietnam has responded positively to the LMI, and has agreed to co-host with us a Mekong Infectious Disease Conference in June

2010 in Hanoi. In addition, over the next several years, we plan to work with Vietnam and the other Lower Mekong nations to support their responses to climate change.

As we have continued to deepen our cooperation with Vietnam in the areas of trade, education, health and environment, we also have expanded the relationship in ways that were unimaginable just five years ago, particularly on security issues. The United States and Vietnam have taken important steps to increase ties on bilateral and regional security issues, highlighted by the second US-Vietnam Political, Security and Defense Dialogue held in June 2009. Cooperation in this sphere includes a range of issues, such as peacekeeping operations and training, humanitarian assistance and disaster relief, maritime security, counterterrorism and counternarcotics cooperation, border security, and non-proliferation.

The United States has provided nearly \$50 million in assistance to Vietnam since 1993 to locate, remove and destroy unexploded ordnance and landmines, as well as to address their effects on the health and livelihood of people living in affected areas. We have supplemented this assistance with efforts to build the capacity of the newly formed Vietnam Bomb and Mine Action Center (VBMAC) and to assist the VBMAC to draft and implement a National Strategy to address the explosive remnants of war.

Even before re-establishment of diplomatic relations, the US military had been working closely with the Government of Vietnam toward the fullest possible accounting of Americans missing from the Vietnam conflict. These cooperative efforts have resulted in accounting for 645 Americans previously listed as missing in action. We are now exploring possible cooperation to assist Vietnam in accounting for its own missing in action.

So, as the United States and Vietnam prepare to celebrate the 15th anniversary of re-establishment of diplomatic relations, it makes sense to reflect on what we have accomplished over the last 15 years. In my view, our bilateral relationship is at its most productive since relations were normalized in 1995. Real differences remain; I am particularly concerned that political rights and press freedoms trends have worsened recently as Vietnam's Communist Party clamps down on dissent in advance of the January 2011 Party Congress. Still, I believe the Government of Vietnam is committed to deepening its relationship with the United States. Through our bilateral cooperation, we can—and are—shaping the future of Vietnam, and strengthening our partnership with an increasingly important player in the region and the world.