

SOCIAL CHANGES IN VIETNAM UNDER IMPACTS OF WTO ACCESSION

TRẦN NGỌC HIỀN (*)

Acceding WTO, member states are likely to have opportunities in development, but also face risks and challenges. For developing countries like Vietnam, the risks and challenges might be even more severe. First of all, there would be changes in the economic field, which cause cross-cutting social changes. In that context, complexities also arise in the areas of security, national defense and homeland protection. This article attempts to analyze the above-mentioned changes, to make clear their impacts, which base the understanding and proposal of appropriate solutions for development.

1. Changes in the economic field following WTO accession of Vietnam - the up-stream of social changes

In order to be fully aware of social, security and national defense issues, one needs to realize changes in the economic field when Vietnam has become a member of the WTO.

In the aftermath of the Second World War, attributed to demands for trade ties restructuring, the General Agreement on Tariffs and Trade (GATT) was established in 1948. The globalization of market economy, particularly with the breakthrough emergence of knowledge-based economy had erupted new economic relations, posing the demand for expanding GATT into WTO - the World Trade Organization (1994) - in order not only to adjust developed trade-investment

ties, but also to govern service relations such as international telecommunications, intellectual property..., in coordination with the World Bank (WB), International Monetary Fund (IMF) in relation to global economic policies.

WTO is an international organization of 150 member states, but in the organization itself there remains severe struggle between developed capitalist countries, on the one side, and developing countries and less developed countries on the other, especially in the domains of agriculture, farmers, protection of laborer's interests, environmental protection, etc. This was the reasons for failures of trade negotiations in Doha (2001), Cancun (2003) and Hong Kong (2005).

(*) Prf, Dr., Vietnam Union of Science and Technology Societies

For Vietnam, having been admitted to the WTO, we still have to carry forward economic reforms from 3 to 5 years to match with the WTO framework rules, for instance, to fulfill such main commitments as: removal of agricultural exports subsidies, reduction of tariff on imports from 0-35%; increase foreign ownership in services (like taxation, advertising, market research, management consultancy, computer, telecommunications, film production, distribution and featuring, etc.), one-hundred percent in accounting sector; while the postal express service commitment is to be implemented after 5 years. All these reforms attempt to get Vietnam's economy recognized to be a market economy, to be equal in trade ties and to prevent other countries from imposing anti-dumping laws on our products as they do now.

Within the domestic domain, major requirements include the creation of a capable financial system; controlling the selection of public investments; enhancing competitiveness of enterprises, etc.

2. Social changes following economic reforms in line with the WTO framework

Vietnam's accession to WTO was an appropriate and unavoidable step in utilizing external resources in order to materialize national goals. External resources currently are reflected by the expansion of trade-investment ties in the period of knowledge-based economy.

There is a rather wide disparity, both in quality and quantity terms, between external and internal resources. Consequently, WTO accession has brought in good and bad social impacts on our country, which need to be identified to exert about stability in development.

Firstly, international economic integration is meant to get involved in the international labor division. The current trend of such division is to shape an international business and production system, generating a net value of the system. In the context of knowledge-based market economy, international labor division requires the creation of more added values as its survival condition.

Vietnam's difficulty is that at the time being, we are still on the margin of knowledge-based economy (high-tech utilization in Vietnam stands at 2%, while Thailand 30%, Malaysia 51% and Singapore up 73%), therefore it is challenging for us to squeeze in international labor division, while advantage of cheap labor is mitigated, causing an increase of less employed and unemployed labor force. State-run enterprises and export-oriented sectors that rely on manual work (like the textile and apparel sector) will face numerous difficulties in meeting the requirement to participate equally in the added value of labor division.

Secondly, impacts on social structures: Knowledge-based market economy is the root cause of social changes, promoted by globalization as reflected through the WTO framework. In progress with development of market economy and international integration, old social structures will change in accordance with:

a) The formulation of a knowledge labor force who represents for a novel production force. This new population portion increases along with the development of knowledge-based economy. They enjoy a higher income level, a better material and cultural life. They are known as the middle-class,

consisting of employees in high-tech enterprises, specialists, executives... In developed countries, according to statistics released by the United Nations, the middle-class makes up 60% of the population, keeping a very important role in government elections.

b) A small portion of the population is claimed by the richest. They are owners of enterprises, corporations in the era of knowledge-based economy, gradually replacing those in the age of industrial economy.

c) A segment of the poor and unemployed population, due to their failure to keep up with job demands, moves to simple service jobs or get subsidized.

d) Another characteristic of social structure changes is the emergence of civil society and professional organizations in form of associations, federations, centers, non-formal institutes (at the time being, the number of these organizations in our country can be thousands), whose duties are to protect their members' interests and provide services in production, social consumption, environmental protection, etc. Development of civil society organizations demonstrates expansion of democracy in the social-economic life, increasingly contributing to the state management work and social stability. However, on the other side, some anti-regime elements also attempt to lure persons working for these organizations to serve their intentions. The historical experience shows that development of civil society organizations results from development of market economy and rule-of-law state. The closer the state is associated with civil society organizations, the more stability and development is guaranteed, the more anti-regime or anti-nation elements are isolated.

That social structure changes emerge in the new period strongly ascertains the rule of economic form decisive over social form. As such, economic form change causes the shift of social structure. This is a dialectical view, divergent from dogmatic and conservative thinking. Now that developed capitalist countries remain the force dominating the world market economy.

Should this theoretical-practical issue have not been clarified; there would appear various difficulties in socio-economic development, ensuring security and national defense.

e) Another social issue is an increasing trend in training, distribution and utilization of intellectual labor at the regional and international level, which is reflected by the employment of foreign consultants and executives in enterprises and for training, labor export by our country, as well as short-term and long-term immigration of foreign investors, overseas Vietnamese, etc. These social and economic relationships are reliant on such criteria as transparency, openness..., which are extremely new requirements posed to the management apparatus of our country in terms of organizational and operational thinking and methods.

f) Following its WTO accession, Vietnam faces a social problem, which is the idleness of a portion of labor force due to reforms in the cumbersome administrative apparatus, industrial and agricultural restructuring, and bankruptcy of some enterprises as a result of fierce competition in the domestic market when trade barriers are reduced in line with the WTO framework. Hence, employment pressure swiftly increases, leading to the growth of poor people, threatening social stability and security.

g) According to experiences of other countries, particularly of China following their WTO accession five years ago, the rich and poor gap, inequality was not narrowed down, but widen in initial years, and became most serious in rural area where claims for a large proportion of the country's population.

On the other hand, social tension in urban areas definitely increases when a great number of farmer migrants to cities in seeking for jobs with an income level enough to survive for the day. It is also attributable to FDI flows that create modern businesses zones isolated and segregated from surrounding social areas.

The above-mentioned social issues arose from market economy and integration. The handling of these issues is much related to the failure and success of the renewal drive.

3. Proactively increasing awareness, be wise in handling arising issues

One being admitted to the WTO, internal activities must be associated with external ones in all fields in accordance with agreed criteria. This requirement brings in a shift in awareness and operation, from subjective desire to the scientific-practical ground. The guiding idea of the Party from the 6th Congress (1986), "looking straight forward to the truth, speaking out the truth", remains valid in the present period.

In the context of a changing world, full of contradictions and paradoxes, it is not easy to look straight forward to the truth; while speaking out the truth, which means being able to realize rule-driven trends, is even more difficult. Thus, it would be a huge obstacle to development should the theoretical, ideological and organizational

work be slowly done. The world has developed to a period in which economic or military power is no longer taken as the leading factor, but the intellecture of leadership and vitality of the entire nation is considered in the comparison of might between states. The intellecture here actually is meant "knowing ourselves and understanding others". This is also exactly what we manage to reach in order to follow comments given by economic experts that "Vietnam needs to wise when it accedes to the WTO".

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