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The Political Economy of Social Media in Vietnam

*Le Hong Hiep**

EXECUTIVE SUMMARY

- Unlike China where most western social media platforms are blocked, Vietnam adopts a relatively open approach to these platforms.
- Vietnam's smaller market and its lower technological capabilities prevented Vietnam from emulating China's strategy, while certain Vietnamese authorities and politicians seem to consider social media a useful channel for promoting their missions and personal agendas.
- Blocking international social media services will also create a negative image of Vietnam's business environment and may constrain relations with the United States, with whom Vietnam wishes to strengthen ties.
- The Vietnamese government therefore tends to accommodate western social media platforms by trying to enforce their compliance with local rules through regulatory and economic means rather than blocking them altogether.
- In order to reduce the influence of western social media platforms, the government is encouraging domestic companies to develop local alternatives. However, the prevalence of western social media platforms will remain a formidable challenge for them as well as the Communist Party of Vietnam (CPV) for years to come.

** Le Hong Hiep is Fellow at ISEAS – Yusof Ishak Institute.*

INTRODUCTION

Go to China and Vietnam and one will notice a major difference in the way the two countries deal with the Internet in general, and social media in particular: While western social media platforms such as YouTube and Facebook are blocked in China, they are highly popular in Vietnam. According to Statista, for example, the number of Facebook users in Vietnam is expected to reach 45.3 million in 2019, up from 41.7 million in 2017. Vietnam is ranked seventh among the countries with the biggest number of Facebook users in the world as of July 2019, and the country has a 64 per cent active social media penetration rate.¹

This essay explores the economic and political factors that shape Vietnam's relatively open approach to social media. It argues that Vietnam's smaller market and its lower technological capabilities prevented Vietnam from emulating China's strategy to block international players and grow domestic alternative platforms. Some government authorities find social media a useful tool for reaching out to the domestic audience and to spread its propaganda, and certain political camps also wish to use social media to promote their own agenda. As a result, the Vietnamese government accommodates western social media platforms and prefers to enforce their compliance with local rules and regulations rather than ban them altogether.

The essay starts with an overview of Internet censorship in Vietnam, followed by an analysis of the economic and political factors that cause the Vietnamese government to leave international social media platforms off its blacklist. It then examines how the Vietnamese government deals with unwanted influences from western social media platforms before offering some thoughts about their future prospects in the country.

INTERNET CENSORSHIP IN VIETNAM

Vietnam got connected to the Internet on 19 November 1997 after long debates within the top leadership about its pros and cons. Although pragmatic considerations of the Internet's importance to socio-economic and technological development triumphed, how to deal with its potential harms remains a major concern for the CPV.

When the Internet was introduced to Vietnamese leaders in the 1990s, one of their immediate concerns was that toxic online contents such as pornographic materials would cause moral decay and social problems for the country. In December 1996, in order to convince the top leadership to open up the country to the Internet, officials reportedly had to demonstrate firsthand to members of the CPV Central Committee that they could use a firewall to effectively block pornographic websites.² A greater concern for the Party leadership, however, was that the Internet will facilitate the spread of anti-government propaganda and undermine the regime's monopoly of information. Party conservatives were worried that a more connected society with freer flow of information would ultimately erode the Party's rule.

As such, Vietnamese authorities have maintained certain measures of censorship to forestall unwanted consequences, especially by blocking "harmful" websites. So far, the censorship seems to be more political in nature, focusing on websites that provide anti-government propaganda or "sensitive" information unfavourable for the government's political

standing. For example, as of September 2019, while most pornographic websites are freely accessible in Vietnam, many international news websites that provide Vietnamese services, like *BBC*, *VOA*, *RFI*, and *RFA*, are still blocked. Blogging platforms such as *Wordpress* and *Blogspot*, which are popular among political activists and government critics, are also put behind a firewall. Some independent, private-run websites which carry news article or analyses deemed hostile to the government, such as *Dan Luan*, *Luat Khoa*, and *Boxitvn*, are also blocked. However, censorship does not seem consistent across all Internet services providers—some blocked websites or platforms may still be accessible to some users.

International social media platforms such as Facebook and YouTube therefore appear to be likely targets of Vietnamese censors. This is all the more plausible since many political activists and anti-government groups turn to popular social media platforms to air their views after their websites or blogs are blacklisted by the Vietnamese government. Indeed, in 2008-2010, when Facebook was still new to most Vietnamese users, it was blocked—but only temporarily. As of September 2019, most international social media platforms, including Facebook, YouTube, Twitter, Pinterest, and Instagram, are freely accessible in Vietnam.

Given the CPV's Internet censorship practices and the problems that international social media platforms could cause for its regime security, a question worth pondering is why such toleration? What factors stopped Vietnamese authorities from blocking these platforms? And does this mean that the CPV is more liberal and open-minded than its Chinese counterpart? The next section seeks to explore these questions.

WHY DOESN'T VIETNAM BLOCK WESTERN SOCIAL MEDIA PLATFORMS?

Vietnam's one-party political system makes it sensitive to the spread of information via social media. The CPV's attempt to block Facebook in the late 2000s, for example, is indicative of its unease with the power of social media in general and Facebook in particular. However, the CPV is not only concerned about the control of information. In order to maintain its rule, the Party also needs to pay attention to economic and political factors central to its political legitimacy and international credibility, such as the country's economic performance, popular sentiments, and the attitude of important foreign partners towards its domestic policies. Here lies the dilemma for the Party: How best to address the challenges that social media pose to its rule without scaring away international investors, exasperating the increasingly Internet-savvy population, and inviting scrutiny from international peers?

Obviously, the CPV realized that it is virtually impossible or undesirable to adopt the Chinese approach, which is to ban international social media platforms in order to facilitate the growth of domestic alternatives. For starters, developing social media platforms does not seem attractive from a local business perspective. China is a large market of 1.4 billion people, and its social media companies can comfortably rely on the domestic market to grow their business. In contrast, Vietnam has a market of 96 million people, making it less conducive to home-grown social media services. Meanwhile, competing with the giants in overseas markets would be an unfeasible task: Google, for example, could not grow its Google Plus service to compete with Facebook, and even large Chinese social media networks such as WeChat, Weibo and QQ haven't been successful in expanding overseas.

Even though it can be argued that a market of 96 million people is not really small, Vietnam's less developed technological capability is a hindrance. For example, back in the late 2000s, when Facebook was still not popular in Vietnam and faced a temporary ban, Vietnamese companies failed to seize the opportunity to develop domestic alternatives due to their lack of technical capabilities. Recently, with technical capabilities now improved, another formidable challenge remains: winning users away from Facebook and existing foreign competitors. This reason, coupled with regulatory restrictions on social media, may be the underlying factor causing even VNG, the owner of a popular over-the-top (OTT) messaging application with a large user base – an obvious advantage for developing social media platforms – to be uninterested in this business.³ Between 2007 and 2017, more than 300 licenses for local social networks were issued, but few remain active, and none has been able to challenge the dominance of western social media platforms.⁴ This speaks to the fact that developing home-grown social media platform is a risky and unattractive business for local companies.

Meanwhile, Vietnamese authorities also find it undesirable to block western social media platforms for both diplomatic and practical reasons. On the one hand, blocking international social media services would create a negative image about Vietnam's business environment and draw criticism from not only human rights activists but also other countries, especially the United States, the home country of major social media companies and with whom Vietnam wishes to strengthen ties.

On the other hand, certain Vietnamese authorities and politicians seem to have found social media a useful channel with which to promote their missions or personal agendas. For example, the Government's Office is a pioneer among government authorities to use social media to connect with the people. Its Facebook page,⁵ which was established in October 2015 and attracts 290,000 followers as of September 2019, proves an effective channel for the government to disseminate official information and to fight fake news. Meanwhile, certain political camps also seem to be using social media platforms to promote their agendas, especially in the run-up to major political events like CPV national congresses. In the past, Wordpress and Blogspot sites were more commonly used for this purpose. Before the 11th CPV congress in early 2016, for example, such political blogs as *Chân dung quyền lực* (Portrait of Power) and *Quan làm báo* (The Mandarin Reporter) carried articles supposedly based on insider information, sometimes unverifiable, which exposed corruption activities, wrongdoings or private scandals of certain officials. This is similar to smearing campaigns against political opponents seen in many countries during election time. However, these blogs were quickly blocked. As Facebook is not blocked and has mechanisms to protect freedom of expression, it became an attractive alternative for activists and political bloggers. Some political Facebookers, such as Truong Huy San, Nguyen Thanh Hieu and Le Nguyen Huong Tra, proved to be faster at reporting news than traditional media outlets. Some of the information provided by them is often unavailable in traditional outlets. This gives rise to suspicions that insider information and even classified documents have been fed to them purposefully by hidden leakers, who find social media platforms a convenient and useful tool that should be kept open to serve their political agendas.

HOW DOES VIETNAM DEAL WITH UNWANTED INFLUENCES OF SOCIAL MEDIA?

Since blocking western social media platforms is both undesirable and unfeasible, Vietnam has adopted a two-pronged approach to deal with their unwanted influences. On the one hand, Vietnamese authorities seek to counter “negative” information on social media by deploying a cyber unit informally known as “Force 47” (Lực lượng 47). This unit was reportedly established on 1 January 2016 under Directive 47 (thus the name Force 47) of the Political Department of Vietnam People’s Army (VPA). The force, which was said to be 10,000-strong as of December 2017,⁶ is a major tool for the CPV and the government to maintain a “healthy” Internet environment and protect the regime against toxic information. In particular, members of this loosely organized force reportedly help to spread “positive” information and counteract “negative” views and fake news, especially those that are hostile to the “Vietnamese revolution”.⁷ Force 47’s tasks range from collecting information on social media, to participating in online debates against “negative” views, to reporting sites or social media accounts that spread fake news or unfavourable information.

In a related effort, Minister of Information and Communications Nguyen Manh Hung revealed that his Ministry has established a national cyberspace monitoring centre, which is capable of constantly tracking about 100 million pieces of public information in Vietnamese on the Internet.⁸ It appears that this centre is using social listening tools, which help the ministry identify information trends on social media platforms, especially those that are toxic, illegal or consequential to public order and regime security.

On the other hand, Vietnamese authorities work with foreign social media companies to make sure that they comply with Vietnam’s legal regulations on social media. The most important law governing social media in Vietnam is the Cybersecurity Law,⁹ which came into effect on 1 January 2019. Article 26 of the law states that upon request from relevant authorities, social media platforms have to provide certain users’ account information to these authorities; block and remove certain types of information deemed detrimental to public order and regime security; and refuse services to individuals and organizations who publish information against public order and regime security. They must also locate their servers in Vietnam to store personal data of Vietnamese users and set up their branch or representative office in Vietnam (if the platform is owned by a foreign company). Although some of these regulations are controversial, the Ministry of Information and Communications (MIC) has been putting pressure on foreign social media companies, especially Facebook and Google, to comply.

Facing these pressures, Facebook and Google have tried to comply, but only on a selective basis. Specifically, while they have not based their servers or established their branch and representative offices in Vietnam (partly because a bylaw guiding the implementation of the Cybersecurity Law has not been enacted), they have increasingly complied with MIC’s requests for information control. For example, in its Transparency Report, Google stated that in one instance, upon receiving requests from MIC “to remove over 3,000 YouTube videos that mainly criticized the Communist Party and government officials”, Google complied by restricting the majority of the videos from view in Vietnam. However, in some other instances, Google declined MIC’s requests.¹⁰ Speaking before the National Assembly, Minister of Information and Communications Nguyen Manh Hung revealed that “Facebook now meets 70 to 75% of the Vietnamese government’s requests, compared to around 30%

earlier”, while Google’s YouTube now meets 80-85% of the government’s requests, up from 60% a year earlier.¹¹

Vietnamese authorities also plan to tax these companies for the revenue that they generate in the country. According to some estimates, these two social media giants account for about two thirds of Vietnam’s online advertising market. However, these authorities have not been able to collect any tax directly from them.¹² Such pressures may incentivize the two companies to comply with Vietnamese requests for information control, in order to avoid more regulatory challenges. Vietnamese authorities have also asked businesses to stop running ad campaigns on YouTube should Google fail to make sure that their ads do not get displayed on anti-government clips.¹³ This policy encouraged Google as well as other international social media platforms to comply with government policies or risk losing revenue from existing clients.

CONCLUSION

The dominance of western social media platforms in Vietnam presents the CPV and its government with considerable challenges given their wish to control information in general and the Internet in particular. Nevertheless, different political and economic considerations have made the blocking of such platforms in Vietnam either unfeasible or undesirable. The CPV has therefore come to terms with these platforms’ dominance, and is instead trying to make use of their positive utilities while curbing their unwanted influences.

In order to reduce the influence of western social media platforms in the country, the Vietnamese government is now encouraging domestic companies and agencies to develop local alternatives. At the same time, some local companies, especially those in the online advertisement industry, are also more interested in growing domestic social media platforms to drive up their falling ad revenue. This has resulted in a number of notable local social media platforms being launched in 2019, including VCNet by CPV Commission of Propaganda and Education, Gapo by Gapo Technology JSC, and Lotus by VCCorp. Although it is still too early to tell whether they will be successful or not, the prevalence of western social media platforms like Facebook and YouTube will be a formidable challenge for them. Even when domestic alternatives can establish themselves and expand their market shares at the expense of western social media platforms, the latter will remain major players on the market for years to come, as will the challenges for the CPV and its propaganda system.

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² Huy Duc, *Ben Thang Cuoc* (Vol. 2), (Saigon, Boston, Los Angeles, New York: OsinBook, 2012), p. 330.

³ “Zalo không muốn là mạng xã hội?”, *VnEconomy*, 23 July 2019, <http://vneconomy.vn/zalo-khong-muon-la-mang-xa-hoi-20190723104028172.htm>; “Social network domains of Zalo may be

revoked”, *Hanoi Times*, 20 July 2019, <http://www.hanoitimes.vn/science-tech/2019/07/81e0d9b4/social-network-domains-of-zalo-may-be-revoked/>

⁴ “Vietnamese social media networks spring up to challenge Facebook”, *Nikkei Asian Review*, 14 August 2019, <https://asia.nikkei.com/Business/Media-Entertainment/Vietnamese-social-media-networks-spring-up-to-challenge-Facebook>

⁵ The page is available at: <https://www.facebook.com/thongtinchinphu/>

⁶ “Hon 10.000 người trong 'Lực lượng 47' đấu tranh trên mạng”, *Tuoi Tre*, 25 December 2017, <https://tuoitre.vn/hon-10-000-nguoi-trong-luc-luong-47-dau-tranh-tren-mang-20171225150602912.htm>; “Vietnam unveils 10,000-strong cyber unit to combat 'wrong views'”, *Reuters*, 26 December 2017, <https://www.reuters.com/article/us-vietnam-security-cyber/vietnam-unveils-10000-strong-cyber-unit-to-combat-wrong-views-idUSKBN1EK0XN>

⁷ “Đấu tranh trên không gian mạng cần có lực lượng rộng rãi và tinh nhuệ”, *Ap Bac*, 28 March 2018, <http://baoapbac.vn/khoa-hoc-doi-song/201803/dau-tranh-tren-khong-gian-mang-can-co-luc-luong-rong-rai-va-tinh-nhue-787102/index.htm>

⁸ 'Mạng xã hội Việt Nam có bộ lọc dọn rác', *VnExpress*, 15 August 2018, <https://vnexpress.net/thoi-su/mang-xa-hoi-viet-nam-co-bo-loc-don-rac-3967895.html>

⁹ Full text of the law (in Vietnamese) is available at: <https://dantri.com.vn/suc-manh-so/toan-van-luat-an-ninh-mang-co-hieu-luc-tu-1-1-2019-20180612134758741.htm>

¹⁰ Google's Transparency Report, https://transparencyreport.google.com/government-removals/overview?hl=en&request_country=period::authority:VN&lu=request_country

¹¹ Vietnam says Facebook steps up local content restrictions, *Reuters*, 16 August 2019, <https://www.reuters.com/article/us-vietnam-security-facebook/vietnam-says-facebook-steps-up-local-content-restrictions-idUSKCN1V523A>

¹² “Thất thu thuế từ 'gã khổng lồ' Facebook, Google”, *Thanh Nien*, 14 January 2019, <https://thanhvien.vn/tai-chinh-kinh-doanh/that-thu-thue-tu-ga-khong-lo-facebook-google-1043190.html>

¹³ “Quảng cáo xuất hiện trên video bản YouTube, doanh nghiệp nói gì?”, *Zing News*, 12 June 2019, <https://news.zing.vn/quang-cao-xuat-hien-tren-video-ban-youtube-doanh-nghiep-noi-gi-post955751.html>

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