

Understanding the EU-Vietnam trade agreements

*In June 2019, the European Union and Vietnam signed a trade agreement and an investment protection agreement. **Camille Nessel** explains how the European Commission constructed an 'ethical trade' narrative about the agreements to help secure their ratification.*

As a part of a larger strategy to catch up with other major powers engaged in Asia, the EU is striving to secure at least eleven trade agreements in the next few years with the Association of Southeast Asian Nations (ASEAN). The [EU-Vietnam Free Trade Agreement](#) (EVFTA) and the [EU-Vietnam Forest Law Enforcement Agreement](#) (FLEGT) were the latest in this process, following the 2019 [EU-Singapore agreement](#).

Like Singapore, Vietnam is also an authoritarian state. According to the [World Press Freedom Index](#) published by Reporters Without Borders, only five countries have less press freedom than Vietnam (Djibouti, China, Turkmenistan, North Korea and Eritrea). This puts into question [Commission President von der Leyen's statement on EU trade principles that "Human rights are not for sale – at any price"](#). Yet, when placed in the appropriate historical context, it becomes clear the EU's focus on ethical external relations with Southeast Asia has always been ambivalent and something of a discursive reality.

Refinding South-East Asia

The story begins in the early 1990s. After many years of complicated preparations, the EU had transformed into a political union. Yet by 1994, the EU realised that its predecessor organisations had focused on trade deals with the African continent for too long and thereby ignored the economically shining stars of Asia. In order ["to raise the profile of Europe in Asia"](#), the EU formulated its first Asia strategy. Despite this landmark moment, however, relations with Southeast Asia remained cold and distant.

One of the reasons for this was the EU's prominent public criticism of human rights in various EU-ASEAN forums in the 1990s, which was met with scepticism by ASEAN counterparts. During the Cold War, EU leaders had largely remained silent on major human rights violations, and this newfound desire to lecture ASEAN states was not perceived to be appropriate. This was coupled with the events of the 1997 Asian financial crisis. European businesses quickly withdrew their financial engagements in the region, giving the impression that Europeans are primarily driven by economics and reinforcing the permafrost in relations.

After the region recovered financially, the EU knocked on ASEAN's door once again. This time, the EU proposed the negotiation of a region-to-region trade agreement to enable cheaper imports to the EU and exports to ASEAN. It quickly became clear that ASEAN states were too diverse for such an all-encompassing agreement. The EU then shifted its focus to bilateral trade agreements, while still keeping the idea in mind to one day merge the individual free trade agreements into a larger one.

Stumbling blocks

Vietnam and the EU agreed on a free trade agreement text in 2015, but negotiations did not conclude for a number of years. First, the ratification was delayed after member states quarrelled with the EU Commission and questioned its competences in trade-related matters. Shortly after a [European Court of Justice ruling on this dispute](#), Vietnam and the EU were able to proceed to the ratification stage.

Then, as is often the case, another roadblock emerged. The EU's attempt to negotiate trade deals with the US ([TTIP](#)) and Canada ([CETA](#)) transformed the trade arena into a more salient, politicised, and transparent space. While this may have been good news for democracy, it was bad news for the EU's trade ambitions. With the fear that civil society, national parliaments or other veto players could also oppose the EU-Vietnam trade deals, it [became apparent](#) that the Commission needed to have a good story to justify why trade with Vietnam is tenable.

An ethical trade deal

Contrary to what might have been expected following the EU's [experiences with CETA and TTIP](#), the EU trade directorate did not have to become too creative in finding a rationale for reigniting talks with Vietnam. It sufficed to establish a narrative that portrayed the conclusion of the EVFTA as [the answer to Vietnam's development 'problems'](#). This essentially relied on portraying Vietnam as a developing country, with the EU framed as a developed partner engaging in rules-based trade relations. Concerns over Vietnam's human rights situation were largely confined to outstanding ratifications of the [International Labour Organization Decent Work Agenda](#).

From this starting point, the EU brought a mutually beneficial trade deal to the table. The deal contains rules on how to [trade in a sustainable way](#) so that economic growth based on the neoliberal paradigm and development based on the developmental paradigm can be achieved. Vietnam took on the role of the willing student, [introducing reforms in its labour code](#) to ensure that the Decent Work Agenda is implemented in Vietnam. This all took place just in time to discourage the European Parliament, a potential veto player for the conclusion of the agreement, from further delaying ratification – something [the European Commission feared was a real possibility](#) if the deal was perceived as undermining European values or social standards.

Indeed, some resistance to the agreement has occurred, including [a resolution passed by the European Parliament in January 2021](#) criticising violations of human rights in Vietnam. It is also questionable to what extent the agreement has led to real progress within the country. Some reforms that have been introduced in Vietnam have been presented by the EU as a key achievement on the part of EU trade negotiators. This is contentious as in Vietnam these reforms are typically attributed to the influence of the United States. Furthermore, any reforms Vietnam has passed have not been enough to improve its rankings in key international measures, such as the World Press Freedom Index.

The EU's pattern of making selective criticism of human rights violations in some ASEAN countries, while prioritising economic interests in others, has fostered perceptions of inconsistency and double standards. This is now seriously undermining the credibility of the EU. The continuation of the EU's human rights discourse in relation to ASEAN trade should likely be reconsidered for this reason.

Whether we will see such a change in the EU's approach remains questionable. The [recent announcement](#) that the EU will reopen free trade negotiations with Thailand does little to hint at such an evolution. The negotiations with Thailand were frozen in 2014 due to human rights concerns following the military's takeover of the country, and the reopening of negotiations will come [despite the military's continued hold over power](#).

For more information, see the author's accompanying paper (co-authored with Elke Verhaeghe) in the [Journal of Common Market Studies](#)

Note: This article gives the views of the author, not the position of EUROPP – European Politics and Policy or the London School of Economics. Featured image credit: [Pixabay](#)
