



From VietNet to VietNamNet: Ten Years of Electronic Media in Vietnam

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Joan Shorenstein Center on the Press, Politics and Public Policy

Discussion Paper Series

From VietNet to VietNamNet: Ten Years of Electronic Media in Vietnam

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PART ONE: Introduction

VietNamNet is Vietnam's most popular online media outlet. Everyday, four million viewers visit the site, generating 100 million page views. VietNamNet's readership is diverse, including Vietnam's political and intellectual elites as well as students, workers, farmers, and especially the emerging middle class.

VietNamNet is also one of the country's most respected news publications. Although private news outlets are not yet legal—all newspapers are controlled by state organizations—the Vietnamese press is increasingly vibrant and politically influential. VietNamNet has been at the forefront of this emergence.

VietNamNet has played an important role in reporting on some of the most consequential political, economic, and social issues. VietNamNet's "online roundtable" interviews provide a much sought-after venue for Vietnamese officials, Vietnamese and international scholars and commentators, diplomats, and international business leaders to present their views. National hero Vo Nguyen Giap, former Harvard President Larry Summers, and Microsoft CEO Steve Ballmer are just some of the individuals who have been interviewed by VietNamNet journalists. In addition to its flagship website, VietNamNet has diversified into a number of related fields. VietNamNet publishes several print publications, including E-Chip. VietNamNet Mobile is Vietnam's leading provider of value-added services over mobile phones. VietNamNet TV now offers cable television programming in Hanoi and Ho Chi Minh City.

VietNamNet's emergence as one of Vietnam's most influential media outlets has not been without obstacles and setbacks. Indeed, during the past ten years VietNamNet has confronted a host of challenges: technological, economic,

cultural, and political. The story of how VietNamNet overcame these obstacles carries valuable lessons for online media in developing countries.

This discussion paper tells the story of VietNamNet, from its antecedents as Vietnam's first web portal, to its present position at the forefront of Vietnamese journalism. A central theme in this story is the convergence of journalism and technology. The Internet has enabled VietNamNet to transcend the barriers of traditional print journalism. One of the most significant of these innovations is VietNamNet's use of interactive forums through which VietNamNet's users can interact directly with public figures. In a society where citizens are limited in their ability to participate in politics and policymaking, VietNamNet's forums have proven to be immensely popular, and controversial. The final section of the paper considers the primary opportunities and threats that VietNamNet is likely to confront in the coming years.

PART TWO: The Press in Vietnamese Society and Political Economy

From a historical perspective, VietNamNet's success, and that of its competitors in the online media space, is perhaps unsurprising. Vietnamese culture reveres the written word and the country's most treasured cultural achievements are works of literature. Vietnamese people are voracious newspaper readers and the press has played an important role in modern Vietnamese history. Western-style newspapers have a relatively long history in Vietnam; the first conventional newspaper was established in Saigon in the mid-19th century. By the height of the Vietnam War in the late 1960s there were more than 200 newspapers in Saigon alone. Vietnamese politicians and intellectuals have long used newspapers extensively as tools for promoting their views and debating/refuting the views of others. One of Ho Chi Minh's first acts as a revolutionary leader was to create a newspaper. Ten years after the end of the war, in 1985, when the Vietnamese economy was stagnant and isolated, Vietnam's leading reformist politician, Nguyen Van Linh, used a newspaper column "Speaking and Acting" to make the case for reform.

At present, all media outlets are controlled directly or indirectly by agencies of the state or the Communist Party. Private ownership of media outlets is forbidden and foreign participation—even after Vietnam's accession to the World Trade Organization—is restricted. It is seemingly paradoxical, therefore, that the Vietnamese press should enjoy as much *de facto* freedom as it does. While international comparisons are by nature imperfect, it is likely that the Vietnamese press is considerably more open than the press in either China or Singapore. This is because, while Vietnam is a one-party state, its politics are

anything but monolithic. Competing power blocks within the state and party use newspapers to advance their interests and compete with rivals. Vietnamese politicians are acutely aware of the role that the press can play in advancing, or derailing, their careers. Just as American presidential candidates court editorial boards, so do Vietnamese leaders reach out to influential media outlets. In fact, the press has become an integral element of Vietnam's political economy, a reality that explains why efforts to reign in the press have always proved short-lived. This discussion paper will demonstrate that the highly political nature of the Vietnamese press carries both a risk and is a primary driver of its increasing freedom.

PART THREE: Fence-breaking in Nha Trang— The Internet Comes to Vietnam

Overview

Vietnam's first online portal was established in Nha Trang, a sleepy seaside town in central Vietnam in 1996. VietNet was the first Internet site to use TCP/IP protocol. It offered users Internet access, email services, and news. VietNet was a pioneer; it was founded a full two years before the Vietnamese government officially permitted Vietnamese companies to offer Internet services. This “fence breaking” is one of the defining features of Vietnam's process of economic reform and social liberalization, which began in 1986, and is referred to as *doi moi* (renovation). Many of the most important economic reforms, such as the decollectivization of agriculture and the legalization of private business were initially undertaken in a “bottom up” fashion by audacious local governments or businesses without official sanction from the central authorities in Hanoi.

Technology Challenges

In developing VietNet, I confronted a raft of challenges, both technical and political. The government's fear and hostility to the Internet was just one of these challenges. An equally significant challenge was a lack of information technology. Because the Internet was still technically illegal in Vietnam in 1996, it was very difficult for me to secure the hardware and software needed to build VietNet.

My efforts to bring the Internet to Khanh Hoa stretched back to the early 1990s. In 1993, the Khanh Hoa Post Office prepared to construct a computer

system linking the provincial capital of Nha Trang to the district post offices. I was put in charge of this project. At that time Vietnamese computer engineers were only familiar with Novell's Netware. I began to research the feasibility of using Netware, but Netware's ability to connect networks over distance was very weak; at the time Netware was best-suited for use within a single building—not for use in a Wide Area Network (WAN). Moreover, although Novell was easy to install and use, it was a proprietary operating system which we could not modify, making us entirely dependant on Novell. I concluded that a different solution was needed. Several people recommended that I consider Unix (in Vietnam at that time, SCO Unix was most common). I researched the TCI/IP protocol for connecting a WAN. Unix had the advantage of being an open-source program, which meant that it could be modified to suit our particular needs, however, this kind of development required a sophisticated knowledge of the system, the computing structure, and the Unix multitasking system. Acquiring this knowledge was time consuming and difficult, because at that time Vietnam was still subject to the U.S.-led embargo, and materials on ITC subjects were limited. Sometimes I would scour Ho Chi Minh City for a week in order to find a particular technical manual published overseas; discovering even a photocopy of a foreign technical manual was like striking gold!

I had certainly chosen a more difficult path by electing to use Unix and researching how to develop applications for the Unix operating system. However, the benefits were immense. Unix was a far more scalable platform; with it we could go much further. In the course of my research into Unix I acquired a firm grasp of the TCP/IP protocol, learning that it is the communication tool used on the Internet. I was exposed to the fantastic world

of the Internet for the first time, to the many modes of communication the web made possible (email, chat, etc.), and to the vast repository of information available online.

As I acquired this new technical knowledge, I was forced to confront the prejudices of my fellow engineers at the Khanh Hoa Post Office, who rejected my approach as unfeasible. They argued that Netware was a better solution. Of course, the leaders of the Post Office lacked an understanding of computers, which were still so relatively new in Vietnam. I was worried that my planned innovation would be squelched, but thankfully I received the support of Mr. Phan Hoang Duc, the Vice Director, a dynamic visionary who liked innovation.

After mastering the Unix operating system and TCP/IP protocols, I successfully implemented a single WAN for the entire Khanh Hoa Post Office, the first system of its kind in Vietnam. That the WAN was designed by a single engineer in a small, isolated province made the achievement even more remarkable. In recognition of this achievement for Vietnamese telecommunications, Mr. Do Trung Ta, who at that time was the Deputy General Director of the General Post and Telecommunications Department, wrote an official letter of praise.

On the heels of this success, I decided to sell this technology to other Post Offices in the central and northern regions. I enjoyed further success, earning high profits. This business provided me with the capital to finance research on how to develop VietNet, Vietnam's first Internet Service Provider on a Unix and TCP/IP platform.

One of the problems I confronted in developing VietNet was that I could not access the national telecommunications backbone network because I was based at the Khanh Hoa Post Office, not the inter-province telecommunications company (VTN). I decided to build Vietnam's first Internet "framework," connecting Hanoi, Nha Trang, and Ho Chi Minh City. With respect to the operating system, I selected Linux, a version of Unix that is completely open source and for which it is very easy to develop applications. VietNet's first system consisted of a multi-port plugged into a computer that was connected to the computer system by three telephone lines. Software was written to control network connection and network administration and provide services to users in Vietnam. We created a completely Vietnamese computer network, with three dial-up lines and service provision centers in Hanoi, Nha Trang, and Ho Chi Minh City. This framework officially went into service in January 1996. Because at the time international connections were extremely expensive, VietNet quickly generated revenue and turned a profit; in a short time I had recouped my personal investment in VietNet.

Political Challenges

Before the first email was sent from VietNet, the Internet became a deeply contentious political issue. Many senior government officials were deeply suspicious of foreign political and cultural influence. They were afraid that the Internet would be a conduit for the dissemination of subversive ideas. Engineers who did not agree with my Unix and TCP/IP-based approach played into the fears of the leadership. They advocated for Vietnam to develop its own information transfer protocol that was not based on the international

standard. Only in this way, they argued, could Vietnam maintain its sovereignty and guard against foreign influence!

After VietNet went into operation, some important government officials believed that I had political intentions or that I had the backing of political elements overseas. Again, it should be emphasized that when VietNet “went live” in January 1996, I did not yet have official permission to provide Internet access. Some people warned me that it was very dangerous to bring the Internet into Vietnam in this way. When these individuals came to visit me and my team in Khanh Hoa, we cheerfully introduced them to our operations and asserted that the Internet could be a fantastic resource for Vietnam’s continued development. I made the case that Vietnam must connect to the world and legalize Internet service provision. My arguments proved convincing, and at long last, on December 1, 1997, the Vietnamese government issued a decree formally permitting Internet access. VietNet was finally “legal.”

Editorial Content

Initially VietNet provided basic communication and information services. VietNet users had access to email, chat, and web. VietNet’s news content focused on trade and entertainment. We purchased news from the Ministry of Trade and Vietnam Press Agency, editing the stories and reformatting them for publication online.

PART FOUR: VietNamNet—From Birth to Maturation

Following the government's decision to legalize the Internet, VietNet began to receive more attention. In March 1997 the Vietnamese Prime Minister recognized me as one of Vietnam's top ten outstanding young people. After receiving this honor, the Vietnam Post & Telecommunications Company (VNPT), the parent company of the Khanh Hoa Post Office, transferred me to Hanoi and appointed me Deputy Director of the Vietnam Data Corporation (VDC), the company responsible for managing Vietnam's Internet gateway and providing Internet service.

As I prepared to leave Nha Trang for Hanoi, my parents were worried that I would face difficulties. In Nha Trang I was well-known and respected for my work; in Hanoi, I would be just another computer engineer. For sure, Nha Trang had its advantages. It is likely that one of the reasons why I was able to operate VietNet was that Nha Trang was sufficiently "far from the sun," that the regulatory authorities in Hanoi did not pay much attention to it. However, I knew that Nha Trang was a small pond with small fish, so to speak; it would be difficult to develop VietNet into something larger. So I accepted the difficulties associated with the transfer to Hanoi, in order to have the opportunity to catch larger fish.

In Hanoi, I found that as Deputy Director of VDC it was difficult to implement my ideas. In June and July, 1997, VDC was preparing to launch its Internet service provider. VNPT had imported a great deal of equipment and hired foreign experts to install it. The technical process proceeded smoothly.

However, I noticed that in the rush to develop VDC's technical capacity and connect users to the Internet, no one was thinking very much about value-added services in general, and content in particular. Of course, there was an ever-expanding storehouse of information available from international websites, but what about Vietnamese content? I proposed that VDC establish a value-added service center to provide content to Internet users and on December 19, 1997 we officially began providing this content to users at <http://www.vnn.vn>. This website is the direct antecedent of VietNamNet and the VietNamNet Group.

Initially, VietNamNet licensed its content from print newspapers. To make our content more dynamic and appealing to readers, I began to create forums—referred to as “clubs” on VietNamNet—where users could contribute their own writings and discuss and debate among themselves. Initially, there were three clubs, devoted to information technology, culture, and soccer.

VietNamNet has faced a number of challenges over the past ten years. These challenges can be broadly classified into three categories: editorial, regulatory, and business.

Building a Reputation for Journalistic Excellence

One of the largest challenges facing VietNamNet was establishing its reputation and brand. When VietNamNet was founded, the newspaper market was dominated by several dailies published in Ho Chi Minh City, including *Thanh Nien* and *Tuoi Tre*. These papers were notable for their politically progressive content; many of the editors had been journalists in South Vietnam before 1975 and therefore had experience in a less regulated environment.

Within a year of the launch of VietNamNet, nearly all of the major print dailies also established websites.

These newspapers attracted very talented reporters, and thanks to the rapidly growing advertising market in the 1990s, they could afford to supplement their reporters' meager salaries with extra payments. While I had some success hiring reporters from print publications—in 2001, I hired two experienced print reporters to oversee VietNamNet's expanding newsroom—I knew that it would be difficult to compete for talent on the basis of compensation alone. Confronted with this reality, I determined that VietNamNet's "youth" could be an advantage over its older and more established rivals. Prior to *doi moi*, Vietnamese newspapers were managed like any state agency. This meant that their personnel systems were in many cases ponderous and bureaucratic, rewarding seniority over ability. I was determined to run VietNamNet not as a state entity but as a business in which employees would have incentive to experiment and innovate. One approach I used was to hire ambitious young reporters, and give them the opportunity to cover important stories—a chance they were unlikely to get at one of the major print papers. This strategy paid off. The VietNamNet newsroom now enjoys a reputation as vigorously merit-based, where young people who demonstrate ability and promise can be promoted quickly. Today the average age of the VietNamNet staff is 28.

VietNamNet not only had to compete with well-established print newspapers; it also had to struggle to become recognized as a media outlet. There was no precedent at that time for a company to publish a newspaper. According to government regulations, only administrative and Party organizations were allowed to publish newspapers. My strategy for gaining acceptance of

VietNamNet as a news outlet was to take advantage of the unique characteristics of the Internet medium. Above all else this was the speed with which the Internet can communicate information. The power of the Internet as a mode of reporting the news was proven in dramatic fashion in October 2002 when the International Trade Center office building (ITC) in Ho Chi Minh City was destroyed in a fire that claimed dozens of lives. VietNamNet provided continuously updated coverage. So comprehensive was VietNamNet's coverage that Vietnam Television, the national network, had to use our reporting.

Another “competitive advantage” of the Internet seized by Vietnam was the ability to combine information with multimedia and interactive content. The information that VietNamNet could provide to soccer fans—including pictures, sound, schedules, and forums for fans to discuss with each other—was a far more dynamic experience than print newspapers and magazines could provide. VietNamNet also drew upon a large number of international news sources, translating and publishing more content much faster than had ever been seen before. Because Vietnam was only beginning to integrate with the world, most Vietnamese lacked an understanding of international affairs and lacked knowledge of the rest of the world.

Perhaps VietNamNet's most important innovation was the “online roundtable.” The “online roundtable” developed from the online “clubs” described above. Because the length restrictions were less important in online reporting, VietNamNet focused on conducting detailed interviews, combining questions from VietNamNet journalists with questions emailed by users. On December 31, 1999, VietNamNet held its first online interview. Initially,

VietNamNet focused on interviewing cultural figures, musicians, artists, athletes, and celebrities. Over time we began to interview Vietnamese public intellectuals and international commentators. In addition to interviewing Vietnamese newsmakers, VietNamNet focused on international figures. Even the best-regarded Vietnamese newspapers have typically shied away from interviewing foreigners, leaving an attractive niche for VietNamNet. Initially, these interviews were conducted by VietNamNet journalists. A key innovation in the development of the “online roundtable” was the inclusion of questions emailed by readers. Interactive, “user-generated” content was very controversial at the time.¹

VietNamNet’s “online roundtables” soon became venues for debating the hottest economic, social, and political topics of the day. VietNamNet quickly established a reputation for tackling sensitive issues head-on, casting aside the trepidation with which the Vietnamese press typically treated such issues. Representative topics included: the question of whether Communist Party members should be permitted to engage in private enterprise, transparency and meritocracy in the selection of government employees, and national reconciliation. VietNamNet’s interactive forum provided most Vietnamese citizens with their first opportunity to participate in direct questioning of important individuals. This offered Vietnamese readers new perspectives on their leaders. Traditionally, newspapers rarely conducted interviews of senior leaders and when they did, the interviews were tightly scripted in advance. VietNamNet’s interviews were longer and more wide-ranging. After conducting several of these interviews, I added a second innovation: readers

¹ In fact, the editor-in-chief of VietNamNet’s principal rival in the online media space, VietnamExpress, was fired for publishing reader-generated content.

were invited to email questions they would like VietNamNet to ask the interviewee.

Some highlights of VietNamNet's journalism include:

- *Prime Minister Phan Van Khai's historic trip to the United States.* In 1995, Prime Minister Khai became the first Vietnamese head of state to make an official visit to the United States. The Vietnamese public's interest in the trip was immense. It provided an ideal opportunity for VietNamNet to showcase the advantages of electronic journalism. Whereas print publications were beholden to a 24-hour news cycle, VietNamNet could update its coverage on a minute-to-minute basis. On the day that Mr. Khai was received by President George Bush at the White House, VietNamNet recorded a record number of hits and page views: 56,707,321. In addition to written stories, VietNamNet journalists filed spoken reports that were streamed online. This coverage of Mr. Khai's trip was a turning point for VietNamNet because it attracted many new readers and provided a dramatic example of the advantages of online journalism. For the Vietnamese government, it was a powerful example of the power of electronic media.
- *The Unified Law on Investment.* In 2006, the Vietnamese government completed the draft of a sweeping new law on investment. The law was intended to be a breakthrough piece of legislation and a cornerstone of the government's efforts to stimulate economic growth. There was universal agreement that such a law was necessary; until that time the three major ownership models in the economy—state, private and foreign-invested—were subject to different legal and regulatory

frameworks. At the time, Vietnam was poised to enter the World Trade Organization (WTO) and a new and more business-friendly legal environment was needed to attract foreign investment, enhance the international competitiveness of Vietnamese businesses, and comply with international trade law. However, the draft law that the Ministry of Planning and Investment (MPI) presented to the Vietnamese National Assembly did not provide the “level playing field” for state-owned, private, and foreign businesses that was needed. It was riddled with special advantages for the state sector. VietNamNet ran a series of articles analyzing why MPI’s draft was inadequate. The highlight of the series was a wide-ranging interview with Madam Pham Chi Lan, one of Vietnam’s most esteemed advocates for economic reform.

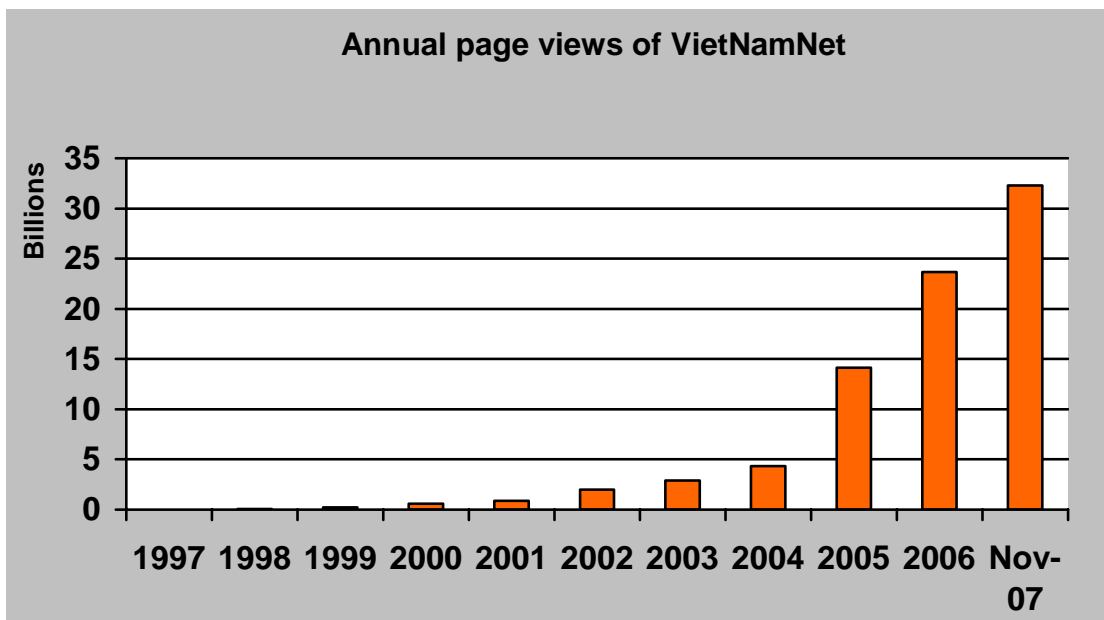
VietNamNet’s articles helped expose the fact that MPI’s draft was clearly biased in favor of certain economic interests. In retrospect, a number of “insiders” concluded that VietNamNet’s incisive coverage was influential in defeating MPI’s draft.

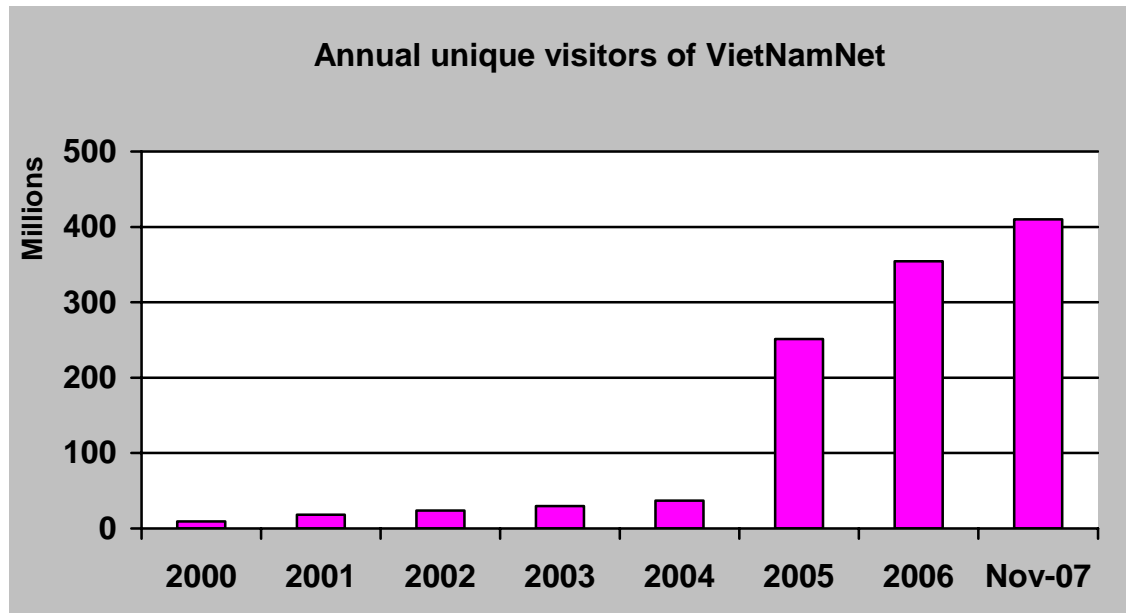
- *Vietnam’s Hurricane Katrina.* In 2006, the province of Ha Tinh in north-central Vietnam was ravaged by very destructive floods resulting in many casualties and widespread destruction. Vietnamese people from around the country donated money and supplies to help the victims of the disaster. A team of VietNamNet reporters discovered that a high percentage of disaster relief funds were siphoned off by corrupt local officials. Despite efforts by local authorities to prevent VietNamNet’s reporters from covering the story, VietNamNet was able to produce clear evidence of government malfeasance and in doing so sparked a

national debate about use of charitable funds and the problem of corruption.

- *The Prime Minister speaks to VietNamNet.* In early 2007, Vietnamese Prime Minister Nguyen Tan Dung became the first Vietnamese head-of-state to participate in an online interview forum. The interview lasted for four straight hours, without a break, during which time VietNamNet recorded 200 million page views from Vietnamese readers inside Vietnam and around the world.

These are just some of VietNamNet's many successes. VietNamNet has become a leading forum for the ongoing national debate about higher education reform. Most recently, VietNamNet has been a leading voice in the debate about user-generated content like blogs. As the graphic below illustrates, VietNamNet's readership has grown steadily over the past decade.





Political and Regulatory Issues

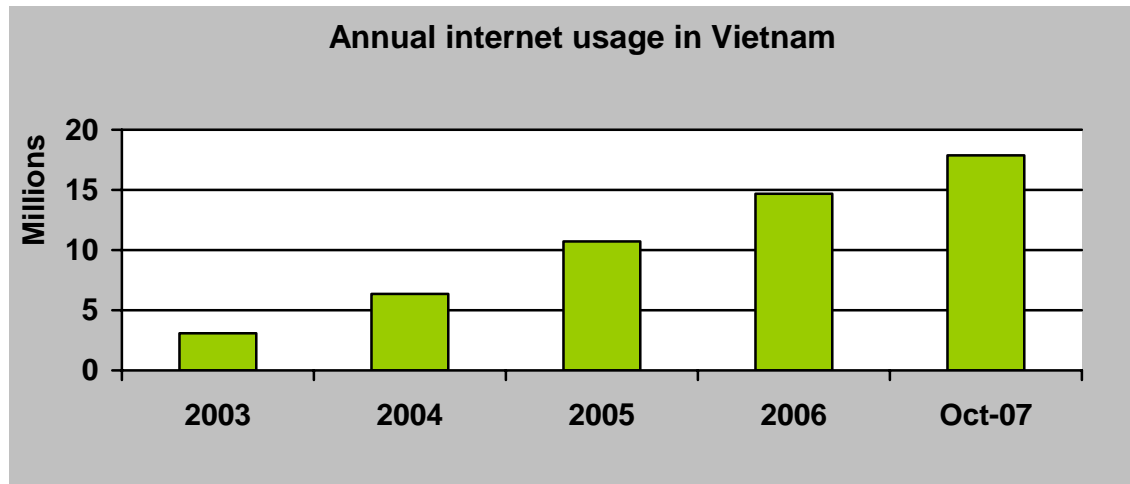
As described above, VietNamNet has established itself in the Vietnamese press by becoming a unique forum for the discussion of public issues. For this forum to be successful, VietNamNet had to be willing to publish viewpoints that push the envelope of politically acceptable discourse. After all, readers will only be interested in these forums if the dialogue is open and constructive. If readers felt that VietNamNet’s forums were “just propaganda,” the project would fail.

Since VietNamNet was established in 1997, the Vietnamese government’s attitude towards the Internet and online media has evolved to one that is perhaps best described as guarded ambivalence. On the one hand, the government recognizes the importance of the Internet as an essential element of the contemporary world. Beginning in 2000, the government began an incremental but determined effort to deregulate the Internet. The first step in this process was the gradual break-up of the monopoly on Internet service provision. From one monopoly provider in 2000, there are now 18 today,

including VNPT, FPT, Netnam, Viettel, EVN, Hanoi Telecom, QTNet, Saigon Postel, OCI, VNGT, VISHIPEL, VTC, SCTV, etc.

This policy of deregulation to increase competition has paid off: in 2006, Vietnam passed China in per capita Internet use. Today more than 20% of the Vietnamese population is online. No developing country has been as successful at bridging the “digital divide” than Vietnam.

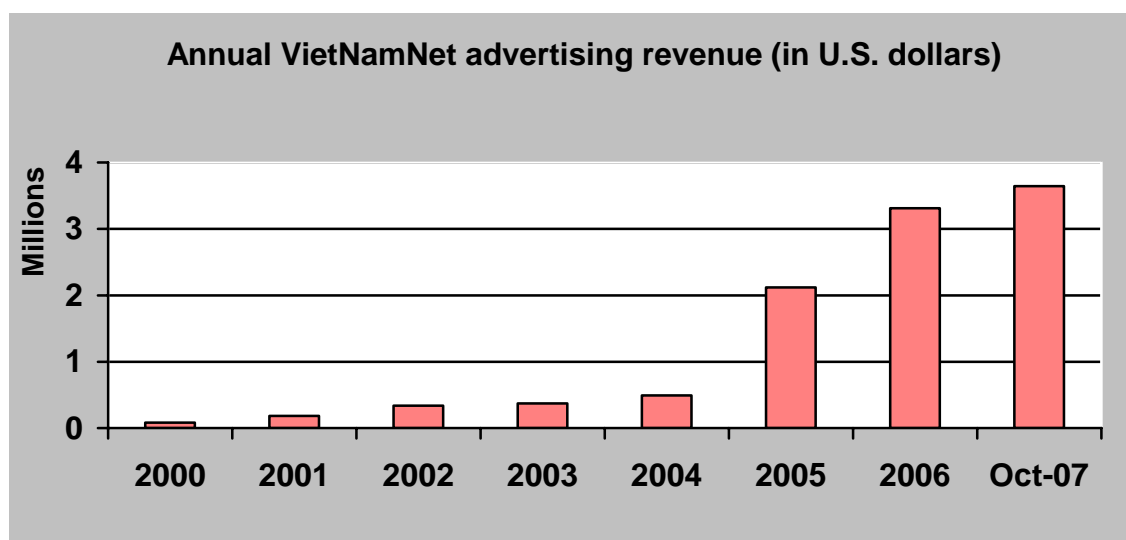
On the other hand, the suspicion with which some government officials viewed VietNet, while lessened, still remains. Online content is monitored closely and several Internet news sites have been penalized for various content-related offenses. It is interesting to note that the government’s concerted efforts to monitor Vietnam-based online media outlets do not extend to international news sites. Vietnamese Internet users have ready access to the websites of major news outlets like the BBC, CNN, and the *New York Times*; only a small number of Vietnamese-language sites operated by overseas Vietnamese groups are blocked. This is in sharp contrast to China, which maintains an extensive firewall that blocks access to most English-language media.



Well-established print newspapers like *Tuoi Tre* enjoy powerful political constituencies that can provide a measure of protection against excessive interference. As a new arrival in the Vietnamese press, VietNamNet lacked this support network, and as such was more vulnerable. Since its establishment, therefore, I have worked to build a broad-based network of supporters while trying not to alienate powerful interest groups. This has proven to be a delicate path to tread. From its inception, VietNamNet has had a pro-reform voice, as reflected in its motto: “respect tradition, reform vigorously.” In keeping with the first half of this motto, VietNamNet has not directly questioned the core tenets of Marxism-Leninism. Because the Vietnamese Communist Party stakes a great deal of its legitimacy on the leadership role it played in Vietnam’s anti-colonial struggle and the wars of resistance against France and United States, VietNamNet has respected the Party’s official view of Vietnamese history. However, VietNamNet has remained a ceaseless advocate of the urgent need for greater reform and enhanced transparency of government decision-making at all levels. In addition to VietNamNet’s role in exposing the weaknesses of the draft investment law in 2006, we have also played an important role in the national dialogue on higher education.

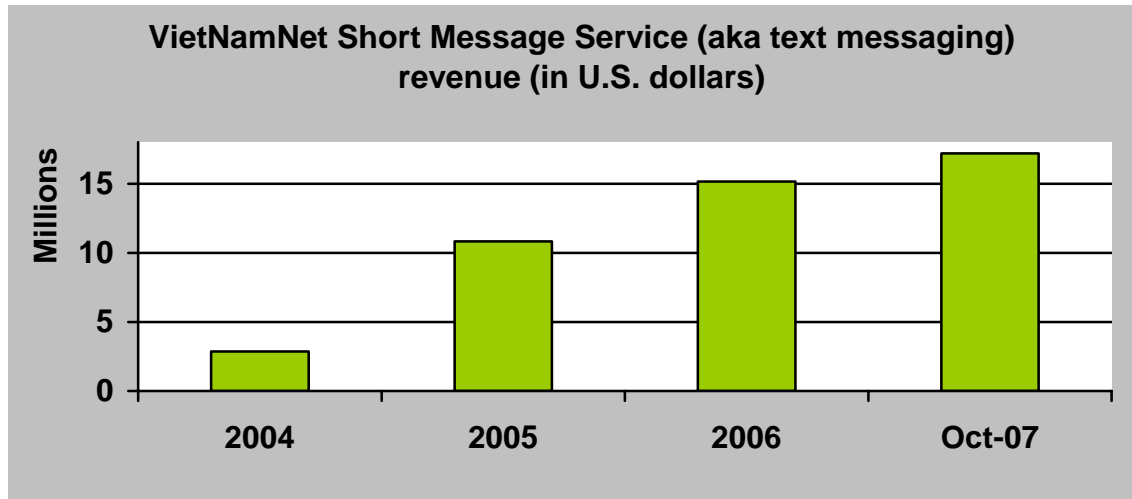
Heading Towards Financial Stability: The Business of VietNamNet

From the outset, VietNamNet's business model was uncertain. One fundamental issue was whether an online media company in a developing but still very poor country could generate enough advertising revenue to cover its operating costs (in the mid-1990s Vietnam's average annual per capita income was under \$500). To date the answer has been no. Advertising revenue has grown steadily, but remains small. I have been able to use income generated by other business units, including Internet service provision, to subsidize VietNamNet's development.



By far the most important source of revenue for VietNamNet is value-added mobile phone services. As the mobile phone sector has been steadily deregulated, and prices have fallen, the demand for mobile phone-based content, including entertainment, information, and ring tones, has grown steadily. In March 2003, VietNamNet created a new business unit,

VietNamNet Mobile, to develop mobile phone services. Today VietNamNet Mobile is an industry leader in this field. This business unit is also VietNamNet's most profitable, generating \$15 million (U.S.) in revenue in 2006.



VietNamNet has also steadily increased its stable of media products. In addition to the flagship portal, we have created VietNamNet Bridge, an English-language news site. Other publications include E-Chip, a monthly print magazine devoted to technology. VietNamNet Sport covers Vietnamese and international sporting news. VietNamNet Week is an online publication that specializes in longer investigative and analytical journalism. VietNamNet has also expanded its range of content distribution vehicles. VietNamNet Mobile distributed content on-demand over mobile phones. VietNamNet TV features video content that is developed by VietNamNet correspondents. VietNamNet TV currently offers 16 hours of programming on cable television in Hanoi and Ho Chi Minh City.

**PART FIVE: VietNamNet—The Next
Five Years**

Opportunities

In October 2007, VietNamNet published a series of articles about blogs, with the theme that blogs are a manifestation of a modern, integrated society and should not be considered a threat. Blogs should not be banned; instead bloggers should be encouraged to identify themselves and to take responsibility for their words. This series, which included an interview with the Deputy Minister of Communications and Information, sought to foster a serious dialogue about blogs and, by extension, the importance of personal expression. The Vietnamese government now accepts blogs. Blogs may be viewed as a step towards greater public expression in Vietnam. In a continued reflection of its reformist editorial platform, VietNamNet’s objective is to foster “global citizens.”

VietNamNet’s concept of “global citizens” is defined by the following features. The Vietnamese people live in a world that is thoroughly integrated and therefore must be responsible not only to Vietnam but to all other nations in the world. Every Vietnamese person from the youngest of children must recognize that to survive, and to become a modern and prosperous nation, Vietnam must take advantage not only of natural resources but of global knowledge and values. Vietnam must learn from the economic models of New York City and Silicon Valley, from the U.S. as a whole, and from the examples set by small, beautiful nations like Switzerland. Vietnamese citizens must appreciate and welcome contributions from people around the world, and

Vietnam must create original, uniquely national values in order to contribute to global advancement.

In the next five years, the Internet and mobile communication will have the potential to bring great changes to Vietnam, and VietNamNet will be a pioneer in making these changes possible. Up to 70% of the Vietnamese population may become Internet users; 60% are likely to become mobile phone users. It is not difficult to imagine some of these changes. Rural dwellers will be able to access the Internet from the villages, in fact they may be able to receive information and news on their mobile phones, and watch engaging video content provided by VietNamNet or by international media outlets such as ABC, CBS, and NBC. The Internet will surely bring them economic benefits as well, enabling them to make more informed business decisions, to create websites and market and sell their products, collectively or individually. With computers or mobile phones, rural residents, including people in the most isolated regions of the country, will be able to write blogs and participate in dialogues and discussions with politicians, leaders, and scholars. The continued spread of Internet access and mobile communication devices can have a revolutionary impact on education; Vietnamese citizens will be able to study foreign languages such as English over the Internet, building their vocabularies and improving their communication skills. Vietnamese companies and individuals can form a “private sector press” on the Internet through websites and blogs. When this comes about, the survival of media outlets will not be determined by whether or not they have permission.

VietNamNet’s business model will continue to evolve over the next five years, focused on two key business units: VietNamNet Editorial and VietNamNet

Group. VietNamNet Editorial will be wholly owned by the state; its core activities will include the following. First, VietNamNet Editorial will bear responsibility for editorial matters, including political and social content. It will also be responsible for all other electronic and print publications produced using VietNamNet's publishing license. It will also represent the state's ownership stake in joint ventures with external partners. VietNamNet Group will be composed of several subsidiary companies including VietNamNet Media Joint Stock Company (providing value-added mobile phone services like SMS (Short Message Service, aka text messages), ring tones, images, lottery and soccer results, and games); and VietNamNet Investment Joint Stock Company (investing in profitable endeavors like mergers and acquisitions, real estate and property development).

VietNamNet Global will be established in 2008, with the objective of producing business, sports, and entertainment content for all platforms (Internet, television, print, and mobile). It will seek to develop VietNamNet into the largest web portal in Vietnam. Its many value added services will include: advertising (including classifieds) and public relations, VietNamNet branded event management, Internet and mobile phone marketing, e-learning, and publishing.

Challenges

VietNamNet faces a number of challenges. One challenge is domestic and foreign competition. VietNamNet is today the most popular online news site, but its position is certainly not assured. As noted above, Vietnam's major daily newspapers like *Tuoi Tre* and *Thanh Nien* were quick to establish their own Internet presence. While their websites initially featured print content, they

have been increasing the amount of Internet-specific content, including interactive forums of the type pioneered by VietNamNet. The terms of Vietnam's accession to the WTO allowed Vietnam to bar 100% foreign ownership of media sites. Nevertheless, international media conglomerates like Yahoo! are beginning to expand their presence in Vietnam through partnerships with Vietnamese media companies.

Political and regulatory issues will remain a challenge into the foreseeable future. Although the overall trend appears to be moving steadily in the direction of greater press freedom, the government will continue to monitor Internet-based content closely.

The competition for talent will remain a significant challenge for VietNamNet. The crisis in Vietnamese higher education means that most Vietnamese university graduates lack the basic writing, researching, and analytical skills that a good reporter needs. Individuals who possess these talents will be in high demand, not only in media outlets but also in other business sectors.

Over the past ten years, the Internet has brought much that is new to Vietnam: new thinking, new lifestyles, and new competitiveness; most importantly, the Internet has helped put Vietnam on an upward trajectory. VietNamNet is proud to have contributed to this ongoing transformation and looks forward to greater contributions in the time to come.