Adam Fforde

Post Cold War Vietnam:
Stay Low, Learn, Adapt And Try To Have Fun –
But What About The Party?

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Professor Mark R. Thompson

**Southeast Asia Research Centre**
The City University of Hong Kong
83 Tat Chee Avenue
Kowloon Tong, Hong Kong SAR
Tel: (852 3442 6106
Fax: (852) 3442 0103
http://www.cityu.edu.hk/searc
POST COLD WAR VIETNAM: STAY LOW, LEARN, ADAPT AND TRY TO HAVE FUN – BUT WHAT ABOUT THE PARTY?

Prof Adam Fforde
Centre for Strategic Economic Studies, Victoria University, Australia
(Also – Principal Fellow, Asia Institute (Honorary Position), University of Melbourne, Australia)
adam@aduki.com.au


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Abstract

The paper argues that the gathering importance of problems of governance in Vietnam is best explained by the changing requirements placed upon the political set-up and so in particular upon the ruling Vietnamese Communist Party and the great difficulties both governed and government face in meeting this challenge. Whilst the transition to market economy in the 1980s combined a series of tactical retreats by conservatives pushed by growing commercial forces, after the fall of the Soviet Union the 1990s saw rapid economic growth without either the significant emergence of new social forces requiring political accommodation or fundamental Party reform. But in the first decade of the new millennium new problems and opportunities arose as the country moved towards the transition towards ‘middle income’ status. So far, a powerful growth in the private sector, far greater openness and social dynamism has not been clearly reflected in changes in Party political thinking, and it is increasingly possible to argue that the main challenge facing the Vietnamese Communist Party is in finding new political strategies so as to move on from techniques of rule that remain based upon Leninist architectural principles, no longer so helpful in governing within a polity now far-removed from Soviet era realities.
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PART I – CONTEXTS

“At any point in time, the range of opinion within a ruling Communist Party is at least as great as that within the general population, and, at times of crisis, certainly greater”

Suzanne H. Paine, ca 1980, oral communication to one of her PhD student’s (me)

INTRODUCTION AND INITIAL THOUGHTS

State-based Communist rule formally existed in the so-called ‘north’ from 1954 to 1976, under the Democratic Republic Of Vietnam (DRV) and then after national reunification in 1975 throughout the whole country under the Socialist Republic Of Vietnam (SRV). Vietnamese Communists had played a major role in the Viet Minh in defeating the French, and in 1976 they emerged to merge the DRV’s Viet Nam Workers’ Party with southern elements to form the Vietnamese Communist Party (VCP) at the so-called IVth National Congress in 1976.

It is self-evident that since the emergence of a market economy in 1989-91 the Vietnamese have emerged onto the world scene with the vigour that one should expect from a nation that defeated the US, and which despite adopting many ‘North East Asian’ cultural elements from China in many ways remains resolutely Southeast Asian in cultures and attitudes. The population has learnt to stay low, learn, adapt and try to have fun, helped by trend rates of GDP growth near 8% (at least until around 2008), a flexible national labour market, good food and blasts of global cultural diversity.

Surveys have been showing that the population says that they are happy, and like their market economy, although in recent years they appear increasingly fed up with the ruling Vietnamese Communist Party and in recent months very fed up indeed with macroeconomic instability, apparently incorrigible corruption and fears of Chinese penetration of their ruling elites.1 But, one can ask, what about the Party, and this is a good question, for although we are now a long way from the once familiar theatre of Soviet development norms and practices, Mac-Le-nin is still an obligatory subject in schools and little of the formal political set-up has changed.

This conference asks us to consider two issues:

1. Which lessons did the ruling communist parties learn from the demise of the CPSU that would help them prevent the demise of their own regime?

2. How did the ruling elites in Third World countries adapt to the loss of Soviet assistance?

Here I focus upon Vietnam and largely leave the generalisations to others. It seems to me though that the Vietnamese case is interesting mainly because Vietnam’s problems of governance, especially severe since the return of macroeconomic instability since around 2007, suggest that what

1 This is shown by a number of opinion surveys that there is little apparent reason to disbelieve – for example Goertzel 2006 reports, based upon the Pew Global Attitudes Project, the finding that “Brazilians are divided in their opinions about the market economy, with 56% in the Pew survey agreeing that “most people are better off in a free market economy, even though some people are rich and some are poor”. Only 26.7% of the Argentines shared this sentiment in the midst of their economic crisis, as compared to 72.1% in the United States and a remarkable 95.4% in Vietnam, 43.6% in India, 54.2% in Bolivia and 62.8% in Venezuela. The Pew researchers were unable to include this and many other interesting items in their China sample.” [Goertzel: 4-5]. More recent data from Pew reported a 71% favourable attitude to the US amongst Vietnamese [http://www.pewglobal.org/database/?indicator=1&country=239].

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some may see as the success of the VCP in preserving itself in power after 1991 may rather be seen as a failure to adapt to the political and social requirements of change that is based upon markets and globalisation, rather than the familiar ideologies and institutions of a Soviet Union ‘building socialism in one country’. It is plausible that in this somewhat longer historical perspective it may be said that the CPSU was successful, not the VCP.

Consider Gorbachev, 2002:

“... the slogan adopted at the beginning by the entire party (both as a social organism and as a mechanism of power), namely, that the initiating and driving force of perestroika was and must be the Communists and their power, was in practice carried out inconsistently, although millions of Communists, despite the mechanism of power, were in favour of the new policy. They often did not know how to carry it out and besides without the party structure, the apparatus and the nomenklatura, they were, strictly speaking, powerless. The party itself as a mechanism of power, and a large part of the nomenklatura, became a barrier, an obstruction on the road of reform.’ p.104 et seq ... stress added

Thus, if we reflect upon the two questions above, though, especially given the way they are framed, they seem to suggest that a Communist Party (CP) that managed to stay in power after 1991 should be seen as successful. This can indeed be debated. The removal of the CPSU from power was in large part done by Communist leaders themselves, crucially Gorbachev and then Yeltsin, if not the Party itself (see below), though I am discussing here historical processes that were complex and remain contentious.

If the problems of the VCP, and Vietnam, since 1989-91 and increasingly through the ‘noughties’ (the first decade of the 2000s) have been to do with the fundamentally political challenges of how to govern, and be governed, in a globalising market economy, then one might expect these to have as their nub the question of domestic sovereignty. By this I try to follow Hinsley (1986) and mean the idea that forms historically under similar but different circumstances:

If we wish to explain why men have thought of power in terms of sovereignty we have but to explain why they have assumed that there was a final and absolute authority in their society – and why they have not always done so ...

FH Hinsley Sovereignty 1986:1

This perspective is heightened by the argument that it was the failure, in Gorbachev’s eyes, of the CPSU to respond properly to his reformist leadership that led him to take steps to remove it from power. This takes us back to interesting ideas about the nature of political power in Soviet regimes, and to try and match the sense that in many ways this power is enormous with the idea that, for all that, they contain powerfully conservative forces, which limit the discretionary power of the leadership and so the CPSU as a reformist, or radical, force (e.g. McAuley 1977). In another register, the Soviet system was set up to build steel mills and to defend the fatherland, so doing anything else was a very big ask. It may be argued that the experiences of the VCP and the Vietnamese since 1989-91 through light on these aspects of Soviet politics. As General Secretary of the CPSU

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2 I am sure that there are many whose expertise on this matter is far greater than mine. My view is influenced by my reading of Ed Elman and Kantorovich 1998, which is largely made up of histories written by senior (but not peak level) CPSU officials. This book is the starting-off point for Fforde 2009b. See Fforde 2009d for a discussion with somebody far better informed on Soviet and Eastern European, as well as Chinese, histories.
Gorbachev thought he had power, but in the end, change required the CPSU (or rather some of those within it) to step outside the box and secure political authority and power to effect radical change. But we should not forget that these changes were deeply associated with the CPSU itself, which is why I think Gorbachev’s analysis and remarks are so interesting. It is quite possible to appreciate how members of the CPSU should have wanted to see the end of the existing Soviet system, even if what was to follow it was far from clear.

So we need to ask whether and in what sense other ruling Communists may actually have wanted to ‘prevent the demise of their own regime’. What is the point of holding power if you cannot use it to do what you want to do? Central here are the issues of weak domestic sovereignty that I have argued are central to understanding change processes in Vietnam and the position of the VCP (e.g. Fforde 1986, 2004 and more recently 2009c).

If the first question encourages reflection on just what is meant by success and failure, leading to unexpected conclusions, perhaps equally intriguing surprises come from reflecting on the second question. Certainly, after Soviet bloc aid had largely replaced the lost Chinese and Western assistance in the early 1980s Vietnam was easily referred to as ‘aid dependent’ (Fforde 1985). Food rationing, largely dependent upon imports paid for by aid, continued until the very late 1980s, if not a little later. Compared with China, the starting-point of economic commercialisation was one of very limited domestic resource mobilisation into the planning system, and a high proportion of those resources came from aid (Fforde 1999): Vietnamese planners up until the end were largely concerned with sharing out the import program rather than allocating increasing volumes of investable resources drawn from the ‘expanded production of means of production’ (Fforde and Paine 1987; Fforde 2007; de Vylde and Fforde 1996). And all this occurred in a so-called planned economy that had seen the first signs of spontaneous commercialisation in the north as far back as the first Five Year Plan (FYP) in the early 1960s, as State Owned Enterprises (SOEs) were criticised, as free market prices rose well above state prices, for ‘running to the market’ (di chay hang sen) (Fforde 2007).

In economic terms, analyses that focus upon marketisation suggest that the loss of Soviet bloc economic assistance acted positively, as the final ‘tipping over the edge’ of powerful economic processes to economic marketisation that arguably go back to the early 1960s in the north. Indeed it may be argued that this assistance, from perhaps the mid 1980s, was a severe brake upon such forces. But how were these processes linked to others? What is striking about Vietnamese accounts of the 1980s transition ‘from plan to market’ is how little they have to say about politics.3

So, in developing a historical account, there remains the question of how such economic changes may be thought of as the effects – rather than the causes – of other socio-historical processes. The Australian academic Melanie Beresford somewhere refers to one of the initial kicks at the central-

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3 There are many examples – a good one is Dao Xuan Sam and Vu Quoc Tuan Ed. 2008. See also Dang Phong’s two volumes on economic thought. Such works started to appear from the middle of the ‘noughties’ and prompt reflection, in that they assert the intentionality of Doi moi and tended not to appear earlier (contrast perhaps the view of Le Duc Thuy in Ljunggren 1993), that the core issue here is to assert the political importance of intentionality at a time when political realities were suggesting that many pigeons were coming home to roost as the issue of domestic sovereignty started to gain gathering power.
planning model - the refusal to extract rice from southern farmers ‘at the point of the bayonet’ - as a ‘procurement strike’ by Mekong Delta provincial Party leaders.

Thus, I argue below that the gathering political tensions in Vietnam from the mid ‘noughties’, actually did not reflect lessons learnt from the demise of the CPSU. More plausibly, they suggest an inability - or unwillingness – (but I tend to the former explanation) to learn from how Soviet experience had led many Soviet Communists, such as those around Gorbachev and Yeltsin, to focus upon political rather than economic issues. There they concluded that effective exercise of political power as they wanted to wield it was impossible with Soviet political institutions, given their limitations. Indeed, the rapid growth of the Vietnamese economy from around 1992 to the late 2010s suggests that, freed of the institutional burdens associated with Soviet assistance, Vietnamese commercial forces were strong enough (given a suitable local environment) to engage profitably with the opportunities offered by an increasingly global economic engagement. Thus the economic growth slowdown in the late ‘noughties’, and the deteriorating economic efficiency through the two decades after 1989-91, may be interpreted as the effect of political and socio-historical factors.

The key to understanding this perhaps surprising picture is probably to appreciate two central points.

First, that Vietnam’s development success over the approximate period 1992-2007, and the preceding successful transition to a market economy over the approximate period 1979-91, was largely due, not to a conscious series of political initiatives on the part of the VCP, but to its tactical retreat from a traditional ‘neo-Stalinist’ stance in the face of forces more powerful than itself. This retreat was facilitated by the creation of a local ‘transition ideology’ that was almost entirely economic in nature, which offered an explanation as to how VCP political authority could co-exist with a market economy. Logically, this authority was being deployed in a reactive rather than a proactive manner - and these are not at all the same things.

Second, and by contrast to the leaders of the CPSU, the political implications and requirements for change of such an abandonment of traditional neo-Stalinist norms were not part of VCP strategy. Arguably this gave hostages to fortune as the VCP’s authority steadily eroded; with no ideological replacement for socialist construction that could drive the system, the ‘noughties’ saw increasing incoherence and weakening of domestic sovereignty.5

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4 I prefer to add ‘neo’ to ‘Stalinist’ as it appears to me that both the formal political institutions and how they were intended to be used in practice that the VCP saw in the USSR in the 1950s were, in that they contained important checks and balances designed to prevent ‘Stalin’s’ and Mao’s’, not actually Stalinist. Scholars like McAuley (1977) and others argued long ago that the pattern of ‘structural (co cou) representation’ of insider groups or blocs (khôi) ensured that these insider interests were associated and articulated in bodies such as Central Committees and the Politburo, and their local equivalents. Bodies such as the Mass Organisations (Đoàn the) were not irrelevant – indeed, Gorbachev own political career relied upon them. This politics presumably aimed at permitting a concentration of authority upon socialist construction whilst avoiding the very real risks associated with that concentration of power that had been experienced under Stalin himself.

5 Consultancy work done by me for UNDP Hanoi in 2008-2009 on the Law on Cadres and Public Servants showed very clearly the confusion as to roles and hierarchy throughout the Party/State apparat.
Analytically, the central issue is perhaps a need to understand how the formal political institutions of a Leninist ruling Communist Party, combined with what could be called its ‘practices’, fit into an understanding of recent change. The two core elements of this appear to be:

First, the meaning of the apparent failure during the 1990s to create a ‘new’ development ideology that could in some way replace traditional socialist construction; and -

Second, the meaning of the failure of this politics to prevent a breakdown of internal hierarchy and, as corruption mounted, severe erosion of domestic sovereignty through the ‘noughties’.

Neither of these two issues may be understood without reference to the USSR, but neither also does the importance of the USSR to the Vietnamese experience translate neatly into the two questions given to us as the focus of the conference – which is to say that trying to deal with this provocation is a very useful analytical exercise.

Let me return to these positions after a discussion of recent Vietnamese history.

VIETNAM – HOW TO ENGAGE WITH UNDERSTANDING THE COUNTRY?

GENERAL REFLECTIONS

Given the focus of interest here upon the legacy of the Soviet Union, it is worth asking just what the important characteristics of Vietnam are, as an object of analysis; many of these questions may be seen to turn on the analysts’ own perspectives.

Is Vietnam large or small? For those conscious of her position on the southern border of the emerging, according to some, Chinese mega-power, she appears small. Yet with over 80 million people she may also appear rather large – this is a great population than any member of the EU, for example.

Another issue is whether Vietnam is seen as having being, recently, a ‘success’ or a ‘failure’? Since 1989-91 GDP has risen very quickly (though the early 1980s also saw rather fast growth), numbers recorded as being in poverty have fallen sharply, and the country has just transitioned to ‘middle-income’ status. Yet this is also a country where there are no freedoms of association, legally, yet Vietnamese generally appear relatively happy. In the late 1990s, in the period just before the Asian Financial Crisis which largely coincided with the rural unrest of 1997, there was much discussion of the apparently low quality of growth in Vietnam. In the aftermath, which saw purposeful action to channel development resources into the rural areas and to push exports into new markets, we saw a typical cycle of donor views. The World Bank, leading up to a major lending program, platformed on the pessimism to pitch the idea that reformers should be supported, and so justify the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) that started in the early ‘noughties’. This ‘optimism’ then steadily eroded, culminating in the macroeconomic instability and

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6 Although strictly speaking this does not measure human happiness, here and now, in 2009 they were globally ranked fifth on the Happy Planet Index - [http://en.wikipedia.org/wiki/Happy_Planet_Index#International_rankings](http://en.wikipedia.org/wiki/Happy_Planet_Index#International_rankings). The USA was ranked 114.
concerns about weak governance, corruption and widening social differentials from around 2007, again perhaps coincidentally the same time as another international financial crisis, the GFC.

What is Vietnam ‘like’ - what are the possible ‘comparators’? Those who work on the country are well aware of the ways in which various academic realms at times seek to engage with the country. Up until 1989-91 Vietnam was, relatively comfortably, accessible to Soviet Studies; but Southeast Asianists were also engaged. There is a perennial discussion as to how trying to understand the country benefits from seeing Vietnam as part of the ‘north East Asian’ area of concerns, given her Sinic cultural aspects and the presence of Confucian referents (Woodside 2006).

Whilst academia naturally responds to the varying knowledge resources of its members, here, taking the viewpoint that chooses approaches with reference to the subjective goal of understanding, one can ask what the point of these distinctions, and for me the central issue is what drives change in Vietnam, and what the main challenges are, with reference to what seems to be concerning the Vietnamese themselves. But this of course is an open question. As such, it is of course very much a political question, and one could go so far as to say that what appears as a strong emphasis upon economic change rather reflects tensions and probably unresolved issues in other areas, crucially the political, where the questions of authority and agency associated with changes to a political order are central.7

This then suggests that we need to re-examine Soviet (CPSU) political projects of the late 1980s, and to contrast the political aspects of these with VCP overt focus upon the economic.

VIETNAM FROM A ‘SOVIET PERSPECTIVE’?

If we consider change processes and seek for how these may be said (by participants as well as the outside analysts) to contain intentionality, then the dominant ideas of the late 1980s CPSU ‘project’ are of course well known.

It is interesting in hindsight to re-read work by Mlynar, a leading thinker behind the reform Communism of the Prague Spring that culminated in military intervention under the Brezhnev Doctrine. Mlynar was too young to have seen much fighting in WWII, was a young Communist and a believer, and was sent as one of the first groups of young cadres to study in Moscow in the late 1940s. There he met Gorbachev, which was important. Many years later, after Mlynar had left Czechoslovakia, after spending years after the Prague Spring in menial jobs, become part of the Charter77 Movement and then been encouraged to leave for Austria, he was one of the very few people who Western politicians like Margaret Thatcher could use to find out about Gorbachev and what made him ‘tick’. Mlynar returned from Moscow in the early 1950s to discover, for him, that the young believers of his generation could now see how political leadership in Communist Czechoslovakia had become entrenched and, for him, self-serving in its jobs, corporate bureaucratic positions and politics. What he had learnt in Moscow was the pragmatic set of prescriptions and proscriptions that allowed Soviet institutions to run, and to rule. Soviet Law, like Chinese Legalism, was to do with order and instruction of and to its citizens. With the corporatist structures of the

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7 Thus Rodrik 1996 arguing that economists should wait for times of political crisis, for then they have good opportunities to insert their desired reforms without too much fear of political interference.
Mass Organisations, the developmental power of central-planning and the coercive practices of the KGB or its local equivalent, this could ‘construct socialism’.

Mlynar is very illuminating on this:

... Soviet law schools ... turn out “legal specialists,” people who know what regulations the authorities have laid down for given cases ... In effect, Soviet law schools produced qualified bureaucrats.

In the five years it took me to become a “legal specialist,”, that is, a qualified, Soviet-style bureaucrat, {the experience provided me} with a concrete idea of how Soviet bureaucracy administers society.

... Everything was relatively well thought-out and, above all, regulated in great detail. Many of the questions I brought with me to Moscow – about how, practically speaking, this or that problem in everyday life would be dealt with under socialism, how the work process, and other processes, would be regulated (things that neither Lenin nor Stalin ever write concretely about) – seemed to receive answers here.

Mlynar 1980:18-19

It is clear that, for Mlynar, at the time a believer in Marxism-Leninism, this bureaucratic conservativism had strongly negative aspects.

... the essential problem was ... the insolence of Soviet bureaucrats ... their undisguised content for the petitioners in line for the required “bumazhky” or rubber stamps – their crudeness, incompetence and arrogance ...

Mlynar 1980:19

Further, as I have already mentioned, this was a political system that was strictly speaking not Stalinist. With obvious exceptions, the political leaders of Eastern Europe, and one might add those of a Communist Vietnam that usually maintained a certain orthodox constitutionality by contrast to China, were embedded in structures that, through ‘structure’ (co cau) ensured that insider interests were associated and expressed in peak bodies. Mlynar himself rose through the system and was a member of the Dubcek inner circle that was told, when summoned to Moscow, that Russian soldiers had not died fighting the Nazis only to see their protective satellites get away with disloyalty.

Whether one reads Mlynar’s excellent autobiography (in English Nightfrost in Prague) or the 2002 conversations with Gorbachev it seems to me quiet clear that he is best viewed as a reform Communist, seeking to use Party power to reform socialism so as to make it, in a word, democratic. His assumption, perhaps laughable to some but I feel respectable for all that, is that the population would, if offered democracy, support socialism. As a political project, this is not nonsensical, but of course in 1968 the (from a Soviet point of view) toxic mixture of reform Communism, popular support and the position of Czechoslovakia within Soviet calculations of international geopolitics led them to decide upon military intervention. Like 1956 in Hungary, this clearly led many people who had been believers to draw negative conclusions about the value of Soviet Communism.

Thus we find important opinions driving political thinking in the USSR in the second half of the 1980s that are not solely concerned with the preservation of CPSU rule. At the 27th CPSU Congress, held in February 1986, Gorbachev and his supporters were already in power, and the quote from Gorbachev above refers to the constitutional decisions taken then, with due reference to process, which were radical in far more than a limited economic sense. From now on we find this direction expressed in
the famous terms *perestroika* (restructuring, mainly referring to decentralisation of economic and political power), *glasnost* (openness, mainly referring to government open to popular view and criticism), and *demokratizatsiya* (democratisation, mainly referring to the introduction of democratic elements into the Soviet political structures, such as multi-candidate inner-Party elections). This is an overtly and avowedly political reform project.

The parallel time-line in Vietnam saw the 1986 VIth Party Congress commit to ‘reform’ (*doi moi*) and the new General Secretary Nguyen Van Linh usher in, *without any major change in formal non-economic ideology*, what amounted to a de-Stalinisation of everyday life. This meant that the heavy political controls on everyday life (such as regarding movement and travel, access to foreign information, contacts with foreigners etc) were de facto removed.

At the 28th Congress in 1990, the Gorbachev group had become far more powerful within the Party and far less interested in any longer seeking to bring conservatives with it. Thus, at the 1st Plenum held in July of that year, the new Central Committee replaced the entire Politburo apart from Gorbachev. Following the logic of the program, and to cut a detailed story very short, through 1990 we find the Gorbachev group extending its authority by combining its position within the apparat with increased popular support, so that by the time of the coup in 1991 the conservative opposition did not have enough power to overcome Yeltsin’s authority, as, being the recently democratically elected President of the Russian Supreme Soviet, he was able to lead forces opposed to the coup.

As I have already stated, I am sure that many people know this history far better than I do. My point is that, as Gorbachev says, we can see in this a relatively coherent political project pushed by people who, like reform Communists such as Mlynar, sought effective popular support through various means, within which political change with that goal in mind was central. The aim was to enhance and change Communist power by attaining popular authority through a democratic process.

For my purposes here my main need is to stress how in Vietnam there is a clear lack of top-down purpose in the period 1976-1989-91 *when viewed in a way that seeks to characterise that change process itself as a process of ‘reform’.*

Fforde 2009a and 2009b discuss this in detail, as does de Vylder and Fforde 1996. If there was a decisive moment, then it was probably that taken at the 6th Plenum in 1979 (not the 1986 VIth Congress)9 that in effect allowed SOEs and cooperatives to do anything that would lead to significant increases in output. This in effect tolerated the procurement strikes in the Mekong delta already mentioned that, by reducing rice supplies to the State, were pushing resources towards markets and away from the formal authority of the Party and its State. In a political sense, erosion of domestic sovereignty was traded for a better life. Put another way, VCP members would continue to retreat, often profitably, from socialism under pressure from commercialisation.

The structural economic effects of this could be analysed and explicaded (Fforde 2009b) and thus rationalised. But this did not offer any clear answer to questions about where political authority would in future come from as the formal powers of political institutions eroded. Clearly, one would expect generational factors to be important. Le Duan, the General Secretary who died in 1986, had

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9 See also the chapter by Le Duc Thuy in Ed. Ljunggren 1993.

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come up through the struggle against the French, come to the peak in 1960 after the debacle of the Land Reform, and was man of considerable prestige and personal authority – a wartime leader. After the short interregnum of Truong Chinh, a man of equivalent prestige but whose political style was more ideological, which did not prevent him from returning to the peak position by promising to support the continued retreat from traditional Socialism, the Party-Secretary until 1991, Nguyen van Linh, was also a wartime leader.

Through the 1990s key leaders such as Do Muoi and Vo van Kiet were still individually authoritative, but of lower ranking. It was not until Le Kha Phieiu became General Secretary in 1997 that wartime prestige starts to become far less important and political leaders increasingly clearly creatures of the apparat.

PART II – VIETNAM AFTER THE USSR


I am not arguing that economics is unimportant, rather that it is the political implications of the shift to a market economy that need to be placed centre stage. As ever, economic issues were in many ways the effects of conditions elsewhere. And here the events around 2007 are particularly interesting. From around 1992, when SOEs were forced to pay positive real interest rates on loans, until around 2007 there much that was paradoxical about change in Vietnam.

Consider the following: there was rapid economic growth of around 6-8% yearly; the recorded state share of GDP was rising or stable (depends on the period); and there was macroeconomic stability. This is very unusual. There was low inflation, a rather stable exchange rate, and positive real interest rates. There were no ‘big distortions’ to the economy favourable to the state sector and/or other politically-favoured groups - cheap credit, cheap $s, cheap labour (such as state urban workers enjoying subsidised food, power etc). But all this started to change around 2007/8 ... so the paradox points somewhere ... If this was ‘Latin America’ or ‘sub-Saharan Africa’, this would be thought by many not be possible.

The most likely explanation for this is the idea that the political authority of the VCP and its top leadership structures, and so its hierarchical coherence, was slowly being eroded.

Various factors support this view.

First, unlike China, Vietnam started her shift away from ‘central-planning’ with very low levels of domestic savings, high aid dependency and a tax base in crisis. This meant that political relationships were far less easily driven by flows of resources.

Second, there is as I have argued little evidence that ‘policy’ drove change in Vietnam – this suggests that we can learn from thinking of the economy as an ‘effect’, so that recent macroeconomic instability is interesting – what has changed?
PROBLEMS OF ANALYTICAL FRAMEWORKS - FAILURES OF PREDICTION

THE ‘KNOWN UNKNOWNS’?

The idea that the VCP is best seen as a political institution that tempers its formal conservatism with over two decades of tactical retreat in the face of profitable engagement with commercialisation and other sources of corruption is perhaps surprising. But this view is supported by the general failure of orthodox views to cope with various important issues.

In 1975-76, with national reunification after the defeat of the US and the Saigon regime, most experts expected there to be rapid traditional Communist development (steel mills, forced industrialisation), made easier by access to the south and rice surpluses. Had anybody said that by 1979-80 the situation would be one of rapid emergence of market relations, they would have been laughed out of the seminar room.

In 1981, had anybody predicted that by 1986 the Party would have announced commitment to a market economy ... they would have been laughed out of the seminar room.

In 1986, had anybody predicted that in 1989-91 the large Soviet aid program would be lost, and then the USSR itself, and then the Vietnamese economy would rapidly start growing fast ... they would have been laughed out of the seminar room.

And, in 1991, had anybody predicted that rural unrest in 1997 would force a shift in growth priorities that would see large volumes of funds channelled into the rural areas ...

And, had anybody predicted that by the end of the 2000s what could be called crucial aspects of an emergent (but as yet formally unaccepted) civil society were clear ... ?? (Fforde 2011a). One can point to the fact that Vietnamese informal farmers’ groups were by then be well-established, creating a base for independent rural leaders. At village level, elections would increasingly see leaders elected in ways that gave them popular support. And in a number of localities, local leaders would be pushing for their direct election.

Does this start to look like the program of the 27th Congress of the CPSU, but without the explicit political program, and with largely unreformed Soviet institutions?

What these predictive failures suggest is that it is probably better to see change in Vietnam without using the spectacles that assume that change is reform-driven, and so assume that what one is watching is a coherent exercise of political power.

To quote Martin Rama:

... rapid economic and social change are not incompatible with a resilience of political power and culture. He convincingly argues that scholarly language about “reforms” misses the point, because what is at play is a continuous reworking of existing power structures.

Martin Rama, Lead Economist of the World Bank for Vietnam from 2002 to 2010, endorsement to Gainsborough 2010
Gainsborough 2007 argues that it was by the mid ‘noughties’ impossible to analyse VCP politics in terms that allowed for any reference to policy differences; it was all about ‘spoils’. I read this as meaning that by then VCP internal coherence had little to do with any strategic logic, so hierarchy was extremely weak and coherent intentional acts both rare and, if sought, unlikely to happen. Domestic sovereignty, if understood as the political concept that there is and should be “a final and absolute authority in their society” (to again quote Hinsley), could not then drive change processes through a founding of intentionality upon such an authority.

If we use the pithy Vietnamese expression for structural insubordination (tren bao duoi khong nghe – literally – ‘the superior level instructs but the lower level does not listen’), and consider that it is one meaning of sovereignty that, when it matters, the lower level both must and will also tend to listen, then the issue is perhaps clearer.

**IMPLICATIONS? REACTIVE NOT PROACTIVE POLITICS**

The issue here is the notion of *intentionality* – the assumption that change in Vietnam is a process of reform and the way such an assumption blinds us to the fundamental political issues at stake.

On reflection, the idea that the CPSU (or at least the Gorbachevs, Yelstins and their ilk) failed reads as much into the historical process as does the idea that because ‘good things were happening’ in Vietnam *this meant that they were a consequence of policy and so also reflected the existence of some clear agency related to domestic sovereignty* (though these are very different things). But what does seem important is, to return to Hinsley, the idea that it is through an appreciation of tensions between government and government that the political concept of sovereignty forms. In the Vietnamese context, a wide range of indicators can be found to add focus to this.

First, there is the tangle of issues to do with what Westerners repeatedly call ‘civil society’, often linking then in familiar ways to the idea that tensions between governed and government, or between ‘state and society’ are to be resolved through the political idea that civil society should be ‘autonomous’.

On the one hand we see considerable evidence for a strong expansion of such realms, and (see various papers by Joerg Wischermann) some evidence for the limits to their acceptance. But this has its own limits, not least, and above all, the *lack of formal acceptance of the political implications of how these activities require popular authority for their governance.*

Second, is the issue of macroeconomic instability and the various ways in which apparently economic problems such as inflation have political implications. Arguably, these are geopolitical, as one gauge of the degree to which a given State deserves the international sovereignty conferred by the current (‘UN system’) variant of the practices of the post-Westphalian world are the views of the IMF, financial markets and so on.

This brings us to the issue of the state sector

**A SPECIFIC ISSUE – THE STATE SECTOR**
As already mentioned, the official data tells us that the reported share of the state sector in Vietnamese GDP has, from 1989-91, at times grown and has not significantly fallen. I have also argued already that this, when combined with macroeconomic stability, is a strange situation given experiences elsewhere. One can ask for explanations. The simplest is that ‘what you see is not what you get’ – in other words, that SOEs are not, in Vietnam, best seen as the ‘bureaucrats in business’ much criticised by mainstream economists.

Fforde 2007 drew upon detailed case studies (Fforde 2004b and also 2004a) to view SOEs as ‘virtual share companies’, and so essentially capitalist. The argument here is that the forces of commercialisation within the Vietnamese state sector – the ideological core of Soviet Socialism – had always been strong and tended to respond to incentives. Thus, as free market prices rose above state prices in the early 1960s in the DRV, SOEs pushed into markets; in the late 1970s as Chinese and Western aid cuts reduced the value of delivering output to the plan, SOEs pushed into markets (here referred to as ‘fence-breaking’ – pha rao);⁹ and such processes were simply legalised by the partial reforms of 1981.¹⁰ Arguably such forces had the power of cash to push politicians, and did so, in a recognisable ‘state business interest’ (Fforde 1993) that, in part through its position in the internal structures (co cau) of neo-Stalinism, could and did ensure a profitable improvement in economic efficiency through the 1980s, albeit hidden by hyperinflation and ideological confusion. By the end of the 1980s this ‘objective process’ was clearly articulated in largely non-political ways by inner Party figures, showing that commercialisation made sense and could occur without necessarily requiring major political change, whatever that may have meant. And of course at that time senior political figures in the VCP were men with their own personal authority as wartime leaders.

The research in Fforde 2004a showed that managers of SOEs had experienced, after 1989-91, a reversal of earlier trajectories in ‘real’ ownership rights – answers to the questions ‘who decides, who benefits’. These can be interpreted as a quite fundamental shift to the pattern of class-formation in Vietnam’s emergent capitalism, and here there are echoes of some of the less purely economic ideas of progressive VCP thinking in the late 1980s: the idea of the importance of the separation of state and business (including state business). The corollary of such a separation, given the common view that the Party’s power rested upon state power (dua vao chinh quyen), is the question of what the origins of the power held by the ruling VCP would then be (thus the question quoted above (“We say that the Party holds power – but how does it do this? Whose power does it hold? And who gives that power to the Party?”)). The associated idea that SOEs were not organic parts of the planned economy, but independent entities subject to contract had been advanced as early as 1986 by the powerful thinker Dao Xuan Sam (Dao Xuan Sam 1986).¹¹

The shift reported by SOE managers was that whilst in the 1980s property rights (real ones) had tended to shift downwards – to SOEs – after 1989-91 they shifted back upwards, to officials. SOEs had been crucial in powering the ‘state business interest’ of the 1980s (Fforde 1993 and Fforde

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⁹ The earliest reference I know to this phrase is Dan van Nhue and Le Sy Thiep 1981
¹⁰ A detailed history is in Fforde 2007.
¹¹ I am not sure of the origins of these ideas – contracting could be found in the prescribed forms of management of agricultural cooperatives in the early 1970s (Fforde 1989).
2007). Yet after the emergence of a market economy in 1989-91 SOEs were increasingly losing their relative independence and becoming subject to officials.\(^\text{12}\)

It is possible to think that this was part of a historical process - the emergence of a Vietnamese capitalism. Work to date suggests that, especially when we consider that labour markets were quite normal by the early 1990s, the basic preconditions for this had formed rather early. The real estate boom of the mid 1990s saw various social groups invest heavily in housing as land was privatised, and these funds already existed. It can be further thought that a part, albeit temporary of this process was *appropriation* – the acquisition of assets by the forming capitalist groups. Such processes were influenced by position, with those close to or within the apparat far more capable of participating than others, whilst relationships with those in key positions offered access to particularly highly-valued assets. Thus it quickly became commonplace to hear that business people were the children or nephew (*con, chau*) of those in high places. Appropriation processes, the creation of propertied groups, are essentially temporary. The macroeconomic stability of the period 1992-2007 suggests, though, that during this period whilst acquisition of assets benefited from preference, *generating a profit from them was then subject to a reasonably flat playing-field*. That is, that a characteristic of relations between politics and business in this period (1992-2007) was that they tended to be focussed upon appropriation, and the creation of specific class structures, rather than upon the use of state power to create rents and so benefit particular business groups. This suggests that the trend to reduce the autonomy of SOEs from early 1990s reported in Fforde 2007 was creating the potential for macroeconomic instability and state incoherence in policy terms (Gainsborough 2007), a hollowing-out of domestic sovereignty, but as yet this did not matter. 2007, thus, marks the end of an important period of transition.

This area of research remains, perhaps not surprisingly, underdeveloped. But we may examine three ‘snap shots’ of the systems in motion by looking at three periods of apparent crisis.

### TALES OF THREE CRISES

**CRISES?**

Space here is limited, but it is useful to sketch out how this argument may be applied to an examination of the histories of three crisis: those of 1989-91, with the final emergence of a market economy with no significant remnants of central-planning; of 1997, which coincided with the Asian Financial Crisis (AFC); and the current one, which started with the return of macroeconomic instability in 2007 and which also coincided with a global crisis (the GFC).

### THE FIRST CRISIS – 1989-91

\(^{12}\) By the late 1990s note the following. An interview with the Deputy Manager of the Bank for Investment and Development in *Thoi Bao Kinh Te Viet nam* 15/7/98:3 provides a clear outline of the way in which neither the bank nor its customers bears business risk - “In reality, in all localities, no Bank Manager would dare reject a project that has been approved by the Party Committee, and the People’s Committee”. And for central projects, “For credits to General Companies that lie within the plan the Bank has to lend ...”. If debts could not be paid, then the solution was to extend the payment period.
By 1989-91 commercialisation processes in the state sector were mature and most SOEs now knew how to operate in markets (de Vylder and Fforde 1996; Fforde 2007). These processes themselves had been given considerable impetus by the loss in 1978-79 of Chinese and most Western aid. In this period Soviet bloc aid pretty much vanished.

The basic political economy was one of SOEs, largely decollectivised or uncollectivised farmers, trade (domestic and foreign) was a mixture of private and state commerce (mainly the latter in the foreign sector). There were no clear factor markets, and no clear classes suited to a market economy. Labour in industry was very immobile, largely made up of state workers (many had been sacked, though, to find local jobs in petty services). Capital was mediated through informal capital markets that were quite sophisticated. Families invested in or within SOEs; state banks had ‘soft’ plans for commercial investment beside the ‘hard’ plans that required them to allocate credits to SOEs. Land was still barely tradable, though this was starting to change rather fast.

VCP thinking was ‘transitional’ and had a strong focus on the shift ‘from plan to market’ where tactical retreats from central-planning were being rather well managed. Ideas were robust, Vietnamese and linked to Vietnamese politicians with authority, not least as they were made up of the wartime generation and its immediate ‘young uncles’ – Do Muoi, Vo Van Kiet, with their advisors. Led by SOEs, the Vietnamese economy was showing strong signs of ability to compete globally, to generate growth and rebuild a tax-base.

Vietnamese society had only recently been de-Stalinised in a non-technical sense. It was still very ‘shut-in’, cut off from global ideas and culture. The bruises and scars from the attempts to impose northern – neo-Stalinist – systems on the south and south-centre after 1975 were still very sensitive.

Under such conditions is it at all surprising, that the outcome of the crisis was a decision to leave the formal political system unchanged – ‘no formal political reform’. This is now known as the ‘program (cuong linh) of 1991, the VIIth Congress.

In the early 1990s Vietnam transitioned to a state of rapid economic growth, a fast opening-up (people became used to simply getting a tourist visa to visit, say Thailand) and the rapid emergence of capitalist classes, a national labour market etc.

One may conclude that the key elements of the 1989-91 crisis were: the apparent success of the VCP in securing a transition to rapid market-economy based economic growth and the lack of formal plans for political change.

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**THE SECOND CRISIS - 1997**

In the run-up to 1997, we find that capital does NOT go into ‘economics ‘101’ areas – there is very little investment in light manufactures with high employment creation. There is also increasing corruption, and indeed the rural unrest in Thai Binh in 1997 is attributed to officials’ extracting high levels of gouge from various public projects.

We may also note through the 1990s the failure to create a ‘new development ideology’ of any authority. Massive donor efforts, with a multitude of conferences on socio-economic development
strategy, create an ability to ‘talk the walk’ in terms of modern Western developmental ideas, but this is not matched by the emergence of any clear narrative about a ‘Vietnamese Model’. This is a striking absence from the literature.\footnote{One can discount interested accounts such as those from the World Bank, keen to lend - the WB publication Assessing Aid - What Works, What Doesn’t, and Why (OUP 1998), David Dollar et al, argued that Vietnam is an example of the ‘spectacular success’ of aid, which ‘played a significant role in (the) transformation’ (p.1).}

The Asian Financial Crisis presents various political problems, mainly economic in nature. In a clear example of the use of state power, the State Bank took firm action, based upon a viable policy logic, to prioritise use of hard currency and credits and actively seek new export markets to replace those lost due to the AFC.\footnote{See the analysis and policy actions presented at the national conference of State Bank managers in January 1998 (Tuoi Tre 17/2/98:11)}

The context is grist to the mill for institutions such as the World Bank, and actions are predicated upon the coherent use of state power. There are falls in inward FDI, an export slow-down and, crucially, evidence that the impact is managed relatively coherently by technocrats with political support.\footnote{The information available to Vietnamese was by now of a good quality. For example, The Hai (Thuong Mai 27/5/98:8) reported the steep falls in commodity export prices (crude oil - 21%; rubber -42.5% etc) and, in the first quarter, the steep falls in exports - to ASEAN, 48%, to China - 20% and to South Korea - 60%. The Vietnamese business community was well-informed as to what was happening; numbers of government missions were sent to investigate key branches (e.g. garments, where product was diverted to the EU to compensate for loss of demand in non-quota countries). They were advised to accept re-badging of Vietnamese products as well as to pay enough to insure against trade risk (Vu Trong Hai Nhan Dan 27/4/98:5).} Macroeconomic stability is preserved, with no rent creation, whilst SOEs are forced to bring $s home from their overseas accounts and submit to rational programs of credit allocation. There is also purposeful action to attain social stabilisation through a shift of development resources to the rural areas. In terms of ‘success’, we see that the economy returns to fast growth rather quickly.

But it is also likely that the way the crisis played out also showed the weakness of political authority compared to the situation, say, a decade earlier. But there is little evidence for much concern with this.

One may conclude that the 1997 crisis showed that there was still enough residual authority in the system to exercise state power when a crisis demanded it.

\textbf{THE THIRD CRISIS – 2007 - ?}

In the run-up to this crisis, we can see various interesting developments. Unlike the 1990s, a Vietnamese private sector now emerges, as does a private foreign sector, now increasingly investing in what economics ‘101’ would predict – light manufactures. Vietnamese society ‘opens up’ powerfully, with international travel, a dynamic domestic national labour market and great sense of mobility and change. There are also big – as time goes on, very big - problems with corruption and low quality public goods production (education, health etc) where the state seems as much a cause as a solution to the situation. As Vietnam gets closer to middle income status, there are increasing concerns that these issues will, as arguably in many other countries, put Vietnam into the ‘middle
income trap’, unable to generate the competitive ability to continue to grow as higher labour costs push the economy into competing in new areas requiring higher quality, better public goods production etc – a ‘new challenge’ where government action in focussed and coherent ways will be required.

These basically political concerns are aggravated by economic and commercial pressure from China that is increasingly seen as unnegotiable (‘big elephant’), bringing into play deep historical and cultural reflexes. Most Vietnamese are well aware of histories of their country that require the domestic house to be ‘put in order’ before an effective national leadership can lead the struggle to preserve national independence. Yet as corruption mounts the VSP takes no real steps towards democratisation in terms that would be recognisable to the Gorbachevists – there is no politically credible political reform program. Inner-Party elections are not democratised, and non-Party candidates are not seriously allowed to participate in elections. The 2007 elections to the National Assembly and local People’s Councils bow towards such changes but are not seen as serious, which is consistent with the VCP’s lack of a political reform program. Nguyen Phu Trong, who became General Secretary at the recent XIth Party Congress, was Chairman of the National Assembly and comes from the ideological bloc of the Party apparatus (though he spent 2000-2006 as Secretary of the Hanoi Party organisation).

Socio-economic gaps continued to widen, often spectacularly, as poverty researchers found that it was social position rather than anything else that increasingly explained the persistent poverty in groups such as ethnic minorities. Fforde 2011 offers some relevant details, including the gathering sense that it is institutional change (with the necessary implications for political reform) that is needed to allow development to continue. This often comes from technocratic analyses:

Sources of agricultural productivity gains are shifting. Past growth was largely based on bringing additional physical factors of production into use, from land and irrigation water to labor and fertilizer, and policy shifts in incentives that came through land allocation and titling. Technical change and productivity increases made a less important contribution, but moving forward these relative roles are expected to reverse, as physical expansion of factor use is reaching limits.

However, these past sources have lost momentum prior to the possible new sources having picked up pace.

[This] puts a heavy emphasis on greater success with agricultural research, extension and technology transfer, as well as farmers being able to make (and adjust) efficient use of resources in response to market opportunities.

World Bank, 2006a, p. vii

Politics becomes increasingly corrupt and faction-ridden (‘personalities not policies’ – Gainsborough 2007) and the IMF, World Bank and other donors talk a lot about problems of ‘transition to middle income status’ (e.g. Gill and Kharas 2007).

Then, in 2007, large external capital inflows lead to increase in reserves and domestic liquidity that should be sterilised by sales of bonds etc by the state bank but this does not happen (Fforde 2009c). This marks a major shift in the use of state power to support particular interests, a fundamental change away from the basic political economy rules in place since 1992. Big fish (usually very large SOEs with political connections) start to use state power to support their interests, often pushed by
Chinese business interests who gain a toehold in a large bauxite project in central Vietnam that is strongly opposed by organised opinion, both public and establishment. We see increasing macroeconomic instability – creation and then the granting of access to cheap credits, cheap $s etc, leading to inflation which by 2011 is running near 20% and hitting mass living standards hard as growth slows to 5% or below.

There is also the infamous VINASHIN scandal, with $billions lost with vast problems at a very large SOE with top political connections. These politicians are reappointed at the 2011 XIllth Party Congress.

This outline suggests that, lacking both a technocratic base in some new developmentalism, and a popular base in some democratisation process, the Vietnamese state is now used to create rents for politically powerful groups, and this appear apparently unstoppable (by 2011 the macroeconomic instability had been present for 5 years).

**REFLECTIONS ON THE CRISSES?**

The crises point us in the same direction as the ‘predictive failures’ story. That is, they suggest a gathering search for political authority as the question of domestic sovereignty evolves and becomes increasingly edgy.

The basic issue that governance faces in Vietnam may I believe be explored through the insights of Hinsley (1986) who has been already cited. He argues as follows about what he refers to as ‘the’ concept of sovereignty:

The concept has been formulated when conditions have been emphasizing the interdependence between the political society and the more precise phenomenon of its government. It has been the source of greatest preoccupation and contention when conditions have been producing rapid changes in the scope of government or in the nature of society or in both. It has been resisted or revived – it could not be overlooked – when conditions, by producing a close integration between society and government or else by producing a gap between society and government, have inclined men to assume that government and community are identical or else to insist that they ought to be. In a word, the origin and history of the concept of sovereignty are closely linked with the nature, the origin and the history of the state.

FH Hinsley Sovereignty 1986:2, stress added16

Under traditional socialism the idea of the vanguard Party made sense only if it also made sense that the combination of Soviet institutions and Vietnamese practice was, necessarily and irrefutably, progress. Whilst it is seductively easy to read into this some agency, so that this maps easily to Western ideas of conscious ‘development’, this is actually a very large step, and perhaps an impossibly long one.17 To repeat again the views of one of the very eminent participants at a workshop held in late 2010 to discuss (and they did so very critically) the VSP Congress documents:

We say that the Party holds power – but how does it do this? Whose power does it hold? And who gives that power to the Party?

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16 The book is a revised version of a book published in 1965, which in part explains its politically-incorrect English.
17 Fforde 2010b looks at the very different ‘policy logics’ observable in attempts to discuss hydrology before and during the market economy.
Whilst nowadays of only historical importance to reformists such as Gorbachev or Mlynar, for the VCP these questions go to the heart of the sovereignty issue: in the two decades since the end of the Cold War, it is certainly easy to say that there has been rapid change in the nature of Vietnamese society, but the scope of government has yet to be redefined in ways that discuss the political concept of sovereignty, the idea that allows a politics where people “have assumed that there [is] a final and absolute authority in their society”.

PART III – CONCLUSIONS

“LEARNING FROM SOVIET UNION IS LEARNING TO WIN: SURVIVING COMMUNIST REGIMES IN OTHER PARTS OF THE WORLD?”

The momentum of the 1980s transition was considerable, not least in terms of answering the question ‘what is government doing’, but had I believe clearly run out of steam by the early 2000s.

The most important indicator of this was the macroeconomic stability and the associated absence of rent-creation, which makes the 2007 crisis so significant.

The Vietnamese therefore, as there has been no political reconstruction so far to match economic reconstruction, face pressures on three main fronts:

1. The need to preserve national independence against the traditional threat to it – a strong China; their history tells them that this requires, sine qua non, strong central leadership

2. A need to continue economic development and manage the transition to middle income status – this requires effective public goods production, especially dealing with the situation in health, education, infrastructure etc; any attempt to use state power to target sectors will founder unless political change has enabled systems that ensure that the associated rent-creation is healthy

3. This is the prerequisite to 1. and 2. – some form of political change that creates a viable central authority that can manage the above two tasks – and there are no significant sign of this yet.

CONCLUDING REMARKS

The main conclusions to reach from reflection on Vietnam since the fall of the Soviet bloc in 1989-91 are historical: that is, that the questions posed are, above all, those of change.

In this sense, the lesson for the VCP and for Vietnamese generally from the experiences of the CPSU and the USSR remains political.

Gorbachev found that neo-Stalinist institutions were, in caricature, set up to do two things – fight wars and construct socialism – and that the authority they conferred upon him as leader was thus structurally limited, so that the system had to be destroyed if there was to be, for him, progress.

The VCP has found that their variant of these same institutions, in Vietnam of the 1990s and noughties, as equally conveys very little authority. This means that government has involved a series of tactical retreats in the face of more powerful historical forces, with far less scope for proactive
exercise of power than many may imagine. If true, this implies that hopes for reform are unlikely to be fulfilled, and, as in the USSR, political change will come about, at the end of the day, through a political crisis that is a crisis of systemic authority. Politics will then turn on the basic question of the creation and maintenance of a political order and within that Hinsley’s argument will probably be relevant.

In this analysis, much has depended upon the place such tactical retreats has taken the VCP and Vietnam.

In the 1980s, when VCP peak political leaders’ authority was supported by wartime success, this retreat was towards a market economy dominated by SOEs and recently decollectivised farmers. In the two decades after 1989-91, we see an increasing sense that this retreat is towards two interlinked and very worrying places: systemic impotency in the face of corruption that stymies the development game of shifting to middle-income status, and linked to corruption, fears that the naked Emperor will succumb to pressures from China.

Thus, the basic lesson from the USSR remains, in practical terms, unlearnt: this is that the authority conferred by neo-Stalinist institutions is actually very limited, though in limited areas they do grant formidable power (in caricature - to defeat Nazis, build steel mills and fight a Cold War). However, these are no longer the name of the game

The political problem, solved by the CPSU for the USSR through Gorbachev and Yeltsin, and major political change, remains in Vietnam to be solved. This question is:

How can the country and its political leaders create and maintain a political order suitable to a contemporary Vietnam, with a market economy and a population, inherently hard to govern and keen to exploit the opportunities of the modern globalising world?

This can be put another way:

How does the Vietnamese population give its rulers the authority needed to govern over them?

These are political questions, which may be answered, but so far have not been. There is no clear answer to Hinsley’s question of how and whether in Vietnam there may be “a final and absolute authority” in society.
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