The Critical Importance of the Soviet Role in Vietnam's Economic Reforms - Fact or Fallacy?

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I certify that this sub-thesis is my own original work, and that all sources used have been acknowledged.

Ho Choong Sin
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Ho Choong Sin
Introduction: The Critical Importance of the Soviet Role in Vietnam's Economic Reforms — Fact or Fallacy?

At its Sixth National Party Congress in December 1986, a drastic leadership change occurred in the Communist Party of Vietnam (CPV). Truong Chinh, Pham Van Dong and Le Duc Tho all stepped down from top Party positions, accepting most of the blame for the country's appalling socio-economic condition. The new leadership that replaced them, led by Nguyen Van Linh, is now faced with the task of reforming the country's ailing economy.

To do this, it has embarked on a wide-ranging series of economic reforms. As these reforms gain momentum in the second half of the 1980s, it has seen the concomitant rise of a new class of leaders in the Politburo labelled as "reformers", the most prominent of whom are the country's new leader, Nguyen Van Linh, and the State Planning Commission Chairman, Vo Van Kiet.

At the same time, the new Soviet leader, Mikhail Gorbachev, has been attempting to reform his country's own inefficient economy through a process known as perestroika (reconstruction). He has extended this to include the economies of the Council for Mutual Economic Cooperation (CMEA), of which Vietnam is a member.

These two facts — the ascendancy of the reformist programme in Vietnam and Gorbachev's efforts at perestroika in the CMEA — have given rise to speculations that Soviet pressure was instrumental in the pace and direction of
Vietnam's economic reforms. The unspoken premise on which they are based seems to be that Vietnam's current heavy dependence on aid from the Soviet Union, both economic and military, has "bought" the latter significant leverage over the Vietnamese leadership, and that this has allowed it to pressure Vietnam into reforming its economy according to Soviet wishes. From this, it has been a small step to constructing arguments that the new leaders in Vietnam are heavily Soviet "influenced", the corollary being that the acceleration in reforms since the Sixth Congress has more to do with external pressures from the Soviet Union than with internal factors.

How much currency is there to such arguments? Are they facts, based on rational and intelligent assessments of domestic Vietnamese political realities, or fallacies, derived from facile assumptions about economic and military aid necessarily "buying" active and meaningful influence - in the sense of an ability to exercise direct and substantial control - for its giver over a recipient state? Or is the truth to be found somewhere in between, with a conjunction of internal and external factors acting as the catalysts for the Vietnamese reform process? And if so, which is the key and necessary factor - internal upheaval or external stimulus?

These are the central questions in the sub-thesis. To answer them, an investigation of the domestic context under which the reforms have taken place must be carried out. The following needs to be clarified: first, given that the country's economy had been inefficient - as it evidently was - without a long series of economic crises since the end of the Second
Indochina war, would the reforms be as urgent as they are now?; and second, what is the basis of the Party's legitimacy? The answers to these two questions will tell us something about the character of its leadership (tuned to fighting a war and independent-minded), and why economic reforms may have become necessary in purely domestic political terms (legitimacy).

More important, they help to illuminate a related and crucial question: could such explanations reasonably account for the increasing pace of reforms - and the rise of the so-called "reformers" in Vietnam - without resorting to ascribing a central role to the Soviet Union and Gorbachev's programme of perestroika? If the answer to this is a "yes", it would give the lie - although not necessarily conclusively - to any unchallenged statements about the Soviet Union's critical role in Vietnam's economic reforms, "critical" in the sense that had it not been for Soviet intervention, the Vietnamese by themselves would not have carried out reforms in the way or at the pace that they did and are doing, nor would the "reformers" have risen within the hierarchy of the Party. If the answer is in the negative, it could in turn indicate that the Soviets did play a critical part in the reform process in Vietnam, and from it, an argument could be made that they are indeed strengthening their influence there.

Whatever the answers to these queries, it would be difficult to gainsay that the Soviet presence in Vietnam is increasing, or that it has passive influence there insofar as this relates to its ability to threaten a withdrawal of aid if the latter
does not accede to its wishes. But does it necessarily follow then that active and meaningful Soviet influence in Vietnam is a foregone conclusion?

To decide this issue, it is imperative that the relationship between Gorbachev's perestroika in the CMEA and the Vietnamese economic reforms be put to the test of intellectual rigour. It needs to be subjected to vigorous examination based on empirical evidence, not on unsupported and vague speculations about its nature. If it stands up to the test, meaning that it can be established beyond reasonable doubt that Gorbachev's perestroika affected the Vietnamese reforms directly and in a way which implies a strong element of compulsion, then one would be led to the conclusion that the Soviet's role is indeed critical in every sense of the word. If not - unless one accepts without question the premise that aid must necessarily and always "buy" active and meaningful influence - the verdict about the degree of Soviet influence, and hence how critical it is on Vietnam's economic reforms, can only be left open to widely differing interpretations, each of which would probably have as much credibility as the others, depending on the level of cynicism their advocates wish to bring to their understanding of the nature of the Vietnamese-Soviet relationship.

The logic developed thus far in this introductory chapter defines the parameters of analysis for this sub-thesis. Therefore, it begins with a study of the internal dynamics of the current reforms in Vietnam, and is followed by an assessment of the link between the Gorbachev reforms and the
Vietnamese case. The arguments drawn from them will then be weighed against each other to determine more precisely, and as objectively as possible, what is most likely to be the "correct" answer - given the evidence at hand - to the question posed in the title of this sub-thesis: "The critical importance of the Soviet role in Vietnam's economic reforms - fact or fallacy?"

1It is also commonly known by the other name, the Vietnamese Communist Party (VCP). This sub-thesis will use the name Communist Party of Vietnam (CPV) uniformly throughout, except when the former name is used during quotes taken verbatim from other sources. In such cases, it will be left unchanged.

2As opposed to " conservatives" who are against, or are not enthusiastic about, the economic reforms.

3In March 1988, Kiet was named the acting Premier to replace Pham Hung who had died of a heart attack. ("Passage - Died : Pham Hung", Asjaweek, 25 March 1988, p. 71.) His own replacement as the Chairman of the State Planning Commission - Dau Ngoc Xuan - was named in April 1988. (Murray Hiebert, "Vietnam Names Two New Economic Ministers", FEER, 7 April 1988, p. 14.)

4Dusan Pirec, ""Perestrojka" in the CMEA", Review of International Affairs, Vol. XXXVIII, No. 904, 5 December 1987. See also Gorbachev's speech to the 43rd extraordinary session of the CMEA where he stressed that, "there is a serious need for the CMEA to be restructured. More efficient forms and methods of running the national economy are being worked out...(to) enable each CMEA member country to reveal more fully its internal possibilities." ("Gorbachev Receives CMEA Delegates : Ryzhkov Addresses Reception", SWB-SU, 16 October 1987, SU/8700/A2/1.) The CMEA is also known by its other acronym, Comecon. In this sub-thesis, the former term is preferred.

5This underlies a lot of the reporting on Vietnam's economic reforms in the media, especially ever since Gorbachev started applying his programme of perestrojka to the CMEA. See, for example, the regular reports in the Far Eastern Economic Review, which in recent years had published three cover stories on Vietnam's efforts at economic reforms: "Vietnam: Prisoners of the Past", FEER, 8 November 1984, pp. 25 - 32; "Vietnam: Emerging from the Past?", FEER, 23 July 1987, pp. 26 - 31; and "Vietnam: Slow Progress", FEER, 17 March 1988, pp. 20 - 23. Other reports are also found in the Economist Intelligence Unit's country surveys on Indochina, Country Report - Indochina: Vietnam, Laos, Cambodia, London (Quarterly), and Country Profile - Indochina: Vietnam, Laos, Cambodia, London (Annually); Asjaweek; the British Broadcasting Corporation's Summary of World Broadcast - Far East; and the United States' Foreign Broadcast Information Service - Asia Pacific.

6For example, this seems to be implicit in Thai Quang Trung's paper, "Hanoi's Outlook and the Gorbachev Effect", presented at an international conference on "The Soviet Union in the Asia-Pacific Region", held at York Hotel, Singapore, 25 - 28 May 1987, and organized
by the Singapore Institute of International Affairs. According to him, there is supposedly strong Soviet influence in Vietnam through Moscow's "close links" with just under half of the CPV's Politburo members. The "Soviet connection" as claimed by him is made through the following Politburo members: Do Muoi, Vo Van Kiet, Mai Chi Tho, Dao Duy Tung (alternate member), Le Duc Anh and Doan Khue. (ibid., p. 8.) However, the only evidence he presents for such assertions seem extremely weak - that these leaders have made high level visits to Moscow, or that they have received training in the Soviet Union. These do not necessarily mean that they are "pro-Soviet".

7See explanation in the next two paragraphs of the main text.
Chapter One: The Domestic Factor.

Can a case be made that it was principally internal pressures that forced the pace of economic reforms and led to the rise of the "reformers" in Vietnam?

To begin, there is incontrovertible evidence that in the twelve months preceding the watershed Sixth National Party Congress in December 1986, the living conditions in the country were actually falling below those attained in previous years. The availability of food, something which would affect the lives of the majority of ordinary Vietnamese in a very immediate and direct way, provided the best index of this. The highest average annual yield of rice, the staple food crop which accounts for up to "83 per cent of the calories, 67 per cent of the protein, and 55 per cent of the vitamin B1" in the Vietnamese diet, was dismal. According to the Vietnamese themselves, it was "only 28.5 metric quintals per hectare, one of the lowest in the world. The production of subsidiary food crops on the whole declined....(with the output for 1986) lower than in 1980." In addition, the consumption levels of meat, eggs and fish that year were - almost unbelievably - "40 per cent lower...than in 1960."

These figures in themselves do not say much about the declining standard of living. But the Hanoi-based Vietnam Courier, publishing an article on the numerous problems besetting the country's food sector, translated what they meant for the ordinary Vietnamese, "The fact that food availability per head of the population is now 304 kilos testifies to great
effort, yet it is a very low figure, which is a bare minimum and approaching the limits of hunger."\textsuperscript{4}

Unless the Vietnamese have got their arithmetic seriously wrong, and there is as yet some unknown political advantage for the communist leadership in allowing fabricated and untrue reports of misery in their country to be published from Hanoi itself, there is little reason to doubt the veracity of the above figures and the extremely frank admission of near-starvation levels in post-War Vietnam.\textsuperscript{5} In fact, their statistics are corroborated by independent sources. Illustrating the level of malnutrition in Vietnam, a 1986 UNICEF study estimated that the general Vietnamese population received an “average daily ration of 1,800 to 1,900 calories, about 400 calories short of the minimum daily requirement.”\textsuperscript{6}

What is vitally important about this aspect of the deteriorating situation in Vietnam is not the mere fact of it \textit{per se}, but that it was the continuation of a long series of economic crises in the country’s post-War history which had turned economic policy formulation into an \textit{ad hoc} exercise, with each crisis bringing a change in direction, only to be abandoned or severely modified by the next impending one.

The details of the swings and shifts in economic policies are not the main concern of this sub-thesis.\textsuperscript{7} What is germane, however, is the effect that they must have had on the legitimacy of the Party over the past decade. Based on the definition of legitimacy as developed by Seymour Martin Lipset – namely, “the capacity of (a) system to engender and maintain
the belief that the existing political institutions are the most appropriate ones of the society (in which they are found)\(^8\) - the prolonged bouts of economic crises could only have served to undermine the "appropriateness" of the CPV insofar as this relates to the management of the post-War economy.

To show whether this contention is supportable, it becomes necessary first to define clearly the foundation on which the Party's legitimacy was built.

It would be uncontroversial to state that two goals - independence from the French (anti-colonialism) and social revolution (anti-feudalism) - lay at the heart of the Party's legitimacy. As expressed in the political theses of the Indochinese Communist Party, the precursor of today's CPV, prepared by its first Secretary-General Tran Phu and delivered at its inaugural Central Committee plenum in October 1930, "(t)he essential aim (of the Party) is on the one hand to do away with the feudal vestiges and the mode of pre-capitalist exploitation, and to carry out a thorough agrarian revolution; on the other hand, to overthrow French imperialism and achieve complete independence for Indochina."\(^9\)

These aims have been maintained consistently throughout the history of the Party. When the French were defeated in 1954, the focus for the independence struggle shifted to the Americans. In a communiqué released on 22 August 1955, the Party reiterated its aim to read, "The immediate task of the entire Vietnam Lao Dong Party (the CPV) and the entire Vietnamese people is...to oppose the American
imperialists and their agents, to strive to achieve national unification."\textsuperscript{10} That is, although the enemy had changed, the goal of independence remained the same, this time through the reunification of North and South.

The organization that was subsequently established in 1960 to carry out the communist struggle in the South - the National Front for Liberation - professed the same aim. Its manifesto read, "The South Viet Nam National Front for Liberation calls on the entire people to unite and heroically rise up as one man to fight along the line of a program of action... (t)o overthrow the disguised colonial regime of the US imperialist and the dictatorial Ngo Dinh Diem administration - the lackey of the United States - and to form a national democratic coalition administration."\textsuperscript{11}

On the CPV's first aim - independence - the Party leadership clearly tied nationalism and communism together by using the sophist argument that a patriot is a communist. Ho Chi Minh had declared in 1951 that "(g)enuine patriotism is...part and parcel of (socialist) internationalism."\textsuperscript{12} Nine years later, Pham Hung argued for support using almost exactly the same rationale when he said, "In our country, to be a patriot means to love socialism, patriotism is closely linked with socialism, and the communist is the most genuine patriot."\textsuperscript{13}

Significantly, a lot of those who became members of the communist movement did so because of patriotism. William Duiker, who studied how the communists came to power in Vietnam, wrote, "Interviews with prisoners and defectors show
that those who joined the NLF (National Liberation Front, sometimes also known as the National Front for Liberation) did so for a variety of reasons...Most cited, (inter alia), patriotism...as their reason for joining...Members who joined before 1954 frequently mentioned patriotism as the primary reason."14 As to the Party's second aim - social revolution - he concluded, "A key factor in the Party's ability to mobilize support within Vietnam was the success of its effort to link the force of nationalism with that of social reform."15

Duiker's observations seem to be corroborated by the Party's own version of Vietnam's history. An officially sanctioned account published in 1974, highlighting and embellishing the CPV's role in ousting the French and the then continuing resistance against the Americans, proudly noted that the Party's political theses "was the first time a party (had) explicitly joined the national question (that is, independence) to the peasant question (namely, social revolution through land reform)."16

From the above, there are two levels on which to understand how the legitimacy of the Party, acquired from its victories in the independence struggle and the promise of social reforms, is being undermined by the successive economic crises that have followed since.

On a superficial level, the end of the war itself could have contributed to it. During the war, there was a willingness to sacrifice for the sake of patriotism. As noted by Nguyen Khac Vien, a prominent Party member when writing about the
economic climate of the war years, "The system of economic management was...entirely devoted to the war effort...In this situation, the peasants did not really sell their produce to the State, but delivered it as a patriotic duty...(A) spirit of self-sacrifice prevailed."17

With the war over, it would not be unreasonable to assume that the Vietnamese expected a better life, at least relative to the deprivations of the war-years.18 But the perpetual sense of hardship provoked by having to live a life of "bare minimum...approaching the limits of hunger" - a decade after the end of the reunification war - must have seem untenable to even the most patriotic Vietnamese.

On a more profound level, the sense that the Party was losing its "appropriateness" was reinforced by the reasons that laid behind the economic crises - inefficiency, mismanagement and corruption. For example, the blame for the continuing dismal state of agriculture,19 although partly attributable to natural disasters and pest infestation,20 also rested with these reasons. To give just one instance, corruption created a loss of between "5 and 10 per cent of the (state-supplied) fertilizers, petrol and oil reserved for intensive crop cultivation at each successive level", beginning from the provinces, to the districts, and finally down to the villages.21 This meant that by the time supplies reached the level of the villages, namely, those people who are the end-user, only 75 to 85 per cent of them were left for actual crop cultivation, with 15 to 25 per cent being pilfered for personal use or sale on the black market. The severity of these corrupt practices is underlined by the fact
that the "amount of fertilizer (and) insecticide...apportioned to agriculture...(was already falling) short of its needs." 22

More importantly, the crisis-situation in agriculture was widely duplicated in areas which could not be blamed on natural disasters or pests at all, but which could only have resulted from debilitating inefficiency, serious mismanagement, and/or corruption of near-epidemic proportions among Party and State officials. The statistics speak for themselves: in early 1988, it was estimated that on average, only 50 per cent of the production capacity of Vietnam's 3,300 state industrial enterprises was used 23; in September 1985, an attempt at monetary reform was badly implemented, 24 resulting in an inflation rate for 1986 of between 500 and 700 per cent 25; and "in 1986 and the first half of (1987), 1,223 (corruption) cases were investigated, and 79 per cent of them...tried." 26 Of these cases of "appropriation of public property, speculation, smuggling (and) bribery,...77 per cent of the persons involved (were) government employees, including 37 directors or deputy directors of state-owned corporations, factories and enterprises, captains and deputy skippers of ocean-going ships, (a) district chairman and officials of equal ranks." 27

Considering that these same factors, especially corruption, contributed significantly to the erosion of the Saigon regime's legitimacy - with the result that many of the disillusioned joined the communist movement 28 - there is little reason to suppose that the CPV is in some way "immune" to similar disaffection among those who had supported it during the war. The inefficiency and mismanagement were making the goals of
socialism - one of the two central planks of the CPV's past legitimacy - seem less likely than ever. Socialism is supposed to "lessen the pressure of want; lighten the amount of labour by means of which any given schedule of wants can be satisfied; and...make labour more agreeable." None of these seem even remotely achievable given Vietnam's present state of economic health. Worse still, top-ranking cadres of the Party were showing themselves to be no better than the corrupt Saigon officials that they had replaced.

There is evidence from as early as 1980 that "the masses" were no longer willing to put up with the appalling situation for much longer. In 1978, Vietnam suffered an extremely poor harvest plus serious problems in its economy. Compared to 1976, the first year of the second Five-Year Plan (1976 - 80), production of food grain fell from 13 to 11 million tons. Three million people - 13 per cent of the working population - were also unemployed. In 1980, the rising discontent broke out into food riots and peasant unrest in Nghe Tinh and around Haiphong.

By 1986, plagued by another serious economic crisis, "the country (was) in the midst of a self-criticism campaign which charged that many Party leaders were corrupt, out of touch with the people and unable to solve the country's economic problems." In March, the Party Central Committee Secretariat issued a directive for convening local (provincial and cities) congresses "to review the draft Political Report" for the upcoming Sixth Party Congress. This was followed in April by a second directive setting the guidelines for "criticism" on two
levels - first, of the "quality and style of leadership and cadre policy"; and second, on the "understanding (of) Party lines and viewpoints, and...the organization of their implementation."35

The response from the local congresses was unambiguous - the widespread inefficiency, mismanagement and corruption of Party officials at provincial and city levels were strongly condemned.36

The top Party leadership was also coming under question. In the 23 March edition of the newspaper Saigon Giai Phong, there were suggestions that Le Duan should be removed, and earlier reports compared him unfavourably with Ho Chi Minh.37

In 1987, with the economic situation showing no improvement,38 the new Party leadership, like its predecessor, was again openly criticized for it. A communique released after the fourth plenum of the Sixth Congress Central Committee, held from 8 - 17 December 1987, stated clearly that "(t)he Politburo, the Secretariat and the Council of Ministers must be held responsible for the slow change in the (economic) situation."39

The sceptic could of course ask, "Why should the communist authorities be concerned?" After all, the obvious disaffection was unlikely to pose any serious threat to the Party's political supremacy: the only other institution capable of challenging its monopolistic power - the military - is heavily controlled.
In 1983, a "new (Party) leadership mechanism" over the military reaffirmed this control. Two of its main principles were that "(t)he Party Central Committee, through the direct and permanent agency of the Political Bureau, shall exert direct, centralized and unified leadership over the VPA (Vietnam People's Army) in all respects"; and that "(t)he appointment of cadres, including commanders and political directors, from the divisional or equivalent echelon upwards, as well as the designation of military council members of all echelons, must be approved by the Political Bureau and Secretariat of the CPV Central Committee." The former guarantees Party scrutiny of all military activities, whereas the latter ensures that only officers loyal to the Party would be appointed to positions of influence within the military.

In addition, a Party man leads the top decision-making body in the military - the National Defence Council. According to the new constitution adopted by the National Assembly on 18 December 1980, the chairman of the State Council is concurrently the commander-in-chief of the Armed Forces and head of the National Defence Council. The current chairman of the State Council is Politburo member Vo Chi Cong, elected to the post at the first session of the eighth National Assembly in June 1987, thus making him the head of the National Defence Council. Another Party man, Nguyen Van Linh, leads the Military Commission of the CPV, a powerful body which exercises vast control over nearly every aspect of the Army's functioning.
With the military under such extensive control, any opposition to Party rule created by the economic crises would have to come from other organized groups. Anti-communist Vietnamese opposition "movements" do exist overseas. According to Nguyen Hoang Cuong, a lecturer in the Macarthur Institute in Australia, the three most prominent "movements" are those found in the United States (started by Hoang Co Minh, a former admiral in the Vietnamese navy until 1975); Australia (set up by Vo Dai Ton, a former colonel in the Vietnamese army who returned to Vietnam from Australia in 1982 and was captured by the Pathet Lao and sent to Hanoi); and France (co-founded by Tran Van Ba and Le Quoc Quan, both executed in Saigon in January 1985). Recently, these "movements" have started to organize small-scaled "invasions" of Vietnam. Some opposition groups probably exist at home too, with cases of sporadic fighting against the communist regime being reported.

However, there is little or no indication that these "movements" or groups are organized enough, or have the capability - as the military clearly does - to pose any serious threat to the supremacy of the Party. Therefore, unless reliable and independently verifiable information to the contrary becomes available, a sceptic could claim, with some justification, that the "loss of legitimacy" as described above does not represent any real source of internal pressure for reforms insofar as this relates to compelling reasons why they should be carried out.

There are two replies to such an argument.
First, it ignores one thing most analysts of the Vietnamese political scene would find hard to dispute - the commitment of the Party's top echelon, that is, the Politburo, to socialism. In spite of the economic reforms which seem to contradict some of the very basic principles of the "socialist ethics", the goal of socialism has never been abandoned. At the last National Party Congress, which put the country firmly on course for even greater and more iconoclastic reforms, this remains unchanged. The two new "strategic tasks" enunciated in the opening paragraph of the Political Report presented by the outgoing Party Secretary-General Truong Chinh were, "(h)aving defeated the US aggressors, completed the liberation of the Homeland (and) achieved national reunification, our Party has led the people of the whole country to enter the new stage of revolution, that of building socialism and defending the Homeland." This commitment of the leadership to socialism would in itself create strong internal pressures within the Politburo for reforms to be implemented so as to ensure that Vietnam's "transition to socialism" is not derailed by perpetual economic failures.

Second, and more importantly, although the Party's institutional supremacy may not be threatened, its leaders' positions are. Top-ranking Party officials have had to resign for economic failures before. "In 1956, two Politburo members, including the Party's First Secretary (Truong Chinh), stepped down in the wake of failures associated with agricultural collectivization. In 1982, six Politburo members retired at the Fifth Congress." But the difference in recent times is that this
has accelerated, creating great pressure on those at the top to arrest the economy's declining state of health or face being removed.

The trend became clearly discernible in the last twelve months before the Sixth Congress, a period when the Vietnamese people, as described in the earlier part of this chapter, have had to endure a great deal of hardship because of the economic crisis. Tran Phuong, the vice-premier who implemented the ill-fated monetary reform of September 1985, was dismissed in January 1986\textsuperscript{52}; at the mid-year tenth plenum of the Fifth Congress, To Huu, the immediate superior of Tran Phuong, was relieved of his post as the Council of Ministers' vice-chairman in charge of economic affairs\textsuperscript{53}; in June, just three days before the National Assembly was scheduled to meet, the State Council issued a decree dismissing six ministers,\textsuperscript{54} of which five were from ministries directly or indirectly involved in the running of the economy.\textsuperscript{55} The director of the National Bank was also dismissed.\textsuperscript{56}

Finally, the old leadership was removed at the watershed Sixth Party Congress. There, three of the top leaders of the revolution - Truong Chinh (then aged 79), Pham Van Dong (80) and Le Duc Tho (76) - all stepped down\textsuperscript{57}; To Huu, who earlier in May had already been dismissed as the Council of Ministers' vice-premier in charge of economic affairs, was dropped from the Politburo\textsuperscript{58}; and the Defence Minister Van Tien Dung, whose wife was reported to have been involved in a major corruption scandal,\textsuperscript{59} was also ousted.\textsuperscript{60} The Party Secretariat, "which implements Politburo decisions and runs
the country on a day-to-day basis," and was thus also responsible for the economic difficulties, was left with only three of its members appointed at the Fifth Congress, with eight new members being added. At a slightly lower level, "nearly half" of those who lost their positions on the Central Committee were "ministers or vice-ministers in government ministries dealing with some aspect of Vietnam's economy."

This second factor - the growing unacceptability of economic mismanagement and other related shortcomings in post-War Vietnam - represents the greatest source of internal pressure on the communist leaders to carry out reforms: the fear of losing power to others within the Party. This is simply because no matter how united a facade the Party leadership may try to present to the outside world, it is perhaps inevitable that some degree of conflict would exist in any political system.

In Vietnam's case, it is extremely difficult to determine precisely who is ranged against whom, or how clear cut the "reformist-conservative" divide within the leadership really is, because of its secretive style. In the words of Carlyle Thayer, a specialist in Vietnamese politics, "Vietnam...is a closed and secretive one-party state which carefully regulates contact between outsiders and its citizens. The press and electronic media are carefully controlled to reflect the official Party line. In the absence of legal pressure groups, opposition spokesmen and a free press, it is all but impossible to discern...informed Vietnamese opinion."
However, in the post-Sixth Congress era, most within the Politburo seem to have accepted the need for greater economic reforms. Even those reputed to be "hard-line conservatives" have all made conciliatory statements about their necessity. For example, Pham Hung and Dao Duy Tung were both supposedly "hard-line conservatives". From 1980 until June 1987, when he was named the Premier, Hung was the Interior Minister, a post that was usually associated with "conservative" views, whereas Tung is the Party ideologue, another reputed bastion of "conservative" ideas. But in 1987, it was reported that "(a)t a Ministry of Information conference held in summer, (Tung) was entirely behind the new line of "openness" and renovation." And in a speech marking the 42nd anniversary of the August revolution, Hung implicitly acknowledged the necessity for reforms by noting that, "(t)he fundamental issue for us is to eliminate the system of bureaucratic centralism and state subsidies." Later, speaking at a national conference on economic reforms held by the Council of Ministers in late 1987, he also stated that, "to make fuller use of the capabilities of the enterprises and to ensure their effective operations, they must have broader autonomy in the implementation of their tasks", thus in effect lending support to the decentralization efforts of the "reformers".

The volte-face of these two "conservative" leaders may have been brought about not by conviction, but from a lack of choice. If they do not at least pay lip service to the necessity for reforms, they could lose their positions in any Politburo "power struggle", considering that the prevalent mood in the
country is clearly against letting the post-War economic malaise continue.

Any "power struggle" along "reformist-conservative" lines that could have been provoked within the leadership by disagreements about the reforms is, however, not the main theme of this sub-thesis, and thus, will not be analysed in detail here. Instead, its primary aim is to determine whether it is possible to explain the accelerating pace of reforms - and the rise of the "reformers" - principally on the basis of the pressures created through the erosion of legitimacy and support for the Party by the economic crises.

To attempt an explanation along these lines, it should be noted first that there seems little doubt that the fall from power of Party officials in the run-up to and during the Sixth Congress was directly tied to economic failure. With respect to the "retirement" of Chinh, Dong and Tho, the official reason given was their "advanced age and failing health." Even though there is probably some truth to this considering their ages, it seems indisputable that it was their patent inability to manage the economy that precipitated their departure. In the draft resolution of the Sixth Congress, they bore the brunt of the blame for the country's economic difficulties when it was stated quite unequivocally that, "(W)e have not yet fulfilled the general objectives set out by the Fifth CPV Congress, that is, to stabilize the basic socio-economic situation and improve the people's daily life...(T)he subjective cause of this situation was due to the various shortcomings and errors in leadership."
The "purge" of the Party apparatus and Central Committee could be similarly explained: the Political Report directly implicated virtually the entire top echelon of the Party for the leadership's "various shortcomings and errors". To quote the report, "The Central Committee, the Political Bureau, the Secretariat and the Council of Ministers were primarily responsible for the...errors and shortcomings in the Party leadership."

In early 1988, Nguyen Van Linh confirmed that the "purge" against those who have failed or are resistant to the economic reforms is continuing. In an interview with the foreign press on 21 January 1988, when asked about opposition to economic reforms in Vietnam, he replied, "After the Sixth Congress, a good number of vice-premiers and ministers were removed because their outdated thinking was damaging the economy. Those who refused to change their way of thinking and work style will have to go if they are bent on putting obstacles in the way of renovation."

On 10 May 1988, Radio Hanoi announced that Nguyen Ngoc Triu (Agriculture Minister), Nguyen Van Chinh (Food Minister) and Doan Duy Thanh (Foreign Trade Minister) had lost their titles as deputy premiers. The former two also lost their portfolios and were reassigned to other jobs. Radio Hanoi gave no reasons for the action, but the fact that their ministries dealt with food production - in Thanh's case, with the import of food - and that there was a continuing food crisis in 1988 makes it reasonable to infer that it was economic failure, as reflected in the food crisis, which accounted for it.
However, although the economic crises were the apparent and immediate reason for the "retirements" at the Sixth Congress and the continuing "purges" since then, the underlying "push" seems to have been generated by a deeper concern about its deleterious effect on the Party's support among the masses. Explaining why the crisis-situation could no longer be tolerated, the Political Report noted, "(this)...state of affairs (in the economy) has lessened the confidence of the masses in the Party leadership and in the functioning of state organs." 78

This appears to be a continuing concern of the post-Sixth Congress leadership. Du Muoi wrote an article in the October 1987 issue of the Party's theoretical journal, *Tap Chi Cong San* (Communist Review), pointing out the effect corruption was having on the Party's standing. According to him, "(n)egativism (the CPV's euphemism for corruption and other undesirable practices) has become a very serious social and political issue...(A)t present, negativism has become a major obstacle to the implementation of the Party's leadership...(It has, inter alia), reduced the masses' trust in the Party...and seriously affected the relationship between our Party and state and the people." 79

It follows that if there was a genuine desire to regain "the masses' trust", the Party would have to revitalize the country's moribund economy, and clean up the Party and State machinery. These two aims fit in with the pattern of events in Vietnam.
The former explains the contrasting fortunes of those who favour reforms, or who have had successful economic records, vis-a-vis those removed in the turbulent period before, during and after the Sixth Party Congress.

Before the Sixth Congress, in the June 1986 ministerial reshuffle, the replacements for the Ministry of Foreign Trade and the National Bank – both important economic institutions – had displayed a preference for reforms and possessed a successful managerial record respectively: the new Minister of Foreign Trade, Doan Duy Thanh "was the first to experiment with the "output contract" system in agriculture,"80 and the new governor of the National Bank, Luu Minh Chau, had "headed Ho Chi Minh's highly successful import-export company."81

At the Congress, the promotions made were similar. Three people identified as having clear preferences for reforms moved up within the Politburo hierarchy: Nguyen Van Linh (to the top job of Party Secretary-General); Vo Van Kiet (Chairman of the State Planning Commission, to number five) and Nguyen Co Thach (Foreign Minister, from alternate status to full member at number eight).82 In addition, Nguyen Thanh Binh, also thought to support reforms,83 was promoted to the Politburo at the number eleven position.84 Vo Chi Cong, believed to be cautiously supportive of reforms,85 rose from the seventh position to number three.86

After the Congress, the "reformers" have continued to rise, the most noticeable being Vo Van Kiet. He was named as
the acting Premier after Pham Hung died on 10 March 1988 of a heart attack. Although he failed to be confirmed in the post at the June 1988 National Assembly - as most analysts had expected him to be - an indication of his growing prominence was that at Hung's funeral, his name was placed at the number three position in the list of leaders attending, after Linh and Cong, even though on the official Politburo list, he is ranked behind another member, namely, Du Muoi. All these people, favouring reforms and having the "right" experience, would be best suited to "save" the economy and prevent further damage to the Party's support among "the masses".

The latter aim - the need to clean up the Party and State machinery - also explains recent "campaigns" and Politburo resolutions and legislations passed by the National Assembly.

First, the CPV's new Secretary-General Nguyen Van Linh, probably realizing that the Party's support was being undermined by the widespread inefficiency, mismanagement and corruption, has personally started a media campaign against these ills. In May 1987, he began writing anonymously and under the acronym of "N.V.L." a series of highly critical articles entitled "Things Which Must Be Done Immediately" in Nhan Dan, the official Party daily, attacking the decay in the Party and State apparatus. Five months later, at a meeting of Vietnamese journalists and artists where he finally admitted to the authorship of these articles, he called for more open criticism of the failings of those in power by saying, "Ours is a ruling Party. The law governing its survival and development dictates that the Party rely on and consider the people as the
roots. When not yet in power, our Party clung to and relied on the masses for its survival. After seizing power, it would be easy for the Party to commit the shortcoming of abandoning, oppressing and stealing from the masses, and to contract the maladies of bureaucratism and peremptoriness in providing economic and ideological leadership. These shortcomings should be roundly criticized and condemned."93

By "going public" in this fashion, Linh may be attempting to use the media to reach over the heads of entrenched bureaucratic interests. In a speech delivered to the first session of the eighth National Assembly in June 1987, he had recognized that the spirit of reforms endorsed at the Sixth Party Congress was meeting with resistance. In a particularly telling paragraph, he admitted that "the voice of the highest representatives of the people (that is, the National Assembly) was not always and in all circumstances respected. Some people accepted the criticisms (in support of the reforms) but later would do nothing or would act as they saw fit. In not a few instances, written proposals by the National Assembly were sent to some state organs or leading official asking them to clarify or settle some matter, only to be filed away and left untouched year after year, allegedly for "study"."94

To overcome such resistance, a public campaign started in the official CPV paper would show the seriousness of the leadership's support for it, and help mobilize "the masses" against the widespread mismanagement, corruption and inefficiency in the Party and State apparatus, thus forcing them to change their ways. As the Hanoi-based Vietnam Courier put
it when explaining the role of the news media in the campaign. "(i)t is not by accident that openness, criticism and self-criticism...are now outstanding features of...the Vietnamese press."95

It should however be noted that the articles could possibly also be symptomatic of resistance from other Party leaders to the reforms. If so, they could then be construed as attempts to get popular support from the cadres and "the masses" for reforms, thus pressuring unenthusiastic leaders to take a more conciliatory line to secure their own positions at any future Party Congress, remembering that three of the top leaders had already fallen as a result of the economic crises.

Linh has also initiated an internal campaign to clean up the Party and State machinery. On 12 September 1987, the Politburo issued a resolution known as "The Campaign to Purify Party Organizations and the State Apparatus and Increase their Fighting Strength, and to Make for Healthy Social Relations". Noted as a "political event of special importance",96 the campaign was defined by the Vietnamese as follows. "(F)irst of all, we must expel from (the Party organizations and State organs) all depraved and degenerate elements. We should change those cadres who are not resolved to carry out reforms in the spirit of the resolution of the Sixth Party Congress, and those who are not equal to their tasks. We should mete out due punishment to those guilty of serious errors and mistakes, depending on the nature and seriousness of their errors and mistakes. With regard to Party members whose political standards are too low and who do not have the confidence of
the masses, we should, by taking the proper measures in a continuous process, get them out of the Party."97

Finally, Linh has attempted to bring the power of the law behind his efforts to "clean up" the Party and State apparatus. He implicitly acknowledged that the lack of clearly defined responsibilities was part of the reason for corruption when he told the first session of the eighth National Assembly in June 1987 that, "we are still a long way from a comprehensive and uniform legal system, especially in the field of economic legislations...The sluggishness and casual way in which much of our activity is conducted is due in no small measure to the lack of legal criteria and standards."98

In this respect, reform measures aimed at defining more clearly the responsibilities of state economic enterprises versus state central planning organs - as in the Council of Ministers' December 1987 decision No. 217-HDBT99 - may be explained as part of a drive against corruption. Although the most immediate aim of the decision was to ensure the autonomy of state economic enterprises vis-a-vis state central planning organs100 - which is in line with the ongoing decentralization efforts - delineating unambiguously what the state central planning agencies can and cannot do also serves to cut down the opportunities for corruption and abuses of power by its officers, something for which they had been severely criticized before. For instance, at the 21 - 25 October 1986 "bloc" congress of the central planning agencies, a speech delivered by the secretary of the Party Central Committee Nguyen Lam - who is also the head of the Central Committee's Economic
Department - had chided them for "a tendency...to be preoccupied with seeking personal interests,...to disregard or neglect compliance with the state policies and system of economic management."101

Those who still doubt the above explanations for the reforms and the rise of "reformers" in Vietnam could, of course, dispute whether they genuinely arose from concern within the Party about the loss of legitimacy. Their riposte could be that the reforms and rise of the "reformers" may have nothing to do with trying to prevent an erosion of support for the Party: the draft resolution and Political Report of the Sixth Congress could be no more than convenient covers to mask a "power struggle" within the leadership in which the "old guard" lost.

For example, the editorial in the monthly anti-communist newsletter published by the National United Front for the Liberation of Vietnam (NUFRONLIV) called into question the "reformist" character of the Linh leadership when it stated, "In reality, there is no such thing as a "reformist" or a "conservative" bent of mind among the ranks of those ageing communists - Linh is 74, Pham Hung 75, and Vo Chi Cong 71. In fact, they have been members of the Communist Party for more than half a century. The current turmoil in Viet Nam is only the result of a turnover of power...These so-called "reforms" or "modernization programs" as proclaimed by Nguyen Van Linh represent only desperate efforts of the new Viet Cong leaders to safeguard their newly acquired powers...If they fail to purge the suspected members of the bureaucracy and to replace them with their trusted followers, the new
leadership under Nguyen Van Linh would not survive... (T)hese so-called "reformists" should be viewed for what they really are: they are just a bunch of new-leaders-in-the-process-of-power-consolidation.\textsuperscript{102}

The simple rebuttal to this would be to point out that it has never been discounted that a "power struggle" could have existed within the leadership, as conceded earlier. However, this in no way undermines the importance of economic failure, and the resulting erosion of legitimacy, as an explanation for the fall of the old leadership and the rise of the "reformers", because unless the challengers had an issue with which to remove the old leaders, it would have been extremely difficult to do so given that the latter are\textit{ eminence grises} of the revolution. Economic failure is, on the evidence available, the only real issue that could be used against the old leadership. Why economic failure is an issue is, of course, directly related to the threat of mass starvation, as documented at the beginning of this chapter; and flowing from it, a political price that a leadership responsible for it cannot forever avoid paying.

Furthermore, if it was just a "power struggle", it does not adequately explain why reforms were actually carried out, which they undeniably have been since September 1979; the need to "re-legitimize" Party rule does explain this, and in a most comprehensive and coherent fashion too.

Therefore, from all the arguments and evidence presented in this chapter - the declining standard of living, the
sense that the Party was becoming "inappropriate" for the task of post-War economic reconstruction, the link between economic failure and the fall of the old leadership, and the need to make the Party "appropriate" again explaining most succinctly the recent events in Vietnam – a strong case can be made that it was internal pressures that forced the pace of reforms and facilitated the rise of the "reformers" in Vietnam.

However, two questions still remain, "Where then does the role of the Soviet Union fit in?" and "How critical is it to the reformist programme?". This sub-thesis now attempts to answer them.

5The use of the term "post-War" in this sub-thesis will refer to the period after the end of the Second Indochina war in April 1975, unless otherwise stated.


Quoted from the translated version of the manifesto of the South Vietnam National Front for Liberation, issued on December 1960. ibid., p. 88.


ibid., p. 112.


ibid., p. 326.


The words of an historian on Vietnam, David Marr, are instructive here. Describing life in post-War Vietnam, he wrote, "(A)s with any other human beings, Vietnamese want both material improvements and spiritual satisfaction." (David G. Marr. "Both War and Peace: Life in Vietnam Since 1975", in Carlyle A. Thayer and David G. Marr, Vietnam Since 1975: Two Views from Australia, op. cit., p. 68.)

In 1987 and the first three months of 1988, the agricultural sector showed no improvement. Vo Van Kiet, assessing the state of the economy in 1987 at the second session of the eighth National Assembly which opened on 23 December 1987, stated, "Agriculture has over the last two years developed slowly and in an unstable manner. Agriculture output in 1986 remained at the same level in 1985, and fell by 2 per cent in 1987, or an annual decrease of 0.7 per cent in the last two years. Food production in 1985, 1986 and 1987 averaged 18 million tonnes, while the population increased by more than 1 million each year, thus making rice dividend per head fall from 304 kg in 1985 to 280 kg in 1987. Materials for the farm products processing industry fell below target and even decreased as in the case of sugar-cane and tobacco." ("Vo Van Kiet’s Economic Report to National Assembly", SWB-FE. 29 December 1987, FE/0035/B/4.) In 1988, the Deputy Agriculture Minister Chu Manh said the country was facing a "deficit of 1.5 million tonnes of food, causing near famine conditions in many areas of the country, especially in the provinces of the North." (Murray Hiebert, "Less Cooperation in Store", op. cit. 28 April 1988, p. 76.)

For example, the harvest in 1987 was damaged by pests. As reported by the Hanoi home service, 1100 gmt, 21 September 1987, "Some 270,000 hectares - 21.6 per cent of the total transplanted area (that is, area transplanted with rice crops) - have been affected by harmful insects
and diseases." ("Biological Production", SWB-FE. 30 September 1987, FE/W1460/A/24.)


22 This was indicated by the report of the State Planning Commission head Vo Van Kiet, delivered to the eighth National Assembly in June 1987. "Economic Tasks for the Last Six Months of 1987". Vietnam Courier. No. 9. 1987, p. 10.

23 "Vietnam's State Enterprises Working at Only Half Capacity". SWB-FE. 6 April 1988, FE/W0020 i. Excerpts of editorial in the 31 March 1988 edition of Nhan Dan. The editorial added that "(the) productivity, quality, and production and business results were still low and tending to decrease." (ibid.)

24 The vice-premier Tran Phuong, reportedly without consulting leading members of the Politburo, replaced the old dong with a new one on 14 September, devaluing the currency in the process. What followed was economic chaos. Black marketeers, who had somehow received news of the impending devaluation at least two weeks in advance, either hoarded U.S. dollars or sold their old dong before the decision could be implemented. The value of the old dong to the U.S. dollar subsequently plunged on the black market. Rumours of the impending devaluation led to a run on goods as people sought to spend their old dongs. Inflation shot up from around 50 to 350 per cent. By mid-December, the free market prices of rice and pork had tripled; electricity charges for homes increased eighty fold; and airline and bus fares by ten. ("Without an Umbrella", The Economist, 29 March 1986, p. 25; and Far Eastern Economic Review. Asia Yearbook 1987, Hong Kong. November 1986, p. 265.)


27 Ibid.


31 Ibid., p. 44.


35 Ibid.
For example, in August 1987, a total of 1.6 million people were unemployed, of which 600,000 were in the major cities. 70 per cent of the unemployed in urban areas were young people, with one million new additions to the labour market each year. ("Vietnam Chronology", Indochina Chronology, Vol. VI, No. 3. July-September 1987, p. 5. From report in the VNA 18 August 1988.)

Quoted from Murray Hiebert, "Caught in a Downdraft", FEER, 14 January 1988, p. 48.


Ibid., FE/7464/B/4, with appropriate correction from "Reform of System of Party Control Over Army : Correction", SWB-FE, 1 November 1983. FE/7479/B/2.


A 19 November 1987 Nhan Dan report on his address to the all-army Ho Chi Minh Youth Union (HCMYU) on 18 November described him as the "secretary of the Military Commission of the Party Central Committee." ("Nguyen Van Linh "Secretary of the Military Commission" of the CPV", SWB-FE, 8 December 1987. FE/0020/B/2.)


In December 1987, about 200 Vietnamese emigre guerrillas from the U.S. (and reportedly also from Australia) launched an attack on Vietnam from Thailand and Laos. Sixty-five of them were captured, and eighteen of them put on trial and sentenced to varying jail terms. It was reported by Hanoi that the leader of the "invasion", Hoang Co Minh, who was also the founder of the Vietnamese anti-communist "movement" in the U.S., was killed in the operation, although his "followers" strongly deny this. ("Resistance", Indochina Chronology, Vol. VI, No. 4. October-December 1987. pp. 8 - 9.)

See, for example, the monthly anti-communist newsletter, The Vietnamese Resistance, which carries regular reports of such incidents. This newsletter is published by the National United Front for the Liberation of Vietnam (NUFRONLIV), which was formed in 1980 by anti-communist Vietnamese emigres in California. Until it broke up into separate factions three years after its founding, NUFRONLIV was the largest of the resistance "movements" in the U.S. ("Resistance", op. cit., p. 8.) It also runs the Vietnamese Resistance Radio (VRR), which has been broadcasting eight hours daily (10.3 Mhz and 7.4 Mhz) into Vietnam since 27 December 1983. ("Resistance Activities Reported by
The professed aim of the radio station is "to help spread the resistance movement all over (Vietnam)." ("The Fourth Anniversary of the Vietnamese Resistance Radio". The Vietnamese Resistance. January 1988. p. 1.)

49 These are state-controlled wages to ensure equal pay for equal work; assistance to the weak to help them rise rather than further disadvantage them through capitalist-like competition; the provision of full employment guaranteed by society; and the priority of common interests over selfish individual ones. (Janos Kornai. "The Dilemma of a Socialist Economy: the Hungarian Experience". Cambridge Journal of Economics. Vol. 4, No. 2, June 1980, p. 149.) However, attempts to satisfy these goals through central planning had often led to stagnating growth and inefficiency. The Vietnamese reforms—aimed at improving economic efficiency—have involved a high degree of decentralization which goes against the "socialist ethics". This is because of the conflicting characteristics of the principles of economic efficiency: unequal rewards for equal amount but different kinds of work; the survival of the fittest and the most accomplished in a competitive system; the availability of employment decided not by society but by economic fortunes; and a large measure of incentives centred on the individual to reward creativity, innovation and productivity. (ibid., p. 148.) In short, every one of the goals as prescribed by the "socialist ethics" are violated by those measures needed for economic efficiency. (This is one of the main themes in Janos Kornai. Contradictions and Dilemmas: Studies in the Socialist Economy. Cambridge MA and London, MIT Press, 1986.) Generally, the Vietnamese reforms have tended to favour the latter set of "requirements" so as to improve economic efficiency, thus moving away from over-centralized planning and contradicting some of the most basic principles of the "socialist ethics".


52 "Without an Umbrella". op. cit., p. 25.


54 ibid.

55 ibid., p. 9. Namely, the Ministry of Transport and Communications, Finance, Internal Trade, Foreign Trade, and Coals and Mines. The sixth was from the Ministry of Culture.

56 ibid.

57 "Resignation of Party Leaders Announced". SWB-FE. 18 December 1986. FE/8445/C1. Subsequently, they were moved into advisory positions to the Party's Central Committee. As "advisers", they are allowed to attend Politburo and Central Committee meetings, but only if "there is agreement that it is important that they do so." (Country Report, No. 2. 1987, p. 9.) They do not have a separate secretariat of their own, having to depend on the office of the Party Central Committee. (ibid.)


compromised his position because corruption was one of the major plagues on the economy.


61 ibid., p. 11.

62 ibid. They were "Politburo members Nguyen Duc Tam and Tran Xuan Bach, and Tran Kien, chairman of the Party Control Committee."

63 ibid. They were "Politburo members Dao Duy Tung; Le Phuoc Tho, Party secretary from Hau Giang province in the Mekong Delta; General Nguyen Quyet from the Party’s military committee; General Dam Quang Trung who had commanded the First Military Region; Vu Oanh from the Central Committee’s Organization Department; General Tran Quyet, vice-minister of the interior; Tran Quoc Huong, deputy Party secretary in Ho Chi Minh city; and Pham Duyet, vice-president of the trade union." Two other secretariat members joined in between the two congresses. They were Nguyen Van Linh, who took charge of the Secretariat in mid-1986, and Nguyen Khanh, who joined "several years earlier."

64 ibid.

65 Various models of how the CPV Politburo functions have been put forward by scholars of Vietnamese politics. They fall into three basic types: the unity model, the factional model and the collegial model. The unity model, as its name suggest, regards the Politburo as a close-knit leadership united by their common revolutionary experiences. (See Douglas Pike, "Operational Code of the North Vietnamese Politburo", Asia Quarterly, No. 1, 1971, pp. 94 - 95; and David Elliot, "North Vietnam Since Ho", Problems of Communism, Vol. XXIV, No. 4, July-August 1975, pp. 42 - 44.) The factional model, on the other hand, describes a leadership divided along factional lines, its most well-known advocate being P. J. Honey. (See P. J. Honey, "The Position of the DRV Leadership and the Succession to Ho Chi Minh", in P. J. Honey (ed.), North Vietnam Today, New York, Frederick A. Praeger, 1962, pp. 55 - 59. See also Thai Quang Trung, Collective Leadership and Factionalism: An Essay on Ho Chi Minh's Legacy, Singapore, Institute of Southeast Asian Studies, 1985.) The collegial model, proposed by Carlyle Thayer, represents the Politburo decision-making process as something of a cross between the unity and factional models. There is unity about ultimate ends, but disagreements along individual, or even factional lines, exist. (See Carlyle A. Thayer, "Vietnamese Perspectives on International Security", in Donald Hugh McMillen (ed.), Asian Perspectives on International Security, New York, St. Martin's Press, 1984, pp. 63 - 65. A variant of the unity model seems to be the nepotistic-dictatorial model, where a small united clique dominates the political system through nepotism and patronage. (See ibid., pp. 61 - 63.)

66 Quoted from Carlyle A. Thayer, "Vietnamese Perspectives on International Security: Three Revolutionary Currents", ibid., p. 57.


Excerpts of Hanoi’s home service reporting of the proceedings of the Sixth Congress on 17 December 1986.


ibid.


"Du Muoi: Losses in Last Ten Years "Far Exceed" Those Suffered in War Resistance", SWB-FE, 6 October 1987, FE/8691/B/3. Translation of Du Muoi’s original Tap Chi Cong San article entitled "Heighten the Quality of Cadres and Party Members. Preserve the Purity and Enhance the Militant Strength of the Party”


ibid.

ibid., p. 10, and "The Political Bureau and the Secretariat of the Sixth Central Committee of the Communist Party of Vietnam", Vietnam Courier, No. 1, 1987, p. 12, which contains a list ranking the members of the Politburo and Secretariat elected at the Sixth Congress.


He is said to be seeking to "continue the process of increasing state economic control, while simultaneously defending the rights of provinces and cities to enjoy some independence from the political centre." (Country Report, No. 3, 1986, p.8.) Another description of him was that he made a "good compromise candidate" for the post of Party Secretary-General in the then up-coming Sixth Congress because he “has supported the economic reforms but has not ‘stepped on many toes’” of the more conservative elements within the Politburo. (Murray Hiebert, "Vietnam Begins Leadership Transition", op. cit., p. 2.) See also "Vo Chi Cong Article on Economic Management Reform", SWB-FE, 24 September 1987, FE/8681/B/2 – FE/8681/B/4, which contains the translated version of an article written by Cong in Nhan Dan. The article, while still stressing the role of central planning in the economy, has a conciliatory tone towards reforms.


Instead, Do Muoi was named as the Premier to replace Pham Hung who died on 10 March 1988. ("Big Task for New Viet PM", The Age, 24 June 1988, p. 9.)

Murray Hiebert, "Reform and Succession", op. cit., p. 20, and "Passage - Died : Pham Hung", op. cit., p. 71.
90 Murray Hiebert. "Reform and Succession", op. cit., p. 20.
92 His words were, "A writer or a journalist I am not, but itching unbearably to write, I recently penned "Things Which Must Be Done Immediately". (Quoted from "Nguyen Van Linh – N.V.L – Addresses Meeting of Artists and Writers", SWB-FE, October 15, 1987, FE/8699/B/5.)
93 Ibid., FE/8699/B/4.
94 CPV General Secretary Nguyen Van Linh’s Address to the First Session of the Eighth National Assembly, Vietnam Courier, No. 9, 1987, p. 9.
96 Resolution of the CPV Political Bureau on the Campaign to Purify Party Organizations and the State Apparatus and Increase their Fighting Strength and to Make for Healthy Social Relations, Vietnam Courier, No. 12, 1987, p. 4. A full translated version of the resolution is found in “CPV Political Bureau Resolution on Campaign to Purify Party and State”, SWB-FE, 28 September 1987, FE/8684/B/2 - FE/8684/B/5.
97 Resolution of the CPV Political Bureau on the Campaign to Purify Party Organizations and the State Apparatus and Increase their Fighting Strength and to Make for Healthy Social Relations, op. cit., pp. 5 and 10.
98 CPV General Secretary Nguyen Van Linh’s Address to the First Session of the Eighth National Assembly, op. cit., pp. 8 - 9.
99 As reported in the 16 December 1987 Nhan Dan editorial “Renovate the Management of State Enterprises”, “the Council of Ministers has set forth concrete policies with the aim of clearly defining the powers and responsibilities of all state-operated (economic) units... At the same time, it defines the responsibilities of all management organs at the higher level.” (Management Changes in Enterprises : Soviet Experience Drawn Upon, SWB-FE, 19 December 1987, FE/0030/B/3. Translated excerpts from 16 December 1987 Nhan Dan editorial “Renovate the Management of State Enterprises”.)
100 That is, “(to create) the environment and ensure(e) favourable conditions for enterprises to exercise their rights to autonomy in production and business.” Ibid.
Chapter Two: The Soviet Factor.

There are two things which need to be briefly established at the outset: why the Soviets want CMEA member-states to carry out economic reforms, and why Vietnam is an especially worrying case for them in this respect.

First, the inefficiency of CMEA industries, brought about by their protection from competition, had caused them to use more Soviet-supplied "hard-currency" earning resources - mainly oil and other raw materials - than in comparable industries in the West. In addition, the quality of their products had generally been inferior, making them difficult to sell on the world-markets to earn the "hard-currency" needed to buy essential raw materials.

The net effect of these two factors is that the Soviets have ended up heavily subsidizing the CMEA. Not only have they had to make up for the shortfall in raw materials needed by the CMEA industries with their own "hard currency" earning resources; they have also had to absorb most of the "soft" goods - that is, inferior quality products - rejected by the West in return for their economic assistance.

However, up "(u)ntil the end of the 1970s, Soviet authorities never claimed that they were helping or subsidizing their partners." Instead, the emphasis was on the mutuality of benefits derived from economic cooperation within the CMEA. But with the Soviet Union now trying to reform its own economy and facing a shortage of "hard currency" reserves to pay for its increasing levels of trade with the West, the need to
conserve its own scarce supplies of "hard-currency" earning resources and to reduce the subsidization element of its economic assistance to CMEA member-states have become peremptory.

To do this, Gorbachev has been pressuring them to cut down on waste and inefficiency, and to improve the quality of their products.5 At the 43rd extraordinary session of the CMEA in October 1987, he speech noted that, "there is a serious need for the CMEA to be restructured. More efficient forms and methods of running the national economy are being worked out...(to) enable each CMEA member country to reveal more fully its internal possibilities."6

In Vietnam's case, a lot of the Soviet aid it receives had been squandered through the kind of inefficiency which the Gorbachev leadership is trying to reduce in the CMEA. In commemorating the treaty between Vietnam and the Soviet Union, the former admitted that, "(o)ver the year, the USSR has provided billions of roubles in aid to our people. But due to our system of bureaucratic centralism and state subsidies, our subjectivism and hastiness, as well as our conservatism and procrastination, we have wasted this valuable source of Soviet aid."7

The quality of the goods it sends back to the Soviet Union in repayment of loans and other forms of economic assistance had also been found wanting in many respects. The Vietnamese Army paper, Quan Doi Nhan Dan, reported that Vietnam is "still unable to implement satisfactorily the agreements and
contracts signed (with the Soviet Union) in terms of quantity, quality and deadlines....(and that) Vietnamese rubber exported to the USSR was poor both in terms of quality and packaging."8

Finally, Vietnam also represents a considerable drain on Soviet "hard-currency" earning resources and reserves.

First, there has been a substantial rise in its imports of petroleum and related products - bought at a highly subsidized rate9 - from the Soviet Union. In the 1976 - 1980 period, the value of such products was only 140.3 million roubles, or 8.2 per cent of the total value of Soviet goods exported to Vietnam.10 For the 1981 - 1984 period, it has risen to 1,186.3 million roubles, or 34.5 per cent of the total value of Soviet exports to Vietnam.11 In the 1976 - 1980 period, as a percentage of the total value of Soviet goods exported to Vietnam, the category "petroleum and petroleum products" ranked fifth.12 In the 1981 - 84 period, it had became the largest category.13

Second, the Soviets have had to use their own "hard-currency" reserves to pay for the grain which they send to chronically food-shortage ridden Vietnam. For example, in the latest food crisis in Vietnam in 1988, the Soviets have had to buy 60,000 tonnes of food on the world market to help it.14

Based on the above points, the Soviets have very good reasons to want Vietnam to carry out economic reforms, and there seems little doubt that they are exerting pressure on the latter in this regard. At the CPV's Fifth Party Congress in 1982, Gorbachev, who headed the Soviet delegation, had already
called on the Vietnamese to use "in a more rational way the production potential already built" with Soviet assistance in Vietnam. Stressing that "further economic cooperation (would have to be) in line with the actual possibilities of the USSR and SRV," and that "the economy must be economical," his point was clearly that the future of Soviet aid depended on the Vietnamese economy becoming more efficient.

With Gorbachev now in power and strenuously pursuing perestroika at home and in the CMEA, the amount of Soviet pressure must have increased, not only for reforms, but for Soviet-styled reforms in Vietnam. At the Sixth Party Congress of the CPV, the speech delivered by Yegor Ligachev, a senior member of the CPSU Politburo and head of the Soviet delegation, implied as much by the offer he made to his Vietnamese hosts. Devoting a large part of his speech to supporting the reforms in the Soviet Union, he said, "We know that the Vietnamese communists take a great interest in the practice of the building of socialism in the USSR and the restructuring process which we are implementing. We are willing to share with you all the experience accumulated by the Soviet communists."

Having established, albeit in a brief fashion, that the Soviets have good reasons to want Vietnam to carry out reforms, and that they are exerting pressure on the latter in this respect, the crucial question with which to start analysing the role of the Soviets in Vietnam's economic reforms - and how critical it is - is to ask, "On what basis can claims that the Soviets are actually having active and meaningful influence on
the Vietnamese reforms be made?" After all, exerting pressure is evidently not equivalent to successfully obtaining active and meaningful influence; assuming that it is in no way makes it the case.

To support claims of active and meaningful Soviet influence, most would point to Vietnam's dependence on economic and technical aid from the Soviet Union, something which has been escalating steadily over the years. After formal Soviet-Vietnamese economic ties were established on 18 July 1955 by Ho Chi Minh in Moscow, Soviet aid for Vietnam's first Five-Year Plan (1961-65) was estimated to be worth between US$ 50 and 108 million. By the time of Vietnam's second Five-Year Plan (1976-80), it had risen to a value of between US$3 and 4 billion. More recently, Soviet aid in Vietnam's third Five-Year Plan (1981-85) was "twice that in the preceding five-year period," and the amount projected for the current Five-Year Plan (1986-90) will be "more than double" that of the 1981-85 plan.

The Soviet contribution as a percentage of the total amount of foreign aid which Vietnam receives is even more telling. In 1976, the Soviet Union accounted for about 45 percent of the overseas aid Vietnam received. By the end of 1978, with the Kampuchean invasion causing China and the West to cut off aid, Moscow took over almost all of the funding for Vietnam's second Five-Year plan.

A great number of infrastructure development projects in Vietnam are also Soviet built or assisted, including "the
Hoabinh hydropower station (1,920 mW) - the largest in Southeast Asia - and related facilities, the Phalai thermal electric power plant (640 mW), the Chiang hydro-electric power project (400 mW), the Thanglong bridge over the Red River, and the Vietsovpetro joint organization (established to help explore and develop Vietnam's potentially rich oil and gas deposits). The projects built with Soviet assistance account for 89 per cent of coal produced in Vietnam, 76 per cent of metal-cutting machine tools, 100 per cent of superphosphate and apatite, and 35 per cent of electricity.¹⁶

The Vietnamese themselves have acknowledged the magnitude and importance of Soviet economic assistance, noting that, "the USSR has provided us with extremely valuable assistance. (It) has guaranteed as much as 70 to 100 per cent of the supplies we need of goods of utmost strategic importance, thus making a decisive contribution to helping us maintain production and stabilize our livelihood."²⁷

By any measure, the figures listed in the above paragraphs are very high, and based on them alone, few can possibly deny the assertion that the Vietnamese are economically dependent on the Soviets insofar as the amount of aid provided is concerned. But does this assure, to a reasonable degree, active and meaningful influence for the "dominant" state in the aid relationship, in the sense of giving it an ability to exercise direct and substantial control over the actions of its "subservient" partner?
The precedents in international relations involving a superpower and a "medium" or "small" power strongly suggest that it does not. For example, the United States government, especially its State Department, has discovered that its huge economic and military aid programme to Israel has not turned the latter into a "compliant client-state" respectful of American interests in the Middle East.

Apologists for the United States could, of course, claim that the Soviet Union is a "different" kind of superpower, an "evil empire" which strictly enforces its will on those dependent on it. Again - without entering into a debate about whether it is "evil" or not - the record suggests otherwise. The so-called "dependent" states almost invariably had an ulterior motive for appearing to be a "client" of the Soviet Union, namely, to secure military supplies from it against an adversary. But the Soviet Union has seldom been able to exert active and meaningful influence on them - in the way most automatically assume it can - simply because of this.

Anwar Sadat's Egypt in its "war of attrition" against Israel was a paradigm case. Military and economic aid did not prevent Sadat from ordering the Soviets out on 18 July 1972. Instead, it turned out to be a case of the "tail wagging the dog" when the Soviets had to airlift emergency military supplies to Egypt in the October 1973 Arab-Israeli war. Ultimately, even this did not stop him from withdrawing naval facilities and abrogating the 1971 Treaty of Friendship and Cooperation with the Soviets in March 1976.
Significantly, the reason for Sadat's actions was because of Soviet pressure on Egypt to clear part of its massive debt: the Soviets had refused to accept a moratorium on the debt, and "demanded interest on debts for military supplies." As Sadat pointedly remarked when presenting the draft bill abrogating the treaty to the Egyptian Parliament on 14 March, "the Soviet Union wishes to exert military and economic pressure on us...in order to force us to go on our knees before it. I shall never go on my knees to anyone. I go on my knees only to God...If this is their concept of a friendship treaty,...the document is nothing more than a scrap of paper."32

Then there was Somalia, a poor Third World country much like Vietnam, which, up until 1977, was also heavily dependent on Soviet aid.33 It too was in a tense situation: a face-off against Ethiopia over the Territories of the Afars and Issas (the former French Somaliland).34 In July 1974, it had signed a Treaty of Friendship and Cooperation with the Soviets,35 which was subsequently ratified in October.36 In mid-1975, there was alarm in the West over what were claimed to be Soviet military facilities at the Somali Red Sea port of Berbera.37 Although these fears turned out to be true,38 neither did this nor Somalia's "aid-dependency" and grinding poverty stop it from expelling the Soviets in November 1977 and abrogating the 1974 Treaty of Friendship and Cooperation with them.39

While not suggesting that the Vietnamese are about to abrogate their own treaty with the Soviets, the above similarities with the position of Vietnam today - which
strengthened its ties with the Soviet Union in the late 1970s because of Chinese hostility over Kampuchea\textsuperscript{40} - make assumptions about "great" Soviet influence in Hanoi based mainly on the latter's "aid-dependency" highly suspect. Therefore, what is needed is a much firmer basis than the one-sided aid relationship on which to build a case - if one exists - for a critical Soviet role in the Vietnamese reforms.

For a start, there are some striking similarities between the reforms in Vietnam and those in the Soviet Union. Basically, the reforms in both countries had involved a certain degree of decentralization to promote efficiency and initiative, and encouragement for the setting up of limited kinds of private enterprises based on the profit motive. \textit{Prima facie}, these could suggest a significant influencing role for the Soviets over the Vietnamese. But on deeper reflection, there are two basic flaws in this.

First, the Vietnamese were already experimenting with the abovementioned types of reforms \textit{before} Gorbachev started his programme of \textit{perestroika} in the Soviet Union and CMEA.\textsuperscript{41} At the sixth plenum of the Fourth Congress in September 1979, the CPV leadership had made a firm decision to liberalize the economy, starting the reversal away from over-centralized planning by recognizing the stifling effect it had on economic growth. A 22 October 1979 \textit{Nhan Dan} editorial, reflecting the dominant views at the sixth plenum (Fourth Congress), had criticized central planning as follows, "The simple mentality of wanting to immediately control all production and distribution by administrative laws and regulations and eliminating
everything else, not allowing anyone to do anything outside of nationalized industries and cooperatives, forbidding all forms of exchange, can only lead to an economic situation of poverty and slow growth."42

The importance of rewarding the individual to improve economic efficiency and productivity was also officially recognized in 1979. As put by the Party daily Nhan Dan, "The policy of providing material benefits is formulated on the basis of the "to each according to his work" principle, which ensures that each worker, in proportion to the amount and quality of his work, will receive an appropriate quantity of products created so as to compensate him for his labour. According to this principle, those who put in more and better work will be given more and better compensation than others."43 As a result, a certain degree of economic responsibility was already being devolved to the provinces and districts in Vietnam in the late 1970s.44 The most notable outcome of all these reform measures was the introduction of the "output contract" system for farming cooperatives in 1980, which encapsulated the reform principles of the sixth plenum (Fourth Congress) by leaving basic economic decision-making to the cooperatives and rewarding efficiency through the profit motive.45

Second, the similarities could be no more than mere coincidence, perhaps of similar problems (inefficiency and unresponsiveness to changing economic conditions brought about by the inherent limitations and weaknesses of central planning) needing similar solutions (decentralization to encourage enterprise and initiative).46 The patent absurdity of
assuming that similarity translates into acceptable proof of active and meaningful influence can be shown by drawing a parallel between the reforms in the Soviet Union and China, which are also quite similar. Although not an entirely apt analogy – because the Vietnamese are dependent on the Soviets for aid, while the Soviets are not with respect to China – the point is illustrated when it is realized that there are probably no political analysts who would support the contention that it was the Chinese who pressured Gorbachev, in the sense of actively intervening, into reforming the Soviet economy.47

These two flaws negate any attempts at establishing the importance of the Soviet role in Vietnam's economic reforms based on similarities alone. Perhaps a more convincing case would be to examine how closely the Vietnamese reforms are structured along the lines of the organizational reforms espoused by Gorbachev for the CMEA.

Under Gorbachev, the CMEA's 1971 long-term programme of integration, that is, the Complex Programme for Further Improvement of Socialist Economic Integration, and the Long-Term Target Programmes (LTTP) of cooperation and specialization which resulted from it have been more or less replaced by a Long-Term Programme of Scientific and Technological Cooperation launched in December 1985.48 The latter scheme emphasizes the role of relatively autonomous joint ventures and direct links between enterprises of different CMEA countries.49 In essence, "(t)he core of the CMEA system will continue to be intergovernmental bilateral agreements;
but the gaps in its inflexible structure should, at least in theory, be increasingly filled with autonomous initiative by enterprises." The deputy-chairman of the USSR Council of Ministers, Vladimir Kamentsev, had said that such enterprises will be the "priority growth area in the country's cooperation with other socialist countries."

There is strong evidence that the Vietnamese are indeed reforming their economy to conform to these Soviet prescriptions for the CMEA. During a November 1987 working visit to Vietnam by a Soviet government delegation led by V. K. Gusev, a number of agreements were signed laying the groundwork for the new forms of CMEA economic cooperation. These included an agreement on the basic principles for the creation of joint ventures and direct relations between enterprises of the two countries. The most basic of these principles was that the participating enterprises were to have a high degree of independence in economic decision-making. This was guaranteed in Articles 1 and 9 of the agreement reprinted in the 23 November 1987 issue of Nhan Dan. Article 1 read, "Joint enterprises will conduct their business operations on the basis of total economic accounting for their self-procured and self-replenished funds, including foreign exchange and independent balance sheets"; whereas Article 9 stated that, "Joint enterprises carry out their activities on the basis of short-term and long-term plans developed and adopted by themselves....State organs of the host country shall not establish obligatory tasks and plans for joint enterprises."
Subsequently, in December 1987, Vietnam's Council of Ministers issued decision No. 217-HDBT setting up a "new management mechanism" for state enterprises. Among its basic principles were that "the state must recognize and encourage direct relations among state-operated economic units themselves, as well as between state-operated economic units and units of other economic components, and (those) in foreign countries"; and that (s)tate organs should not interfere directly in the daily activities of (these) enterprises... (so as to create) the environment and ensur(e) favourable conditions for (them) to exercise their right to autonomy in production and business.  

The Soviets have also been moving to get the CMEA member-states to achieve a higher degree of specialization within the organization. At the special economic summit of the CMEA from 12-14 June 1984 in Moscow - the first in 15 years - this was one of the main items on the agenda. In this context, the role envisaged by the Soviets for Vietnam is that of a producer of primary goods, mainly light industrial products and farm produce for the CMEA, and in particular, for the Soviet Union's Far East and Siberian regions.

Ligachev's speech to the CPV's Sixth Congress hinted at this when he said, "some branches of the light and foodstuffs industry, production facilities for consumer goods and the arranging of direct trading and economic links with regions of Siberia and the Soviet Far East may...become an important area of our cooperation." In other references to Vietnam's cooperation with the USSR, this message has been more blunt:
it has been stressed that a "special role is given to strengthening direct ties between the USSR's Far Eastern regions and the SRV (Socialist Republic of Vietnam), to taking appropriate steps to organize exports of farm produce to these regions"\textsuperscript{60} ; and that "(p)roceeding along lines of mutual benefit...(t)he Soviet Far East, geographically closer to Vietnam than any other region of the USSR, will offer a capacious market for Vietnamese raw and processed fruits and vegetables."\textsuperscript{61}

Here again, Vietnam seem to be complying with Soviet wishes. The Economic Report of the Sixth Party Congress "reversed earlier economic priorities which laid stress on the development of heavy industries" to put more emphasis on agriculture.\textsuperscript{62} Delivered by the Chairman of the State Planning Commission Vo Van Kiet, it read, "In the years ahead, we will really consider agriculture the foremost battle front...The primary and main orientation for heavy industry in this stage is to support agriculture and light industry on a proper scale and at an appropriate technical level."\textsuperscript{63} The Political Report of the Sixth Congress also added that, "agriculture, forestry and fish(ery) products occupy the most important place in the export structure of the coming years...(and) (w)e are determined to organize well the export of farm products to the Far East region of the Soviet Union."\textsuperscript{64}

Furthermore, in finalizing the coordination of their state economic plans, the Vietnamese agreed that in return for Soviet aid and assistance, "Vietnam will increase the volume of its exports to the Soviet Union, first of all farm produce."\textsuperscript{65} This
was repeated in the protocols Vietnam signed with the other CMEA countries on coordinating their current Five-Year (1986–90) state economic plans.\textsuperscript{66} In general, the Vietnamese promised increased exports of primary farm produce, raw materials and light industrial goods in return for technical and financial assistance in building up the country's industrial base.\textsuperscript{67}

However, does Vietnam's adoption of these aspects of Gorbachev's \textit{perestroika} programme for the CMEA make assertions about active and meaningful influence in Hanoi an immediate truism? Probably not, because all that the above points positively showed is that Vietnam is increasing economic cooperation with the Soviet Union and the CMEA countries. There is nothing unusual about this, since it is a member-state of the CMEA and the Soviet Union is clearly its most important trading partner. During the period from 1976 to 1980, overall trade between the two countries had risen at an average annual rate of 24.3 per cent.\textsuperscript{68} For the period 1981 to 1984, it went up by 41.5 per cent as compared to the preceding five years.\textsuperscript{69} As to Soviets exports to and imports from Vietnam, they rose by 38.6 and 54.2 per cent respectively.\textsuperscript{70} By the mid-1980s, the Soviet Union accounted for two-thirds of Vietnam's total foreign trade turnover.\textsuperscript{71} In the words of the Vietnamese, "(t)he USSR is the key market for our imports and exports. In 1986, 83 per cent of the value of our imports came from the socialist countries, with the USSR accounting for 70 per cent of that figure. The USSR imported 65 per cent of the value of the products we exported to the socialist market."\textsuperscript{72}
Viewed from these perspectives - that is, Vietnam's membership in the CMEA and its extensive trade links with the Soviet Union - it is entirely plausible that the Vietnamese are following Soviet advice on economic reforms of their own volition, because to do so is in Vietnam's best interests. For example, the joint ventures and direct contacts could provide training for local personnel and access to technology to help develop Vietnam's domestic industries which might otherwise be difficult to obtain; while concentrating on farm exports to the Soviet Union and other Eastern bloc countries to pay for their technical and financial assistance makes sound economic sense, since agriculture is the dominant sector in Vietnam's economy. It consistently accounted for over 40 per cent of the total produced national income, the highest of all sectors in the economy, with 72.4 per cent of the estimated active labour force in mid-1984 being employed there.

Only if it can be further proven that the Vietnamese had no choice, and were pressured into adopting the CMEA organizational reforms reluctantly, would there be a solid basis to make educated guesses about the degree to which the Soviets may exercise active and meaningful influence in Vietnam.

In this respect, the strength of any arguments for or against the Soviet Union having a critical role in the economic reforms in Vietnam - and possibly rising influence among that country's new leadership - needs to be corroborated or tempered by what is known about the kind of relationship the Soviets and Vietnamese have had with each other historically.
and in more contemporary times, and by any logical inferences that one could make from them.

One very relevant point here is that the Soviet-Vietnamese relationship had never been easy or comfortable: behind the almost mandatory declarations of "friendship and cooperation" in their present-day official communiques, there is a long history of Soviet betrayal, neglect or compromise of the Vietnamese communists' interests. As listed by Leif Rosenberger, when the Party was founded in 1930, the Soviets were more or less indifferent. In the 1930s and early 1940s, they failed to support even verbally the Vietnamese communists' struggle against colonial France, recognizing Ho Chi Minh's 1945 declaration of the Democratic Republic of Vietnam (DRV) only in 1950. The DRV then had to wait two years to send its first ambassador to the Soviet Union in April 1952. Later, in 1948 and 1951, the Soviets neither supported nor lobbied on behalf of the DRV when the latter applied for membership in the UN; instead, they supported the Geneva cease-fire in 1954 that resulted in the partitioning of Vietnam at the 17th parallel, and in 1956 proposed that both North and South be admitted to the UN. And when the US mined Haiphong Harbour in 1972, Brezhnev turned a blind eye so as not to jeopardize the upcoming May US-Soviet summit, greeting President Nixon warmly when he arrived.75

The recent "close" ties between the two countries were in fact fostered out of mutual hostility towards China in the late 1970s, not out of mutual trust.76 The deterioration of Sino-Vietnamese relations and rising hostility over Kampuchea and
the "Hoa" (Chinese living in Vietnam) issue, plus U.S. delay in normalizing relations and providing aid to Vietnam during its food crisis of 1978 more or less forced a reluctant Hanoi into signing a Treaty of Friendship and Cooperation with the Soviets on 3 July 1978. After the treaty was signed, the then Premier Pham Van Dong hinted to a visiting American delegation at how uncomfortable the Vietnamese were with it. Probably in the hope that the Americans would take it as a signal to normalize relations, he told them, "Whenever in our four-thousand-year history Vietnam has been dependent on one large friend, it has been a disaster for us."

Vietnam's membership in the CMEA, approved at a meeting of the member-states in Bucharest in June 1978, also seems to have been pushed through in haste, with most of the other member-states not notified in advance of its application to join. In fact, the Vietnamese Foreign Minister Nguyen Co Thach bluntly told an interviewer that, "We became a full member of Comecon after the break-off with China. We would not be a member if it were not for that."

Today, the stress and strain in the "fraternal" relations between Vietnam and the Soviet Union remain, the latest source of tension being Moscow's attempt at a show of "even-handedness" vis-a-vis Hanoi and Beijing in their clashes over the Spratley Islands and on the Kampuchea issue. There must be a fear among the Vietnamese leadership that the Soviets may repeat the many betrayals of the past for their own selfish interests, this time in order to normalize relations with China.
Another significant historical point is that Vietnam is unlike any of the Eastern European states, with the exception of Yugoslavia and Albania, in that its communist revolution was largely indigenous.\textsuperscript{86} It was dependent on the Soviet Union and China only to the extent that it was assisted by them through the provision of war materiel and moral support.

Vietnam is in fact more akin to the Soviet Union than the East European states in the sense of having its own "sphere of influence"\textsuperscript{87}: like the Soviets in Eastern Europe, Vietnam has troops on foreign territories adjacent to it, namely the other two Indochinese states, plus the military power to back up its claim. It is generally accepted that Vietnam now has between 100 and 150,000 soldiers in Kampuchea. In Laos, it has four divisions and various support staff, totalling an estimated 50,000 troops. The Vietnam People's Army (VPA) units are also assigned to internal security duties and construction work in Laos.\textsuperscript{88} And despite the ending of the Second Indochina war in 1975, Vietnam's regular armed forces rose from 615,000 in 1978 to 1,155,000 in 1986, an increase of 88 per cent, the highest rate of growth of military power in Southeast Asia.\textsuperscript{89} Consequently, the VPA now has the fifth largest military force in the world, behind only those of the Soviet Union, China, the United States and India. In addition to regular troops of the VPA (1.1 million), Vietnam has 3 million trained reserves, a Border Defence Force of 60,000 and various paramilitary groups totalling 1.5 million. The overall number of people involved in the military is therefore slightly above 5 million, or 8 per cent of the country's total population.\textsuperscript{90}
Two corresponding inferences can be drawn from the above points. First, although the extent of the Soviets' involvement in Vietnam's economy today is vast, there is likely to be a high degree of Vietnamese distrust for them; and second, it should come as no surprise that the Vietnamese are highly nationalistic, with little inclination to regard themselves as being on the "periphery" of the "socialist revolution", preferring instead to be at the "centre".91

Keeping in mind that the "new" leaders in Vietnam are not "new" in the true sense of the word – they are only "new" relative to those who have "retired"92 – it is unlikely that their perception of the Soviets, and how they would respond to any Soviet pressure, would exist in a historical vacuum. More likely, they would have been conditioned by their prior experiences with the Soviet Union. Furthermore, having been part of an indigenous revolution – in a country which can only be regarded as the regional military power in Southeast Asia aside from Indonesia – they are also likely to be at least as nationalistic as their predecessors.

From these inferences, it could be argued that it is highly improbable – though not absolutely impossible – that the Vietnamese leaders would meekly allow the Soviets to tell them what to do with respect to how their country's reforms should proceed, if these do not mesh with their own perceptions of Vietnam's self-interest.

The immediate response to this would be to ask, "Do they have the luxury of ignoring Soviet economic "advice", even if
they were against it?" Given Vietnam's "aid-dependency", the Soviets could threaten a withdrawal of aid to force it into accepting their instructions.

The reply to this - as noted earlier - is that the record of both superpowers in general strongly suggest that giving massive amounts of economic and military aid is seldom synonymous with acquiring active and meaningful influence over the actions of the "dependent" state. In Vietnam's case, the efficacy of such threats in forcing Hanoi's hand may not be as real as it seems for the following three reasons.

First, the Vietnamese are not without their own "bargaining chips" with the Soviets - the base facilities at Danang and Cam Ranh Bay. Soviet vessels and surface ships make regular visits to Cam Ranh Bay, and their reconnaissance aircraft operating from Danang and Cam Ranh Airfield spy on U.S. naval activities in the South China Sea.93 These facilities also enable them to watch Chinese ships and southern shore installations.94 How important these facilities are to the Soviets is open to debate, but if they can help it, the Soviets would probably not want to lose their access to them.

Second, the Soviets are also likely to want to retain some kind of "foothold" in Indochina, where Vietnam is the dominant power. As illustrated by the "Pen Sovan affair",95 even though most of the military hardware that makes Vietnam's domination of Kampuchea and Laos possible is Soviet-supplied,96 the strength of the Soviet position there is still
paradoxically dependent to a certain degree on maintaining the goodwill of the Vietnamese.

However, it should be noted in passing that the fall of Pen Sovan could also have been the result of an internal power struggle. According to Pom Delis, who defected to Thailand and who was the secretary and "minor" wife of a top minister (Ros Samay) in the Heng Samrin Cabinet, Pen Sovan was regarded as being more trustworthy than Heng Samrin because of the former's Vietnamese army training and Vietnamese wife; and that Pen Sovan was to have replaced Heng Samrin as the head of the regime.97

Third, there is a precedent for the Vietnamese leadership giving up economic aid, at a time when the country desperately needed it, for what it considered to be a more important priority - security. The reference here is to the invasion of Kampuchea in late 1978, when the Vietnamese economy was undergoing a serious crisis. The Party leaders then not only put up with armed hostility from China to get rid of the anti-Vietnamese Pol Pot regime, but also gave up substantial amounts of economic aid from the Chinese for the higher priority of security.98 Their independence of action, like security, is likely to enjoy higher priority than economic aid. In fact, independence being one of the two aims that formed the basis of the Party's support and legitimacy - as discussed in Chapter One - it is probably the top priority of the Vietnamese. For example, one of the three qualities of the traditional ideal Vietnamese ruler is the ability to maintain the country's
independence from domination by its long-time adversary in the North, namely, China.99

This strong sense of independence of the Politburo, both "old" and "new", makes it highly unlikely that it would give in to economic blackmail by the Soviets. To suggestions that Vietnam may be losing its sovereignty to Moscow, the then Premier Pham Van Dong asked rhetorically, "Does anyone truly believe that after having paid such an immense price for our freedom in blood, sweat and tears, we would hand over that newly won independence to someone else?"100

The country's "new" leader, Nguyen Van Linh, shows no sign of being any less independent-minded than his predecessors. While recognizing that Soviet aid is important, he had qualified it with a call not to become dependent. "The new development of Vietnamese-Soviet co-operation epitomizes the CPV's view that Soviet cooperation and assistance is the core of Vietnam's foreign economic strategy and an important factor in socialist construction in this country... (However), it is necessary to eliminate resolutely the idea of depending or relying on others."101

Perhaps the question to ask then is not whether the Vietnamese had the luxury of ignoring Soviet advice, but what made them amenable to it in the first place. In this respect, the reasons could have been internal, as discussed in Chapter One, and not so much because of Soviet pressure.

It may of course be speculated that the Gorbachev leadership assisted the "reformers" in removing the "old"
leaders, causing them to be beholden to the Soviets for their positions. In fact, two leaders whom the Soviets could have had good reasons to want removed, Truong Chinh and Pham Van Dong, did in fact end up being "retired", as noted in Chapter One. Chinh is reputed to be "pro-Chinese", and it is speculated that the Gorbachev leadership did not favour him as Party leader after Le Duan's death because of his "conservative" views on economic reforms. In Dong's case, he had been critical before of Soviet reluctance to grant Vietnam carte blanche access to economic aid. The Soviets had initially refused to make any firm commitment to Vietnam's third Five-Year plan (1981-85) during the run-up to the CPV's Fifth National Party Congress in 1982. Subsequently, at the Fifth Party Congress, he openly chided them for treating Vietnam "in a subservient way".

Contrast this with the warm praise the "new" Vietnamese leadership is currently giving to the Soviets. For example, an article written by the Vietnamese Foreign Minister Nguyen Co Thach, entitled "The Cornerstone of Vietnam's Foreign Policy", was unreserved in its praise for the Soviet Union, "Our principled policy toward the Soviet Union is...based on the direct role played by the Soviet people in the revolutionary cause of our people. It may be said that had it not been for the Russian October Revolution, the Indochinese Communist Party of Vietnam, the predecessor of the present Communist Party of Vietnam, would not have come into existence. Had it not been for the victory of the Soviet Red Army over German facism and Japanese militarism, the August Revolution would not have
triumphed in Vietnam in 1945. Had it not been for the Soviet Union, Vietnam could not have defeated French colonialism, U.S. imperialism and international reaction, and the Socialist Republic of Vietnam could not have come into existence."106

From this startling change in attitude towards the Soviets, it could be suggested that the new leadership "owes" something – besides the massive amount of economic aid – to the former. This "something" could have involved strong Soviet objection to the confirmation of Chinh as the Party Secretary-General at the Sixth Congress, and support for the removal of Dong, which would have vitiated the position of the "old guard" in the Politburo if one accepts the premise that Soviet aid gave them great influence over the Vietnamese.

But as pointed out twice already, aid and influence are seldom synonymous with each other, and arguments that the "new" leadership is Soviet "influenced" are in fact quite weak.107 That the Soviets had a major role in the most recent leadership changes in Vietnam – because of the latter's "aid-dependency" – can be countered by pointing to an earlier resignation of Truong Chinh in 1956. Vietnam was not as dependent on the Soviets then, as it was also receiving support from the Chinese. Yet, the failure of the harsh agricultural collectivization drive of 1953 – 56 forced Chinh to resign from his position as Party Secretary-General.108 This precedent showed that internal accountability is an important factor in the fall of leaders, and can outweigh external pressures.
Moreover, even conceding that Soviet support was needed by the "reformers" to remove the "old guard" in any "power struggle", it does not mean that the "new" leadership is under Soviet "influence". It could be that the "new" leaders "used" the Soviets and not the other way round, in that "reformers" may have exploited Soviet unhappiness at the way their aid was being wasted to argue against and undermine the position of the "old" leaders within the Politburo, without feeling obligated to the Soviets in any way.

As for their effusive praise for the Soviet Union, there is every possibility that it is part of an elaborate "game" to reassure the Soviets so as to keep access to aid open, the latter knowing very well that there is no way to "enforce" Vietnam's "loyalty and friendship" - because of geography - as they could in Eastern Europe. But how sincere the Vietnamese really are in their "fraternal" relations with the Soviets is open to question.

In fact, active and meaningful Soviet influence in the Vietnamese reforms seems to be contradicted by the type of economists who are rising to prominence in their wake. Even though the Soviets are training a number of Vietnamese economists,\textsuperscript{109} two of the most important today - Luu Van Dat and Nguyen Xuan Oanh - are Western-educated. Dat is a French-trained economist and lawyer who headed the committee which drafted the new foreign investment law,\textsuperscript{110} whereas Oanh is a Harvard-trained economist\textsuperscript{111} who, as a member of the SRV (Socialist Republic of Vietnam) National Assembly, is now a key economic adviser to the communist government.\textsuperscript{112} Oanh also played a crucial role in drafting the
new foreign investment law passed by the National Assembly on 29 December 1987, and was recently appointed vice-chairman of a newly established commercial bank in Vietnam.

Therefore, on balancing all the arguments and evidence presented in this chapter, what may be claimed as irrefutable about the Soviet role in Vietnam's reforms is this: while the Vietnamese' adoption of the structural changes espoused by the Soviets for the CMEA makes it undeniable that the Soviets did influence some aspects of Vietnam's economic reforms, contradictory evidence (for example, the rise of Western-educated economists), the fact that the Vietnamese have some bargaining power with the Soviets (base facilities and the latter's position in the Indochina peninsula), plus the lessons of history suggest caution against assigning an overbearing, that is, critical role for the Soviets just because Vietnam is dependent on them for aid.

In the final analysis, the Vietnamese' strong sense of independence means that it is unlikely that the Soviets can "push" them into reforms if they are not willing; neither it is likely that the Soviets can "install" leaders of their choice in Hanoi. The Vietnamese, having publicly conceded that Soviet aid had been wasted and that the goods exported to the Soviet Union were lacking in many respects, accept the need for Soviet aid to be used more efficiently. To the extent of rectifying these shortcomings, they would probably tolerate Soviet instructions about how they should reform their economy. But anything beyond that would have to involve a
high degree of voluntary action by the Vietnamese themselves. As pointed out earlier, just because they are following Soviet advice does not necessarily mean that they were "forced" into it by the Soviets. Instead, they could have been "forced" into it by internal factors.

This last point provides the key to deciding how critical the Soviet role really is in the Vietnamese reform process. It will be dealt with in the concluding chapter which now follows.

1 A general report on the organization and the problems it faces is found in "Inside Comecon: A Survey", The Economist, 20 April 1985, pp. 3 - 18.
2 Vladimir Sobell, building his thesis around an analysis of the CMEA as an International Protection System (as opposed to the International Trade System of the West), noted best how the protection of the CMEA from competition had encouraged endemic inefficiency and technological backwardness in the industries of the organization. He wrote, "If Comecon is an IPS protecting the member-countries' industries from undesirable intra-Comecon influences, then the protection it provides in relation to the non-Comecon influences is of much higher order: considered externally Comecon is an ultra-protective IPS. This is due to the fact that in comparison with Comecon, the climate prevailing outside is decisively that of the market and of competition in which economic integration, such as that of the EEC, takes the form of an ITS. The lack of exposure to external competition (and the various systemic causes of slow technological progress) have gradually brought about a situation of chronic technological backwardness in relation to the external environment. This has had two major consequences: on the one hand...the consumption of energy and raw materials per unit of output is substantially higher in Comecon than in the other industrialized countries, and on the other, additional supplies of the primary inputs from non-Comecon sources cannot be easily secured due to the limited marketability of East European products. The degree of "softness" of goods arise not only from their limited marketability, at the going price, in the Comecon markets, but also from their limited saleability on the Western markets." (Vladimir Sobell, The Red Market: Industrial Cooperation and Specialization in Comecon, Hants., England, Gower Publishing Company Limited, 1984, pp. 25 - 26.)
4 See, for example, Laszlo Csaba, "Joint Investments and Mutual Advantage in the CMEA - Retrospection and Prognosis", Soviet Studies, Vol. XXXVII, No. 2, April 1985, pp. 227 - 247.
5 Gorbachev, during a visit to Rumania in 1987, admonished the member states to "once and for all stop considering the CMEA as a rubbish basket and put an end to exchanges of poor quality goods." (Quoted in Dusan


Quoted from "Turning Point" in SRV’s Cooperation with the USSR", SWB-FE, 23 October 1987, FE/8706/A2/1.

The Soviets have tried to reduce the subsidy in the past. In 1979 and early 1980, the subsidized price of their petroleum products sold to Vietnam was US$ 4 per barrel. Later in 1980, they attempted to raise the price to the then world market level of US$ 32 per barrel. During negotiations, the price was finally raised to US$ 16 per barrel, which was still below the then prevailing world market rate. (William Shawcross, "In a Grim Country", in The New York Review of Books, 24 September 1981.)


Position from Table 2, ibid.


27. "Turning Point" in SRV's Cooperation with the USSR", op. cit., FE/8706/A2/1.
31. Ibid.
32. Quoted from ibid.
33. This parallel to the Vietnam case was pointed out to me by my supervisor.
34. See testimony of J.T.G. Jukes to the Australian Senate Standing Committee on Foreign Affairs and Defence, Reference: Australia and the Indian Ocean Region, Canberra, Official Hansard Transcript of Evidence, 10 August 1976, p. 639.
37. Ibid., p. 27323 A.
38. See testimony of J.T.G. Jukes to the Australian Senate Standing Committee on Foreign Affairs and Defence, op. cit., p. 664.
41. This was brought to my attention by my supervisor.
45. For details of how the system works, see Christine White, "Vietnam Remaps its Road to Socialist Development", op. cit., p. 7.
46. The structural deficiencies of Centrally Planned Economies (CPEs) that impede the developmental process were studied by Alec Nove, Socialism, Economics and Development, London, Allen and Unwin, 1986. Basically, they are the direct result of excessive state control in the economy. This control, essential to central planning, eradicates the market mechanism of supply-and-demand from the production process.
which is then replaced by state-designated production targets and level of services. Two things happen: one, economic institutions become isolated from the market, and do not need to be creative or innovative to improve the quality of their products and services to compete with others, so long as they meet their production targets and provide minimal services; and two, economic decisions become based on state—market defined parameters, where the state apparatus is often heavily bureaucratized and unresponsive to market forces in setting production targets and defining the levels of services to be provided. The end result of these two factors is the general malaise affecting most CPEs. See also Bartlomiej Kaminski, "Pathologies of Central Planning", Problems of Communism, Vol. XXXVI, No. 2, March—April 1987, pp. 81 – 95, which gives a good account of how the structural weaknesses of CPEs give rise to endemic inefficiency within the system; and Janos Kornai, "The Dilemmas of a Socialist Economy: The Hungarian Experience", The Cambridge Journal of Economics, Vol. 4, No. 2, June 1980, pp. 147 – 157, which discusses the deep conflict between the "socialist ethics" and economic efficiency in CPEs.

It should be noted that this is entirely different from saying that the Chinese reforms may not have indirectly influenced Gorbachev's decision to pursue reforms in the Soviet Union. If the Chinese reforms continue to show impressive results while the Soviet economy stays in an unimpressive or even declining state of health, the Chinese reforms could become the model for other communist parties facing an economic crisis, thus causing them to abandon the Soviet economic model. But this kind of pressure which the Chinese reforms may have had on Soviet reforms is not an active one, which is what needs to be decided in relation to Soviet pressures on Vietnamese reforms: is there, or is there not a case for saying that the Soviets are able to exert active and meaningful pressure on the Vietnamese economic reforms?


"Kamentsev on Cooperation with Foreign Countries", SWB—SU, 23 October 1987, SU/W1464/A/1.


Emphasis added. ibid.
59 "Ligachev Speech at CPV Congress", op. cit., FE/8444/C1/6.
63 Quoted from ibid.
65 Vietnam and USSR End Talks on State Plan Coordination", SWB-FE, 14 January 1986, FE/8156/A2/1
66 The countries involved are the Soviet Union, Poland, Czechoslovakia, Bulgaria and the GDR. ("Vietnam Coordinates Economic Plan with .........", SWB-FE, 13 January 1986, FE/8155/A2/1 - FE/8155/A2/2.)
67 Ibid.
68 O. V. Petrov, "USSR-Vietnam: Fraternal Cooperation", op. cit., p. 118. Petrov's sources were Foreign Trade, No. 6, 1982, p. 21 (in Russian); "Foreign Trade in 1981", p. 11; and Foreign Trade, No. 3 (Supplement), 1985.
69 Ibid.
70 Ibid.
71 Ibid.
72 "Turning Point" in SRV's Cooperation with the USSR", op. cit., FE/8706/A2/1.
74 See table in ibid., p. 16.
79 For details of how Hanoi was trying to avoid signing a treaty with Moscow - which would indicate an alignment with the Soviets and hence antagonize the Chinese - see section entitled "Vietnam's Balancing Act" in ibid., pp. 2 - 3.
80 Quoted from ibid., p. 4.
For example, when Ho Chi Minh launched an attempt to take over power before the French could return at the end of World War II, the Vietnamese communists got little help from Moscow. The Soviets apparently decided that the French communist were more important than their Vietnamese counterparts. During that time, there was a possibility that the French Communist Party, then part of a coalition government in France, could legally come into power in Paris. French pride was already wounded in World War II, and supporting the communists in Vietnam against French rule in Indochina could jeopardize the electoral chances of the French Communist Party. Therefore, the Soviets sacrificed the Vietnamese communists for what they considered a more important prize, France. (John Girling, People's War: The Conditions and the Consequences in China and in Southeast Asia, London, George Allen and Unwin, 1969, p. 18.)

This "paranoia" could be especially acute now, in view of recent moves by Gorbachev to withdraw from Afghanistan, thus fulfilling one of the three conditions China had set for the normalization of relations. The other two conditions are for the withdrawal of Vietnamese troops from Kampuchea and the reduction of troops along the Sino-Soviet border.

Robert Tucker classified communist revolutions into three types: Russia's October Revolution (which is sui generis), marked by widespread chaos and a general revolutionary mood prior to the actual takeover of power; revolutions achieved through prolonged armed (guerilla) struggle against an occupying/invading force, characterized by the communists identifying themselves as nationalists. Tucker places under this category Vietnam, along with China, Yugoslavia, Albania and Cuba (though note that Cuba's revolution was not initially communist); and revolutions imposed through the insidious or open takeover of power by communists supported externally, especially in Eastern Europe (except for Yugoslavia and Albania) which were occupied by Soviets after WWII. In these cases, the communist slowly eliminated and displaced all opposition in initially coalition governments. (Robert C. Tucker, Paths of Communist Revolution, Research Monograph No. 29, Princeton University, February 1968, pp. 14 - 30.)

Scholars have different views of why Vietnam seem to have a desire to dominate Indochina. Alexander Woodside believes that this is derived from the Chinese tributary system, which Vietnam absorbed into its own polity in earlier centuries when it was under Chinese domination. (Alexander Woodside, Vietnam and the Chinese Model: A Comparative Study of Nguyen and Ch'ing Civil Government in the First Half of the Nineteenth Century, Cambridge, MA, Harvard University Press, 1971, pp. 253 - 254.) Stephen Heder interpreted it as having a historical basis in how the CPV evolved. He wrote, "Today's Vietnamese Communist Party (VCP) is descended from a Party of the 1930s and 1940s....in an era when socialism, existing only in one country, had only one centre...its leaders experienced the era of the Comintern which...gave an institutionalized legitimacy to worldwide co-ordination of communist movements...As a result of these historical experiences...the Vietnamese have continued to place relatively strong emphasis on the concept of a socialist bloc...Strong belief in the concept of a socialist bloc...rationalizes policies that serve Vietnamese national interests (for example, the extension of Vietnamese influence over other countries and communist
movements) as performance of communist internationalist and socialist bloc duties." (Stephen B. Heder, "The Kampuchean-Vietnamese Conflict", Southeast Asian Affairs - 1979, Singapore, Institute of Southeast Asian Studies, 1979, p. 169.) Another specialist on Vietnam, Carlyle A. Thayer, does not believe it ever had the idea of an "Indochina Federation". Instead, he believes that the aim of the Vietnamese is that of a "regional security community". He points to historical records which "reveals that the notion of an Indochina-wide federation, on a voluntary basis, was only mentioned fleetingly in Party documents in the mid-1930s and early 1940s." (Carlyle A. Thayer, "Security Issues in Southeast Asia: The Third Indochina War", paper presented at the conference "Security and Arms Control in the North Pacific", organized by the Peace Research Centre, Strategic and Defence Studies Centre, and the International Relations Department of the Australian National University, 12 - 14 August 1987, p. 2.) Instead, the Vietnamese seemed more concerned about the military-security aspects of their "special relations" with Laos and Kampuchea, prompting him to write, "perhaps the term "regional security community" is more appropriate" in describing Vietnam's intention towards the other two countries on the Indochina peninsula. (Ibid., p. 4.)

92The "new" leaders that came to power at the Sixth Party Congress in 1986, Nguyen Van Linh (then aged 71), Pham Hung (74) and Vo Chi Cong (73), are only marginally younger than the "old" leaders who retired, Truong Chinh (79), Pham Van Dong (80) and Le Due Tho (76). Both "new" and "old" leaders thus share very similar revolutionary experiences.
94Ibid.
95On 5 December 1981, the man thought to have been cultivated by Moscow for an independent foothold in Kampuchea – Pen Sovan – was replaced by President Heng Samrin as head of the People's Revolutionary Party of Kampuchea. This was seen as an attempt by the Vietnamese to contain the growth of direct Soviet contact with the other two Indochinese states which bypassed the offices of Hanoi. (See Nayan Chanda, "First Round Goes to Hanoi", FEER, 11 December 1981, pp. 8 - 9; Nayan Chanda, "Now a Non-Person", FEER, 18 December 1981, pp. 16 - 17; Nayan Chanda, "The Indochina Linchpin", FEER, 1 January 1982, pp. 20 - 21; Nayan Chanda, "Vietnam Back in Front", FEER, 8 January 1982, pp. 13 -14.)
96Western estimates of Soviet military aid to Vietnam for the period 1965 - 75 ranged from U.S.$ 1.7 to 5 billion. (Far Eastern Economic Review,
When the Second Indochina War ended in 1975, approximately 97 per cent of Vietnam's military hardware came from the Soviets, with another 3 per cent coming from other Eastern European countries. (ibid.)

This other interpretation of the "Pen Sovan affair" is also found in The Economist, 12 December 1981, pp. 32 - 33; and Asiaweek, 16 December 1981, pp. 2 - 3.

Up until 1978, China had contributed a sum of about US$300 million in economic aid to Vietnam. (Carlyle A. Thayer, "Dilemmas of Development in Vietnam", Current History, Vol. 75, No. 442, December 1978, p. 223.) But as Vietnamese-Kampuchean relations started to deteriorate throughout 1978, the Chinese had slowly reduced its aid package in May and June, finally cutting off all economic aid on 3 July 1978. (Huynh Kim Khanh, "Vietnam: Neither Peace Nor War", op. cit., p. 346.)

Alexander Woodside, Vietnam and the Chinese Model: A Comparative Study of Nguyen and Ch'ing Civil Government in the First Half of the Nineteenth Century, op. cit., p. 12. The other two qualities are the ability to improve the common people's livelihood and well being, and, paradoxically, the ability to introduce and domesticate Chinese culture for Vietnam. (ibid.)

Quoted from David Jenkins, "A Country Adrift....", FEER, 8 November 1984, p. 27.


A book he wrote in 1947 (see Truong Chinh, The Resistance Will Win, 3rd edition, Hanoi, Foreign Language Publishing House, 1966) advocated Mao's model of communism for Vietnam. Western scholars had maintained that he was part of a "pro-Chinese" faction in the CPV as early as the 1950s. (See, for example, Philippe Devillers and Jean Lacouture, End of a War: Indochina 1954. (Translated by Alexander Lieven and Adam Roberts), New York, Praeger, 1969.)

Economist Intelligence Unit, Country Report - Indochina: Vietnam, Laos, Cambodia, London, No. 3, 1986, p. 11. Instead, it has been suggested that the Soviets preferred Vo Chi Cong over Chinh, while it is rumoured that Le Duan's own "chosen successor" was also Cong. (ibid., p. 8.)


Ibid., p. 219.


See, for example, footnote 7 of the introductory chapter of this subthesis.


To quote a Soviet source, "In accordance with the Soviet-Vietnamese agreement signed in 1981, (the Soviet Union) is giving assistance in the training...of (Vietnamese) managers and specialists in the sphere of managing the national economy. The SRV was visited by over a hundred
prominent Soviet experts in economics. More than 4,000 Party and State functionaries and managers of the highest and middle echelon received systematic knowledge on economic management at courses conducted by these Soviet scientists. Hundreds of Vietnamese senior officials have undergone retraining in the field of economic management at Soviet establishments of higher learning." (A. Volodin, "The Effectiveness of Soviet-Vietnamese Cooperation", Far Eastern Affairs. No. 1. 1984. p. 21.)


111Curriculum vitae of Nguyen Xuan Oanh in "Dr. Nguyen Xuan Oanh : Economist", Vietnam Today. No. 40. February Quarter 1988. p. 3. He once worked in the IMF in Washington for two years (1961 - 63). Under the Saigon regime, he served as Governor of the National Bank of Vietnam (1963), deputy Prime Minister (1964) and acting Prime Minister (1965 - 60.) (ibid.)

112There is a qualification to the seeming magnanimity of the communist authorities in accepting Oanh, a former Saigon official, into a top-ranking post in government : he is reported to be an adopted son of Ho Chi Minh, and married to Tham Thuy Hang - a famous actress in South Vietnam during the war - who is the grand-daughter of the late Ton Duc Thang, the former chairman of state of North Vietnam after Ho. (Luu Van Tran, "All in the Family", (Letters to the Editor). FEER. 18 February 1988. p. 7.)

113"Dr. Nguyen Xuan Oanh : Economist", op. cit., p. 3.


115In November 1987, calling for a change to the way Soviet aid was being used, Nguyen Van Linh said, "We must criticize severely and change quickly the irresponsible attitude in honouring commitments and in using Soviet aid in materials, equipment, machinery and projects lavishly and ineffectively." ("Nguyen Van Linh on the Need to Renovate Theoretical Thinking", op. cit., FE/8717/B/2.) That relations with the Soviets need to be radically changed from being a one-way aid flow to one that is more mutually beneficial has also been conceded by the Vietnamese. Referring to Nguyen Van Linh's visit to Moscow from 17 - 22 May 1987, the Vietnamese talked of a "turning point marking a new qualitative development of the comprehensive co-operation between Vietnam and the USSR." ("Turning point" in SRV's Cooperation with the USSR", op. cit., FE/8706/A2/2.) Explaining the meaning of this "new qualitative development", it was stated that, "Vietnam can only develop its economy with the cooperation and assistance from the USSR and other fraternal socialist countries...However,...it is necessary to change the format of cooperation and the utilization of friendly economic assistance. Basically, we must stop relying on one-way aid. All agreements should be signed on the principle of mutual benefit and mutual need."(ibid.)
Conclusion: A New Legitimacy?

In Chapter Two, it was established that the Soviets were exerting pressure on the Vietnamese to carry out reforms, and that they have had an important influence because of the very clearly documented link between the perestroika-induced organizational reforms in the CMEA and some aspects of the Vietnamese reforms, namely, the establishment of joint ventures and direct links between enterprises in the two countries, and Vietnam's apparent agreement to accept economic specialization within the framework proposed by Gorbachev.

But the question of how critical the Soviet role was in the overall fabric of the Vietnamese reform process hinged on an entirely separate issue: could the Soviets have actually forced the Vietnamese leadership, "old" or "new", into accepting their economic "recommendations" if it had not been willing?

The argument developed in Chapter Two was that the Soviets could not. In this respect, the key and necessary factor for the leadership's current acceptance of the Soviet input seems to be internal.

A hidden premise of Chapter One was that the CPV, despite being the only political party in Vietnam, is still accountable to a certain degree to its own cadres and "the masses" that supported it throughout the war-years. The examination revealed that the economic mess wrought by the inability of the "old guard" to deal with the issue of post-War reconstruction had eroded the Party's legitimacy - defined as
"the capacity of (a) system to engender and maintain the belief that the existing political institutions are the most appropriate ones of the society (in which they are found)" - to a point where the leaders held responsible for it were effectively dismissed at the watershed Sixth Party Congress for their incompetence. The "new" leaders who replaced them must now make the Party "appropriate" again by taking measures to revitalize the economy and "clean up" the system, or most probably face the same fate at future Congresses.

Where then does the Soviet role fit in? It seems to be that of a catalyst, but one which is still largely dependent on the internal situation in Vietnam being "right" before it can be effective. The erosion of legitimacy and its attendant consequences, especially the threat to the positions of Party leaders, created the conditions necessary for the Vietnamese leadership to accept Soviet pressures for reforms. In a way, one could say that the internal need for reforms to make the Party "appropriate" again had "softened" the highly nationalistic and independent-minded leaders to external pressure. Soviet pressure in turn made it easier for internal reforms by adding an extra dimension to the forces of change, thus buttressing the arguments of the "reformers" within the Vietnamese Politburo.

Note that this is entirely different from saying that it was Soviet pressure that made internal reforms necessary, which would then presume a critical role for the Soviets. The interpretation given here is that this was not the case: if the internal factor had been missing, or to put it in another way, if the Vietnamese leadership did not see the Soviet-prescribed
reforms as serving their own interests first and foremost, probably no amount of Soviet pressure would have mattered in accelerating the pace of the reforms.

In other words, although the Soviet role was important, it was not critical in the sense defined in the Introduction, namely that "had it not been for Soviet intervention, the Vietnamese by themselves would not have carried out reforms in the way or at the pace that they did and are doing, nor would the "reformers" have risen within the hierarchy of the Party". Considering the very real threat to the leaders' positions from within, unless one holds to the belief that communist politicians are not concerned about maintaining their personal power - a far-fetched and unlikely proposition - a strong case can be made that as the economic crises deepen, the internal pressures for reforms would still have proved irresistible, with or without Soviet pressure.

From the above explanation, the answer to the question posed in the title of the sub-thesis - "The critical importance of the Soviet role in Vietnam's economic reforms : fact or fallacy?" - is that it is neither fact nor fallacy. Instead, it is a half-truth: while one cannot deny the importance of the Soviet role in that it did influence some aspects of the Vietnamese reforms and added to the pressures for change, neither can one assume that if the internal situation had not been what it had been, the Soviet role would have made a significant difference.

In this sense, one may speak of a "new legitimacy" in Vietnam today. The reforms represent more than just efforts at
reviving the country's moribund economy. They carry a deeper implication for the politics of Vietnam as well: the move away from the theme of independence to achieving the goals of socialism as the basis of a "new legitimacy" for the Party.

Although independence will continue to remain central, the stress is now shifting perceptibly to trying to complete the promised "socialist revolution". As Vo Van Kiet, one of the so-called "reformers", had already said, "taking pride in the past does not mean that we cling to it like a cloak to cover our present weaknesses...and use (its) halo...as an ornament."¹ These words were spoken with reference to the economic crises ("our present weaknesses"), implying that the CPV could no longer rely on its victories in the independence struggles ("the past") for its current legitimacy.

However, there is another more subtle sense in which the words of Kiet apply: the need to fill the growing "legitimacy-vacuum" created by the accelerating death rate of top Party members, that is, those people who drew their "right to rule" most directly from the independence struggles.

In 1985, three of them had passed away: they were Nguyen Duy Trinh, in April, the ex-head of the State Planning Commission, ex-Foreign Minister and the Party Central Committee's number three secretary in the late 1970s; Xuan Thuy, in June, the ex-Foreign Minister and ex-secretary for international relations in the Central Committee; and Nguyen Duc Thuan, in October, then number two in the important Central Committee Organization Department.²
Another five followed in 1986, including the death of the Party Secretary-General Le Duan on 10 July. The other four who died were Trinh Dinh Thao, in March, a member of the Vietnam Fatherland Front Presidium and an important figure in South Vietnamese politics; Hoang Van Thai, in July, a general, ex-North Vietnamese commander in South Vietnam and deputy Minister of National Defence; Ta Quang, in August, an ex-Minister of Higher Education; and Tran Quoc, in September, an ex-Minister of the Interior and ex-Politburo member.3

In March 1988, Pham Hung, who was just appointed Premier at the June 1987 National Assembly, died of a heart attack.4 In the same month, the funerals of two other high-level Party members were announced: Nguyen Xuan Linh, a former member and secretary of the National Assembly Standing Committee5; and Le Quang Ba, who joined the Indochinese Communist Party in May 1932 and was the former commander of the Hanoi military region, a major-general of the Viet Bac military region, a member of the Vietnam Fatherland Front Presidium, head of the Central Committee of Nationalities and Chairman of the Government Commission of Nationalities.6

A study by Carlyle Thayer also found that the percentage of the older revolutionaries in the Central Committee is dwindling rapidly. At the Third Party Congress in 1960, those elected in 1951, which he termed the "original revolutionary generation", made up 63 per cent of all members; at the Fourth Congress in 1976, they had shrunk to just 20 per cent; at the Fifth Congress in 1982, the figure fell to 11 per cent; and at the
Sixth Congress in 1986, it declined even further to 3 per cent.\(^7\) Also declining rapidly are the numbers of those who joined the Central Committee in 1960. In 1960, they represented 37 per cent of the total full membership; in 1976, 26 per cent; in 1982, 10 per cent; and in 1986, just 5 per cent.\(^8\)

The most important consequence of the accelerating death rate and precipitous drop in numbers of the revolutionary generation at the higher echelons of the Party is that the CPV's legitimacy can no longer be tied primarily to the independence struggle in the foreseeable future, since these leaders are the very people most directly associated with it. As younger leaders rise within the Party, as they must due to the natural attrition among the revolutionary generation,\(^9\) and the economic crisis in Vietnam continues, the basis of their "right to rule" will inevitably be derived less from the independence struggle and more from their ability to deal with the economic problems of post-War Vietnam. They need to regain the confidence of "the masses" through a "new legitimacy" which would show that the Party can be as successful in economic reconstruction as it was in the independence struggle.

In conclusion, Pham Van Dong had claimed that "(t)he purpose of engaging in revolution is to conquer power, conserve power, consolidate power, and use this power to build a new society."\(^{10}\) How the newer and upcoming leaders meet this latest challenge will decide whether the promise of a "new society" is fulfilled, and most important of all, if the revolution was all in vain. Success would give the Party a "new legitimacy"
failure would almost certainly plunge it deeper into what can only be termed as its current "crisis of legitimacy".

8ibid., p. 11.
9The two groups from the 1951 and 1960 Central Committees came from roughly the same generation, with an average age of 72 in 1986. (ibid.)
10Quoted in Ton That Thien, "The Deadly Trap : How Hanoi Negotiates", Indochina Report, No. 12, July-September 1987, p. 5. Thien's source was Pham Van Dong, Mot So Van De Ve Nha Nuoc (A Number of Problems Concerning the Government), Hanoi, Nha Xuat Ban Su Thuc, 1980, p. 23.