

## **Vietnam: a Note**

### **Instability, the causes of development success and the need for strategic rethinking**

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#### ***Summary***

- Most strategies of engagement with Vietnam are premised upon the assumption that Vietnam's development success shows that the Party is governing, rather than simply ruling: that is, that change has in the main come from correct and implemented policy. This position is supported by much of the 'knowledge production' derived from aid programs.
- Much academic writing, as well as day-to-day experience, suggests that this assumption is flawed: development success has been caused by social and economic factors, rather than policy. The Party continues, at root, to rule rather than govern.
- Vietnamese society is changing very fast, and this creates severe problems for Vietnamese reformers who wish to re-establish executive power and shift 'from rule to government'. Residual Leninism is pervasive.
- Most aid programs, both INGO and ODA, work through formal, official structures. This has created a situation of relative ignorance about social change, often obscured by ill-founded but convenient worries about the political sensitivity of ideas of 'peaceful evolution' and 'civil society'.
- This leads to two major risks: first, that as discussions increasingly focus upon 'civil society', far too little stress is placed upon underlying social change compared with state: society relations; second, that continuing support for formal structures as the central element of interventions ends up reinforcing conservative trends.
- So far as we can tell, it is donor concerns, rather than those on the Vietnamese side, that currently drive focus upon state: society relations rather than underlying social change, or 'cuoc song'.
- There is therefore need for fundamental rethinking about how to engage with change in Vietnam.

## **A note**

Assessments of Vietnam's situation are generally positive, and depend upon a range of arguments. Central to these are the evident developmental success – rapid growth, macroeconomic stability, rapid poverty reduction – in combination with its attribution to the good government of a market economy, that is, to correct and implemented policy. The VCP is thus credited with the capacity to govern well, rather than simply rule. From this much follows.

This view is often reinforced by reference to the regime's apparent strength and ability to preserve its position – the pervasive security apparatus, the ways it interacts internationally, its sustained drive to self-presentation. Further, the knowledge production associated with official and INGO aid activities supports, as developmental assistance perhaps must in the context of apparent success, views that credit improvements to policy and interventions. In consequence, combination of 'success' with its attribution to correct and implemented policy – good government of the country - leads to optimistic assessments of Vietnam's social trajectory and stability.

But the argument is circular, and comfortable. What, *really*, has caused Vietnam's success? One can note the rarity of the question. What if success is *not* due to policy? Rather, that it is due to a combination of social dynamism and the economic context? And what if social conditions are evolving rapidly, pushing political boundaries? That is, that although the regime continues to rule it still fails to govern? If so, the situation may be far more fragile than many believe.

This alternative view is I think very plausible. In the academic literature can be found the developed and sustained argument that executive power in Vietnam has been and remains chronically weak [Fforde 2004 & 2005a] and development success therefore largely *unintentional* [Fforde 2005b]. These views draw upon detailed and textured analyses of the transition process of the 1980s [de Vylder and Fforde 1997] as well as a range of earlier studies. It has a long history [Fforde 1986; Vickerman 1986]. Work by some of the best younger scholars with far better access to events and processes is now stressing the often unintended results of state activities, again challenging the notion of coherent policy as an intentional driver of change [e.g. Abrami and Henaff 2004].

This view leads to a quite different assessment of Vietnam's fundamental political problems. For Vietnamese reformers of various hues this is a classic 'bootstrap' predicament - the urgent need to create effective government, and its social and political prerequisites, in a situation of rapid and threatening change. Further, this must be done from a starting point that in terms of formal politics remains Leninist but where the social and political power associated with central planning is lacking. Order, therefore, has to be recreated in a situation where change is not directed by government, and increasingly challenges the existing bases of Party rule.

It is clear that Vietnamese society is changing fast. Rapid social differentiation is combining with political change to create a range of antagonisms familiar from the histories of other Communist countries.

- An emerging history of wildcat strikes shows that the official trade unions have proven entirely unable to support workers [Landau 2005]. Globalisation

currently has particularly strong and hard to manage effects upon labour intensive sectors such as clothing and footwear.

- Farmers' increasingly organise in various ways and for both economic and political ends as they find official structures unable to articulate their interests. The Farmers' Union appears increasingly isolated, stuck in its Leninist role as transmission belt for official policies.
- Reference to religious and ethnic attributes in reports of social unrest increase – Central Highlands, Buddhists.
- In urban areas, widespread indicators of tensions associated with 'civil society': demands for democratisation from within the Party, the emergence of unofficial newspapers and other information media, student and youth activism.

The security apparatus watches economic trends very closely, concerned about the effects of economic slowdown. In the absence of political structures far more effective than Leninist structures at expressing social interests, their concern is justified.

A consequence of INGO and official donor decisions of the 1990s to invest heavily in formal structures [McCall 1998; the CPRGS] has been that vast resources have been channeled through the state and mass organisations (such as the Women's Union). Capacity-raising has received immense levels of funding. Yet there are major issues with the assumptions underlying these programs. The fact of continuing major weaknesses in policy implementation and the day-to-day evidence of disorder and weak governance confronts a theatre of order and the facades of Leninist techniques of rule. Analyses associated with the premises of current programs assert the meaningfulness of 'pro-poor' policy but are weak and ignore major trends [Fforde, Kleinen and Wischermann 2005]. They support the façade, perhaps (and dangerously) unwittingly.

There are, therefore, severe weaknesses to the assumptions that underpin much of current official and INGO aid strategy in Vietnam. At root, these are due to the assessment that Vietnam development success is policy-driven. They contribute to optimism about the capacity of the regime to respond to challenges. They support the strategy of working through official structures at a time when social change is increasingly testing and confronting regime political strategies that still, following Leninist precepts, mistrust and discourage (and often ban) independent social association. These strategies still constrain, as they are intended to, groups such as workers, students, intellectuals, urban civic associations and farmers as they seek to organise to articulate their interests. Their efforts to organise are increasing. Efforts within the regime to move away from these strategies can be seen, and have a strong political logic, given the nature of a market economy and social change associated with it. Their weaknesses have their history, such as in the circumstances of the period 1989-92 and the trend at that time in the donor community (especially the world Bank) to support formal structures rather than political evolution and democratisation as a basis for good governance and so good and implementable policy.

Some empirical analyses show that by the mid-90s at the latest governmental policy aimed at a closing of political space [Wischermann 2003]. One fruitful hypothesis says that Vietnam is moving towards state corporatism [Jeong 1997]. This implies admitting, conceding and legalizing newly emerging civic organizations of various

kinds, but by various means effectively weeding out those outside the framework of a political order that remains under the strict control of the Party [Wischermann 2003].

Various items of research have illuminated these tensions. Two in particular date from early in the decade and were posed in terms of just how a move away from Leninist precepts would enhance development [Fforde and Huan 2001 and Wischermann et al 2003]. They focused upon urban civic association and farmers' groups. Their stance sought to show the developmental value of such trends, rather than other values, such as the formation of 'civil society'. This was based upon the same assumption as some reformers of the late 1980s, which was that variation in political and social practice in Vietnam offered opportunities for process-based improvements in governance. Thus, proposals for further work in this direction received strong Vietnamese support, though none from donors!<sup>1</sup>

Examination of the impact of this research (e.g. citations) contributes to a judgment that the foreign community in general remains largely ignorant of the extent and nature of these trends. Donor 'knowledge production' tends to reinforce this ignorance. The situation reveals the costs involved in the strategy of support for formal structures and the linked belief that development success is largely policy-driven. The risks associated with this are very large.

First, as experience in post-Communist countries has shown, the social and political consequences of the emergence of relatively autonomous civic association depend upon a very wide range of factors. These include fundamentally social issues: the tangible and intangible effects of such organisations upon their members – how they are organised, how democratic they are, and so on [Thai 2001; Wischermann 2003a and 2003b]. Focus upon 'policy' leads to excessive focus upon state: society relations and, as we see in the case of Vietnam, relative ignorance of social change. Therefore, the bias towards 'policy' and the 'state' in current belief about what is happening in Vietnam also obscures social change, about which very little is known.

Second, under Vietnamese circumstances, failure to support change that adapts in a timely manner to social evolution must add to potential instability. Support for structures that inhibit socially-driven change may be seen as conservative. This reminds me of the situation dominant donors found themselves in during the late 1980s, as social and economic change altered the basic assumptions underpinning their aid programs. Whilst the Soviets found that their commodity aid program was funding rapid development of commercial activities within SOEs rather than central-planning, Swedes and Finns found that their support was criticised for subsidising plan implementation and so slowing the transition. Both thought they knew what was happening, based upon long experience. Both were wrong. Both were ignorant of what was happening 'in reality' – 'cuoc song' – as the main driver of change, and the main determinant of its nature.

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