

Economic Reform Outpaces Political Reform in Vietnam: Recent Visit Highlights Double Standards in Bush Administration's Pro-Democracy Rhetoric

By Ronald Bruce St John | July 1, 2005

The recent visit of Vietnamese Prime Minister Phan Van Khai to the United States highlighted the extent to which Vietnam remains wedded to the Chinese model of reform. Substantial, if often plodding, economic reform continues as an excuse for near nonexistent political reform. His visit also exposed the hypocrisy of the Bush administration which continued to call for widespread political reform in the Middle East in the same week it soft-peddled the need for the same reform in Indochina.

Economic Reform (Doi Moi)

Economic reform, both as a theoretical and a practical concept, has enjoyed a long history in Vietnam. Nevertheless, the years 1985-1986 remain an important benchmark. When half-hearted reforms in the first half of the decade led to a rapidly deteriorating economic situation, the Vietnamese government adopted a fresh package of reforms under the rubric *doi moi* or renovation. The economic reforms introduced at the end of 1986 were widespread and of considerable historical significance. A sustained attack on the central planning model, *doi moi* represented a notable retreat by the Vietnamese Communist Party as it was forced to admit that central planning had been a failure.

The economic reforms implemented by the Vietnamese government enjoyed widespread support throughout the country and continued after 1986 to receive public support from the government. At the same time, official support for the growing demand for new economic reforms was tempered by the Communist Party's concern for retention of political control. This was particularly evident in the wake of the Asian financial crisis in 1997-1998 when ideological conservatives largely rejected IMF and World Bank demands that future economic assistance be conditioned on accelerated reform measures.

In the face of dire predictions all around, the Vietnamese economy surprised most observers when it revived in the present decade. Conclusion of a Bilateral Trade Agreement in 2000 opened the way for Normal Trading Relations with the United States. As a result,

two-way trade increased from \$1.5 billion in 2001 to \$6.4 billion in 2004, a 20-fold increase over 1995. And Vietnam has continued to experience relatively strong economic growth as the decade progresses. Vigorous growth of 7.1 percent in 2003, for example, made Vietnam the fastest growing economy in Asia after China.

That said, Vietnam has now entered a new phase of development requiring more extensive economic reforms. Full implementation of the Bilateral Trade Agreement, accession to the World Trade Organization, and commitments to the ASEAN Free Trade Area and to China's free trade agreements with ASEAN have collectively generated new and difficult challenges for the Vietnamese economy. In this context, it was hardly surprising that Prime Minister Khai, in his formal remarks at the White House, stressed economic issues in general and U.S. support for Vietnam's WTO bid in particular. To remain competitive in regional and world markets, Hanoi must maintain and accelerate reform momentum in areas like state enterprise reform, land use rights, private sector development, and banking reform.

Limited Political Reform

Concomitant with economic reform, the Communist Party has often talked political reform, but no serious steps have been taken to challenge the Party's lock on power. On the contrary, the Communist Party has appeared to offer its people an implicit deal - we provide you increasing economic opportunity in return for our retention of complete political control. As the economy expanded in the late 1980s and 1990s, this

Foreign Policy In Focus (FPIF)



approach worked for a time; but as the new millennium dawned, the Party faced daunting challenges in reconciling deepening economic reforms with entrenched political interests.

The Ninth Party Congress which met in April 2001 replaced General Secretary Le Kha Phieu, plagued with accusations of weak leadership, corruption, and nepotism, with Nong Duc Manh. The latter immediately instituted several leadership changes, including new appointments to the Central Committee departments of ideology and internal security. Instituting a variety of new policies, he emphasized the fight against corruption as well as a campaign for party-building, pressing for implementation of a directive requiring all state and Party officials to disclose their assets.

Manh was especially forceful in championing the fight against what he termed "negative phenomena" like red tape, corruption and wastage at state agencies. Nevertheless, corruption remains endemic throughout the Vietnamese system, infecting the highest levels of state. For example, the Minister of Agriculture and Rural Development was sacked in June 2004 over links to a massive embezzlement case, and the chair of the management board of the National Shipping Lines was dismissed in October 2004 for the illegal authorization of petroleum contracts. The Vietnamese government can point to signs of limited success in curbing graft; however, the elimination of corruption in Vietnam necessitates far-reaching changes in the accountability of public officials and the transparency of government decision-making. To date, Hanoi has proved unable or unwilling to make these changes.

While General Secretary Manh has been successful in implementing the economic strategy of the Ninth Party Congress and improving the capacity of the Party and state to establish and implement public policy, it must be recognized that such steps are not necessarily movement in the direction of political liberalization. On the contrary, Manh has repeatedly emphasized the close relationship between political stability and economic development, emphasizing that "socio-political stability serves as the precedent for socio-economic development." In a June 2005 interview with *The Washington Post*, prior to his White House visit, Prime Minister Khai picked up on this point, stressing the need for "political reforms and economic reforms" to be "closely harmonized."

The Vietnamese Communist Party has slowly expanded personal freedoms in recent years, but questioning Party rule or assembling to challenge Party or state authority remain expressly prohibited. Stating frankly that "our ultimate goal is to maintain political stability," Prime Minister Khai in the June 2005 interview added, "there is no need for more than one party [in Vietnam] because the Vietnamese people still have strong confidence in the party." Modern-day Vietnam continues to be dominated by the traditional structure of Party cells and Party committees with no real change in the political system inherited from the past.

In Denial on Human Rights

While the Vietnamese Communist Party has been notably unsuccessful in wrestling with corruption, it has proved far more efficient in dealing with its critics. In February 2001, for example, massive demonstrations involving thousands of ethnic minorities broke out in the Central Highlands. The demonstrators protested local government corruption, land appropriation by lowland Vietnamese settlers, lack of religious freedoms, and a denial of basic human rights. Hanoi quickly responded, dispatching police and military units to restore order and arresting several alleged ringleaders.

When it later became evident to the Party that the real problem was encroachment on ancestral homelands by lowland settlers in collusion with corrupt local officials, General Secretary Manh visited the affected provinces and sought to address ethnic minority grievances. While his personal approach marked a refreshing change in public policy, Vietnam's minorities continue to suffer from land, religious, and ethnic grievances. Protests again broke out in the Central Highlands in April 2004, again decrying issues of land and religious freedom together with the restrictions on freedom of movement, communication, and religious practice in place since 2001.

The harassment of cyber dissidents in Vietnam offers yet another mirror into the ongoing suppression of political activists. Six or more cyber dissidents were arrested in 2002 alone for posting information on the Internet deemed illegal by the regime. Reflecting official concern with the power of the Internet, Prime Minister Khai in mid-2002 ordered a countrywide inspection of Internet access. The Ministry of Culture and Information later announced plans to tighten Internet controls; and in June

2004, the Vietnamese government directed Internet-café operators to monitor and record websites visited by users. These attempts to control the Internet belied earlier Vietnamese policies aimed at using information technology to spur economic development.

The most recent "Country Report on Human Rights Practices in Vietnam," issued by the U.S. Department of State in February 2005, characterizes the Vietnamese government's human rights record as "poor" as it continues "to commit serious abuses." The report goes on to document instances in which "security forces shot, detained, beat, and were responsible for the disappearances of persons during the year." It highlights incidents in which the government arrested, detained, and interrogated persons for the "peaceful expression of political and religious views" as well as the ongoing incarceration of "political and religious prisoners."

Likewise, numerous international groups, like Human Rights Watch, have reported a deterioration in recent years in the treatment of various Vietnamese activists, including cyber dissidents, non-sanctioned Buddhist organizations, democracy activists, Mennonites, and other ethnic minority Christians. The lack of an independent, privately-run media is another concern. Domestic electronic and print media remain under strict government control as does access to the Internet.

In The Washington Post interview, Prime Minister Khai exposed the full extent to which the Vietnamese government remains in denial on the human rights issue. Stating the United States and Vietnam have the same end goals concerning human rights, he argued they were simply taking "different steps toward the end goals." He then described the Vietnamese National Assembly, a body whose candidates are vetted by the Communist Party's Vietnam Fatherland Front, as "the representative institution for that highest power of the people." At the most recent National Assembly elections, held in May 2002, some 90 percent of elected delegates were Party members. Warning to his task, Khai stated there are "no prisoners of conscience in Vietnam," "no religious conflict," and "no prejudice against any religious group."

Cairo, Hanoi, and Beijing

It is difficult to overstate the importance of the Vietnamese visit to America. Phan Van Khai is the first Vietnamese prime minister to travel to the White House

since the end of the Vietnam War, a war which killed more than 58,000 Americans and well over a million Vietnamese. His visit marked the 30th anniversary of the end of the war and the 10th anniversary of the normalization of diplomatic relations.

In brief welcoming remarks, President Bush made only an oblique reference to the Vietnam War and no more than a glancing comment on Vietnam's human rights and democratization record. Noting the Vietnamese economy was continuing to grow, the president referenced security issues, the war on terror, and the search for Americans missing-in-action since the Vietnam War. He also announced he would visit Vietnam next year in conjunction with his participation in the Asia-Pacific Economic Cooperation to be held in Hanoi. Finally, he alluded to a recently concluded U.S.-Vietnamese pact intended to increase religious freedom in Vietnam.

Even as the president failed to point out the lack of freedom of assembly, speech, and press in Vietnam, his administration continued to push aggressively for democratic reforms elsewhere in the world. Only two days earlier, Secretary of State Condoleezza Rice, in a major address at the American University of Cairo, called for democratic reforms throughout the Middle East. Referencing upcoming elections in Egypt, she called for freedom of assembly, free and open elections, international election monitors, acceptance of the rule of law, and a free media. None of these things exists in Vietnam today. Her remarks were greeted with widespread skepticism throughout the region with foreign analysts and Arab intellectuals alike unconvinced the United States was serious in pushing for democratic reform. The president's performance with the Vietnamese premier two days later only served to reinforce that skepticism.

U.S. concern with China's growing influence in Southeast Asia is one likely explanation for President Bush's conciliatory tone. Beijing has been aggressively expanding economic, military, and diplomatic ties in Cambodia, Laos, and Vietnam for more than a decade at a time when Indochina was largely off the U.S. radar screen. In the last five years, Sino-Vietnamese relations have outstripped all others in terms of bilateral exchanges between state, Party, and military officials. In a March 2002 visit to Hanoi, Chinese President and Party General Secretary Jiang Zemin emphasized that China and Vietnam "have the same ideology." Thereafter, a series of high-level exchanges at the

Politburo and Central Committee levels took place, encasing the two states in an intricate web of bilateral relations, ranging from border demarcation to trade to investment to ideological collaboration.

Tell It Like It Is

Over the last two decades, Vietnam has implemented a series of economic reforms, moving step-by-step towards a free market economy. The ruling Communist Party has often talked of a parallel effort to implement political reforms but has achieved little progress to date. The failure of the Bush administration, even as it complements Hanoi for its progress in the economic sphere, to call for meaningful reforms in human rights and democratization is a real disservice to the Vietnamese people. Equally important, it seriously undermines the limited credibility White House efforts to promote democratization in the Middle East, a linchpin of the Bush Doctrine, have earned to date.

Ronald Bruce St John, an analyst for Foreign Policy in Focus (www.fpif.org), has published widely on foreign policy issues. A frequent visitor to Vietnam, his latest book, Revolution, Reform and Regionalism in Southeast Asia: Cambodia, Laos and Vietnam, will be published by Routledge in October 2005.

For More Information:

Dara O'Rourke, Community Driven Regulation: Balancing Development and the Environment in Vietnam. (Cambridge: MIT Press, 2004).
Fund for Reconciliation and Development - <http://www.ffrd.org/>
Human Rights Watch - <http://www.hrw.org/doc?t=asia&c=vietna>
International Labor Rights Fund - <http://www.laborrights.org/>
U.S. Vietnam Trade Council - <http://www.usvtc.org/>

For More From Foreign Policy In Focus:

New Syria acts, looks like old Syria
By Ronald Bruce St John
<http://www.fpif.org/commentary/2005/0506newsyria.html>

Syria's Baath Party Congress a Watershed for President Asad
By Ronald Bruce St John (June 2, 2005)
<http://www.fpif.org/commentary/2005/0506syria-baath.html>

Libya is the Acid Test for Bolton Nomination
By Ronald Bruce St John (May 16, 2005)
<http://www.fpif.org/commentary/2005/0505libya.html>

One Election a Democracy Does Not Make
By Ronald Bruce St John (February 8, 2005)
<http://www.fpif.org/commentary/2005/0502one.html>

Blowback from Iraq War Is Global, and Growing
By Ronald Bruce St John (December 9, 2004)
<http://www.presentdanger.org/commentary/2004/0412blowback.html>

Apply "Libya Model" to Iran and Syria
By Ronald Bruce St John (October 21, 2004)
<http://www.fpif.org/commentary/2004/0410libya.html>

High Time Bush Defines the Enemy,
By Ronald Bruce St John (August 2, 2004)
<http://www.fpif.org/commentary/2004/0407enemy.html>

Linking Textiles to Labor Standards: Prospects for Cambodia and Vietnam
By Andrew Wells-Dang (June 2002)
<http://www.fpif.org/papers/txt-labor.html>

Published by Foreign Policy In Focus (FPIF), a joint project of the Interhemispheric Resource Center (IRC, online at www.irc-online.org) and the Institute for Policy Studies (IPS, online at www.ips-dc.org). ©2005. All rights reserved.

Foreign Policy In Focus

"A Think Tank Without Walls"

Established in 1996, Foreign Policy In Focus is a network of policy analysts, advocates, and activists committed to "making the United States a more responsible global leader and global partner." For more information, visit www.fpif.org.

Recommended citation:

Ronald Bruce St John, "Economic Reform Outpaces Political Reform in Vietnam: Recent Visit Highlights Double Standards in Bush Administration's Pro-Democracy Rhetoric," (Silver City, NM & Washington, DC: Foreign Policy In Focus, July 1, 2005).

Web location:

<http://www.fpif.org/fpiftxt/145>

Production Information:

Writer: Ronald Bruce St John
Editor: John Gershman, IRC
Layout: Rick Davis, IRC

p. 4

www.fpif.org

A Think Tank Without Walls

