Vietnam and the XII Congress of the Communist Party

The upcoming Congress of the Communist Party of Vietnam may become an important milestone in the Vietnam's modern history. It is becoming increasingly clear that the so-called policy of renovation (Doi Moi in Vietnamese) or, in other words, the construction of a "socialist-oriented market economy" in Vietnam, which has been consistently under way since 1986, is facing a number of serious challenges.

Vietnam’s political and intellectual elite voices the idea that there is a need for drastic adjustments to be made to the policy of renovation at the upcoming Congress. On the one hand, these demands are justified: no one is denying that the policy of "Doi Moi" has problems and contradictions, as any other national development strategies. These issues are primarily related to the quality of managerial decisions and the regime’s ability to face new and complex challenges. A relatively high level of corruption, which the Vietnamese authorities have been attempting to tackle for many years without significant success, the ineffectiveness of some foreign investments, the increasing income inequality, where the gap between the rich and the poor significantly increases – these are the clear problems of the existing political and economic policy.

It would seem that inner-party debate should be focused around these issues. But it is not the case. Analysis of the preparations for the Congress shows that there is a trend, which advocates discussion of these particular issues, and there is a more radical trend that is fighting for radical change to the model of development, foreign policy priorities, and even the domestic political order.

There is an increasing atmosphere of expectation of changes among the Vietnamese population, especially among the intellectuals. People wait, and then begin to demand far-reaching reforms in the political system, in the functional mechanism of the national economy, and in the priorities of foreign policy decisions. For example, on the eve of the Congress, some political circles are advocating the idea of democratisation and a multiparty system. Once again, proposals made by the former chief editor of the trade union newspaper "Lao Dong" that were earlier refuted, are making the news. On the eve of the previous, the XI Congress, the former chief editor called for the name of the party to be changed, for a return to its nationwide character and the model of government that existed in 1946. According to supporters of the reform, only this basis is able to overcome the weaknesses in the policy of the Communist Party. They also suggest looking into Article 4 of the Constitution of the Socialist Republic of Vietnam of 1992, which asserts the leading role of the CPV in society.

In terms of the economy, suggestions have been made to reduce the role of the state and its control in the financial sector, and to give more freedom to private enterprise. The need to implement these proposals is explained by the fact that economic growth will be significantly increased in this way.

All these radical appeals would be understandable, if the Vietnamese economy and society was in a deep crisis. But there is no crisis. Under the existing economic mechanisms, the Vietnamese economy continues its steady growth – in 2014, its GDP increased by almost 6%, while inflation remained below 5%. The key index PMI that demonstrates the situation in manufacturing has been above 50 points for a long time. There is also a positive trend in exports: the
trade balance surplus amounts to 2.47 billion US dollars. Moreover, the Vietnamese stock market remains in the list of the top five fastest growing stock markets in the world; and the US Chamber of Commerce in Singapore added Vietnam to the list of the most attractive ASEAN countries for the US business.

All these facts suggest that the economic mechanism of the "Doi Moi" policy is not only alive, but rather effective, and appropriate to face the prevailing economic challenges.

It should be noted that another key element of the "Doi Moi" policy - the sphere of foreign policy priorities - also faces signs of possible changes. There is active promotion of the idea that Vietnam should take decisive steps towards rapprochement with the United States, and that this policy will only strengthen Vietnam's international position in the world, and especially in the conflict over the islands of the South China Sea. It is obvious that this tilt towards Washington, which is proposed and actively promoted, in particular, by the Vietnamese expatriate community in the US, means an actual abandonment of the so-called multi-vector foreign policy, which was adopted at the turn of the 1980s and early 1990s, and stipulated well-balanced and open relations with all countries in the region and the world based on the principles of mutual benefit and national interests. This policy, under which Vietnam chose its friends and partners, turned out to be one of the most successful elements of the policy of renovation, and allowed the country to find its way out of virtual isolation, to join the ASEAN and other international organisations, to become a WTO member, and turned Vietnam into an influential and authoritative country on the world stage.

The paradox of the situation lies in the fact that demands for a change are being voiced at a time when Vietnam is experiencing one of the best periods in all of its post-colonial history. The radical restructuring of existing models can overturn the relative prosperity and political stability in favour of certain myths that have repeatedly proved their infeasibility and destructive force.

For example, in terms of politics, proponents of changes argue that the expansion of democracy is the main solution to corruption and poor governance. It is not true, and international experience shows that stealing under the policy of liberalisation is as frequent as that under the policy of state control. Blaming the authorities for rampant corruption is actually a standard method used by those who oppose the incumbent political forces in order to give rise to the country's distrust of them and the effectiveness of their politics and management. All the "orange revolutions" in Europe and Asia began with a call to end corruption among the leadership, who were robbing the country, and then it turned out that those who shouted the loudest about corruption, upon coming to power themselves, proved to be infinitely more pernicious and corrupt than those they removed from power.

Proposals to abandon the leadership role of the CPV in society is also a link in the same chain, which leads the country and society under the fuse of the "orange revolution." It is not even worth mentioning what happened to the Soviet Union after the abolition of the sixth article of the Constitution, and how long the Soviet state existed after that.

Let us take as an example and analyse another theory: greater democracy means, greater investment and confidence among foreign investors. As international experience shows, this is extremely doubtful. The weakening of the control of the Communist Party over the situation in the country, the legitimisation of political groups opposed to it, and increased tensions in the internal power struggle, which is inevitably associated with these phenomena, only put off potential investors, who are already accustomed to the stability and predictability of the policy of the Vietnamese leadership.

It should be noted that the theory that rapprochement with the United States strengthens the security of Vietnam also looks highly doubtful. The US has no other interests than its own. International experience shows that as long as it needs a particular country, as long as a certain political figure pursues a policy favourable to the US, Washington strongly emphasises its friendliness and its willingness to lend support. But as soon as a country falls out of the sphere of American interests, attitudes towards it change and the pretence is upheld that no agreements ever existed. Suffice it to recall the fate of Libya and Gaddafi, Yugoslavia and Milosevic, and the fate of the former best friend of the US in the USSR, Foreign Affairs Minister Shevardnadze, and many other examples, and any illusions about the sincerity of the US intentions clear away completely and immediately.

It is also an illusion that Chinese expansionism in the South China Sea, where China is illegally occupying the Paracel Islands and some of the Spratly Islands, can be stopped relying on assistance from the United States. Such a policy can only serve to increase the rift in relations with China, which certainly does not improve the security of Vietnam. Reliance on Vietnam's friends around the world and on international law, in particular, on the United Nations Convention on the Law of the Sea of 1982, which China is clearly violating, appears much more reasonable
than placing hopes on American aircraft-carriers.

As we can see, Vietnam is currently facing a serious choice that will determine its policies for years to come.

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