Delayed Transition: The End of Consensus Leadership in Vietnam?

By: Paul Schuler and Kai Ostwald

EXECUTIVE SUMMARY

- The Vietnam Communist Party (VCP) will hold a party congress on January 20th to select its leadership for the next five years. The congress is Vietnam’s primary political selection mechanism, so it significantly impacts the country’s political direction and prospect for reforms.

- In past congresses, the VCP has chosen politically safe compromise candidates who helped maintain the division of power between the troika of general secretary, president, and prime minister. The cost of prioritizing political stability was a lack of decisiveness from the VCP’s upper echelon.

- The apparent frontrunner for the general secretary position, Nguyen Tan Dung, breaks from this mold. He positions himself as a reformer and has large public visibility and significant political savvy. Many commentators have assumed that the general secretary position is his for the taking.

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We argue that past support for Dung may not translate into support for his general secretary candidacy. This is largely because the centralization of power under Dung may reduce the influence of Vietnam’s powerful Central Committee, which prefers power to remain fragmented. This explains why, unlike in the past, the VCP has yet to unify behind a candidate prior to the congress.
INTRODUCTION

On January 20th, more than a thousand party members will gather in Hanoi for the Vietnam Communist Party (VCP) Congress, as they do roughly every five years. The congress directly selects the general secretary and indirectly determines who will be president, prime minister, and national assembly chair. The general secretary is widely seen as the most important position. This year, in contrast with most previous congresses where reports suggest that the top four leaders had been decided internally well before the meeting, reports suggest that the party remains divided on whom to select for the top post. What is holding up the works?

In past congresses, most commentators have focused on whether reformists or conservatives win promotions. This year, the primary question is whether or not the party will break with the recent past and select a general secretary with a strong political support base instead of a compromise candidate who rules by consensus, as has been the typical outcome. The selection of Prime Minister Nguyen Tan Dung, which many have predicted, would signal the selection of a strong candidate. Other candidates, such as President Truong Tan Sang, Hanoi Party Secretary Pham Quang Nghi, or even incumbent Nguyen Phu Trong represent compromise choices. Choosing Dung is a riskier strategy. While centralizing power under Dung could help break logjams within the party and allow for greater economic and political reforms, it could also reduce the checks on the leadership and lead to greater mismanagement and corruption. Dung’s track record suggests that either direction is possible.

In this piece, we provide an argument for why Dung – considered a frontrunner by many Vietnam watchers – has struggled to win the Central Committee’s support for the top position. While Dung is clearly the most visible of the candidates, reports suggest that the party still has not united around a candidate at this very late date. Furthermore, a widely read Vietnamese website recently published a letter supposedly penned by Dung himself, in which he countered a wide number of criticisms that have been leveled against him within the party. The reason commentators have predicted a Dung victory is based on the assumption that past support from the party against his rivals will translate into support for his promotion. By contrast, we argue that Dung’s demonstrated political savvy may represent a threat to many in the VCP; centralizing leadership under Dung would mean a diminished role for the provincial officials, government ministers, and party functionaries in the Central Committee. For this reason, convincing the committee to break with precedent means convincing them either that the party is doomed without strong and centralized leadership or that he will personally deliver resources for them. So far, it would appear, that this case has not been convincingly made.

THE STAKES

Analyzing Vietnamese politics means relying on non-traditional sources such as Hanoi coffee shop chatter, anonymous insider commentary, and websites run by political activists. What is certain is that Dung, now 66, has served as prime minister for two terms, and is thus ineligible for a third term. The identities of his contenders are not clear, but some names that have been raised include President Sang, Hanoi Party Secretary Nghi, or perhaps Trong himself. Much is made of the fact that party rules require that candidates for the Politburo be 65 or younger, which would disqualify all of these candidates. However, given Trong’s selection at the age of 66 in the previous congress, BBC Vietnam quite rightly notes that such rules hardly constitute a firm constraint: “The retirement age issue… shows one important factor in the Vietnam Communist Party: all the decisions and statutes are open to bargaining between different forces and factions…” As such, while age may be a factor, it does not preclude any of these candidates from taking the post.

For at least a year, commentators have speculated that Dung is the frontrunner. Hong Kong City University professor Jonathan London suggested in January of last year that Dung was the “odds on favorite” for the post. In June, Le Hong Hiep, a visiting fellow at Singapore’s Institute of Southeast Asian Studies (ISEAS), wrote that “… with his current wealth of power and influence over the Central Committee, it is highly likely that… Dung will emerge as the strongest candidate…” This confidence is largely borne out of Dung’s proven ability to marshal the support of loosely organized lower ranking party members in the Central Committee against his rivals in the Politburo.

However, despite early confidence in his candidacy, the prelude to this congress has proven more divisive than in previous congresses. Former Central Committee member Vu Mao said that in contrast to previous congresses, where the leadership selections have been made well in advance, this one will go right up until the final meeting in early January. Furthermore, leaked documents suggest that Dung’s candidacy is running into stiff resistance. In particular, the widely read website Anh Ba Sam published a letter supposedly penned by Dung to the party defending his track record. Such a letter would surely be unnecessary if victory was assured.

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NGUYEN TAN DUNG

Before detailing our argument, it is worth reviewing what we know about Dung. Compared with other contenders, Dung’s profile towers over his rivals. A national annual survey conducted by the UNDP shows that while 90 percent of citizens could correctly identify Dung as the prime minister, only 70 percent could identify the current general secretary or the president. Internet search trends back up these figures. Analysis of Google Trends over the past eight years shows the other top leaders averaged less than 25% of his searches.

In terms of his reputation, whether deserved or not, he is seen in some quarters as a reformer. This stems in part from his ostensible orientation towards the West: his children were educated in the United States and Switzerland, while his son-in-law is a Vietnamese-American who opened the first McDonalds in Vietnam. He is also from the southern province of Ca Mau, and thus assumed—again, accurately or not—to be more market-oriented than his rivals from the north of the country.

Some policy decisions have helped reinforce this image. Dung was reportedly instrumental in pushing a divided party leadership to accept the Bilateral Trade Agreement with the United States in 2001. He also instituted Project 30 in 2007, intended to cut red tape in business. On the thorny issue of Vietnam’s relationship with China, he has carefully maneuvered himself as a strong supporter of Vietnamese sovereignty over the islands in the

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8 The Provincial Public Administration Performance Index (PAPI) forthcoming in April 2016.
South China Sea, for example by issuing a statement condemning China for placing an oil exploration rig in disputed waters near the Vietnamese coast in 2014.

His more media-friendly political style also signaled a break from the dour politics of previous leaders, who rarely engaged the public directly. In 2007 he conducted an unprecedented live web chat in which he fielded several sensitive questions, spurring several other politicians to follow suit.10

**Dung’s Strength in the Party**

While Dung is well known publicly, it is perhaps more important in a Leninist system like Vietnam’s that he has also demonstrated his ability to marshal support from the 175-member VCP Central Committee. Earlier in 2015, for example, the Central Committee was reported to have held a vote of confidence among the sitting members of the politburo. Though it occurred behind closed doors, the blog “Portraits of Power” published results showing that the Dung had the highest level of support.11

More dramatically, Dung was apparently able to mobilize the Central Committee in rebuffing an attempt by his Politburo rivals to unseat him. In early 2012, the general secretary initiated a self-criticism campaign, largely perceived as an effort to oust Dung. In October of that year, the campaign culminated in a contentious central committee meeting where reports suggest that the Central Committee rejected a recommendation by the Politburo to censure Dung. This incident is particularly telling because it shows that in contrast to China, a united Central Committee is able to successfully challenge the Politburo. Indeed, Dung’s demonstrated support within the Central Committee is one of the main reasons commentators have provided in arguing that he is the frontrunner.12

**Dung’s Delayed Promotion**

If Dung has support within the party and among the public, why has his candidacy for the general secretary position been so divisive? Given the Central Committee’s past support, it seems unlikely that there is some hardened “conservative” bloc irreconcilably aligned against him. The resistance may stem from the fact that the party does not buy Dung’s reformist image. Indeed, as his purported letter suggests, Dung’s record is not peerless. On state-sector reform, his policy of consolidating state-run industries into large, chaebol-like conglomerates backfired in 2010 when Vinashin, a major state-run shipping company, was found to be $4.4 billion in debt. On the China relationship, it was reported that Dung also tacitly endorsed the operation of a controversial Chinese state-run aluminum mine in

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12 Hiep. “Vietnam’s Leadership Transition”
Vietnam’s Central Highlands. Finally, despite his economic reforms, critics allege that he has used his position to enrich his family, leading some to suggest that he is a “leading rent seeker” in the party. Others have lamented his role in perpetuating nepotism in the VCP by elevating “princelings”—children of well-positioned party officials—into key roles.

While these issues have not helped Dung, we suggest that the problem for Dung is due to the party’s institutional structure rather than his performance. While concerns over his performance are valid, these issues were known in 2012 when he avoided censure. Inflation peaked in 2007 and 2008, the Vinashin scandal emerged in 2010, and the business interests of his family members are relatively old news. If these issues were central to his problems now, they should have doomed him before.

We argue that the reason for Dung’s surprising difficulty lies in the assumption among Vietnam watchers that his past support from the Central Committee should logically extend to his candidacy for the general secretary position. We suggest that this assumption is not likely to hold for the simple fact that selecting a strong leader in the congress would come at the expense of the Central Committee’s power, while its past support merely preserved a division of power at the top. Compared with China, Vietnam’s central committee is a critically important institution. It meets more often, impacts policy more deeply, and rejects Politburo decisions more frequently than its northern neighbour. This greater influence is due in part to the fragmented nature of Vietnam’s leadership, where executive power is effectively divided between the VCP general secretary and the prime minister. Precisely because the institutional structure does not grant any one executive position commanding power, lower level bodies such as the central committee enjoy relatively greater autonomy and consequently greater influence.

One potential safeguard of this power is to ensure that the general secretary remains weak, which creates a bias against selecting a strong leader. This bias bears out in the data. US-based academics Paul Schuler and Dimitar Gueorguiev have shown that in contrast to developed democracies, in single-party systems visible public profiles can negatively impact promotion prospects.

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17 As a reviewer for this piece rightly notes, the general secretary does not officially have executive power. However, through his ability to impose discipline within the party, he can check the prime ministers.
18 Malesky, Abrami, Zheng. “Institutions and Inequality.”
It could be argued that the Central Committee would still be able to check Dung if he were selected. However, as political theorists have observed, single-party regimes are prone to personalization of power at the expense of elite institutions such as the Central Committee. This can happen when the paramount leader slowly chips away at the authority of subordinate institutions by creating alternative institutions, appointing allies in sensitive posts, or bypassing subordinate institutions altogether. In short, it is much easier for the Central Committee to check Dung now than it will be to check any incremental centralization of power once he takes office.

Xi Jinping—who many commentators have called the country’s strongest leader since Mao—is a case in point. His ascension to power in China has led to a massive anti-corruption campaign that has ensnared a large number of high-ranking officials. Had his intentions and potential to consolidate power been clear earlier, it is debatable whether China would have ultimately consented to his selection. After his selection, those on the wrong side of the campaign have been unable to dislodge him.

In Dung’s case, there is nothing to suggest that he would engage in the same type of campaign if selected. It is clear, however, that his unique profile puts him in a far greater position than any of his rivals to centralize power. Perhaps, for example, he could attempt to merge the positions of the general secretary and presidency, as is the case in China. For those in the Central Committee who are not part of his inner circle, this increased power could well come at their expense.

**CONCLUSION**

Our argument is that unless Dung can make a compelling case that the party faces an existential threat without strong leadership, lower level party officials will be unlikely to side with him against his rivals in the Politburo. It is difficult to know what Vietnam may be missing out on if it does not select Dung. London calls Dung “an enigma,” which seems an accurate assessment, given the prime minister’s track record.

While it is less clear what Dung would do if selected, it is clear that Vietnam is likely to continue along its present trajectory of consensus-based politics if one of his rivals assumes the general secretary position. This does not necessarily mean the country will be deadlocked on all issues. Vietnam’s leadership has managed to unite in a strategy of closer relations with the United States in order to hedge against China’s economic and military influence in the region. Furthermore, Vietnam has surprised with its apparent broad

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consensus on participation in the Trans-Pacific Partnership. The visits to the United States by Trong, Sang, and Minister of Public Security Tran Dai Quang in the past two years show that this strategy of engagement has widespread support in the party regardless of who wins.

At the same time, the lack of a centralized leader means that Vietnam will also be forced to reform its domestic politics at an incremental rate. State-run industries are unlikely to be made completely private or forced into greater efficiency. More importantly, neither the government nor the party will likely be strong enough to substantially reduce corruption within the public sector. This does not necessarily imply that these reforms would proceed more quickly or more comprehensively under Dung’s leadership, but the more decisive government that he would lead makes those outcomes more of a possibility.