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The One Party-State and Prospects for Democratization in Vietnam

*By Le Hong Hiep (Guest Writer)**

EXECUTIVE SUMMARY

- The Communist Party of Vietnam (CPV) is facing an economic crisis, a leadership crisis, and a confidence crisis in its rule. These crises are inter-related and mutually reinforcing, and exert a continuously negative impact on the party's political standing.
- In response, the CPV has adopted a dual approach to preserve its ability and right to govern. While stepping up repression of prominent pro-democracy activists, the Party also appears more tolerant of moderate criticisms, and has undertaken limited political reforms to calm critics and to address problems that the Party itself considers detrimental to its legitimacy.
- However, prospects for democratization are faint at best in the coming decade. The best possible scenario for democratization in Vietnam is a top-down reform, similar to what has been happening in Myanmar. However, conditions conducive to such a scenario in Vietnam are either absent or inadequate.

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- For the immediate future, whether the CPV can successfully restore favourable socio-economic conditions will be key to Vietnam's political development. In the longer term, the increase in public political awareness and the emergence of a stronger and better organized opposition movement will be essential factors in determining when and how Vietnam will evolve towards substantive democracy.
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INTRODUCTION

The Communist Party of Vietnam (CPV) is one of the longest ruling parties in the world. It has been governing continuously for 68 years, 38 years of which have been in peace time. Within the next 7 years, it will be challenging the record held by the Communist Party of the Soviet Union (CPSU) of having the longest unbroken rule by any political party in modern world history.¹

The Party's turn to performance-based legitimacy—the state's ability to provide for the welfare of the people through sound economic performance—has served as the essential foundation for its continued rule. This began with the adoption of the *Doi Moi* policy in the late 1980s.² However, prolonged economic difficulties, the public's growing frustration with endemic corruption in the Party's ranks, the increasing number of dissidents attempting to organize themselves into opposition movements, and pressure for deep political reforms from within the Party have presented the CPV with serious challenges to its political legitimacy.

This paper seeks to examine recent major challenges to the CPV's rule and assess the key conditions and forces that are either accelerating or slowing down prospects for democratization in the country.

THE CPV'S TRIPLE CRISIS

At the moment, the CPV is facing an economic crisis, a leadership crisis, and a confidence crisis. These crises are inter-related and mutually reinforcing, and exert a continuously negative impact on the party's political standing.

Economic Crisis

Since the late 1980s, socio-economic performance has become the most important source of legitimacy for the CPV. Indeed, the relative success of economic reforms carried out in the 1990s and early 2000s has helped strengthen the Party's grip on power. However, since 2008, the national economy has been experiencing a prolonged slowdown. According to official statistics, the average annual growth rate for the period of 2008-2012 was 5.8 per cent,³ compared to 7.6 per cent for the period of 2000-07. In 2012, the economy grew only 5.03 per cent, the slowest pace in 13 years.⁴ However, many experts and even high-ranking officials—including the

¹ The CPSU ruled from 1917 to 1991 for 74 years, followed by Mexico's Institutional Revolutionary Party, which ruled 71 years from 1929 until 2000.

² See Le Hong Hiep, "Performance-based legitimacy: the case of the Communist Party of Vietnam and Doi Moi", *Contemporary Southeast Asia* 34(2): 145-172.

³ General Statistics Office, *Statistical Yearbook of Vietnam 2012* (Ha Noi: Statistics Publishing House, 2013), p. 143.

⁴ Vu Trong Khanh, Vietnam National Assembly to Meet Amid Economic Challenges, *The Wall Street Journal*,

Head of the Party's Central Department of Economic Affairs, Vuong Dinh Hue—have cast doubt on the official statistics as an accurate depiction of real economic conditions. The situation is believed to be much grimmer still.⁵ Critics have also pointed out that the rosy picture painted by official statistics is at odds with the increasing number of bankruptcies within the private sector and the decline in the government's 2013 revenue income.⁶ Indeed, many serious problems that constrain the growth of the economy still remain unresolved, including the huge bad debts within the banking system, the frozen properties market, and the long-standing inefficiency of the state-owned sector.⁷ These problems prompted the government to launch an economic restructuring programme in early 2012.⁸ However, at least by the latter half of 2013, the effort—widely seen as incremental and too slow—has reaped limited results.

To be sure, deep structural reforms to the economy and a strong and sustained commitment from policy makers will be necessary to overcome institutional weaknesses, such as the inefficient and non-transparent management of state-owned enterprises (SOE), the discrimination against the private sector, red tape and corruption, and weak market-supporting institutions.⁹ However, the CPV tends to be resistant to radical institutional reforms that may undermine its rule and its vested interests. Government apparatuses such as SOEs are a case in point. While there have been calls for reforms to ensure fair competition between SOEs and private sector companies,¹⁰ the CPV has been unwilling to act in that direction.¹¹ This is not only because the Party considers SOEs instrumental in the transition to socialism and an

18 October 2013, <<http://blogs.wsj.com/searealtime/2013/10/18/vietnam-national-assembly-to-meet-amid-economic-challenges/>>

⁵ See for example, Thanh Nhân, “Chỉ số thống kê chưa chính xác” [Statistics are not accurate], *Người Lao Động*, 26 September 2013, <<http://nld.com.vn/kinh-te/chi-so-thong-ke-chua-chinh-xac-20130926074833155.htm>>; Bích Diệp, “Ông Vương Đình Huệ: ‘Không biết GDP chạy đi đâu!’” [Vuong Dinh Hue: Where has the GDP gone?], *Dân Trí*, 24 September 2013, <<http://dantri.com.vn/kinh-doanh/ong-vuong-dinh-hue-khong-biet-gdp-chay-di-dau-782628.htm>>.

⁶ This has caused the government to ask the National Assembly to approve an increase in the budget deficit ceiling from 4.8 per cent of GDP in 2013 to 5.3 per cent in 2014. See Anh Vu, “Government demands higher budget deficit cap”, *ThanhNienNews*, 3 October 2013, <<http://www.thanhniennews.com/index/pages/20131003-government-demands-higher-budget-deficit-cap.aspx>>

⁷ By the end of August 2013, bad debts still accounted for 4.64 per cent of the total gross loans, while the number of businesses ceasing to operate increased 12.8% over the same period of 2012. See Linh Thư, “Lợi ích dân tộc là mục tiêu cao nhất” [‘National interest is the foremost objective’], *Vietnamet*, 21 October 2013, <<http://vietnamnet.vn/vn/chinh-tri/145699/loi-ich-dan-toc-la-muc-tieu-cao-nhat-.html>>

⁸ For a brief analysis of Vietnam's economic conditions in 2012 and early stages of the economic restructuring, see Le Hong Hiep, “Navigating the Crisis: The VCP's Recent Efforts in Restructuring the Economy and Fighting Corruption”, in Daljit Singh (ed.), *Southeast Asian Affairs 2013* (Singapore: Institute of Southeast Asian Studies, 2013), pp. 348-365.

⁹ See, e.g., Dwight Perkins, David Dapice, Phạm Duy Nghĩa, Nguyễn Xuân Thành, Huỳnh Thế Du, Đỗ Thiên Anh Tuấn, Ben Wilkinson, and Vũ Thành Tự Anh, Khởi thông những nút thắt về thể chế để phục hồi tăng trưởng [Addressing institutional weaknesses to restore economic growth], *Fulbright Economics Teaching Program*, 15 August 2013, <www.fetp.edu.vn/attachment.aspx?id=20463>.

¹⁰ *Ibid.*, pp. 34-38.

¹¹ For example, commenting on how the revised Constitution should provide for the status of economic sectors, Chairman of the National Assembly Office Nguyễn Hạnh Phúc recently claimed that the state-owned sector must play a leading role”. See Nguyễn Thảo, “Kinh tế nhà nước ‘đương nhiên phải chủ đạo’” [The state-owned sector ‘certainly has a leading role’], *VnEconomy*, 18 October 2013 <<http://vneconomy.vn/20131018084323848POC9920/kinh-te-nha-nuoc-duong-nhien-phai-chu-dao.htm>>

essential tool for regulating macro-economic conditions, but also because SOEs have become an integral part of the Party's power structure. SOEs provide support for the Party's unofficial patronage structure to thrive. In fact, they are an essential tool for the Party to advance its political agenda, and thereby maintain its rule. In the absence of deep structural reforms and sustained political will from its leaders, however, the country's difficult economic conditions will likely persist for several years to come.

Leadership Crisis

Harsh economic conditions normally lead to cleavages within authoritarian regimes.¹² In the case of Vietnam, there are signs that the Party is in crisis after the recent economic turmoil. There have been widespread reports of infighting between certain groups within the Party leadership – Prime Minister Nguyen Tan Dung is said to be embroiled in a tug-of-war with a rival faction led by President Truong Tan Sang.¹³ As the economic problems intensify, both factions have employed claims of poor economic management and performance as weapons against each other.

At the sixth Plenum of the CPV Central Committee (CPVCC) held in October 2012, the Politburo voted to discipline Prime Minister Nguyen Tan Dung for his deficient management of the economy in general and the state-owned enterprises in particular. Mr Dung would have been removed from office if disciplined. However, the Politburo's decision was later reversed by the Central Committee and he kept his job.

Developments at the sixth Plenum highlight two significant aspects of the leadership crisis. First, the power structure is highly diffused rather than concentrated. The Central Committee has become more powerful and independent vis-à-vis the Politburo. This has made it harder for the Party to forge consensus at the top. Unlike China where the general secretary of the Communist Party of China (CPC) is also the state president, the CPV's top leadership is shared among the CPV general secretary, the state president, the prime minister, and—to a lesser extent—the chairperson of the National Assembly.¹⁴ As a result, the CPV general secretary, considered the country's most powerful politician, does not wield enough authority to maintain effective party discipline and to impose changes. Such a power structure renders the country's leadership inept. Second, it is difficult to replace the top leadership even if it is inefficient. Due to its authoritarian nature, the regime is unwilling to make abrupt changes to its top leadership positions for fear of causing instability. While the CPC managed to institutionalize the process of power transfer at top levels, the CPV has

¹² For a review of impacts of harsh economic conditions on authoritarian regimes, see Dag Tanneberg, Christoph Stefes & Wolfgang Merkel, "Hard times and regime failure: autocratic responses to economic downturns", *Contemporary Politics*, 19:1 (2013), 115-129.

¹³ These rumours have been reported on a number of popular blogs, most notably the *Quan Lam Bao*. For more information of the infighting, see Alexander Vuving, "Vietnam in 2012: A rent seeking state on the verge of a crisis", in Daljit Singh (ed.), *Southeast Asian Affairs 2013* (Singapore: Institute of Southeast Asian Studies, 2013), pp. 325-347.

¹⁴ Proposals to merge the position of Party General Secretary with that of State President has been rejected allegedly for fear of power concentration.

failed to do so. As was apparent, the lack of alternative candidates to replace Prime Minister Dung discouraged the CPVCC from dismissing him.

Confidence Crisis

The image of a divided and baffled leadership against the backdrop of protracted economic difficulties has undermined public confidence in the CPV. The Party's inability to fight corruption is also a major liability to its legitimacy. In 2012, Vietnam was ranked 123rd among 174 countries surveyed in Transparency International's Corruption Perception Index, dropping 11 places from the previous year.¹⁵

The reestablishment of the Central Department of Internal Affairs in 2012 to take charge of the Party's fight against corruption has not generated any tangible improvement. And contrary to initial high hopes from the people, its department head Mr Nguyen Ba Thanh—a politician widely known for his efficient management and strong leadership—appears now to be toothless. Perhaps limited by Vietnam's one-party system,¹⁶ his performance also seems to have been undermined by political infighting.¹⁷ In addition, Mr Thanh did not win one of the two additional seats in the Politburo at the CPV Central Committee's Seventh Plenum in May 2013 despite an endorsement by General Secretary Nguyen Phu Trong. This deprives him of the authority to investigate corruption charges against high-profile figures. As such, the fight against corruption will likely remain inefficient, contributing further to the erosion of public confidence in the Party.

The most visible evidence of declining public confidence in the government is the growing number of political dissidents and stronger attempts by these to organize themselves into formal opposition movements. Some noteworthy developments include the petition signed by Group 72, and the establishment of the "Civil Society Forum" in September 2013. Comprising well-known intellectuals and retired high-ranking officials (including a former Minister of Justice), Group 72 took advantage of the opportunity offered by the public consultation on the draft revised Constitution to demand a wide range of political reforms such as the abolishment of Article 4 on the CPV's monopoly of power. The establishment of the "Civil Society Forum" also represents an attempt by dissidents to mobilize forces to officially challenge the Party.¹⁸

Certain segments within the Party have also expressed disappointment with its performance and have called for profound political reforms. For example, a senior

¹⁵ Transparency International, *Corruption Perceptions Index 2012*, < <http://www.transparency.org/cpi2012/results>>

¹⁶ See, for example, Le Hong Hiep, Vietnam's fight against corruption: A self-defeating effort? *East Asia Forum*, 6 Nov 2012, < <http://www.eastasiaforum.org/2012/11/06/vietnams-fight-against-corruption-a-self-defeating-effort/>>

¹⁷ For example, a report by the Government Inspectorate exposing mismanagement during Mr. Thanh's tenure as the Party chief of Da Nang was hastily released soon after his new appointment.

¹⁸ Hai Hong Nguyen, "Vietnam civil society bringing political change", *East Asia Forum*, 11 October 2013 < <http://www.eastasiaforum.org/2013/10/11/vietnamese-civil-society-bringing-political-change/>>

group led by veteran party member Lê Hiếu Đằng called for the establishment of a new political party to contest the CPV's monopoly of power.¹⁹ And in a widely publicized interview in October 2013, former Vice Minister of Science and Technology Chu Hảo and National Assembly deputy Dương Trung Quốc openly called for political reforms towards greater democracy.²⁰ At the grassroots level, the increasing number of mass protests and mass petitions in recent years is an important expression of the people's growing discontent with government policies, if not the Party's rule.²¹

These developments suggest that the CPV is facing significant economic difficulties, a divided and confused leadership, and a serious erosion of popular confidence in its rule. Seen collectively, these factors serve to seriously undermine the Party's legitimacy and encourage the development of political opposition. Accordingly, an important question emerges: How has the Party responded to these challenges?

THE CPV'S RESPONSES

Faced with the biggest challenges to its legitimacy since the late 1980s, the CPV has adopted a dual approach to preserve its ability and right to govern. While stepping up repression of prominent pro-democracy activists, the Party also appears more tolerant of moderate criticisms, and has undertaken limited political reforms to calm critics and to address problems that the Party itself considers detrimental to its legitimacy.

The CPV has repeatedly stated that it will never accept a multi-party system, and organized political opposition is considered a major threat to its regime security and is usually nipped in the bud. According to Human Rights Watch, 50 Vietnamese bloggers and activists were convicted in political trials in the first five months of 2013, more than the total number of political prisoners convicted in 2012.²² The army and police forces have also conducted more regular exercises to prepare themselves to face mass demonstrations and riots, especially in "hot spots" such as Nghe An and Dak Nong provinces.²³ The Party's sense of insecurity has also manifested itself

¹⁹ "Vận động thành lập đảng Dân chủ Xã hội" [Campaigning for the establishment of the Social Democratic Party], *BBC Vietnamese*, 16 August 2013, <http://www.bbc.co.uk/vietnamese/multimedia/2013/08/130816_hongochuan_inv.shtml>

²⁰ The interview was originally published on *Vietnamnet* but soon got deleted. The repost on *Dân Trí* <<http://dantri.com.vn/xa-hoi/tai-sao-y-kien-dai-tuong-chua-duoc-nghe-het-790044.htm>>, however, survived the censorship, showing that the views expressed therein possibly got some sympathy from certain segments within the Party.

²¹ For example, by October 2012, the number of mass protests witnessed a year-on-year increase of 22.6%, to a total of 4,772 incidents. See National Assembly's Legal Committee, *Báo cáo thẩm tra Báo cáo của Chính phủ về công tác giải quyết khiếu nại tố cáo năm 2012* [Review of the Government's Report on Resolving Complaints and Denouncements in 2012], 23 October 2012, <www.na.gov.vn/OpenAttach.asp?idfile=1954>.

²² Mark E. Manyin, *U.S.-Vietnam Relations in 2013: Current Issues and Implications for U.S. Policy*, Congressional Research Service, July 26, 2013, p. 15.

²³ "VN liên tục diễn tập chống bạo loạn" [Vietnam undertakes a series of anti-riot exercises], *BBC Vietnamese*, 18 October 2013, <http://www.bbc.co.uk/vietnamese/vietnam/2013/10/131018_anti_riot_exercises.shtml>

through a proposed amendment to the Constitution which states that the Vietnam People's Army shall place absolute loyalty to the Party before its loyalty to the nation and the people. Although the proposal has been rejected in the latest draft of the revised Constitution, it shows the Party's growing insecurity and increasing reliance on the army and the police. The goal appears to be to prevent any surge in political opposition to the Party's rule, especially in coordinated and organized forms, and to preclude the emergence of a multiparty system.

At the same time, the Party is well aware that 'hard' repression should only be exercised as a last resort as it may tarnish the Party's international image and elevate attention on the regime's human rights record. It has taken certain measures to show that it is responsive to criticisms in a bid to consolidate its power foundations and improve its legitimacy. These fall largely into three broad categories: (i) reviving the economy and retaining economic growth as the main pillar of its legitimacy; (ii) promoting good governance; and (iii) experimenting limited political reforms either to meet criticisms or to promote the two abovementioned objectives.

Most notable in terms of reviving the economy is the Party's efforts to restructure the economy. In tandem with its strategy of performance-based legitimacy, the Party recognises that as long as the economy thrives and the people's well-being is improved continuously, it will face less criticism and stand a better chance of prolonging its rule. Therefore, whether challenges to the Party's rule will keep mounting or not will depend on the economic conditions of the country in the years to come.

In terms of promoting good governance, the Party has been intensifying its fight against corruption.²⁴ However, as noted above, these efforts have proved ineffective largely due to the pervasive culture of corruption in the Party and the business sector.²⁵ In particular, the Party's labours are constrained by the nature of the one-party system which prevents it from embracing radical and effective measures for corruption fighting such as liberalizing the media, rendering the judiciary and law-enforcing systems independent, or allowing the establishment of opposition political parties.

Finally, the CPV is introducing some limited political reforms. Although designed mainly to improve institutional capacity and personal accountability, they don't go far enough and are unlikely to provide the Party with a significant boost in its legitimacy. The introduction of the confidence vote on key public office holders within the National Assembly and local People's Councils is a case in point. The effectiveness of such a measure is limited because, under the current system, these officials are accountable only to the Party, and not to voters at large. The pressure for improving institutional capacity and personal accountability is therefore diminished by the protection that the system provides them.

²⁴ For an overview of the CPV's recent effort to fight corruption, see Le Hong Hiep, "Navigating the Crisis", op. cit.

²⁵ For example, surveys show that many people and businesses are willing to offer bribes to government officials to get their job done quickly rather than adhering to formal processes and procedures. See, Hoàng Khuê, 'Nhiều người dân chấp nhận đưa hối lộ để được việc' ['Many people willing to pay bribes for quick results'], *VnExpress*,

³⁰ September 2010, <<http://vnexpress.net/tin-tuc/phap-luat/nhieu-nguoi-dan-chap-nhan-dua-hoi-lo-de-duoc-viec-2176395.html>>

The constitutional revision has been another case demonstrating the limits of the CPV's political reforms. Initially designed, among other things, to show the Party's willingness to embrace political reform, the constitutional revision and the accompanying public consultation process ended up as a blow against, rather than a boost to the Party's legitimacy. Faced with mounting public expectations beyond its willingness to accommodate, the Party finally allowed revisions—albeit unsubstantial and piecemeal—to the Constitution. Therefore, to the frustration of most critics and even some lawmakers, the process of constitutional revision came to reflect the Party's rigidity, conservative inclination, and growing sense of insecurity rather than its ability to initiate and pursue profound political reforms in the interest of the whole nation.

CONCLUSION: PROSPECTS FOR DEMOCRATIZATION

Given the above assessment, the chances of the CPV leading the country down the democratization path is faint at best, at least in the near future. The Party is expected to make every effort to prolong its rule, either by stepping up repression or by undertaking measures to consolidate its power foundations and improve its legitimacy.

Indeed, the best scenario for democratization in Vietnam is a top-down reform, similar to what has been happening in Myanmar. However, conditions conducive to such a scenario in Vietnam are either absent or inadequate. First, despite recent economic difficulties, Vietnam's current domestic conditions generate less demand for political reforms from the public as well as the Party itself. Unlike Myanmar, where economic improvements proved almost impossible without political reforms, Vietnam's socio-economic achievements after almost 30 years of *Doi Moi*, while making the people more tolerant of the CPV's resistance to political reform, also provide greater room for the Party to manoeuvre. As long as the Party successfully improves economic conditions, it is likely that the current surge in criticism against the Party will ease off.

Second, no prominent pro-democracy movement and opposition leader has appeared to champion initiatives against the CPV's rule the way the National League for Democracy and Aung San Suu Kyi have done in Myanmar. Overseas opposition forces seeking to restore the ideals of the deceased Republic of Vietnam are relatively unknown to the domestic public, and home-grown opposition movements have yet to become established. In addition, political awareness among Vietnamese has not been high enough to sustain and spread demands for political reform. Although greater access to the Internet may make younger generations increasingly politically active, this process has so far been slowed by the government's censorship as well as other measures such as official propaganda and state-controlled education.²⁶

²⁶ For example, the CPV is maintaining a considerable force of "dư luận viên", or opinion shapers, who actively work on the Internet, especially public forums, to counter "negative" comments and to shape public opinion towards the Party line.

Third, unlike Myanmar before democratization, Vietnam faces insignificant external pressure for political reform. Although certain Western governments, most notably the US, have put pressure on the CPV to improve its human rights record, this has hardly been sufficient to force the Party to undertake meaningful reforms, especially when the “diversification and multilateralisation” of the country’s foreign relations since the late 1980s have greatly enhanced its international standing and provided the Party with multiple avenues to resist external pressures.

Finally, the CPV’s ability to adapt itself and to respond to challenges should never be underestimated. Although the Party’s recent responses to its declining legitimacy, as discussed above, have proved either inadequate or ineffective, such moves still help to an extent to contain criticisms and delay the decline of its legitimacy. In addition, the Party has been maintaining effective control over the army, the police as well as other internal security forces. As long as these institutions remain loyal to the Party, the prospect of the Vietnamese people massively taking to the streets to demand political changes is still unlikely to happen—or succeed.

In sum, despite the mounting challenges that the CPV is currently facing, prospects for democratization in Vietnam still seems distant. For that to change, the realization of some, if not all, of the critical conditions mentioned above is needed, namely prolonged failures of the CPV in delivering its promises of economic development and good governance; the emergence of a strong and organized opposition movement; greater pressure from the international community, and a split among the CPV elite.

Prospects for democratization in Vietnam may still be distant at the moment, but it is not impossible in the long run. For the immediate future, whether the CPV can successfully restore favourable socio-economic conditions will be key to Vietnam’s political development. In the longer term, the increase in public political awareness and the emergence of a stronger and better organized opposition movement will be essential factors in determining when and how Vietnam will evolve towards substantive democracy.

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