

the phenomenon of big corruption cases, asking what they teach us about politics and the state. Chapter 4 looks at equitization in Vietnam, specifically trying to account for why equitization suddenly speeded up in the very late 1990s after years of going nowhere. Continuing with the theme of equitization, Chapter 5 shows how the sale of shares in state companies should not necessarily be associated with state retreat, including highlighting the use of uncertainty as an instrument of rule in Vietnam. Chapter 6 on local politics considers the impact of globalization on the state in provincial Vietnam, suggesting that, as with equitization, it is a mistake to associate globalization necessarily with state retreat. Chapter 7 examines one of the key events in Vietnam's political calendar, namely the National Communist Party Congress, held every five years. Adopting a revisionist tone, it argues that Congresses are less about policy issues than an occasion when access to patronage and political protection are circulated. Chapter 8 looks at neoliberal ideas about the state, seeking to explain why they have been relatively uninfluential in the direction of state change in Vietnam. The book concludes by asking how, in light of the preceding chapters, we understand the state and its relationship with the political.

I

COMMUNIST PARTY RULE

Some two decades after the collapse of Communism in Eastern Europe in 1989 and the former Soviet Union in 1991, Vietnam is just one of a handful of states where Communist Party rule persists (the others being China, North Korea, Laos and Cuba). While Vietnamese society is undoubtedly witnessing new forms of political expression, and pressure on the state, against the backdrop of rapid economic development, the fact of continued Communist Party rule at this juncture – whatever the future holds – requires some explanation. This chapter considers this issue with reference to theoretical ideas which have their origins in Barrington Moore's now classic text, *Social Origins of Dictatorship and Democracy* (Moore 1966). Moore's writing has since been built upon by other scholars, including most notably Rueschemeyer, Stephens and Stephens (1992). These writers, who emphasize the importance of changing class relations, state power and transnational forces in explaining moves towards greater democracy or their absence, are to be contrasted with those who focus on such things as political leadership, culture and political parties to explain why democratization has or has not occurred (Potter 1992: 355-79).

BOX 1.1 Vietnam's formal political system at a glance

Vietnam is a one-party state headed by the Communist Party of Vietnam (CPV). The National Party Congress is the highest body of the CPV and meets every five years. The Party Congress elects the Central Committee, the party organization in which political power is formally vested and which meets in plenary sessions at least twice a year. The Central Committee elects the Politburo and the general secretary of the Party. Between plenums the Politburo runs party affairs. The general secretary of the CPV, the president, the prime minister and the chairman of the National Assembly, Vietnam's parliament, are all members of the Politburo. Formally speaking, the CPV sets policy direction, which the government implements, although the reality is far more complex. The government consists of the prime minister, three deputy prime ministers, ministers, and heads of organizations of ministerial rank. The government is accountable to the National Assembly and reports both to the National Assembly and to the president. The National Assembly is the highest ranking organization of the state and the only body with constitutional and legislative powers. Members of the National Assembly are elected through national elections held every five years. In terms of sub-national government, People's Councils are elected at the provincial, district and commune levels. The People's Council is the highest state institution at the sub-national level, responsible to the electorate at each level and the National Assembly at the national level. People's Councils elects People's Committees to serve as the executive institution at the local level, although historically the People's Councils have been weak.

This chapter, which looks at political change in Vietnam over the past twenty or more years, will do so primarily with reference to the first body of literature. This has the advantage of helping us move away from a heavy reliance on the so-called 'middle classes' as the standard-bearer of democratization, which in recent years has tended to become the *sine qua non* of whether a country democratizes or not. While not ignoring the potential role of the middle class, the writings of Moore and Rueschemeyer et al. situate it within a

broader context. Drawing on historical cases from the seventeenth to the twentieth century, these writers between them single out five classes as being important as to whether a country democratizes. These are large landowners, the peasantry and rural workers, the urban working class, the bourgeoisie (or capital-owning class), and the salaried and professional middle class. The writers argue that it is not only the changing stance of individual classes brought about by economic development that has a bearing on whether a country democratizes but also the relationship among classes and their relationship with the state.

In terms of the focus of this chapter, some of the writers' most interesting findings concern the position of the middle class or bourgeoisie. Drawing on the historical record, they note that while the middle class has been a force for democratization, it has often as not sided with authoritarianism. According to Moore, what is important is not simply the existence of a large middle class but its relationship with the state. That is, if it is to support democratization, it needs to be 'vigorous and independent' from the state. This chapter explores what this means in relation to Vietnam, particularly focusing on business interests that have emerged during the reform years. Also important, according to Rueschemeyer et al., in terms of whether the middle class will be a force for democratization, is its relationship with the working class. In countries where there is a large and politically active working class, the middle class has tended to feel threatened, favouring instead the authoritarian status quo. This issue will also be considered in relation to Vietnam. In addition, the chapter considers the nature of state power in Vietnam and the impact of transnational forces on the Vietnamese political scene, because these issues are also emphasized by these writers as having a bearing on whether a country democratizes.

The danger with the approach being proposed here is that it can all too easily be taken to assume that all countries are travelling on the same historical road, ending with the establishment of liberal democracy. When looking at political change in authoritarian

states, we, in the West, find it genuinely very difficult to conceive of any other end point. And yet the experience in Asia to date would seem to suggest that Western-style liberal democracy is one of the least likely conclusions. Even Thailand and the Philippines, often seen as Asia's most democratic states, display many features that suggest their democracies are more formal than substantive (Anderson 1988a; Hutchcroft 1991; McCargo and Pathmanand 2005; Sidel 1996). Moreover, Singapore, with its long-standing capitalist development and substantial middle class and yet the absence of a democratic transition, although perhaps explained by Moore's emphasis on the importance of middle-class independence from the state, nevertheless seems to point to the possibility of another kind of evolution. One only has to read interviews with Singapore's leadership to be aware of the very different philosophical and cultural tradition on which it draws (Rodan 1992; Heng and Devan 1992). We can, of course, dismiss the language of such politicians as simply a cover for authoritarianism. However, in terms of trying to gain a sense of how politics in Vietnam, or elsewhere in Asia, is likely to evolve, it seems worth taking this differentness seriously.¹ These issues will be considered further towards the end of the chapter. In the meantime, it is important to bear in mind that the issues discussed below have been chosen because they appear to have been significant in the evolution away from authoritarianism in other historical contexts. However, they are not deterministic; nor do they provide much insight into the nature of political systems that will emerge in place of authoritarianism.

Changing class interests under reform

The onset of reform in Vietnam is variously dated from 1979, when the first tinkering with the central plan was carried out; from 1986, when the Vietnamese Communist Party held its Sixth Congress; and from 1989, when rather more substantive structural economic changes were introduced. Whatever one prefers, Vietnam for twenty

years or more has been undergoing a shift from a system of central planning to one that places greater emphasis on the market to allocate goods and services. During this period, the ruling party has eschewed making changes to the political system along multiparty lines, focusing instead on making one-party democracy work better. Nevertheless, driven by growing integration into the world economy, the past decade and a half has seen rapid economic growth in Vietnam and rising per capita incomes.² This has had repercussions nationwide and in all sectors of society. The chapter will now consider the impact of the last fifteen or so years of rapid economic growth on class formation and the relationship among the five different classes cited above.

LARGE LANDOWNERS

The first class mentioned in the theoretical literature is large landowners. Historically, they have been against democratization. In Vietnam's case, it would appear to be axiomatic to argue that such a class does not exist. Large landowners were purged in the Democratic Republic of Vietnam during the 1950s, with the process continuing in liberated areas of the south during the 1960s and after the Communist victory in 1975 (Porter 1993: 57-8; Dacy 1986; Beresford 1989). According to the theoretical literature, the fact of their absence would seem to work in favour of a democratic transition.

However, is it right to see Vietnam as a country devoid of a large landowning class? Despite continued formal restrictions on the maximum permitted landholdings in the countryside, the reform years have been accompanied by the growing incidence of landlessness with its obvious corollary, namely the re-emergence of large landowners (Kerkvliet and Porter 1995; Dahm and Houben 1999; de Mauny and Hong 1998). There is also a confluence of interest between the government's stated desire for foreign investment in agroprocessing and the need for large landholdings. Foreign investment in agroprocessing has not been huge, but foreign agroprocessors have been able to secure large tracts of land when desired.

One might also argue that while the large landowners of the *ancien régime* have been toppled, in their place there has emerged a new landlord class, namely Communist Party cadres and government officials. After all, it is very often they, or their family members, who dominate the rural economy (Kerkvliet and Porter 1995; Kerkvliet 2005). If this analysis is correct, the prospects for a widening of the political space look less good.

THE PEASANTRY AND RURAL WORKERS

The second class is that of peasantry and rural workers. According to the theoretical literature, the peasantry have historically had an interest in democratization but have not been much of a force for it, largely because they have been poorly organized. The fact that Vietnam continues to be a predominantly rural society two decades after reform would seem to imply a relatively weak impulse for democratization. Nevertheless, with urbanization proceeding apace the situation is changing. Only 20 per cent of GDP is now derived from agriculture, although some 73 per cent of the population is still classified as rural (World Bank 2008).

Since the 1990s, rural unrest has become more common. The causes of the unrest are multiple but they would appear very often to be linked to land disputes involving local elites, often with allegations of elite corruption (Kerkvliet and Porter 1995; Kerkvliet 2003). Although there is no evidence of direct foreign sponsorship of rural unrest, dissident non-government groups based overseas and foreign human-rights organizations have been quick to champion the cause of aggrieved rural communities, while foreign governments, including the United States, have criticized the government's handling of such incidents.

Beyond individual instances of unrest, it would, however, be misleading to speak of a rural opposition in Vietnam understood in terms of an organization with a common institutional base and a coherent critique of party rule. Some scholars have alluded to the growth of autonomous farmers' groups (Fforde 1996: 78-80).

However, while it is clear that some farmers groups are increasingly outspoken, whether this amounts to clear or aspirational autonomy from the Party is less certain.

THE URBAN WORKING CLASS

The third class mentioned is the urban working class. It is regarded as having been an important force for democratization. In Vietnam, the urban working class is still quite small, given the predominantly rural nature of the country. However, the reform era has been accompanied by rapid urban growth, and hence a growing urban population. This has been driven in large part by spontaneous rural-to-urban migration, as strict controls on the movement of population have broken down and as farmers have flocked to the cities in search of employment on construction sites and in the factories that have sprung up in the context of marketization. By 2010, it is expected that one-third of the population will be urban-based.

In terms of organized labour, the urban working class has yet to flex its muscles in a way which has moved the political goalposts significantly. Labour relations have certainly become more complex during the reform years, with the growth of private, including foreign, capital. Since the early 1990s, strikes have become more common, including 'wildcat' strikes and the emergence of self-proclaimed but as yet not recognized independent trade unions. Nevertheless, organized labour has been kept weak by a combination of an uncertain legal framework governing its activities and an official trade union, the Vietnam General Confederation of Labour, which, given political pressures on it, cannot represent workers adequately (Chan and Norland 1999; Clarke 2006; Hanson 2003: 45-67; Ying Zhu and Fahey 2000: 282-99).

THE BOURGEOISIE

The fourth class is the bourgeoisie, understood here as the capital-owning or business class. In the popular view, entrepreneurs are often viewed as being part of the middle classes, and hence seen

as a force for democratization. However, in the writings of Moore, Rueschemeyer and others, bourgeoisies are typically viewed as taking an ambivalent stance towards democratization. Richard Robison, for instance, has referred to an effective 'pact of domination' between capital-owning classes and the authoritarian state in Suharto's Indonesia, based around perceived shared interests (Robison 1988).

In Vietnam, the reform years have certainly seen the emergence of a new business elite. However, while this elite is new in terms of its business interests, it is in fact rather old in terms of its political ties. That is, many of the new entrepreneurs have emerged from within the existing system, are currently serving or former officials, or are the children of the political elite. To succeed in business, companies are still very reliant on the state for licences, contracts, access to capital and land, and, very often, protection (Gainsborough 2003a). Moreover, while this may be changing in some areas with business becoming more confident and less 'dependent' (Cheshier 2010; UNDP 2006), Vietnam still lacks the 'independent or vigorous bourgeoisie' cited by Moore as a necessary element in democratization.

The theoretical literature also emphasizes the importance of the bourgeoisie's relationship with the urban working class in terms of whether it supports democratization or not. If the middle class feels threatened by the working class, it is likely to be more conservative. If not, it is likely to be bolder.

Given the small size of Vietnam's working class, the outlook would appear more positive in terms of the possible stance of the bourgeoisie. However, as has been noted, although organized labour has become more militant in recent years and although there is disaffection in parts of the business community, there is little evidence yet of pressure for far-reaching political change.³ In calls for less red tape and a more open and transparent business environment, which can be seen coming from parts of the business community, one can perhaps see the early stages of a division between the

bourgeoisie and the state. However, these calls are relatively muted in comparison with the vigour with which many companies, out of necessity, go after state largesse.

THE SALARIED AND MIDDLE CLASSES

The fifth social group considered in the theoretical literature is the salaried and middle classes. In Vietnam, this would include professional state employees holding positions of responsibility in the bureaucracy and state enterprises, although there is likely to be some overlap with the capital-owning classes or bourgeoisie. Another group in this category would be professional Vietnamese employed by foreign companies or the international aid community. A decade ago some scholars were emphasizing an emerging gulf between groups such as these and the state, arguing that people were increasingly organizing their lives without reference to the party (David Marr cited in Thayer 1992b: 128). While the fact of someone's employment by a foreign company may be significant, it is more appropriate to emphasize the continued close relations between these groups and the state, in terms of their relatively privileged background (i.e. securing the necessary education to make them employable by a foreign company or the aid community), and a primary loyalty towards the state, including a willingness in many cases to join the party. Thus, as with the bourgeoisie, professional Vietnamese employed by foreign companies or the aid industry are often, although not always, still 'very much of the system'.

In terms of possible change in this area, middle-class Vietnamese regularly travel abroad and hence are being exposed to different ways of doing things, which can make them less tolerant of certain practices in Vietnam. There is also a growing exasperation on the part of some professional Vietnamese with official corruption, but again professional Vietnamese are as likely to be playing the system as railing against it (Gainsborough et al. 2009).

State power

As well as analysing the position of different classes and the relationships among them, the theoretical literature under consideration in this chapter also argues that the nature of state power has been crucial as to whether a country democratizes. In countries where it is difficult to identify clearly a distinct realm of authority separate from society (some African states, for example), the prospects for democratization are reportedly poor. However, a very powerful state – one which is almost entirely autonomous in relation to society – is also seen as not conducive to a shift away from authoritarianism. Thus, it is in the middle ground between not too little and not too much state power that a democratic breakthrough has the greatest chance of success.

Over the years, the nature of state power in Vietnam has attracted quite contrasting characterizations. Joel Migdal, for example, has described Vietnam as a 'strong state', putting it, rather surprisingly, in a category with Israel and Japan but also alongside other state socialist countries (Migdal 1988: 269). For Migdal, these states are strong because they are able to deploy state institutions to perform certain public policy functions despite the existence of other power centres. In terms of the Vietnamese state's alleged strength, Migdal is joined by a number of Vietnam scholars.⁴ Others have disputed the characterization of the Vietnamese state as strong, arguing that its actual capabilities are far less than is often assumed.⁵ In this book, it is argued that the state in Vietnam is comparatively speaking quite strong but it depends on the context, hence the conflicting interpretations. Looking at the day-to-day working of state institutions and the bureaucracy, it is striking how particularistic seats of power in individual institutions are the norm, and how the ability of formally senior institutions in the hierarchy to galvanize junior institutions to act is limited. Power is thus scattered. The state is weak. However, looking at the role of the police in people's day-to-day lives – their official ability to harass, extract rents, and generally prevent dissent, for instance – the state appears stronger.

Moreover, in periodic clampdowns on certain types of speculative business activity, and in the prosecution of big corruption cases, the state (or particular echelons of it) shows that when it feels so moved, it can act decisively and effectively. The issue of state strength versus state weakness will be developed further later in the book.⁶

In sum, therefore, the relative autonomy of the state some fifteen to twenty years after marketization would seem to be rather uncondusive to a democratic transition. The theoretical literature particularly emphasizes how a heavy military and police presence in the state apparatus bodes ill for a transition away from authoritarianism. In Vietnam, the military and police have always been well represented in key leadership positions.⁷

Transnational forces

The literature also emphasizes the importance of transnational forces in the success or failure of moves away from authoritarianism. Factors mentioned as being of potential importance include a country's size, its geographical location, and the nature of its relationship with the global economy. Looking at Vietnam, one is conscious of how there are pressures working in both directions at the same time. The end of the Cold War might be regarded as resulting in a climate in which Southeast Asian countries, no longer seen as potential dominoes in an anti-communist struggle, have come under increased pressure from the USA and European Union (EU) states on issues of human rights and governance. The extent to which such pressure results in substantive change in the target country is, of course, debatable. However, what is indisputable is that the ideological terms of the engagement between the West and Southeast Asia have changed substantially from the days of the Cold War (Anderson 1988b).

On the other hand, Vietnam seems less vulnerable to external ideological and cultural inflows than some countries – neighbouring

Laos, for example. This would appear in part to reflect Laos's small size and its very heavy economic and cultural links with more democratic Thailand (Evans 1988). However, this relative lack of vulnerability in Vietnam's case may also be a feature and consequence of its heavily nationalistic independence struggle, which has given it a degree of self-belief that Laos, historically more dependent on Vietnamese wartime support, does not possess to the same extent. Moreover, in terms of limiting external ideological and cultural inflows, the state in Vietnam is still well placed to do this, even in an era of globalization (see Chapters 5, 6 and 8 in this volume for an examination of this point from a variety of angles). This again is something which Laos, with its close integration with Thailand, has appeared less able to do. That said, urban Vietnamese are now able to access a far greater range of media sources, despite censorship, than they were ten to fifteen years ago, so the situation is not static.

Vietnam's location in Southeast Asia and its membership in the Association of Southeast Asian Nations (ASEAN) since 1995 offer a certain level of insulation from US and EU pressure for political change. After all, while there is considerable variation in the political systems of ASEAN states, this is a grouping whose members still display relative degrees of authoritarianism, and an organization which has by and large maintained its principle of non-interference in the domestic affairs of its members (Dosch 2006). Meanwhile, Vietnam's all-important relationship with China – much improved in recent years but still characterized by mistrust – has also arguably served to maintain authoritarian rule in Vietnam. Whatever differences Vietnam and China may have, they have in common a shared mistrust of US global power and the fact that they are some of the last remaining communist states seeking to reform their economies along market lines without losing political control. Thus, as the frequent party and government exchanges between the two countries illustrate, there is much they can learn from each other (Amer 1999; Thayer 1992a; 2008; Vuving 2006; Womack 2006).

In addition, the popular tendency is to emphasize how in an era of globalization, increased integration in the world economy tends to work to the detriment of authoritarianism, not least with the growth of the middle class on the back of economic development. However, what is also evident in relation to Vietnam is the way in which foreign aid and private capital inflows work to bolster state power, because it is state institutions and state companies that are the principal beneficiaries (see Chapters 2, 6 and 8 in this volume).

From one-party rule to what?

From the outset, this chapter has emphasized the importance of trying to break free from a mindset that sees Vietnam as necessarily embarked on a historical road that ends in Western-style liberal democracy. Indeed, it has been argued that this is probably the least likely outcome, based on the experience of other countries in Southeast Asia. Taking this as our starting point, the key is not so much to be alert for some kind of liberal democratic breakthrough but rather to ask how else might a broadening of political space occur in a country like Vietnam?

At least part of the answer would appear to lie in a re-examination of concepts such as state and society. Instead of looking for the emergence of a robust civil society standing as a bulwark against state power, as much of the literature does, it is also important to look at what is occurring within the state. A number of scholars have argued similarly. In *Towards Illiberal Democracy in Pacific Asia*, Daniel Bell et al. write:

The impetus for political reform arises not from the autonomous assertion of independent interests by social classes but from conflict within the state; political reform is about the management of intra-elite conflict rather than about the fundamental restructuring of state-society relationships. Therefore, political liberalization

[in Pacific Asia] is manifested in the changing architecture of the state with civil society remaining both limited and circumscribed. (Bell et al. 1995: 14)

That this is the case is testament to the very different philosophical and cultural heritage on which Asian states draw. Illustrating this with reference to Indonesia, Mark Berger notes how Suharto's New Order regime 'reinstated and reconfigured organicist (and/or integralist) ideas which view state and society as a single organic entity and the embodiment of a harmonious village or family' (Berger 1997: 341). While Berger notes that this ideology is in part a reconfiguration, and is used to deny oppositional activity, it does highlight the different philosophical and cultural roots on which many Asian leaders draw. Moreover, to the extent that such thinking is influential in terms of what actually happens, it offers a clue to likely political evolution. To illustrate the same point, one suspects that when Lee Kuan Yew spoke in the 1990s of the need to establish safeguards to limit the 'way in which people use their votes to bargain, to coerce, to push and jostle' the government, or referred to the need for the government to show that it 'cannot be blackmailed', such rhetoric does not simply represent sheer cheek on his part, but is actually indicative of a fundamentally different way of understanding the relationship between state and society (Rodan 1992: 5). Similarly, when Vietnamese leaders go on record to say that Vietnam will never have need for opposition parties, justifying such a position on the grounds that the ruling Communist Party knows the will of the people and only exists to serve it, this is not just a crude defence of authoritarianism but represents heartfelt opinion based on a very different view of state and opposition than that of the West.⁸

The idea that one should look for a broadening of political space within the state rings very true for Vietnam. For all the emphasis in foreign journalistic and academic writing on civil society, the emerging middle class, Buddhist and Catholic dissent, dissident intellectuals, Internet bloggers, youth disillusionment, and rural

unrest – all of which are legitimate areas of study – the main arena of struggle in Vietnam remains closely focused in and around the state. Thus, if one points to some of the major political debates of the reform era, which have to do with the relationship between the party and the government, the role of the National Assembly, issues of centralization and decentralization, or the best way to manage state enterprises, it is clear that the extent of change or the widening of political space must be seen in relation to state institutions. For example, the party may still be the ultimate authority, but it now has to contend with more robust government institutions and a stronger National Assembly, as, notwithstanding their common party representation, they are alternative seats of power. Whether this was the intended outcome of the critique of the party emerging at the Sixth Congress in 1986 is unclear, but, as an illustration of how change is occurring within the state, it is revealing. Equally, many of the concerns of the business sector, rather than finding expression through an organization external to the state, are still channelled through the state-sanctioned institutions (Stromseth 1998). Even if one were to speculate that such organizations might one day spawn breakaway groups or evolve into something external to the state, it is inconceivable that they would not retain something of the different philosophical and cultural underpinnings in terms of how they conceive of the relationship between state and society.

Conclusion

With reference to writings by Moore and Rueschemeyer et al., this chapter has sought to offer a robust account of the nature of political change in Vietnam over the past fifteen to twenty years. In terms of why the middle class has not emerged to challenge the state, the fact of its still-close relations with the state – dependent on it, not independent from it – seems highly significant. Moreover, for all the popular emphasis on issues such as civil society and globalization, the Vietnamese state remains relatively autonomous in relation to

society, and relatively impervious in relation to external ideas and influences. Furthermore, when political change occurs in Vietnam, as it inevitably will, one lesson from much of the rest of Asia is that a broadening of the political space is as likely to come from changes within state institutions as from the rise of an assertive civil society, as imagined in the West. Whether this will result in a sweeping away of authoritarianism is questionable. More likely is that we will see a gradual softening of its sharper edges, although even this might be optimistic.

NEW STATE BUSINESS INTERESTS

The previous chapter explored some of the reasons why Communist Party rule has persisted in Vietnam in contrast to the collapse of Communism in Eastern Europe and the former Soviet Union. One of the issues raised was the relative dependence of business interests on the state in Vietnam despite two decades of marketization and integration in the world economy. This chapter considers the nature of Vietnam's business class in more detail, charting its emergence from within the state sector, and exploring what this means for our understanding of what is conventionally called 'reform'. This is done through a case study of Vietnam's second city and business centre, Ho Chi Minh City during the mid to late 1990s, when many of the business interests which remain relevant to the present day began to be visible. Given the book's critical stance towards the notion of reform, it is especially helpful to focus attention on Ho Chi Minh City because of its strong association in the popular and academic imagination with 'reform'. What this chapter suggests is that we need to be much more precise in our characterization of the city's alleged 'reformist' credentials and the extent to which its political economy stands apart from the country as a whole.