

## **A VISIT TO SOCIALIST VIETNAM : ASSESSMENT OF THE POLITICAL AND ECONOMIC SITUATION**

A delegation of 5 persons from IRC, led by its director, visited Vietnam from 24 February to 5 March 1990, as guests of the Vietnam Committee for Social Sciences. The visit was intended to make contact with academic institutions and scholars, as well as to study business conditions in Vietnam. As a non-governmental group we had the advantage of determining our own program, and studying the situation at our own pace. This report is an assessment of the general political, economic and social situation in Vietnam.

### **1. Introduction**

Even though IRC is known for its work on Vietnamese affairs, it was not without some incredulity that the delegation discovered the daily life realities and the deep trends at work within Vietnamese society. In Vietnam it appears that sometimes even reality bypasses fiction.

The visit was organized as a low-key and private visit with no meetings arranged with high-level Vietnamese officials. We had requested for such a visit as we wanted to avoid being tied down to an official schedule or be completely framed by official rhetoric, as was the experience of other groups that had been there. As such, the IRC delegation did have the rare chance to stray from the beaten track of high-wheel official encounters and interminable propaganda meetings, which most of the time give the visitor the mixed feelings of the visa syndrome and the disgust of being brain-washed. The majority of the people we met were academics scientists, scholars, teachers, and those who had been left in the cold by over a decade of "peasant socialism" and who have today been recruited into the system by the renovation drive. We also met with graduates from Soviet-bloc universities, who belong to the Vietnamese Nomenclatura but who have become Western-style consultants in technology transfer, as well as dissidents and representatives of the underground opposition movement. In fact what was surprising was the ease with which we met these individual and groups. In private encounters they were sometimes very open and frank in their comments. It often appeared remarkable that most of those we met spoke straight and spoke out.

Beyond the moral and intellectual integrity of the people we met – a rare surviving virtue in Vietnam today - the quality of our information on

Vietnam's situation was further enhanced by the presence of two Vietnamese experts in the IRC delegation, which meant that the language barrier was transcended. Our direct "access" to Vietnamese realities contributed indeed in filling the communication gap, particularly in a matchless society, which seemed to live so far behind our time, almost in another world. We felt that this communication gap is a crucial element in the manipulative ability of the Vietnamese leadership to separate myth from reality, a condition that has contributed in an equally harmful way to both the Vietnamese perception of the state of their own society and its place in the world and the outsiders' perception of Vietnamese realities.

## **2. A Kafkaian World**

Visitors who arrive for the first time in Hanoi cannot help but to ask this simple, but unanswerable question: How did such a backward economic system defeat France, Japan, the United States and China, and then put ASEAN on the defensive for over a decade? How could it continue to exert control over the Southern part of Vietnam, Laos and Cambodia? Vietnam's capital, Hanoi, gives the impression of an archaic and disorderly society, where anarchy is more a way of life, and authority seems to be nowhere present. We were told by intellectuals that law and order had broken down in Hanoi and the authorities close an eye to the transgressions of the law by the people. Videotapes of foreign programs (yellow culture) which are prohibited can be openly purchased and are shown widely in "cafes", the small coffeeshops which have been allowed to operate by the state. The people do not seem to show an unconditional servitude towards the party, whereas its leadership is the object of derision. Then how is it that a party, which cannot even control its population in the capital, is in a position to exert control over the population in the rest of the country and beyond its borders? This remains an unanswerable question for us.

Vietnam's capital has been left, since the departure with its population left in the cold for decades. Photographs of Hanoi do not reflect the reality that the city is in. Photos too, like statistics, can be and be used to be. Behind the inflation in the usage of such a term as Nhan Dan - the people - it appears that nobody in Hanoi's hierarchy seems to care about their daily life which reaches the limits of intolerable hardship and suffering. Hygiene was lacking, and human excrement was not an uncommon sight in the French, in a kind of hibernation, the pavements of the city's streets. Squalid slums are everywhere present around the central residential district, reserved for Politburo members and diplomatic residences. More grotesque were the gigantic boards with the

self-exhorting slogans of the party, which no longer attract the attention of the citizenry.

One can conclude that the alleviating of the living standards of the Vietnamese population has been the least of the leadership's concerns, far behind the imperatives of class struggle and of domination over Indochina. Analysts who, in the past, have put the level of the defense budget at 40 percent of the national budget, may have to reconsider the figure, as it appears that given the state of the country and people that this expenditure may have been higher. Although this cannot be proven by statistics our guesstimate, based upon our observation of the society, is that the leadership may have over the years devoted some 60-70% of the total budget to defense and security. The north seems like a society that has stood still. Its economy is primitive, the health system is almost non-existent, education is a shambles. In fact, one source commented that if the late US Senator Barry Goldwater had known the actual state of North Vietnamese society at the time he would not have said that the US should bomb North Vietnam to the stone age. If we wanted to be unkind we would say that relative to the state of modern society, North Vietnam is in the 'stone age'.

Only recently, education and research accounted for 1.6 percent of the total budget, which explains why Vietnamese society is not organized towards progress and modernization, although the party has been talking aloud about the scientific and technological revolution.

### **3. The Scientists, an Impoverished Community**

A visit to the Vietnam Committee For Social Sciences and its Institute of Southeast Asian Studies (ISEAS) attests to the decay of the research institutions, in all respects. The ISEAS possesses only three tiny rooms for a 70 members staff, with no facilities in terms of library files storage or simple desks for its director or its permanent secretaries. We saw a couple of new IBM electric typewriters, gifts from a western foundation, on the floor. They had been there for some months because no one knew how to install the equipment. Several similar research institutions, with high-sounding names, such as the Institute of World Economy, are located in the same ramshackle building and are not better endowed than ISEAS. Their staff appeared hopelessly destitute.

Anyway, several representatives of the academic communities we met in Hanoi were more straightforward and even more outspoken than we had expected them to be. They did not conceal the hope of regaining their role in

the reshaping of Vietnamese society, now that glasnost and perestroika have become serious matters better left to the intelligentsia than to the peasants and the soldiers. All of them affirmed that in the past the serious blunders committed by the party leadership were partly due to the fact that their counsel had not been taken into consideration. Like his Soviet mentor Gorbachev, Nguyen Van Linh has moved to rehabilitate the intellectuals. Several of them were engaged in the drafting of a national development strategy to be adopted by the party leadership at the next congress. Another healthy development was the signs of entrepreneurship that some of the academics were displaying. As the impoverished scholars had to find additional resources to make ends meet, the new trend in Hanoi is to shift into business. For instance, the Director of wanted to sell information on how to do business with ASEAN. One of his assistant is a project manager of the Tropical Products Exploitation Company and was willing to cut a deal in coffee trading, even though he was still not very familiar with the commodities market. All the same, the intellectuals seemed to realize that they had no other choice than to join the business bandwagon if they were not to be left again on the scrap heap of history. But here again, it would not be an easy task!

It may be useful to know that scholars and intellectuals as whole had to moonlight to make ends meet. Most of them, we were told, earned more from their secondary jobs than from their official jobs. Secondary jobs included anything from translations and selling medicines to 'driving' the 3-wheeler "taxis". One teacher complained that often he had to drive his own students during his part-time job. The demoralization did not affect only the intellectual class but other sectors of society as well.

#### **4. The Political Debate**

In the small world of Hanoi politics, conflicting rumors on the issue of political succession floated by various factions and their acolythes were perhaps the only news that killed the boredom of living in Hanoi. For months, Nguyen Van Linh was rumored several time to quit the politica scene for health reasons, but he usually reemerged after several weeks of absence. At the time we were visiting Hanoi, Linh appeared to be apparently in good health receiving French Foreign Minister Roland Dumas. He appeared even more pugnacious at the Eight Plenum, with a hard-line speech affirming the will of the party leadership to counter any scheme to subvert socialism in Vietnam. The general opinion was that Linh would not stay after the next congress and his last efforts were rather devoted to the stabilization of the socioeconomic situation in Vietnam than to the democratization of the regime.

To be sure, the events in Eastern Europe and Gorbachev's turn-about over the leadership monopoly of the communist party were decisive factors, which suddenly recemented a sharply divided leadership, as leaders of all factions actually realized how reversible socialism was even in the land of Lenin. While the socialist system was falling apart everywhere in the Soviet bloc, in Vietnam the communist leadership was engaged in a rear-guard battle, in the name of Marxist-Leninist purity, against the threat that liberalization might spill over into their own backyard. But nobody in Hanoi could expect that Tran Xuan Bach, the rising star in Hanoi's politics and who was tipped to replace Nguyen Van Linh at the next congress, was to be demoted so suddenly. This remains an enigma that Vietnam watchers have to clarify.

The political elite appears, however, to be acutely aware that Vietnam cannot turn its back to the epochal trend towards democratization and the popular pressures for change. All the people that we met conceded that this would be an uphill task for the current leadership, as four years of renovation had not brought about the much-promised results in terms of upgrading the living standard of the people. However, the CPV leadership was striving for a last ditch effort to defend the so-called "irreversibility of socialism" in Vietnam.

It was interesting that the name of Vo Nguyen Giap, the former defence minister and hero of Dien Bien Phu, was constantly mentioned in the political debate, as a kind of last recourse, at a time when Vietnamese socialism was assaulted with so many threats, from within and from outside. His name was evoked as a kind of magic, as he was respected as the last historical figure of Vietnamese communism and the last living companion of Ho Chi Minh. He had also the credit of being blameless of all the charges of strategic blunders that occurred during the last decade under Le Duan's leadership. But Giap's health and ability were uncertain factors nobody can quantify in terms of leadership. Anyway, after Nguyen Van Linh there would be no prominent figure in the party who could stand as an uncontested leader.

## **5. Limits of Glasnost**

For his recent ideological turn-about, Nguyen Van Linh has lost much of his credibility as an advocate of openness and liberalism. The general perception in Vietnam was that Linh was running out of steam and that he has become a prisoner of the so-called collective leadership, composed mostly of conservative elements. Intellectuals in Hanoi were still talking about the party's manipulation of the recent congress of the Association of the Vietnamese Writers and Artists. Informed sources said that Le Duc Tho,

accompanied by top internal security officers, attended the congress, with the ostensible aim of imposing a more conservative secretariat on the Association. But the scheme failed.

This attempt was in line with the policy of tightening ideological control, adopted last year, because of the burgeoning turmoil in the South and the heating up of the political situation in the country. Serious preventive measures were adopted in order to remuzzle the press. Writers and journalists were constantly intimidated and harassed. What was more significant was that even a liberal figure like Vo Van Kiet, the Deputy Prime Minister and a Southerner, denounced the mushrooming of new media phenomena as "part of a larger scheme to subvert socialism" in Vietnam.

It is true that while all kinds of publications were circulating in Vietnam, not all of them were in line with the official media policy. It was not rare also to find in the open market materials that the party censors would have confiscated as reactionary. But the most symptomatic signs were that in semi-official publications, such as the *Cong An* (Public Security), the *Tuoi Tre* (the Youth) or the *Lao Dong* (Labor), very unorthodox papers on a variety of hot issues were making their way in. It all looks as though journalists and writers are using the cover of semi-official publications to have their unconventional stuff published. And this seemed a very interesting trend in the Vietnamese media.

## 6. The Underground Market and the State Economy

The market place is perhaps the most vulnerable link in the socialist. Theoretically confined to just a marginal sector of the national economy, the petty commerce with its hit and run traders was invading Vietnam again, at an uncontrollable speed. In Hanoi, a rather austere city, this trend was manifest, with all kinds of old and new professions mushrooming everywhere in the streets. The party, which ran out of resources in the subsidized system to feed the people, had finally moved to accept the "contribution" of the family and individual economy. But the party leadership repeatedly denounced the anarchic character of this parallel market system in Vietnam.

What is more serious for the regime is that this parallel market is penetrating the whole economy, whereas the state-owned sector is crumbling with the overhaul of the subsidy system. In a sense the State market is increasingly dependent on the non-socialist market, which supplies the system with its needs. Although we did not have an opportunity to visit the Sino-Vietnamese

border, we were reliably informed that brisk trading between the two countries was the order of the day.

According to reliable sources, the leadership is desperately looking for alternatives to keep the whole sector of state-subsidized enterprises rolling. According to internal sources, with the drastic cuts in Soviet and Eastern European assistance, these state-owned enterprises were on the brink of collapse. Economic planners in Vietnam went as far as to suggest a scheme of "privatisation" for these state-owned enterprises. But who will take up these near-bankrupt companies, which currently are working only at 15 to 30 percent of their productive capacity? It all looks like as though 1991 will be a critical year, as the Soviet Union will no longer subsidize Vietnam's economy. (We were told by fairly reliable sources that Moscow will cut all assistance by 30% in 1990 and terminate all aid by 1991. This was subsequently confirmed by a Soviet official we met in Kuala Lumpur.) Opponents of the socialist system including several Soviet-trained economists and engineers whom we did not classify as dissidents or opponents of the party, even proposed that ASEAN and Western countries maintain the embargo against Vietnam for at least another 2 years (while encouraging liberalisation of the economy and political system), so as to accelerate the decomposition of the regime.

## **7. The North-South Cleavage**

Visitors who arrive in Ho Chi Minh City, after a visit to Hanoi, will immediately measure the development gap which separates the two parts of the countries, not only in terms of levels of development and living standards, but also in terms of mentality. The people in the South, and particularly in Ho Chi Minh City are by far more equal than the most active people in the North. There is, moreover, a deep antipathy if not hostility of Southerners towards the Backy (the Northerners). It has been reported that Ho Chi Minh City party secretary, Vo Tran Chi has refused to become a member of the Politburo, because eventual promotion would have forced him to work in the North, which he publicly said he hates. The political cleavage is exemplified by the well-known antipathy between the Southerner Vo Van Kiet and the Northerner Nguyen Co Thach, both candidates for Premiership.

The North-South cleavage is the most visible in the economic disparity between the two regions. The economy in the South is growing, in spite of the structural legacy of more than a decade of socialization. The most salient performance of the Southern economy is the unprecedented surge in the rice production for 1989 and most probably in 1990, which accounts for more than

1 million tons of paddy in surplus. Indeed, Vietnamese rice is currently flooding the international market. But paradoxically, some provinces in the North still witness famine and starvation. But the Southerners, contrary to directives from the party leadership, prefer to export rice than to ship it to the North.

Most probably, the Northerners are realizing that they have made strategic mistakes, by letting the South open up first, internally and externally, while keeping the North under tight bureaucratic control. The outcome of a few years of economic and social liberalization since the Sixth Party Congress is the great leap forward of the South and its progressive exit out of the socialist framework that the party has been building up with great pains. Now that the North has no other choice than to follow the path taken by the South, it has serious difficulty in catching up with the development gap. And in the long run, the cleavage could lead to far reaching political implications, such as a renewed break in national unity. It was for this reason that officials in the North were somewhat anxious to ensure that foreign businessmen and investors pay attention to the opportunities in the North. It appears that the main attraction the North offers to prospective investors is the argument that all decisions in the country are made in Hanoi!

## **8. Dissidence and Opposition**

Dissidence and opposition is far more widespread than we believed existed. The most influential and most publicised dissidence movement is the so-called Club of the Resistance Veterans, led by General Tran Van Tra, the former commander of the military management council of Saigon, just after the fall of South Vietnam in 1975. After three years of unofficial activities, which gave the leadership a lot of headaches, his "club" has recently received the formal authorization to operate legally. The political network of the "club" covers all the 14 Southern provinces, with membership amongst the old apparatus of the former Vietcong. This splinter movement is the most vocal in its criticism of the regime.

According to very reliable sources, the leadership of the movement has been offered to General Vo Nguyen Giap, who has declined the offer. It is believed that Giap has advised the group to "contribute" within the framework of the regime, and not outside, otherwise it would be "detrimental to the whole legacy of the revolution". In fact, the Club of the Resistance Veterans is capitalizing on the discontent of the former Vietcong cadres, who have been marginalised in the "Northmalisation" process of the South. According to a very reliable source, the club has the capacity to crystallize an anti-Hanoi

movement, which would eventually take over the Southern provinces. Most recently, before the Eighth Plenum, the party leadership offered some conciliatory gestures, toward this movement, by allowing it to operate legally and to have its publication legally circulated again.

Besides, there are other underground opposition groups, the strength of which is hard to quantify. In the former Saigon, where population movement can hardly be controlled by the party, it is not difficult to meet and discuss with oppositionists. They circulate pamphlets and cassettes on political issues. The hottest issue in Vietnam today is the impact of the collapse of the Soviet empire on Vietnam. All of them appeared to be very well informed about the outside world, as they follow the news through the BBC and VOA.

But the most interesting thing is that they are practicing what they call "political entrism", by using organizations controlled by the party to cover their underground activities. They affirmed that large sectors of the population "are very angry". Two years ago for several consecutive months, peasant demonstrations occurred in major Southern cities. Those other opposition groups in South Vietnam appeared to be divided into two broad categories - the non-communists and the anti-communists. While the communist dissidence - in the form of the Club of the Resistance Veterans - operate legally, the two other groups operate underground. Most of the self-described anti-communist opposition comprise former officers and civil servants of the defunct Saigon regime. But many former Vietcong cadres, disillusioned by the "revolution after", have also turned into strongly anti-communist activists.

The non-communist opposition is formed by former components of the so-called Third Force, who during the Vietnam war wanted to transcend the antagonism between communists and anti-communists. Today, the non-communist opposition comprises large sectors of the population, particularly the religious organisations.

## **9. The Crisis in the Soviet Bloc: To Go West!**

Issues on Vietnam's foreign policy were almost absent from the discussions we had with our interlocutors who seemed more preoccupied with internal problems of the country. However, all the people we met were sensitively aware of the implosion of the socialist regimes in Eastern Europe and their eventual impact on Vietnam's politics. Listening to foreign news on the VOA and BBC is a common practice in Vietnam, even among the party rank and file. The crisis of socialism in the Soviet Union and Eastern Europe

has rendered more difficult Hanoi's propaganda work on the superiority of Marxism-Leninism. Academics and scientists did not hesitate to admit that the all out cooperation with the Soviet Union was a bad choice for Vietnam's foreign policy. Nobody seemed to believe that the Soviet Union will be able to do something for the future of Vietnam.

The Vietnamese returnees from the Soviet Union and Eastern Europe were probably the most outspoken about the sins of socialism, as they had a direct comparative experience. At the airport in Hanoi, we witnessed a scene involving a whole batch of Vietnamese workers who were sent back from Rumania. According to our interlocutors, these returnees represented a source of concern for the government, as they brought back many of the "new thinking" the party considered unfit for Vietnamese socialism. Reflecting the feeling of most returnees, a Vietnamese woman, trained in Poland in chemistry and who worked at the IDD service at Tan Son Nhut Airport in Ho Chi Minh City, told us that "Although I was trained in the East, I believe the future of Vietnam is in its relations with the West and America, and my daughter is learning English".

In Vietnam there was a visible nostalgia for America, particularly in the South. The dollar was the hard currency you could use at any corner of the country. People seem to wait for the US to come back, so that everything could be normalized once and for all. Most of the intellectuals we met said that the US should have come back a few years after the war, but "now it's not the right time", as it will only save the regime, by giving the party a much-needed boost, without contributing to the immediate improvement of the situation of the country. A group of consultants, trained in the East, was even of the opinion that two more years of embargo would accelerate the decomposition of the regime! They said that those who continued to defend the close relationship with the Soviet Union represented only a minority and they were "in free fall".

Most of our interlocutors in Hanoi and Saigon seemed to acknowledge that there was no other choice for Vietnam than to completely shift its foreign policy: to go West instead of keeping links with the East. Going West for most of them meant developing relations with Japan and doing business with the four dragons. Paradoxically, people in Hanoi and in Saigon are fascinated by South Korea and Singapore, and their economic performance. One interlocutor told us that the Olympic Games in Seoul in 1988 was a "fantastic blow" to the party's propaganda about capitalism and that video cassettes of the Seoul Games sold very well in Vietnam.

## **10. The Cambodian Problem**

Visitors to Vietnam will find out that Cambodia has paradoxically become a "no-longer-a-problem" for Vietnam. People in Hanoi and Saigon, seemed to take for granted the official version of a completed withdrawal of the Vietnamese troops from Cambodia. The director of the ISEAS told us that Cambodia "does not belong to Vietnam" and that "it was a good thing that we got out of this bloody place". Although the intellectual community in Hanoi and Saigon did not express the same security concerns as shown by the party leadership, everybody seemed to acknowledge in private that the occupation of Cambodia was a mistake. Most of our interlocutors did not understand why the international community continued to pay that much attention to this issue. When asked about Vietnam's responsibility to work for a comprehensive political solution, they seemed to dismiss the ultimate role of Vietnam.

In any case, the Vietnamese in the South were not very concerned about the future Cambodia, and even less so as to which faction would control the country. They said that whoever controls Phnom Penh would develop in the long term an anti-Vietnam policy, if the Vietnamese troops continued to remain in the country. In the streets of Saigon, disabled soldiers, in their 30s, could be seen frequently, as most of them ended up in the center of the city as beggars. In spite of the big homeric show organized last September for the withdrawal of the Vietnamese troops from Cambodia, the Vietnamese returnees represented a difficult social problem for the government.

## **11. Conclusion**

Any frank assessment of Vietnam today will conclude that the communist party leadership is facing a hostile political, economic, and social environment. The leadership appears also to have great difficulty in changing its ways and policies. The economic changes, one may surprise, taking place in spite of the structures of the party leadership.

What appears ironic is that the Vietnamese communist party leadership, well-known for the brilliance of its propaganda, has finally been deceived by its own propaganda. Vietnam is not the most progressive state in the world as its people were told. Why the people allowed themselves, in the north, to live in such miserable conditions must always remain an enigma for us. It may be easier to understand and explain why the party succeeded so well in winning all the wars they fought.

Vietnam remains very much a socialist society that is in great need of fundamental change. A Vietnam that is freed from the shackles of socialism will become, within a decade, one of the economic surprises of the Asia-Pacific region.

In the final analysis, however, Vietnam's problems which are fundamental in character, cannot be resolved by socialist methods, a tried but failed system. In the long term, the fruits of development can only come with greater openness and liberalism in the economic and political system. Tinkering with socialism, and half-baked experiments with capitalism will only prolong the hardship of the Vietnamese people.