

The Vietnamese Economy and Its Transformation To An Open Market System

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Cultural Issues in Vietnam's Transition

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Thousands of books have been written about Vietnam in the past fifty years - fifteen hundred 1975 and 1989 alone. The majority of these books dealt with the country's anti colonial struggles and their ramifications, in particular with the wars in which Vietnam was involved and their international dimensions. These various aspects have been covered extensively and even exhaustively by many authors. There is therefore no need to go over the same ground again. (For background material, see the bibliography at the end of this chapter.)¹

Consequently, Vietnam's struggle for independence from French colonialism will not be covered here, nor will the Vietnam wars and the international politics related to them, except incidentally. Instead, the focus will be on an aspect of Vietnam largely neglected by these writers: the psychological and cultural attributes of the country and its people. This subject is particularly relevant as it the most important one pertaining to the economic modernization of underdeveloped countries.²

Economic development depends on the willingness and capacity of people to meet the conditions that produce positive and sustained economic growth. In the first years after the end of World War II, people involved in the promotion of fast economic development for undeveloped countries - mostly economists, technical experts and Western idealists - quickly discovered two stark truths. First, they saw that the greatest obstacles to rapid development, or to any development at all, are traceable to the attitudes of the people of the countries concerned; they

¹ For basic geographical data on Vietnam, see Hoang DaoThuy, Huynh Lua, and Nguyen Phuoc Hoang, *Dat Nuoc Tôi (Our Country)* (Hanoi: Nha Xuat Ban KhoaHoc, 1989); Alain Ruscio, ed., *Vietnam: L'Histoire, la terre, les homes* (Paris: Harmattan, 1989); Melanie Beresford, *Vietnam: Politics, Economics, and Society* (London and New York: Pinter 1988).

² Hoang Mai, "Planning Familial au Vietnam," *Courrier du Vietnam* 7 (1981).

are psychological and cultural, and not technical or due to a lack of “know-how” or capital. Second, these obstacles are essentially endogenous, deeply rooted in the histories of the people concerned, and not exogenous, raised by stubborn nostalgic imperialism. One should thus expect Vietnam to also be subject to the same constraints in its economic development. Focusing on them is, therefore, quite appropriate.

Vietnam has undeniably become fully independent since 1975. It is now the master of its own destiny. France, the United States, the Soviet union, although perhaps not China, have ceased to be the major players in Vietnam because none of them are in a position to control the country’s destiny and direct its people’s conduct. Policies intended for Vietnam today and in the future will have to be centered essentially on the Vietnamese, the people-and their political leaders – who will pay a major role in their implementation.

For the policies recommended for Vietnam to be acceptable to the Vietnamese, in particular to all Vietnamese governments, one should ensure that these policies are feasible and realistic. It is therefore necessary for their formulators to make correct assumptions concerning the willingness and capacity of the Vietnamese and their political leaders to implement such policies. This, in turn, means that knowledge of what makes the Vietnamese “tick” is essential.

As a matter of common sense, we can assume that regardless of ideological inclinations, what defines the Vietnamese today as a culture and society is likely to be similar to what has defined them during their two-thousand-year history.

A study of this kind is unavoidably subject to two constraints: it has to be essentially interpretive rather than purely descriptive, and it has to be thematic rather than chronological. Within the limits of these constraints, the following events will be covered:

- How the Vietnamese responded to the challenge of their regional environment before the intrusion of the West; in other words, from cultural origin to the mid-nineteen century.
- How the Vietnamese responded to the challenge of the West between the 1850s and 1975.
- How the Vietnamese responded to the challenge of a totally new international environment since 1975, with the breakup of the Communist brotherhood, the end of the Cold war, and the collapse of communism in Europe.

The Country and Its people

Vietnam occupies a central position in Southeast Asia. The distances from its major cities to other cities of the region are moderate:

- Ho Chi Minh City to Singapore: 1,100 kilometers
- Ho Chi Minh City to Jakarta: 1,890 kilometers
- Hanoi to Rangoon: 1,770 kilometers
- Hanoi to Manila: 1,120 kilometers

Vietnam is at the crossroads of the Pacific Ocean and the Indian Ocean. The major sea-lanes from Europe and the Indian Ocean to Northeast Asia pass off its coastline. Indeed, it overlooks the Pacific Ocean and for this reason has been called a “balcony over the Pacific.” Below this balcony, its continental shelf stretches over 500,000 square kilometers.

Vietnam’s immediate neighbors are China in the north, with which it shares 1,150 kilometers of common border; Laos in the west, with 1,650 kilometers of common border; and Cambodia in the west and southwest, with 930 neighboring kilometers.

With an area of 329,560 square kilometers, Vietnam is slightly smaller than Arizona. It is larger than Cambodia and Laos, but tiny compared to its northern neighbor China, and slightly smaller than Japan. Compared to its southeast Asian neighbors, Vietnam is of moderate size, coming after Indonesia and Thailand, holding equal rank with Malaysia, and being larger than the Philippines and, of course, Singapore.

In broad physical terms, a distinctive feature of Vietnam is that it is composed of two large bulges in the north and the South linked by a narrow and long waist in the middle, a division reflected in the administrative structure of the country.

Another distinctive physical feature is that the two large bulges in the north and south are also two large basins watered by two large rivers, the Red River in the north, which flows through a delta in North Vietnam some 15,000 square kilometers wide; and the Mekong River in the South, which has a delta of 40,000 square kilometers wide. Along the length of Central Vietnam is a string of narrow coastal plains, forming pockets separated by hills protruding into the sea.

In terms of resources, agriculturally the country’s arable land is rather limited. It occupies only 95,000 square kilometers, one-third of the country’s territory. On the other hand, the forested areas are extensive and contain a large variety of species, including many precious ones, while the surrounding seas are rich in fish as well as crustaceans, in particular, shrimp. As for mineral resources, the country is known to be relatively well endowed also: its soil is known to contain some fifty kinds of minerals, including lead, antimony, gold, nickel, bauxite, iron, tin, copper, and especially sizable reserves of coal and oil.

Table 2.1

Vietnam's Ethnic Groups (1986)

Group	Size
Viet (or Kinh)	46,000,000
Hoa (or Han)	930,000
Tay (or Tho)	900,000
Thai	760,000
Mien (or Kho-me)	700,000
Muong	680,000
Nung	560,000
Hmong (or Meo)	400,000
Dao	350,000
Gia rai	185,000
E-de	140,000
Ba-na	110,000

Source: George Condominas, "Ethnologie," in Alain Ruscio, ed., Vietnam: L'Histoire, la terre, les hommes (Paris: L'Harmattan, 1989). p.43.

Racially the Vietnamese population is mixed. It contains some sixty ethnic groups belonging to two predominant streams: Mongoloids moving down from the north and Malaysians moving up from the south. The Vietnamese, or Kinh, residents of the lowlands predominate, with 80 percent of the total. The others are the Hao, or Han - Vietnamese of Chinese origin - and the Thuong, residents of the highlands. Twelve groups number over 100,000 each (see Table 2.1). The smallest groups, about one dozen, have 1,000 members or less each.³

With regard to religion, the majority of the Vietnamese have adopted the traditional *tam giao*, the three religions - Confucianism, Buddhism, and Taoism. All Vietnamese adopt basic Confucian moral values, although Confucian political institutions have long been discarded and Confucian social values have been much weakened. The majority identify themselves as practicing Buddhism, while small minorities have adopted Cao Dai or Hoa Hao, two religions native to the south. There is also a sizable Catholic community. At present there are no exact figures concerning the sizes of the Cao Dai and Hoa Hao. They are estimated to number 2.5 million

³ Georges Condominas, "Ethnologie," in Ruscio, Vietnam, p.43.

each. Catholics numbered 5 million in 1989 according to one estimate⁴. Concurrently with these main forms of worship, animism and superstition continue to exert a strong influence.

Vietnam from Its Origins to the Early Nineteenth Century

In the 1850s, at the time of the first French intervention, Vietnam had achieved the status of a recognized separate state and regional power. Its struggle to achieve this status had extended over eighteen centuries. Ten were spent resisting pressure from the north, avoiding total absorption by China, and winning separate statehood; and eight saw the nation expand southward from the Red River delta to the Mekong delta and gain the status of a major power in the region. During this long period Vietnam rejected Chinese rule but adopted Chinese culture. It escaped the status of a Chinese province but became a “Little China.”

The uncertainty concerning Vietnam’s origin has made the Vietnamese very sensitive to China’s claims of not only suzerainty, but, more dangerously, its annexation. Until the 1960s the prevailing view concerning the origin of the Vietnamese was based essentially on Chinese sources. According to this view the Vietnamese are the descendents of the one hundred Yue (Viet) tribes whose original home was the area around Dongting Lake and the Yangzi River in Central China. These tribes were driven south under the pressure of stronger neighbors and settled in present North Vietnam. They mingled with the local people there and founded the kingdom of Nam Viet, or Nam Yue, meaning Yue of the South. Thus the Vietnamese are the product of an immigration from China, a view obviously full of unpleasant implications for proud Vietnamese nationalists.

In the late 1920s certain archaeological finds, especially of bronze drums in the Dong-son (Thanh-Hoa) area, pointed to the possible existence of an early civilization inside northern Vietnam. Since the 1960s, Vietnamese archaeologists have tried hard to find more conclusive evidence to support the view that Vietnam existed as a state and a civilization long before the Han invasion and conquest in the second century B.C.E. The Hanoi scholars were eager to prove a Vietnamese popular assertion that “four thousand years of civilization” under the Hung Vuong dynasty of the Van Lang state, and under King An Duong of the Au Lac state, are not just legends but anchored in fact.

The archaeologists’ efforts have been partially successful. Their discoveries since 1960, along with the discovery of the bronze drums at Dong-Son, substantiated the view that the Vietnamese states existed with undeniable state structures and a “distinct and brilliant civilization” between 2878 and the third century B.C.E., and very possibly as far back as 4000 B.C.E. The Hanoi

⁴ The figure for the Cao Dai was provided by a Cao Dai personality in Montreal; that for the Hoa Hao is a projection from the pre-1975 figure of 1.5 million. The number of Catholics is given by Father Claude Lange in “Histoire du christianisme,” in Ruscio, Vietnam, p.104.

scholars call this ‘the Red River civilization.’⁵ They have a strong claim that the cradle of the Vietnamese people is the Red River delta (in northern Vietnam) and not the Yangzi River area of China, and their evidence has provided comfort to nationalistic Vietnamese vis-à-vis their gigantic northern neighbor (see map).

The Hanoi scholars did not dispute the fact, recorded in Chinese annals, that in the year 111 B.C.E., Vietnam was invaded and conquered by the Han under Emperor Wudi, annexed outright to China, and given the name Giao Chi. It remained under direct Chinese rule for the next 1,050 years. This obviously is a very significant fact in the history of Vietnam from every point of view, particularly the psychological and cultural.

Politically, Giao Chi was administered as a province of China in every way, like any other province: by Chinese officials, according to Chinese rules. The Chinese exploited Giao Chi economically. On the other hand, they also brought to its people a higher level of culture and civilization. Chinese officials introduced new crops and better agricultural techniques – in particular the planting of rice and the use of the plow – and improved the educational and cultural levels of the people through such activities as organizing examinations for the bureaucracy, teaching manners, and establishing marriage rules. The work of these Chinese officials was acknowledged by the Vietnamese, who built temples to honor and worship them.

Readiness to learn and the ability to learn quickly are basic traits of the Vietnamese. Another is a stubborn clinging to what they think is “the summum bonum of intelligence.” The combination of these factors explains why the most important product introduced by the Chinese during their long rule, Confucianism, has taken such a strong hold in Vietnam, Vietnamese views on the cosmos, society, men and their mutual relations, government, etc and much else bear the stamp of Confucianism, and, more particularly, the Song brand of Confucianism. The Song variation stresses *daoli*, the moral sphere, at the expense of *wuli*, which is the sphere of things and the physical world. As a result, good ethics and brilliant literary achievements were valued highly while economic performance was disdained. This contrasts with the Japanese brand, which accepted both *dori*, involving morality, and *butsuri*, involving things and physical forces - a combination that more readily opens the door to modernization and economic development. Song Confucianists stressed particularly the need for a centralized government, a strong bureaucracy, and an absolute ruler.

⁵ Phan Huy Le, et al., *Lich Su Viet Nam (Vietnamese History)*, vol.1 (Hanoi: Nha Xuat Ban dai Hoc Va Trung Hoc Chuyen Nghiep, 1985), pp.161-65.

Map of Vietnam



In addition to Confucianism, Buddhism and Taoism also came to Vietnam by way of China. Buddhism preached renunciation, and Taoism preached mysticism. Neither stressed the necessity of studying *wuli*, or of science, a basic condition of modernization and economic development.

Until the West, through France, exerted its impact on Vietnam, Chinese culture had extensively and intensively fashioned Vietnam and any traveler who has visited both Vietnam and southern China surely has been struck by the resemblance between the landscapes as well as by the similar customs - the rice fields and farming techniques, villages surrounded by bamboo hedges, worship of ancestors and spirits, acceptance of the basic Confucianist moral precepts, and so forth.

While accepting Chinese culture and techniques, the Vietnamese resolutely rejected total absorption by China. This rejection took the form of open rebellions that occurred in response to oppression, economic exploitation, and abuse by officials during the period of Chinese direct rule in 40-44 C.E. These uprisings took place under the Vietnamese Trung sisters; and in 248, under Trieu-Au, also a woman. There also was open war when the Vietnamese were confronted with non-Chinese models represented by the cultures and techniques of the West.

Until then, however, the mastery of the Chinese model made Vietnam a strong state capable of both resisting Chinese pressures in the north and defeating weaker neighbor states and expanding into the south. This expansion is known to the Vietnamese as *nam tien* - "the march to the south."

Nam tien is a great epic of Vietnam's history. Begun in the tenth century, this march covered a thousand kilometers and extended over eight centuries. In the process it destroyed one state - Champa - swallowed up a large chunk on another - Cambodia - and carried the Chinese model from the Red River delta to the shores of the Mekong River, the gulf of Thailand, and, for a short time, right up to the borders of Thailand itself.

In 1020, less than one hundred years after Vietnam achieved independence, the Ly, successors of the Ngo, staged a major military expedition against the Indianized kingdom of Champa. By 1069 they had extended the borders of Giao Chi, renamed Dai Viet, to Quang Tri. The next dynasty, the Tran, pushed Vietnam's borders to the latitude of Hue, which became Vietnamese in 1307. In 1402, Quang Nam and Quang Ngai were taken by the short-lived Ho dynasty. Then in 1470, the next dynasty, the Le, definitively broke the power of Champa by dividing it into three small kingdoms. The next dynasty, the Nguyen, completed the absorption of this country in less than one century. Phu Yen (Qui Nhon) was founded in 1611, Dien Khanh (Nha Trang) in 1653, and Binh Thuan (Phan Thiet) in 1697. Thus ended Champa. Beyond Champa spread the vast, fertile, and beckoning expanses of Cambodia (see map).

Less than five years after the formal founding of Dien Khanh, the first Vietnamese settled in Bien Hoa on Cambodian territory. Between 1658 and 1959, what is present-day southern Vietnam was conquered by the Nguyen. Gia Dinh (Ho Chi Minh City) and My Tho were occupied in 1759 and Ca Mau in 1780 (see map).

During the next fifty years civil war prevented the Vietnamese from seeking further gain. But after the war ended, the march resumed, this time westward under Minh Mang (who ruled from 1820-40). He changed the name of the country from Vietnam to Dai Nam, or greater Vietnam. Cambodia was annexed and placed under direct Vietnamese administration. Vietnam's borders were extended to the border of Thailand. Cambodian resistance was fierce, and Vietnamese troops and officials had to evacuate the country and pull back to its present-day borders to wait for a more opportune time to resume their march. They had to wait another 130 years as in the meantime, France had come between Vietnam and Cambodia and brought both countries under its rule. It should be added that France had come between Vietnam and Thailand also, as Vietnam's expansion into Cambodia had brought it into direct contact, strong competition, and armed conflict with that country.

A glance at the map shows that economics, and more specifically the constraint on an economy based essentially on agriculture, was a major reason for Vietnam's territorial expansion at the expense of Champa and Cambodia. A social crisis had been deepening since the twelfth century.⁶ A growing population, agricultural space limited to the narrow Red River delta, and technology permitting only low productivity made it imperative for the Vietnamese rulers to constantly acquire more land, especially more fertile land, to feed their people and avoid social unrest. For this they could only push southward against Vietnam's weaker neighbors.

Statistics on Vietnam's population growth before 1900 are almost nonexistent. But fragmentary as they are, they tell us that Vietnam's population expanded from about 1 million at the time of Giao Chi in the first century⁷ to 5.2 million at the time of the Ming invasion in the early fifteenth century-according to Chinese records⁸ - and to 13 million at the end of the nineteenth century, according to Hanoi scholars.⁹

The following figures give a measure of the migration of Vietnamese, mostly poor peasants, to the south. Between 1658 and 1696, 40,000 households – some 200,000 people – had settled in the newly acquired lands. By 1880 the number of settlers there had increased to 1,679,000 people.¹⁰

⁶ Nguyen Thi Than, "The French Conquest of Cochinchina, 1852-1862" (Ph.D. dissertation, Cornell university, 1992), p.515.

⁷ Phan Huy Le, *Lich Su Viet Nam*, p.87.

⁸ Nguyen Khac Vien, *Histoire du Vietnam* (Paris: Editions Sociales, 1970), p.54.

⁹ Vu Kien and Vu Ngoc Bich, "La croissance démographique: un problème préoccupant," in *Ruscio, Vietnam*, p.32.

¹⁰ Andre Masson, *Histoire du Vietnam* (Paris: Presses Universitaires de France, 1960), pp.29 and 94.

Considering the interstate practices prevailing at the time, instead of being imperialist, Vietnam itself could very well have been a victim of imperialism on the part of China, Champa, or Cambodia. Indeed, in the early part of the fifteenth century, Vietnam almost ceased to exist when it was annexed outright for two decades by China under the Ming. Regarding Champa, before its power was finally broken by Vietnam in the fifteenth century, it was a serious threat to Vietnam. Finally, Cambodia had been a great regional power until the twelfth century, when it was known as Funan.

Vietnam's *nam tien* took place during a period of prolonged civil war, another major fact in the country's history. It lasted for two hundred years from 1600 to 1800, and divided the country neatly into practically two states: Xu Dang Trong, the South, and Xu Dang Ngoai, the North. This left two deep impressions on the country that persists even today. In Vietnam's history this war is known as Trinh-Nguyen Phan Tranh, or the Trinh-Nguyen struggle. In typically Vietnamese fashion, it was a fight between two related but fiercely competitive families and their followers. Each group professed to uphold the same values of Confucian honor and defense of the authority of the legitimate monarch and to seek the same aim of carrying out the will of heaven and answering the wish of the people.

The Trinh-Nguyen Phan Tranh was, however, not just a two-way fight, but rather a three-way one, as between 1771 and 1802 the Nguyen in the south had to face a rebellion of the Tay Son. After having temporarily overthrown the Nguyen, the Tay Son moved north and overthrew the Trinh and the Le emperor as well. One can imagine what this kind of many-sided and constant warfare did to the country and its people. In fact, after the Nguyen had defeated all its enemies and laid claim to the throne, they had to try to rebuild a tattered country in political, economic, and social disarray.

The dynasty being new, its authority was challenged from many quarters, especially in places far away from the capital, such as Hue. The court had to spend a great deal of time and energy putting down rebellions in the north and in the south. Next, after so many years of *bellum omnium contra omnes*, the country had to be rebuilt from scratch at a time when officials of the court and the common people were physically and mentally exhausted. Heavy demands were made of new efforts and new ideas from the people. And with all that, the country, from emperor down, and especially the Confucian mandarins of the court, had to cope with increasing pressure and then with aggression by the West represented by the French.

Vietnam and the West (1800-1975)

The intrusion of the French forced the Vietnamese to face a completely new problem: how to cope with a totally alien, non-Chinese nation. Vietnam as "Little China," could cope with "Big

China.” France was not only different from but also stronger than Vietnam – the superpower of the time in Vietnamese eyes. Against the French, the Chinese model based on the Confucian Weltanschauung ceased to be effective. What to put in its place? This was the big problem of the Vietnamese then, and for the next 150 years.

The problem contains two basic questions: How to fight French domination, and how to modernize Vietnam? In Vietnamese, the answer, put in a nutshell, was Phu, Cuong, or power and wealth, understood in a broad sense as economic power.

The necessity of finding correct answers to the above questions had already arisen under Gia Long (1802 – 20), but it became vital under his successors, Minh Mang (1820-40), Thieu Tri (1840-47), and Tu Duc (1847-83). Unfortunately, Gia Long missed the great opportunity for change to prepare the country for successfully meeting the new challenge. Instead of Westernizing, he chose to revert resolutely and fully to the past, resumed the Chinese connection, and clamped the Chinese mold firmly on his country. He initiated a policy of “massive assertion of Confucian values and institutions.” Minh Mang continued that policy “with a vengeance,” and Tu Duc also opted unreservedly for “extreme Confucian conservatism.”¹¹ It has been suggested that Gia Long’s behavior conformed to “a law of development” of Vietnam until the middle of the nineteenth century: “As Vietnam becomes politically independent from the old Chinese colonizer, its sinicization intensifies.”¹² As we shall see, this will remain true even beyond the mid-nineteenth century. In any case, the emperors and their courts stubbornly clung to the Chinese model in spite of the warnings and the repeated pleadings of Vietnamese who had been abroad and seen the world.

The best known preacher of reforms of that time was Nguyen Truong To. He had been to Hong Kong, Singapore, Penang, and Europe and had seen the modern world. His great curiosity, sharp mind, and keen sense of observation allowed him to perceive with great vision what should be done to modernize Vietnam. In more than twenty memoranda to the emperor, he outlined a remarkably comprehensive plan for modernizing the country: survey of the country’s resources; development of mining, agriculture, commerce, and industries; promotion of foreign investments; and reform of finances, education, and political institutions.

Tragically for Vietnam, Tu Duc, who as an absolute monarch could have steered the country in any direction he wished, took no action but instead referred the proposals to the court and to his mandarins, whose minds were cast in the solid Chinese Confucian mold. They especially wanted security of position, peace, and tranquility, and found all kinds of pretexts to turn down Nguyen Truong To’s proposals. They called them “wild talk,” “impractical,” “subversive,” “irrelevant,”

¹¹ David G. Marr, *Vietnamese Anti-Colonialism, 1885-1925* (Berkeley: University of California Press, 1971), p.22

¹² Masson, *Histoire du Vietnam*, p.49.

“untimely,” “unnecessary,” “matters requiring serious study,” and so forth.¹³ The result was easy conquest by the French and subjection of the country to humiliating French rule in 1884. More important, the country’s modernization would be delayed for more than a century and be much more difficult.

In 1885 the French replacement of Vietnam’s reigning emperor, Ham Nghi, by a man of their choice, Emperor Dong Khanh, sparked a rebellion of the Vietnamese scholars, the Can Vuong, who supported the King. This movement, led by the highly respected Phan Dinh, was unsuccessful, as were all Vietnamese uprisings against the French. However, independence movements inspired by the Japanese model greatly heartened the Vietnamese, as the general belief among the intellectuals was that “if Japan can do it, we can do it too.”¹⁴

The upshot of the stimulation by China and Japan was the founding of the DuyTan modernization movement with its twin manifestations: the Dong Du (the Go East School) and the Dong Kinh Nghia Thuc (the Modern school). Both reached their high point in 1906 and 1907. The Dong Du, brainchild of Phan Boi Chau, aimed at giving young Vietnamese military training by sending them to Japan. The Dong Kinh Nghia Thuc, brainchild of Phan Chu Trinh, aimed at introducing the country to the modern world through modern education including, among other things, commerce and industry.

On political reforms and methods, there was a sharp difference between the views of Phan Boi Chau and Phan Chu Trinh. Phan Boi Chau favored military action and constitutional monarchy while Phan Chu Trinh favored a period of cooperation with France, and republicanism. There were no clear schemes of economic development, at least none of a realistic kind, in the thinking of either man. Such schemes would have been utopian in any case. As Phan Chu Trinh saw very clearly from the beginning, and as Phan Boi Chau recognized late in his life during his house arrest, nothing could be accomplished unless the educational, moral, and civic levels of the people were raised.¹⁵

In concrete and immediate terms, all the above movements achieved next to nothing. The movements were short-lived, lasting only a few years from 1903 to 1908, and Phan Chu Trinh was arrested in 1911 while Phan Boi Chau was arrested in 1925. The agitations generated a great deal of excitement, kept the nationalist spirit alive and showed clearly that the major national problems still awaited effective solutions.

¹³ Truong Ba Can, Nguyen Truong To, *Con Nguoi Va Di Cao* (Nguyen Truong To: The Man and his Posthumous Manuscripts) (Ho Chi Minh City: Nha Xuat Ban Thanh Pho Ho Chi Minh, 1988), pp.63-100.

¹⁴ Nguyen Hien Le, *Dong Kinh Nghia Thuc* (Saigon: la Boi, 1968), pp.23-26

¹⁵ On Phan Boi Chau, see his memoirs: *Nien Bieu* (Memoirs) (Saigon: Nhom Nghien Cuu Su Dia, 1971); and Georges Boudarel, “Phan Boi Chau et la société Vietnamiennne de son temps,” *France-Asia* (Paris) 23, no.4 (1969). On Phan Chu Trinh, see *The-Nguyen, Phan Chu Trinh* (Saigon: Tan Viet, 1956).

The post-World War I generation was not heavily burdened with the full weight of the past. The new generation was a *tay hoc*, or Western-educated, generation. Its members drew their revolutionary ideas and methods from the West, either from the liberal West or from Communist Russia. Yet they could not escape the shadow of China. An examination of the platforms of the two major parties and their leaders' pronouncements makes this point clear. The Western liberal model adopted by Vietnam's major nationalist party - the Vietnam Quoc Dan Dang (VNQDD) – borrowed heavily from Sun Yat-sen's ideas and the Kuomintang's organizational pattern. Likewise, the communist model introduced by Ho Chi Minh to Vietnam came via China. It was Lenin's brand of socialism-bolshevism as interpreted by Joseph Stalin and Mao Zedong.¹⁶ On the other hand, if those platforms were long on political and revolutionary strategy and tactics they were very short on the more complex but more fundamental problem of modernization and economic development.

The Vietnamese were drawn to the national and colonial questions raised at the Second Congress of the Comintern in 1920. Vladimir Lenin said in that thesis: “the Communist International should advance the proposition, with appropriate theoretical foundation, that with the aid of the proletariat of the advanced countries, backward countries can go over to the Soviet system and, through certain stages of development, to communism, without having to pass through the capitalist stage.”¹⁷

Those words are said to have made Ho Chi Minh cry in his room in Paris and become an unconditional Leninist. Ho had joined the French Socialist party in 1918 because it was anti-colonial, but he had to grapple painfully with the insoluble problem of how a pre-capitalist country like Vietnam could become even socialist. In Lenin's thesis he thought he had found the solution. He did not pay attention at all to the sentence following the above statement. In it, Lenin said, “the necessary means for this cannot be indicated in advance. These will be prompted by experience.” In other words, Lenin did not tell Ho and his followers in Vietnam how to move communism directly from pre-capitalism without passing through the capitalist stage. This problem seemed minor to Ho then, but it was to plague the Communist Party of Vietnam (CPV) after 1975, especially after the spectacular demonstration that the Soviet experiment had proved a dismal failure.

Until World War II, then, the Vietnamese had not come up with any effective solution to the problem of modernization and economic development. Undoubtedly, even having theories would

¹⁶ On the VNQDD, see Hoang Van Dao, *Vietnam Quoc Dan Dang* (Saigon, 1970; reprinted in the United States by an anonymous publisher). On the CPV, see “Ho Chi Minh, Ba Muoi Nam Hoat Dong Cua Dang” (Thirty Years of Activity in the Party), in *Ho Chi Minh Tuyen Tap* (Ho Chi Minh Selected works), vol.2 (Hanoi, 1980), p.152, and “Cach Mang Trung Quoc Va Cach Che Man Vietnam” (The Chinese Revolution and the Vietnamese Revolution), in *Ket Hop Chat Che Long Yeu Nuoc Va Tinh Than Quoc Te* (Closely Uniting Patriotism and Internationalism) (Hanoi: Nha Xuat ban Su That, 1976), pp.160-61.

¹⁷ V.I. Lenin, *Speeches at Congresses of the Communist International* (Moscow: progress Publishers, 1972), p.59.

serve no purpose if they did not have the power to put these into practice. The French were still firmly in control when war broke out, and soon there was Japanese control on top of the French. The war, however, gave the Vietnamese the opportunity they had been seeking for a century. It made it possible for them to achieve independence.

Unfortunately, independence was achieved through two very costly wars. Worse still, it came only after the division of the country into two parts – North and south – and then into three – North, South, and the South Vietnam National Liberation Front. The Geneva Agreement of 1954 and the Paris Peace Agreement of 1973 only gave dramatic formal recognition to this division. Vietnam was back where it had been two hundred years earlier, with the same destructive consequences: devastation of the country and exhaustion of its people.

One of the major features of the wars involving France from 1946 to 1954 and the United States from 1954 to 1975 was the clear cleavage of the Vietnamese not only along political and social lines, but also along economic lines. There was communism and rigid central planning in the North versus anti-communism and a capitalist free market in the South. This cleavage was to have far-reaching consequences. But for the time being, in 1975, the division was formally terminated in favor of the communists.

Facing challenges of a New World

In winning victory and extending their total control over the whole country, the communists won the exclusive and unfettered right to lead Vietnam in the direction they wished. For the first time in 130 years, a group of Vietnamese was in a position to put into practice its ideas on how to solve the nation's fundamental problems. Since independence was no longer an issue, the remaining priority was how to modernize. This implied two questions- what model to choose, and where to look for support.

To the leadership of the Communist Party of Vietnam, the clear and certain answer was resolute adoption of the socialist road, including the full application of Marxism-Leninism and alliance with the Soviet Union. The new leaders indulged in “voluntarism,” believing that, if through determination they could defeat two world powers, they would be quite capable of carrying out the accelerated “socialist transformation” of the country and accomplish economic development with great ease. Reality was to teach them otherwise.

The basic decision to embark fully on a Marxist-Leninist course was taken at the party's Fourth National Congress in December 1976. This Congress decided to move “directly from small-scale production to large-scale production without passing through the capitalist stage,” to give priority to heavy industry, and to turn Vietnam into a socialist country with modern agriculture and industry “within twenty years.” Very ambitious targets were set, although, as party leader Le

Duan admitted, “War has destroyed practically everything built by the cost of very great efforts, retarded our development by three five-year plans, and wrought havoc on management.”¹⁸

Parallel to the accelerated industrialization of the country, the Communist government also decided to step up acceleration of the “socialist transformation” of the south to bring it into line with the north. The determined eradication of all traces of capitalism - large, medium, and small – had been a basic plank of the party since 1930, and a campaign to that end was pushed very vigorously in 1976 and 1978. Within a relatively short time the Communist government had dismantled the economic and financial structures of the south and driven the southern professionals to either joining the ranks of the “boat people” or to becoming irrelevant in their own country. In the process the productive potential not only of the south but also of the whole country was destroyed, for economically the south was far more advanced and better equipped both in material and human terms than the north.¹⁹ If the party leadership had not killed it, they certainly had seriously crippled the goose that laid the golden egg.

For more than thirty years the Communist Party of Vietnam had lived with the “millstone of Stalinist-Maoist ideology around its neck,” and it arbitrarily applied the Stalinist-Maoist model to the south, says Vo Nhan Tri. The party leadership thus made the same leftist mistakes that “bear resemblance to the ones committed by Mao.”²⁰ The “law of sinicization” evoked by André Masson for Vietnam until the mid-nineteenth century still operated, more than a century later.

By 1980 it had become obvious that the course pursued by the party had led to disaster. This was acknowledged by the party leadership at the Fifth National Congress in March 1982. At this congress, Pham Van Dong, who had been full of self-confidence when he presented the plan in 1976, asked, rather bemusedly: “The socialist revolution line and the socialist economic construction line put forward by the Fourth Congress were correct. Why is it that after five years of implementation we have not achieved the economic results which the country demanded and which the potential of the country should make possible?” And he gave the answers: subjectively: hastiness; setting tasks that were too big with targets that were too high; clinging to

¹⁸ Pham Van Dong, Phuong Huong, *Nhiem Vu, Va Nhung muc Tieu Chu Yeu Ve Kinh Te Trong Nam Nam 1981-1985 Va Nhung Nam 80, Bao Cao Tai Dai Hoi V* (Basic Economic Orientations, Tasks, and Objectives for the Five-Years 1981-1985 and the 80s; report to the Fifth Congress), Hoi Nguoi Viet Tai Cong Hoa Lien Bang Duc (Document reprinted by the Association of Vietnamese in the German Federal Republic, April 1982), pp.5 and 11

¹⁹ For the Communist government’s policy after 1975, see Vo Nhan Tri, *Vietnam’s Economic development since 1975* (Singapore: Institute of Southeast Asian Studies, 1990). For other developments, see Nguyen Van Canh, *Vietnam Under Communism, 1975-1982* (Stanford: Hoover Institution Press, 1983), and Joseph Zalsoff, ed., “Post war Indochina: Old Enemies and New Allies” (Washington, DC: Department of State Publication No.9657, 1988).

²⁰ Vo Nhan Tri, *Vietnam’s Economic Development*, pp. 44, 62, and 181.

policies after they had ceased to be suitable, in particular those of bureaucratic command and state subsidy; and above all, giving first priority to heavy industries.²¹

The situation called for drastic changes, and soon momentous events would force the Communist Party of Vietnam into the position of changing or dying. The changes occurred in Europe, in the Communist camp. Faced with economic collapse and political rebellion in the Communist regimes of Europe and in the Soviet Union, Mikhail Gorbachev rose to the top leadership position in the Communist Party of the Soviet Union. His response was *perestroika*, or democratic liberalization, a process that ultimately led to independence in the former Soviet bloc in Europe and the dissolution of the Soviet Union itself.

The most devastating of these events was the disappearance of the Soviet Union, the “fortress of world revolution,” which had served as Vietnam’s main source of military protection and economic aid; it was the Communist Party of Vietnam’s ideological support and lodestar. None of these developments in Europe, which followed in rapid succession from 1986 through 1991, had been anticipated by the Vietnamese leadership at their Sixth party Congress in 1986. But they were the most decisive developments in forcing the party to adopt major changes in course.

Externally, it was clear that Vietnam had to withdraw forces from Cambodia, which had become a costly venture and a major cause of Vietnam’s international diplomatic isolation with its subsequently dire economic consequences. Vietnam was urged to seek closer relations with the Association of Southeast Asian Nations (ASEAN) to compensate for the loss of Soviet aid and markets. Vietnam also was advised to normalize relations with the United States to gain access to International Monetary Fund (IMF) and World Bank funds. Internally, measures had to be adopted to improve economic conditions, in particular, to encourage production and attract foreign investment. This meant opening up the economy toward the free market, with its inevitable consequence: a growing demand for more political freedom. The leaders of the Communist Party of Vietnam called these demands “the mosquitoes and flies” or the “dust and trash” that come with foreign capitalist dollars.

The questions of whether to make changes, what those changes should be, how far to go, and who should carry out those changes, naturally caused deep divisions inside the party leadership. In the late 1980s the party leaders in Vietnam were determined to drag the country down the road to socialism even though socialism had proved a failure even in its original home. Indeed, at a key plenum of the party’s Central Committee in December 1990, with the collapse of socialism in Europe in mind, Tran Bach Dang, who was later expelled from the politburo, asked, “What are the characteristics of socialism?” and the answer was, “the plenum found that we do not have sufficient conditions yet to argue this issue scientifically.”²²

²¹ Pham Van Dong, et al. *Va Nhung Muc Tieu Chu Yeu Ve Kinh Te Trong Nam Nam 1981-1985*. pp. 5 and 11.

²² Foreign Broadcast Information Service, *Southeast Asia Daily Service*, January 8, 1992.

Thus, the nation's Communist party leaders have learned nothing from Vietnam's painful experience. Like the Confucianist mandarins 150 years earlier, at the time of Gia Long and Tu Duc, and for the same reasons, they chose an obviously wrong path and persisted in pursuing that path, thus wasting the country's precious time.

Update

The past decade has seen a substantial liberalization in Vietnam's economic policies, but socially and politically the country still is constrained. In the 1990s, Vietnam experienced tax and trade reforms, an influx of foreign investment, normalization of trade relations with the United States, and strong economic growth. However, there has been less movement in the areas of cultural, social, and political change. Recognition of individual political freedom, availability and transparency of information and establishment of protected legal and property rights have been limited. As a result, Vietnam's fundamental problems - modernization and economic development - remain unsolved and still await solution.

Conclusion

From the foregoing study, we can conclude the following:

- China has exerted on Vietnam a strong gravitational attraction.
- Chinese-influenced Vietnamese rulers have proven to be usually conservative, ignorant, arrogant, and complacent.
- The Vietnamese elite have not given much thought to the modernization and economic development of their country and have failed to find appropriate answers to these problems.
- The situation of Vietnam today is very similar to that in the first half of the nineteenth century under the first Nguyen emperors
- As long as Vietnam remains essentially an agricultural country, it is bound to be imperialist or face constant social crises.
- The basic problem of Vietnam still awaits appropriate answers.

Background Reading

As mentioned in the introduction, a large number of books on Vietnam have been published recently. Unfortunately, most were written in a period when the urge to be “politically correct” was overwhelming. Even academics, anxious to curry favor with the antiwar public, failed to practice what they were supposed to teach their students: balanced analysis and objectivity.

It is therefore difficult to recommend books that will provide a balanced and objective view of Vietnam. I shall mention only a few books whose authors obviously tried to be objective. It would be best to read primary sources, especially accounts by those who were direct witnesses to the events unfolding in Vietnam in the postwar years.

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