

Thayer Consultancy
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Background Briefing:

Vietnam: Party Factions, Leadership and Policy Issues

Carlyle A. Thayer

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[client name deleted]

We are preparing several reports about Vietnamese domestic politics. We request your assessment of the following issues:

Q1. How important is the position of Secretary of the Ho Chi Minh City Party Committee, and what do you make of the decision in May to assign Nguyen Thien Nhan to this position?

ANSWER: The Secretary of the Communist Party of Vietnam's Ho Chi Minh municipal party committee is important for two reasons: first, the secretary is invariably a member of the Politburo and second, Ho Chi Minh City is the largest city in Vietnam. It is often a stepping stone for higher office. For example, Truong Tan Sang, although reprimanded for not taking action in a mafia-linked scandal when he was head of the city party committee, later became president of the country.

Nguyen Tien Nhan was a high flyer who rose from deputy chair of the Ho Chi Minh City People's Committee to Minister of Education and Training under Prime Minister Nguyen Tan Dung. Nhan holds a PhD in cybernetics at the University of Magdeburg in the former German Democratic Republic (East Germany). He later earned a Master in Public Administration from the University of Oregon. He also attended a project investment assessment short-course at Harvard. Despite Nhan's education and university teaching background, he did not perform up to standard as minister and was kicked upstairs as Deputy Prime Minister. Then he was transferred to head the Vietnam Fatherland Front (VFF) because party statutes required that this post be held by an incumbent member of the Politburo. Previously retired Politburo members headed the VFF. This post gave Nhan wide experience in dealing with Vietnam's mass organizations and official people's organizations. Nhan likely replaced Dinh La Tang as CPV secretary in Ho Chi Minh City because he was a senior member of the Politburo (one of seven incumbents) who could be transferred without causing a reshuffle in other top leadership posts. As noted, he has served Ho Chi Minh City before and his background makes him suitable for the bustling cosmopolitan city.

Q2. Do you think there are any factions remaining in the Communist Party following last January's congress, or has it become more unified under Trong? Maybe, can you explain briefly how these factions are detectable?

ANSWER: The use of the term faction is problematic. It is generally a heuristic framework – a way of ordering analysis that is useful but inherently not proven. Analysts use the terms reformer and conservative to describe factions. Alexander Vuving first posited three factions than four: ideologues, middle of the roaders, opportunist rent seekers and reformist modernizers. These categories describe policy dispositions not factions in my assessment.

The most fundamental fact is that no outside analyst of Vietnamese politics, and many in Vietnam, have no idea what the voting alignments are on specific issues within the Politburo. The present Politburo reflects a pull back from individual leadership as exemplified by former prime minister Nguyen Tan Dung's political style to consensus-based collective leadership. It would appear that hierarchy and seniority play a role in shaping consensus.

Analysts such as Vuving read the tea leaves of political blogs and mine the rumor mills to detect factions with the Communist Party of Vietnam.

To use a term coined by David Brown, a Vietnamese-speaking former American diplomat, “an anything but Dung” coalition formed in advanced of the 12th party congress. They manipulated the rules on leadership selection and Dung was forced to retire.

The starting point for an analysis of factionalism lies in the selection of delegates to the five yearly national party congresses. They are elected by provincial party congresses and party committees within central blocs, such as the Ministry of Public Security or the Vietnam People's Army. These delegates elect the Central Committee. My research on all Central Committees since the 1976 4th party congress following reunification, reveals that there is continuity in sectoral representation on the Central Committee. Distinct sectoral groupings include: senior party leaders such as incumbent Politburo members and other party members holding national level party posts; party officials who hold senior positions in the government and state apparatus including mass organizations; provincial party leaders; and the military. There are also a number of members who do not fit these categories.

The Central Committee elects the Politburo. Vietnam seeks equilibrium. The Politburo elected in January 2016 totalled 19 members, somewhat larger than normal. It included 12 new members including some who rose up the ranks under Nguyen Tan Dung.

I reject Zachary Abuza's constant invocation of a power struggle at the top level in Vietnam to explain political jockeying. His research is based on Vietnamese political blogs. The term “power struggle” is not defined to differentiate personal ambition from an organized attempt to overturn the leadership and assume (or seize) power.

Different sectors may give rise to patron-client relations. Personalities also play a role. It may well be that factions are not permanent alignments but transitory coalitions on specific issues.

Q3. What would you say are the major political issues in Vietnam nowadays?

ANSWER: The major political issues facing Vietnam currently are a mix of domestic and foreign policy concerns. At the domestic level these issues include: anti-

corruption, streamlining the party bureaucracy, privatization and reform of state-owned enterprises, raising economic growth about 6% of GDP, reducing public debt, land access, environmental issues and peaceful evolution of the political system. Externally, there two clusters of foreign policy issues: how to safeguard Vietnam's sovereignty in the South China Sea and how to balance relations with the major powers – China, United States, Russia, India and Japan.

Q4. Would you agree that environmentalism has united activists against the government, especially after the Formosa spill, and what are your thoughts on the new level of environmental activism?

ANSWER: Environmentalism in Vietnam has a long pedigree dating back to the anti-bauxite protests. There have been several much more minor controversies arising from pollution, for example pollution by a South Korean company in Ho Chi Minh to the Formosa dead fish controversy that led to mass protests last year. Quite clearly the government's claim to legitimacy based on performance has come under challenge by its tardy response to the Formosa incident. The bauxite issue led to cross-cutting support by groups that normally pursued single issues. Some Catholic priests and members of the banned Unified Buddhist Church of Vietnam, for example, supported the broad coalition of environmental activists, retired party and government officials, media and some National Assembly deputies.

These types of coalitions eventually dissipate and do not form an existential threat to one-party rule.

Q5. By most accounts the government is strapped for cash. The budget deficit hasn't dropped in years, and public debt as percentage of GDP is around the 65% mark. As a result, it appears that the government is cutting investment in major infrastructure projects and public services and, at the same time, raising taxes. Do you think this combination could be a recipe for greater disaffection amongst ordinary people, and why?

ANSWER: The government is aware of these problems and has mapped out a response in its *Socio-Economic Development Strategy, 2011-2020*. This strategy focuses on macro-economic stability, structural reforms, social equity and environmental sustainability. The strategy highlights three "breakthrough areas" including infrastructure (and reforming market institution and promoting human resource and skills development for industry). It is clear that progress has been mixed and Vietnam needs to step up reforms.

As the World Bank highlighted in April this year, productivity growth continues to decline along with the growth of the labour force. This means that the GDP growth target of 6.7% will not be met. This would threaten to undermine gains in poverty reduction and thus impact negatively on substantial sections of the rural population including ethnic minorities. These trends when coupled with corruption by local officials could spark a public reaction such as occurred in Thai Binh province in 1997.

Cutbacks to infrastructure such as energy/power, transport, sanitation and telecommunications will impact on the urban population. Vietnam has reached lower middle-income status and middle class city dwellers will be disaffected if their standards of living fall.

On a theoretical level there are multiple sources of political legitimacy, including but not limited to legal-rational (elections and rule of law), nationalism, charismatic leadership, traditional leadership and performance. The CPV's claim to legitimacy increasingly rests on performance and a decline in overall living standards in both rural and urban areas would put the CPV under pressure.

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