
VIETNAM IN 2001

The Ninth Party Congress and After

Carlyle A. Thayer

Vietnam began 2001 focused on preparations for the Ninth National Congress of the Vietnam Communist Party (VCP). In the months preceding the congress, Vietnam entered a period of political uncertainty due to a battle royal over party leadership among the political elite and the eruption of mass protests by ethnic minorities in the Central Highlands. The Ninth Congress brought about leadership changes designed to address the twin issues of political stability and continuation of economic reforms. In external affairs Vietnam continued to pursue a long-standing policy to multi-lateralize its foreign relations.

The Demise of Le Kha Phieu

The stewardship of VCP Secretary-General Le Kha Phieu became a contentious matter in the period preceding the Ninth Congress held in April. Phieu was criticized for ineffective leadership, failure to revive Vietnam's stagnant economy, inability to root out widespread corruption in the party, and "anti-democratic" behavior (because he reportedly sought to become both party leader and state president). Phieu also aroused the ire of the former leadership troika because of his efforts to abolish their positions as advisors to the Central Committee. Phieu was further accused of nepotism due to his appointment of cronies from his native Thanh Hoa Province. And finally, Phieu was accused of pursuing a "pro-China" policy, even to the extent of ordering concessions in negotiations on demarcating the Gulf of Tonkin.

One early indication that Phieu's hold on the party's top post was under fire came at the 11th plenum (first session) of the Central Committee held in

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January. At this meeting members moved to promote younger officials to the Central Committee in order to achieve a better balance among the “three generations” (under 50, 50–60, and over 60). Phieu’s opponents moved to prevent anyone aged 65 or older from standing for reelection. This was widely viewed as being aimed at Phieu, who was born in December 1931. At the conclusion of the plenum, the Central Committee voted to grant exceptions to “key cadres.”¹

In February mass demonstrations involving up to 5,000 ethnic minorities unexpectedly broke out in three provinces in the Central Highlands.² The demonstrators protested local government corruption, encroachment on their ancestral lands by ethnic Vietnamese settlers, and religious persecution. Many observers believed that ethnic minority unrest would further fuel dissatisfaction over Phieu’s leadership. But Phieu managed to rally his supporters and convince others that this was not the time for a destabilizing leadership change.³

In April, on the eve of the Central Committee’s last plenum before the party congress, the Politburo voted 12 to 6 to recommend Le Kha Phieu’s reappointment.⁴ The Central Committee overturned this recommendation. At this time Phieu faced charges that he had misused the military intelligence services to conduct wiretaps on his fellow Politburo members.⁵ The 12th plenum voted to reprimand the minister of national defense, Pham Van Tra, and the chief of the general staff, Le Van Dung, for their roles in this affair.

The leadership issue was finally resolved on April 17 at a meeting of party delegates in advance of the formal opening of the Ninth Congress.⁶ Delegates voted on two candidates—Nguyen Van An and Nong Duc Manh. After intense lobbying, Manh was selected by acclamation.

The Ninth Party Congress

The VCP’s Ninth Party Congress met from April 19–23. The congress reduced the size of the Central Committee from 170 to 150 members. Of this number, 87 were incumbents and 63 were new members. The new Central Committee comprised primarily incumbent officials holding posts in the cen-

1. “Vietnam Communists Acknowledge Unprecedented Debate within Leadership,” Agence France Presse (AFP), Hanoi, February 3, 2001.

2. Margot Cohen, “Thunder from the Highlands,” *Far Eastern Economic Review*, March 1, 2002, pp. 24–25.

3. Catherine McKinley, “Vietnam Pre-Congress Meeting Ends,” Dow Jones Newswires, April 17, 2001.

4. “Vietnam Leader Expected to Keep Post,” Associated Press, Hanoi, April 8, 2001.

5. “Vietnam’s Security Services Bruised by Leadership Congress,” AFP, Hanoi, April 23, 2001.

6. “Nation Wakes to Prospect of Reform-Minded New Leader,” Reuters, April 18, 2001.

tral government and new provincial leaders. Three important blocs on the Central Committee can be identified. The most prominent is the five-member security bloc led by Minister of Public Security and Politburo member Le Minh Huong. The second is the internal party control bloc comprising four officials, including new Politburo member Le Hong Anh. The third is the party personnel bloc comprising members of the Central Committee's Organization and Personnel Commission. It was led by Politburo member Nguyen Van An.

The Politburo was reduced in size from 19 to 15 members. Five incumbents rose to higher ranking positions: two reformers (Nguyen Minh Triet and Nguyen Tan Dung) and two conservatives (Le Minh Huong and Nguyen Phu Trong). Phan Dien's prior appointment as party boss in Da Nang seemed to presage the importance of central Vietnam in socioeconomic planning. Another key appointment was that of newcomer Le Hong Anh, chairman of the Central Committee's Control Commission, who was ranked ninth, above two incumbent members.

Military representation on the Politburo was reduced from three to four members to just one. General Pham Van Tra retained his portfolio as minister of national defense and his seat on the Politburo (but he was dropped two places in ranking). Military representation on the Central Committee increased slightly and a strong core of incumbents was retained. Le Van Dung, despite his reprimand, retained his seat on the Central Committee and was elected to the Secretariat (ranking sixth out of nine members). He was later appointed head of the army's General Political Department, a lateral move.

At the Ninth Party Congress, Nong Duc Manh replaced Le Kha Phieu as VCP secretary-general. Manh, a member of the Tay ethnic minority, was born in 1940 in the northern province of Bac Thai. He holds a forestry degree from the former Soviet Union and has had a long career in the party apparatus in his home province. He was first elected as a member of the Central Committee in 1986. He served on the Nationalities Council before becoming chairman of the National Assembly's Standing Committee. In this latter post, Manh traveled widely to China, the ASEAN countries, and to the U.S. In 1996 Manh was nominated for the post of party secretary-general but declined to stand. He was elected to the Politburo, ranking fourth out of 19. Manh is viewed as a consensus maker and as representing the ideological center of the VCP.

The Ninth Congress abolished the Politburo Standing Board and replaced it with a Secretariat. This is seen as a concession to supporters of internal party democracy. The former body was appointed by the Politburo while the latter is elected by the Central Committee. The congress also deleted the position of advisor to the Central Committee from the party statutes. This decision effectively ends the behind-the-scenes influence of senior retired

leaders. Party officials are now limited to two terms in office and age requirements will come into force.

Nong Duc Manh's Policy Agenda

Since the Ninth Congress, Manh has presided over three executive sessions of the VCP Central Committee—the second (June 9–10), third (August 13–22), and fourth (November 5–13). Manh has made clear that under his leadership policy implementation is to be strengthened by a more proactive Politburo and the use of party committees within the state apparatus. Manh has given priority to six main areas: leadership, economic development, party-building, state-owned enterprise (SOE) reform, redress of ethnic minority grievances, and constitutional reform.

Immediately after the Ninth Congress, Manh instituted a number of key leadership changes. New appointments were made to the VCP Central Committee's Departments of Ideology and Culture, Organization, and Internal Security. Manh relinquished his post as chairman of the National Assembly Standing Committee to Nguyen Van An. Other changes included new appointments as minister of culture and information, deputy minister of public security, army chief of the general staff, and director-general of the general tax department.

The Ninth Congress reaffirmed Vietnam's goal of accelerating industrialization and modernization in order to become a modern industrialized state by 2020. The congress adopted a five-year socioeconomic plan (2001–05) and a 10-year socioeconomic plan (2001–10). These documents called for self-reliance, mobilization of domestic capital, the development of Vietnam's comparative advantage, and attracting external resources in the form of foreign investment capital, new technology, and managerial expertise.

A key plank in Vietnam's development strategy is to alleviate poverty and overcome the wealth gap in society over the next two decades. To accomplish this objective, Vietnam will have to achieve growth rates averaging 7% throughout this period. In 2000 Vietnam's gross domestic product growth rate reached 6.9%, up from 4% the previous year.

At the second Central Committee plenum in June, Manh endorsed controversial plans to construct a costly major hydroelectric project at Son La in the north beginning in 2003.⁷ This project is designed to provide future energy for industry and water for irrigation as well as control flooding. Construction of the Son La project will displace 100,000 persons, mostly ethnic minorities, who will need to be resettled.

7. "Vietnamese Party Leader's Closing Address at Second Plenum," *Nhan Dan*, English-language web site, Hanoi, June 11, 2001, at <<http://www.nhandan.org.vn/>>.

After the Ninth Congress, Nong Duc Manh signaled that one of his main priorities would be to continue the campaign for party-building and rectification and the fight against corruption and other negative phenomenon initially launched in 1999. In order to strengthen his control over the party apparatus Manh drew up draft work regulations governing the operations of the Central Committee, Politburo, Secretariat, and Control Commission.

Manh has also pushed for the implementation of Politburo Directive 03-CT/TW issued in June. This directive requires all state and party officials to disclose their assets including property. Party members will be held individually responsible for corruption, wasteful spending, and bureaucratism in agencies under their authority. Official fact-finding teams will be dispatched to visit the grassroots to collect information and solicit opinions from local party members and citizens in order to ensure compliance.

There are clear differences in the VCP between those wishing to retain state control of the economy and those willing to let market forces take the lead. Prior to the Ninth Congress, the Vietnamese economy was officially described as a “multi-sector commodity economy operating under the market mechanism with state management along the socialist line.” The Political Report revised this rather convoluted expression into the shorter “socialist orientated market economy.” In order to achieve the targeted high growth rates, Vietnam will have to carry out wide-ranging reforms, including the debt ridden and inefficient SOE sector.

The contentious issue of SOE reform was discussed at length at the third plenum held in August. At this meeting, Nong Duc Manh acknowledged that SOE reforms were “sensitive political issues that are closely related to social and economic stability.” He also argued that SOEs “should serve as a tool in the hands of the state to regulate the economy, ensure adherence to the socialist path, and maintain political, economic and social stability.”⁸

The third plenum adopted a resolution on “Continuation of the Reorganization, Renovation, and Development of State-owned Enterprises.” Due to “still differing perceptions and ideas,”⁹ it was left to the Politburo to refine the resolution before making it public. It seems clear, however, that over the next five years Vietnam will undertake major SOE reforms in a number of areas.

Vietnamese authorities responded to the outbreak of unrest by ethnic minorities in the Central Highlands in February by dispatching police and military units to restore order. Politburo members Pham The Duyet and Nguyen Tan Dung were dispatched separately to make on-the-spot assessments. Several alleged ringleaders were rounded up and put on trial later in the year.

8. “Party Chief Nong Duc Manh Delivers Closing Speech at Party Plenum,” *Nhan Dan*, English-language web site, August 25, 2001, at <<http://www.nhandan.org.vn/>>.

9. “General Secretary Addresses Third Plenum of Communist Party,” Voice of Vietnam (VOV), Hanoi, August 13, 2001.

Although an attempt was made to blame “hostile external forces” for the unrest, it was clear to party leaders that encroachment on tribal land by low-land settlers in connivance with corrupt local officials was the basic cause.

In September, Secretary-General Nong Duc Manh personally addressed the problem of ethnic minority grievances by visiting the three provinces affected by unrest. Manh ordered local officials to work closely with tribal leaders. He directed that ethnic minorities be given access to educational opportunities and that recruitment of ethnic minorities for government service be stepped up. He also offered financial support for coffee growers affected by depressed prices on the world market. Finally, Manh suggested that local production methods should be changed with an emphasis on intensive farming and crop diversification.

According to Nong Duc Manh, because the Ninth Congress adopted new ideas related to economic development and political renovation these needed to be given a legal basis.¹⁰ The Politburo presented several preliminary ideas on constitutional changes to the second plenum in June. More detailed consideration of draft constitutional amendments took place at the fourth plenum that met in November. This meeting approved 32 amendments to the 1992 constitution and alterations to the 1992 Electoral Law. At its end-of-year session, the National Assembly approved amendments to 24 articles of the state constitution. The fourth plenum rejected a proposal to give the prime minister power to appoint the chairmen of provincial people’s committees.

Most of the constitutional changes adjust wording to reflect the realities of Vietnam’s “socialist orientated market economy.”¹¹ National Assembly deputies considered each of the 32 proposed amendments on a line-by-line basis and then voted to approve the amended constitution as a whole. Article 2 now states that Vietnam is a “law-governed socialist state.” Article 21 establishes a level playing field for private enterprise and all sectors are now considered important components of Vietnam’s economy. Article 71 declares that the overseas Vietnamese are an “inseparable component of the Vietnamese nation.”¹²

Multilateralizing Foreign Relations

At the Ninth Congress, the party’s Political Report reaffirmed Vietnam’s commitment to a foreign policy aimed at diversifying its external relations.

10. “Party Chief Addresses Closing Session of Fourth Plenum,” *ibid.*, Hanoi, November 13, 2001.

11. Quoc Tin, “New Laws for New Times,” *Vietnam Economic Times (VET)*, November 2001, no. 93, pp. 10–11; and Nguyen Thi Van Anh, “A Constitution for Integration,” *ibid.*, November 2001, no. 93, p. 9.

12. AFP, “Vietnam MPs Approve First Constitutional Revision in a Decade,” December 12, 2001, VOV, December 12, 2001, and Vietnam News Agency, December 13, 2001.

The report reiterated the proposition that “Vietnam wants to be a friend and a reliable partner of all countries in the international community” by diversifying and multilateralizing its international relations. Priority was placed on developing relations with “socialist countries and neighboring countries and with traditional friendly countries.”¹³

In March, Vietnam hosted a visit by Russian president Vladimir Putin. The two sides agreed to form a strategic partnership involving long-term economic cooperation and Russian arms sales. This pretentious declaration was devalued in October when Russia announced for cost reasons that it would withdraw the last of its military forces from Cam Ranh Bay in 2002.

In July, Vietnam, as chairman of the Standing Committee of the Association of Southeast Asian Nations (ASEAN), hosted the 34th annual meeting of ASEAN foreign ministers, the eighth meeting of the ASEAN Regional Forum, and the fourth meeting of the “ASEAN Plus Three” (China, Japan and South Korea). President Tran Duc Luong visited Indonesia, Brunei, the Philippines, and Cambodia in November.

Vietnam continued to serve as handmaiden to North Korea in its efforts to break out of its reclusive mold. In July, Vietnam hosted a ground-breaking visit by Kim Yong-nam, president of the Supreme People’s Assembly, and in October the two countries agreed to expand bilateral trade and investment.

During the year Vietnam received three high-level Chinese delegations. Defense Minister Chi Haotian visited in February and reached agreement on military exchanges and security cooperation. Vice-President Hu Jintao attended the Ninth Congress in April. Both visits were politically sensitive as Vietnam’s relations with China were subject to internal party debate. On the same day Chi Haotian met with Le Kha Phieu, for example, *Saigon Giai Phong* newspaper, the organ of the VCP in the south, ran a story providing details of violations of Vietnamese sovereignty in the South China Sea and steps being taken by defense officials to defend “every meter” of Vietnam’s sea border.¹⁴

Hu Jintao’s visit to Hanoi to attend the Ninth Congress took place amid rumors in the diplomatic community that China was lobbying for the retention of Le Kha Phieu as party leader. On April 16, the eve of Hu’s arrival, *Nhan Dan* newspaper reasserted Vietnam’s territorial claims in the South

13. “Political Report of the CPV Central Committee, Eighth Tenure, at the Ninth National Party Congress,” in Rich Chapman, compiler, *Special Report: Vietnam’s Ninth National Party Congress* (Honolulu: Virtual Information Center, U.S. Pacific Command, April 2001), Appendix C, p. 55.

14. Quoted in “Vietnam Snubs Chinese Defense Minister over Islands Dispute,” AFP, Hanoi, February 10, 2001.

China Sea.¹⁵ The very next day party delegates voted to drop Phieu. The Ninth Congress endorsed plans to resettle people and build logistic bases on offshore islands in disputed areas of the South China Sea as part of Vietnam's economic and defense strategy.¹⁶

Immediately after his election as secretary-general, Nong Duc Manh sought to reassure China by pledging to Hu Jintao that "the relationship between Vietnam and China will develop better and better in the days to come."¹⁷ These sentiments were given concrete form in late May when it was disclosed that annual two-way trade between China and Vietnam had reached \$2.5 billion in 2000 and China was now ranked as Vietnam's fifth largest trading partner. Later in the year, officials agreed to boost two-way trade to \$5 billion by 2005.

Li Peng, chairman of the Standing Committee of China's National People's Congress, paid an official visit to Hanoi in September for talks on legislative cooperation with his counterpart, Nguyen Van An. Their discussions also focused on the implementation of agreements on borders and maritime boundaries and fishery cooperation.

In November, Nong Duc Manh paid his first official visit to Beijing as VCP secretary-general and held talks with Jiang Zemin, general secretary of the Chinese Communist Party. Their discussions focused on regional and international affairs (terrorism and Taiwan), trade and investment issues, border relations, and cooperation in science, technology, and other areas. Manh also raised Chinese development assistance and China's entry into the World Trade Organization.

The U.S. and Vietnam moved their bilateral relationship up a notch with the ratification of the Bilateral Trade Agreement by their respective legislatures in the fourth quarter. Vietnam now will be accorded normal trade status and tariffs on its goods will drop from 40% to 5%. VCP conservatives, however, view the Bilateral Trade Agreement as a Trojan Horse designed to undermine socialism in Vietnam.¹⁸ Vietnam responded to the September 11 terrorist attacks on the U.S. by offering sympathy, condemning terrorism, but warning against a counterproductive overreaction. Vietnam supports a resolution to the Afghanistan situation under the auspices of the U.N.

In 2001 Vietnam successfully resolved the party leadership question. Nong Duc Manh, the new VCP secretary-general, gives every indication of

15. Quoted in "Vietnam Stresses Claim to Spratlys ahead of Chinese Official's Visit," Reuters, Hanoi, April 16, 2001.

16. "Vietnam to Push for 'Settlement' of Strategic Islands," AFP, Hanoi, April 20, 2001.

17. "Sino-Vietnamese Relationship to Smoothly Develop: New Vietnamese Party Leader," Xinhua News Agency, Hanoi, April 22, 2001.

18. Editorial in *Nhan Dan*, November 29, 2001, cited in "Vietnam Party Warns U.S. Trade Pact Could Be Trojan Horse," Reuters, Hanoi, November 29, 2001.

being more proactive than his predecessor in policy implementation. Although Sino-Vietnamese relations will remain close, Vietnam will not tilt as much toward Beijing as it has done in the past.