

***Authority Relations and Economic Decision-Making in Vietnam: An Historical Perspective.* By Dang Phong and Melanie Beresford.** Copenhagen: Nordic Institute of Asian Studies, 1998. 117pp.

On 2 September 1945, Ho Chi Minh declared Vietnam's independence and established the Democratic Republic of Vietnam (DRV). *Authority Relations and Economic Decision-Making in Vietnam* gives a broad overview of the transformation of the economic decision-making process by the Vietnamese state from 1945 until the late 1990s. This short 117-page monograph will appeal to the specialist. It offers new insights that are based on the career of Dang Phong, one of the co-authors. Indeed, the preface states that he provided "much of the primary source material for this essay" (p. 8).

Dang Phong is a graduate of the University of Hanoi. He joined the Institute of Economics in 1960 and eventually rose to become head of the Department of Economic History. He then worked as a journalist during the Vietnam War and, after its conclusion, served briefly on the Committee for the Transformation of Southern Commerce and Industry. After this, he worked with the Government Price Committee before rejoining the Institute of Economics. Dang Phong is currently Dean of Economics at the Hanoi University of Business and Management. Remarkably, he is not a member of the Communist Party of Vietnam (CPV).

The co-authors begin their analysis by dismissing the conventional framework of analysis employed by Western political scientists based on the "totalitarian" or "bureaucratic authoritarian" models. Dang Phong and Beresford argue that to understand the role of the state in economic transition it is first necessary to understand how the political system works. "The best way to achieve this", they write, "is to treat the Vietnamese political system as a normal one in which the objectives and understanding of the issues by leading personalities, competition for leadership positions, advocacy of particularistic goals of social and state institutions, hierarchical processes and expressions of interest by various social groups, all have a role to play" (p. 11).

The co-authors divide the five decades from 1945 into three periods: the establishment of DRV institutions, 1945-55; the party-state, 1955-86; and high reform, 1986-present (*circa* 1997). The first period is sub-divided into three phases during which state involvement in economic market regulation gradually increased until it became dominant. During the third phase, Vietnam instituted a system of proletarian dictatorship best exemplified by the land reform campaign of 1953-56. The co-authors attribute the shift to direct state intervention in economic life to "international influences", by which they mean

China and Chinese advisers (pp. 24-25). The co-authors conclude by arguing that the CPV played an “arms-length role” in the decision-making process and in establishing authority relations (p. 28).

The second period of development is characterized as one of “participation of the state” and “statisation of the economy” (p. 33). The authors note that in Vietnamese usage the party is clearly distinguished from “the state”, whereas in Western academic discourse on Vietnam “the state” includes the party among its constituent parts (p. 46). During 1955-86, the state increased its ownership and control over the means of production and instituted a system of central planning. Agricultural production was collectivized, and party resolutions now dictated the operations of government and administration. Chapter 2 contains a useful overview of the party’s machinery, including the Politburo, Secretariat, Central Committee, and specialized committees. This chapter also discusses the nature of party–state relations in terms of “reciprocity”, that is, the overlap of structures and personnel (pp. 49-51). The co-authors conclude that in the 1980s there was a marked shift in the composition of groups to whom party leaders looked for the development of policy initiatives (p.79). Nevertheless, decision-making remained a top-down process.

The final period, one of high reform, covers developments from the adoption of “renovation” as the official policy to the eve of the Asian financial crisis in mid-1997. Here, the co-authors argue that there was a relative retreat of the party from economic life, with decision-making power shifting to the legislature. Once again, the party adopted an “arms-length” approach to economic management, preferring macroeconomic instruments and rule by law. As a result of reform efforts, the market mechanism became entrenched and a shift towards the “democratization of power” took place (p. 88). The co-authors analyse the withdrawal of party organs from the daily work of government ministries and the decline in the number of central-level party supervisory committees. The end result, they argue, is that the National Assembly acquired more real power and carried out a more substantial work programme than previously. In brief, the political process had become institutionalized and internal, and secretive party deliberations have been replaced by public and formal ones (p. 96).

The final chapter, entitled “Concluding Remarks”, recapitulates the main arguments in the book. It makes the important point that the process of “statisation” has led to a shift in the balance of power to the government and legislature (p. 104). This process has had two important implications. First, it has resulted in the strengthening of Vietnamese society. Secondly, the national leadership can no longer rely on prestige acquired in the early years of revolutionary success as

the basis for its legitimacy. Despite the “democratization” of party-state-society relations, the co-authors conclude that the CPV will continue to play a dominant role in economic decision-making and the political life of Vietnam.

*Authority Relations and Economic Decision-Making in Vietnam* contains a number of new and intriguing insights into Vietnam’s political process which specialists will long debate. For example, the co-authors quote Central Committee member Hoang Tung for their assertion that Ho Chi Minh opposed the 1950s land reform but was overridden by a majority of his colleagues (p. 25). As mentioned, the co-authors stress the importance of Chinese influence in pushing Vietnam down the path of “proletarian dictatorship”, but they are silent about which personalities in Vietnam bear responsibility for the excesses of the land reform. An insider like Dang Phong must surely have some views on how many perished in what he and Beresford term “a rather heavy political purge” (p. 25).

The co-authors’ assessment of Party Secretary Le Duan will also stimulate debate. According to their judgment, Le Duan was not as dictatorial or arbitrary as he has been portrayed (p. 42). Indeed, in their view, Le Duan was the father of the reform process itself because he was the person who appointed reform-minded individuals to the party Central Committee in 1976. The co-authors assert that Le Duan frequently missed Politburo meetings and preferred to consult with small technocratic working groups. They point to the sinister role of Hoang Van Hoan, a Chinese agent in all but name. According to their account, Hoan reported all Politburo deliberations back to Beijing. Le Duan had to adopt the ruse of sending Hoan to China so that the Politburo could meet and make substantive decisions without his presence (pp. 40-42). The co-authors correctly argue that as Le Duan’s prestige declined in the 1980s, so too did his authority and the popularity of the CPV. Finally, this reviewer takes issue with the co-authors’ use of the term “democratization”, rather than “liberalization” or “pluralism”, to describe the institutionalization of the political process in Vietnam as a result of the reform process.

CARLYLE A. THAYER  
*Asia-Pacific Center for Security Studies*  
*Honolulu, Hawaii*