

VIETNAM

A Tale of Four Players

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Who are the key players of Vietnamese politics? What characterizes its dynamics? What is to be expected of it in the next few years? This essay is an attempt to address the above questions. It suggests that the politics of Vietnam can be imagined as a game between four key players. If the government is defined as the central authoritative locus of politics in a country, then the Vietnamese Government is caught primarily between regime conservatives, modernizers, rent-seekers, and China. Each of these players is a bloc of diverse actors that share an ultimate strategic goal or inclination.

The distinction of the three Vietnamese blocs deserves further explanation. The criterion for sorting someone to a bloc is the person's priority or inclination when it comes to fundamental issues such as ideology (whether the country should be open or closed to liberal ideas from the West) and the Communist Party's relation to the nation (whether the party is superior or inferior to the nation). The conservative is one who is more likely to opt for a "closed door" and "party first" policy, the modernizer for openness and the whole-nation's perspective, and the rent-seeker for whatever that brings him or her most money.

In their discourse, leaders often use the vocabulary of the day but their emphasis will reveal where they stand. A regime conservative, such as former General Secretary of the Vietnam Communist Party (VCP) Le Kha Phieu, may embrace the ideas of "intra-party democracy", "socialist-oriented market economy", and Vietnam as a "modern nation" and a "friend and reliable partner to other countries", but his emphasis is on the class nature, as opposed to a whole-nation nature, of the party's core interests, preserving the country's "socialist" identity, and contrasting it with the "capitalist and imperialist" West. Modernization, reform, democracy, and international integration, if adopted, are only means to a higher end, and if necessary, can be sacrificed. That higher end is the continuation of the communist regime.¹

A modernizer, such as the late Prime Minister Vo Van Kiet, may vow to maintain "the leadership role of the party" and build "socialism", but his

visions of the party and socialism are completely different from those of the conservatives. Kiet and other modernizers within the VCP want a party that

regards the interests of the entire nation as its own and define socialism as "a rich people, a strong nation, and a just, democratic, and civilized society".

Patriotism, not Marxism-Leninism, is the bonding and guiding idea of the modernizers. Whereas conservatives such as the VCP chiefs Do Muoi, Le Kha Phieu, and Nong Due Manh emphatically asserted that "national independence and socialism" (meaning insulation from Western and liberal influence plus communist rule and identity) are the fundamentals of Vietnamese policy, Kiet proposed in a classified letter to the VCP Politburo in August 1995 to replace them with "nation and democracy".² Although advocating multiparty democracy is impossible for mainstream elite modernizers because it is taboo, modernizers support more and deeper political reform to broaden democracy and enhance effectiveness.

Rent-seekers are opportunists who seek to maximize benefits, usually gained from government-granted privileges; regardless of the national interest as defined by either the conservatives or the modernizers. As will be seen in the next section, Vietnam's rent-seekers is a special group of profit-seekers that is more powerful than the latter because it has a monopolistic power in its back.

All the three key blocs — regime conservatives, modernizers, and rent-seekers — are present both in and outside the ruling party and the government and represented at every echelon of policymaking. Their fault lines cut across generations, regions, and institutions. Most Vietnamese leaders stand more or less consistently within a bloc but some have changed blocs over time and others are more agnostic. Prominent conservatives include VCP General Secretaries Do Muoi (1991-97), Le Kha Phieu (1997-2001), Nong Due Manh (2001-present), and former State President Le Duc Anh (1992-97). The modernizers were represented in the top leadership more energetically by the late Foreign Minister Nguyen Co Thach (1982-91), the late Prime Minister Vo Van Kiet (1991-97) and former National Assembly Chairman Nguyen Van An (2001-6), and less markedly by former State President Vo Chi Cong (1987-92) and former Prime Minister Phan Van Khai (1997-2006). Former State President Tran Duc Luong (1997-2006) can be seen as a rent-seeker. The late VCP General Secretary Nguyen Van Linh (1986-91) changed from a modernizer to a conservative during 1989. And State President Nguyen Minh Triet (2006-present) is an agnostic.

The politics of Vietnam is played out on four major planes — the economy, core domestic politics, state-society relations, and foreign relations. Its dynamics in each of these areas shows a distinct feature. The one on the economic front is the crisis of Vietnam's growth model. At the core of domestic politics, there is the confluence of money, power, and world views, or to put it more elegantly, profit, power, and perspectives. The emergence of civil

society, especially mainstream elite civil society, is increasingly setting the trend in state-society relations. In the geopolitical arena, a central focus of Vietnam's politics lies in efforts to self-help in China's backyard.

The year 2009 offered telling snapshots of Vietnam's politics with regard to its key players and the features of its dynamics. The discussion below will outline some contours of Vietnamese politics through an examination of its four players and four features, illustrated by events and developments throughout 2009.

The Confluence of Profit, Power, and Perspectives

Since the launch of *doi moi* (renovation) in 1986, Vietnam has been experimenting with a mixture of communism and capitalism. This experiment is a conflict-ridden cohabitation of two grand strategies pursued by two camps that can be called the "regime conservatives" and the "modernizers". I call them so because the central objective of the former is to preserve the communist regime whereas that of the latter is to modernize the country by introducing elements of capitalism and liberalism.³ Despite the fact that these two camps represent the co-ruling grand strategies, they are not the only key players of Vietnamese politics. The cohabitation has created a third bloc that takes advantage of the mixture and is highly adaptive to that "brackish water" environment. The third bloc tries its best to maintain the communist-capitalist mixture that supports its way of life. As capitalism offers opportunities to make profit, while communism offers a monopoly of power, a mixture of the two creates conducive conditions for both using money to buy power and using power to make money. The third bloc, which can be called the "rent-seekers", uses money to manipulate politics, and once having access to Communist Party power, uses the political monopoly to reap hyper-profits.⁴ Unlike the conservatives and the modernizers, the rent-seekers are not guided by vision; they are guided by profit motive.

As Vietnamese politics is characterized by a coexistence of communism and capitalism, it is intuitive to think that most political conflict in Vietnam can be seen along the conservative-versus-modernizer line. Yet this model is not accurate. It is not accurate because it either ignores the rent-seekers, which in many cases are key players, or regards them as just profit-seekers, who, as conventional wisdom suggests, prefer capitalism over communism. In this model, then, the rent-seekers will tend to side with the modernizers against the conservatives. In actuality, however, Vietnam's rent-seekers tend to side with the conservatives when it comes to the continuation of Communist Party monopoly and with the modernizers when it comes to allowing party members to own large properties and operate capitalist businesses. The rent-seekers

are a species specialized to live in the “brackish water” of commercialism under communist rule. With the power monopoly of the Communist Party in their back, they are markedly more powerful than other profit-seekers. Given the existence of that third bloc, the politics of Vietnam is, at one level, the contestation between regime conservatives and modernizers, but at another level, the confluence of money, power, and world views.⁵

The year 2009 revealed the confluence of profit, power, and perspectives through several affairs, two of which are arguably most prominent. On 19 November, the Can Tho City Appeals Court upheld a lower court verdict reached in August against Tran Ngoc Suong, popularly known as Mrs Ba Suong, on a charge of running an off-the-books welfare fund. A former Director of the state-owned Song Hau Collective Farm who was awarded the title of a Labour Hero by the government, Suong was sentenced to eight years in jail and ordered to repay some 4.3 billion dong (US\$240,500). The verdicts caused a public outrage in which several high-ranking officials and prominent public personalities spoke out in support of Suong. Former vice-president Nguyen Thi Binh, a conservative, said that Suong’s sentencing was “unfair” as she had “devoted her whole life to improving the lives of thousands of farmers” and “maintained the fund not for her personal benefit”, a portrayal that was echoed by the reform-minded press and validated by the journalist Huy Due, who had reported on the Song Hau Farm and Mrs Suong for years. The news media also reported that the Song Hau Farm was awarded two Labour Medals by the government and regarded as a showcase of socialism where the state retained land-use rights but provided relatively good welfare services.

While the public outrage was mainly motivated by the moral aspect of the case, it was expected that the socialist state would intervene to support a hero of its cause. But it did not. In fact, Suong was represented at the court by reform-minded lawyers and the public support for her mobilized by reform-minded media. With regard to the state’s action, the court received instructions from the Can Tho City party leadership, and after a few weeks of intensive reporting. the media was ordered to stop talking about the case of Mrs Suong. Behind the scenes the Can Tho City Government had decided to allocate the lands of the Song Hau Farm to an industrial park and urban project. The Deputy Secretary of the Can Tho City Party Committee, Pham Thanh Van, was recorded as telling Suong; “You will retire and land safely in good name if you return the lands of the farm [to the city]”.⁶

The second case involves Jetstar Pacific Airline (JPA), a joint venture of the State Capital Investment Corporation (SCIC) with the Australian airline Qantas in which the Vietnamese state-owned enterprise (SOE) owns the majority stake of 70 per cent. In late

2009, a controversy was sparked after a State Audit Agency probe of SCIC figured out that while JPA's chief executives caused a loss of US\$31 million in a fuel hedging business, they earned more than the executives of comparable SOEs. The controversy also involved questions about unusually high salaries for SCIC executives. In early December, Luong Hoai Nam, former JPA chief executive and a high-ranking official of SCIC, was detained by police for his involvement in the fuel hedge, while two Australian JPA executives were prevented from leaving Vietnam.

JPA's predecessor was Pacific Airlines (PA), a domestic joint venture with the state flag carrier Vietnam Airlines (VNA) as the majority stakeholder. Established in 1990, PA represented an effort by modernizers to introduce a degree of competition in Vietnam's aviation industry. However, the maintenance of this element of competition proved difficult. After ten years in operation, PA posted a cumulative loss of more than US\$10 million.⁷ Although an offspring of VNA, PA was reportedly not welcome by its mother company.

The monopolistic position of the state flag carrier became a harder reality PA's successor. The confluence of money, power, and world views can be seen in a report by Herald Sun:

[In mid-2009]. Prime Minister Nguyen Tan Dung was forced to intervene when supplies of jet kerosene were cut off when Vietnam Airlines stopped its tankers refuelling Jetstar Pacific's fleet. Jetstar Pacific's latest run of problems started last July when it reported its first profitable month after 18 years of flying, initially as Pacific Airlines. At that time the Transportation Ministry ordered Qantas to strip the Jetstar name and distinctive orange branding off the six-jet Jetstar Pacific fleet, claiming it 'too Australian'.⁸

As veteran Vietnam watcher Carlyle Thayer argues, the issue was caused by Jetstar Pacific's success after mid-2009 when it turned a profit after cutting costs and increasing market share (18 per cent to 25 per cent) at the expense of Vietnam Airlines. Jetstar Pacific's aggressive promotion of cheap fares rankled. I see a parallel with the 2006 ANB-AMBRO case when a state bank lost money in currency conversions, in Jetstar Pacific's case the State Capital Investment Corporation lost due to fuel hedging. In both cases Vietnamese security/police have criminalized business management and poor decisions. The Dutch paid several million to get off the hook and I suspect Qantas/Jetstar will have to pay a fine or compensation so SCIC, a state-owned enterprise, will not be out of pocket.... There is obviously a state-enterprise interest group at work. It is about getting money out of Qantas when their in-country staff hedged and lost on fuel prices. This affected the State Capital Investment Corporation which is a major shareholder in Jetstar.⁹

A Growth Model in Crisis

Over the last two decades, the confluence of money, power, and world views in reform-era Vietnam has resulted in an economic path that most benefits

rent-seekers. In its early stages, this capital-driven path was paralleled by a labour-driven path and showed remarkable growth patterns. Impressed by the country's growth records in the previous decade, in 2005 Goldman Sachs identified Vietnam as one of the "Next Eleven" countries that "could potentially have a BRIC-like impact in rivalling the G7."¹⁰ Goldman Sachs studies projected that in 2025 Vietnam could be the world's seventeenth largest economy and in 2050 it could become the fifteenth. The projections were premised on the condition that "these economies can stay on their current paths".¹¹ But soon after the release of these reports, Vietnam's growth model showed signs of serious problems. During 2008, the inflation rates surged to higher than 20 per cent, forcing the government to put the brakes on its growth-first policy and switch gears to an anti-inflationary programme. Much in line with our prediction on these pages, the bubbles blew up when the investment fever following Vietnam's accession to the World Trade Organization (WTO) met with bottlenecks in the country's administration, institutions, infrastructure, and education system.¹² On top of that came the global financial crisis that started the same year.

An economy with foreign trade surpassing gross domestic product by roughly one and a half times, Vietnam was hit hard by the global crisis. It dramatically reduced the amount of foreign investments and shrunk the size of foreign markets for Vietnamese products. The volume of foreign direct investments (FDI) approved in 2009 was US\$21.5 billion, or 70 per cent less than the previous year. The amount of FDI that were disbursed in 2009 is estimated at US\$10 billion, falling by 13 per cent from that of 2008. Vietnam's exports in 2009 are estimated to have shrunk by 9.7 per cent to US\$56.6 billion, while imports decreased by 14.7 per cent to US\$68.8 billion. A significant part of the reduction of Vietnam's exports in 2009 resulted from lower prices of the country's main export commodities such as oil, rice, coffee, and coal. Vietnam's crude oil export value, which accounts for 11 per cent of the nation's total exports, is estimated to have plunged by 40 per cent though the export volume decreased only 2.4 per cent. In 2009, Vietnam registered a record volume of rice export and a year-to-year increase by 25.4 per cent in volume, but its value, which accounts for 4.8 per cent of the total exports, fell 8 per cent. Likewise, the coffee export, which accounts for 3 per cent of the total exports, rose by 10.2 per cent in volume but shrunk by 19 per cent in value, and the coal export, which accounts for 2.3 per cent, fell by 4.5 per cent in value despite

an increase of 29.9 per cent in volume.¹³

The economic crisis triggered a new round of debates on the fundamental directions of Vietnam's policies. For regime conservatives, the current crisis is clear proof that the supervising and controlling role of the state is crucial to the functioning of the economy. Conservatives also praise the superiority of the one-party system in weathering crises. They argue that it helps maximize mobilization and create consensus at a time when these are most desirable but usually hard to attain. These views were aired, for example, in the remarks by To Huy Rua, who is Head of the Propaganda Department of the VCP, at the fifth Sino-Vietnamese ideology conference in December 2009. But the VCP chief propagandist, who was elected to the Politburo at the Ninth Plenum of the Party's Central Committee in January 2009, did not represent the views of the conservatives only. Echoing the modernizers, Rua acknowledged that the crisis provides an opportunity to restructure the economy and contended that the restructuring must be oriented towards a new growth model that is based on "dynamic comparative advantages" and incorporates the concept of "sustainable development". This new thinking on development is aimed at reconciling the three goals of economic growth, social fairness, and environment-friendliness.¹⁴

Apparently avoiding highly controversial issues, Rua's speech remains silent on the role of the state-owned enterprises, which is a key point of contention between the conservatives and the modernizers. Regime conservatives want to retain the dominant role (*vai tro chu dao*) of the state sector in the economy. In their vision, the national economy rests on the SOEs as its pillars, the biggest of which will serve as the nation's "iron fists" — strong competitors in the international market and a powerful tool of governance, both economic and political. Unlike private entities, SOEs are to obey the party and the government and fulfil political tasks set by the party-state. In return, they have privileged access to policymaking, credit, land, and other resources owned by the state. The intertwinement of the state and its own companies is reflected in the fact that the board presidents of the largest state-owned conglomerates are members of the VCP Central Committee, which by statute is the most powerful policymaking body in the country during the time between the party congresses.¹⁵

Modernizers, however, see the state-owned conglomerates as "dinosaurs in a juvenile economy".¹⁶ They point out that these enterprises have failed to become the nation's iron fists — neither have they emerged strongly in international competition, nor have they accomplished well the political tasks. Rather, they try to capitalize on and perpetuate their state-sanctioned privileges and monopolistic position — for their own profit. As a result, they

become producers of inefficiency and corruption.¹⁷ Restructuring of the SOEs is thus a central point in the modernizers' agenda. Particularly, modernizers urge to change the ownership structure of the SOEs towards more privatization. Assessing the present situation, modernizers argue that Vietnam's growth model has reached its apex and restructuring is the key to both overcoming crises and avoiding the middle-income trap. Most modernizers agree that this should be a comprehensive restructuring that includes transforming the ownership structure of the SOEs, overhauling the economic institutions and regulations, and restructuring the domestic markets and enterprises.¹⁸

The government tries to combine the views of both the regime conservatives and the modernizers. Nevertheless, its focus is on fixing short-term problems which threaten its authority. When the global crisis arose, it quickly switched-gears from anti-inflation to anti-slowdown (December 2008). Its central response was a stimulus package that cost up to US\$8 billion. When the economy showed signs of recovery and the spectre of inflation threatened to come back, the government devalued the dong by roughly 5 per cent against the U.S. dollar, increased the central bank's benchmark interest rate to 8 per cent, and ended the stimulus programme earlier than expected (late November, early December 2009).¹⁹

With a 5.32 per cent growth rate, Vietnam stood out, alongside China, Indonesia and Cambodia, as one of only a few economies in East Asia that expanded more than 2 per cent in 2009.

However, Vietnam has paid a high price for this short-term success.

Vietnam is one of only a few countries with both a fiscal budget deficit and a current-account deficit.²⁰ On top of that, the country has run a huge foreign trade deficit for more than a decade. At the same time, as the Governor of Vietnam's central bank acknowledged, the country's foreign debt had risen dramatically in 2009 compared with recent years. The International Monetary Fund places Vietnam's external debt at one-third of the country's gross domestic product (GDP), and the National Assembly's Committee for Budget and Finance puts the total government debt at 44.6 per cent of the GDP.²¹ The combination of these factors causes a large dilemma for the government. The three-way deficits put an enormous pressure on the dong to weaken. A drastic depreciation of the dong may boost the exports and reduce the import surplus but may also cause negative psychological effects and enlarge the foreign debts. But maintaining an artificially high value of the dong for too long would exhaust the already thin foreign reserves. Analysts estimated that dollar sales aimed at stabilizing the dong during 2009 have shrunk Vietnam's foreign-exchange reserves to US\$16.5 billion, which is enough for less than three months of

imports. Outside in the region, Vietnam's neighbours such as China, South Korea, and Thailand all have added substantially to their reserves.²²

Vietnam's relatively high growth rate conceals dismal inefficiencies. In 2009 the incremental capital-output ratio (ICOR), which measures the inefficiency of investment spending, soared to 8.05 from 6.92 in 2008 and 4.76 in 2007.²³ These are markedly higher compared to other high-growth countries in their pre-peak investment stages. For example, Japan's ICOR in the 1960s and South Korea's ICOR in the 1980s were just above 3. More recently, China's ICOR increased from about 3 for the 1990s to nearly 4 in average for the period from 2001-8 and is estimated at about 6.7 for 2009.²⁴ Vietnam's extremely high ICOR also indicates that the country's economic growth is driven primarily by capital enlargement, not productivity enhancement. If Vietnam stays on the current path, the economy is not likely to take off, as the Goldman Sachs projections suggest, and a crash is possible.

The Rise of Civil Society

A characteristic of the Leninist regime is the Communist Party's monopoly of all social spheres. When the regime allows some elements of capitalism and liberalism, as in Vietnam and China today, the party's control of the public sphere loosens, making some space for civil society. The glimmerings of civil society in Vietnam have two major causes. First, the introduction of limited economic liberalization has created a social sphere populated by private entities and economically independent individuals. Second, there is an ongoing conflict within the ruling elite between the regime conservatives and the modernizers. As the state ideology favours the former, the latter are in a weaker position, with those in the government playing rather the role of a minor coalition partner. Given these circumstances, the modernizers have a need to use and enlarge the part of the public sphere that is not under state control, so they can raise their voice when it does not align with the state ideology and official party line.

Vietnam has been loosening its totalitarian regime for a quarter of century, but throughout the first fifteen years or so, civil society could hardly enter the launching pad, not to speak of having taken off. A major barrier for Vietnam's civil society is the Communist Party's paranoid suspicion that civil society will act against it. More exactly, it is because the conservatives are still strong. Vowing to modernize the country, the party has agreed that society should be ruled by law and private associations should be allowed. As early as 1992, the government began drafting legislation on civil society organizations to govern the rapidly expanding private associational activity. But after almost two decades with eleven drafts, the bill has yet to be passed.²⁵

In the last five years, however, Vietnam's civil society seemed to be rolling onto a launching pad. Some remarkable indications of this development can be observed. The first is the return of independent policy-discussing organizations. Starting in 2005, hundreds of citizens began to form new political parties and organizations that challenge Communist Party rule.²⁶ In September 2007, after Prime Minister Nguyen Tan Dung disbanded the Advisory Group to the Prime Minister that he inherited from his predecessors, several prominent intellectuals, including leading

members of the former Advisory Group, established the first ever independent policy think tank in socialist Vietnam, the Institute of Development Studies (iDS). Members of the think tank included such personalities as the economists Le Dang Doanh, Tran Duc Nguyen, and Tran Viet Phuong, who had served generations of party and government chiefs as major advisers; former Ambassador Nguyen Trung, who was an adviser with a ministerial rank to former Prime Minister Vo Van Kiet; former Vice President of the Vietnam Chamber of Commerce and Industry Pham Chi Lan; leading scholars such as the mathematician Hoang Tuy and the historian Phan Huy Le; and prominent thinkers such as Nguyen Quang

A, Tuong Lai, and Nguyen Ngoc.

During the last decade the space for public discussion has widened exponentially due to the application of Internet-based communication tools

ranging from emails to online forums, and, more recently, blogs and Facebook. The state-owned press has also gained significant autonomy vis-à-vis the state. An eminent case is VietNamNet, an online news outlet with popular websites such as vietnamnet.vn and tuanvietnam.net. Founded in 1997 by Nguyen Anh Tuan, a reform-minded computer engineer, it moved within only a few years to the forefront of Vietnamese journalism and became a major venue for independent and pro-reform views of public issues. Seen as a recalcitrant web portal, in 2007 it was put under the direct supervision of the Ministry of Information and Communication with the conservative Le Doan Hop at the top. Nevertheless, VietNamNet emerged after that even stronger as an advocate of greater reform.²⁷ Dense online communications both empower and "spill over" into offline activities. A case in point and an indication of Vietnam's nascent civil society is the December 2007 street protests organized by Internet-based groups against

China's plans to set up an administrative unit to govern two archipelagos that

Vietnam claims in the South China Sea.

Three factors have arguably driven the rise of civil society in

Vietnam. The first is the country's deeper international integration, marked by its accession to the WTO in 2006/7. The event signified not simply Vietnam's participation in a global trade agreement but the completion of its travel from one world to another — from a socialist community to a non-socialist one. The second factor behind the emergence of Vietnam's civil society is the spread of new communication tools that help ordinary citizens to increase their communications and connections and make monitoring by the authorities much more difficult. The third factor is the perception of a Chinese threat. This provides a moral high ground and a reason acceptable to the government for civil society activities that, though not initiated by the authorities, appear to defend the national interest.

The year 2009 witnessed a dramatic development of civil society in Vietnam. On 5 January, the day that Prime Minister Dung convened a meeting with his cabinet to discuss a mega-project on bauxite mining in South Central Vietnam and the VCP Central Committee started its ninth plenum. General Vo Nguyen Giap, the only living founding father of the socialist republic, wrote a letter to the prime minister calling for a suspension of the bauxite plans. The letter remained at first unpublicized but on 10 January a copy of it was leaked to the public on the popular website viet-studies.info. On the 14 January, one day after the party meeting closed and upon the news that the government decided to go ahead with the project, the online newspaper VietNamNet decided to publicize the General's

letter on its website, making the dissenting view heard to a wider domestic public. In his letter, Giap pointed to concerns of scientists and activists about "the serious risk to the natural and social environment posed by bauxite exploitation projects". He wrote that in the early 1980s he had overseen a study on whether to mine for bauxite in the region, and that Soviet experts had advised against the project because of "the risk of long-term, very serious and insurmountable ecological damage posed not only to the local population but also the population and the plains of South Central Vietnam".²⁸

Although at Giap's time the government had decided against bauxite mining, during the "industrialization era" a decade later it reversed the decision. In the December 2001 Vietnam-China joint statement, VCP Secretary General Nong Due Manh pledged to cooperate with China on exploiting bauxite in South Central Vietnam.²⁹ This looked like Manh's gift on the occasion of his inaugural visit to China after becoming the VCP chief, but it also could have been done at the Chinese request, as Vietnam had invited U.S. and Australian firms to study the projects during the 1990s. However, Chinese involvement in such a major project at a strategically important area was apparently not approved by the

modernizers in the government, including then Prime Minister Phan Van Khai.³⁰ On the one

hand, modernizers tried to delay the project with China. On the other, they tried to multinationalize it by drawing in Thais, Russians, Americans, and Australians. However, the project was accelerated after Nguyen Tan Dung replaced Phan Van Khai as Prime Minister in 2006. In June 2008 at the VCP chief Nong Duc Manh's visit to China, the two sides issued a joint statement that reiterated China's interest in cooperating in developing Vietnam's bauxite industry. After Dung's visit to Beijing in late October hundreds of Chinese came to work in various sites in two provinces.

Dung's determination to implement the pledge made by Manh is puzzling. But a look at the circumstances may reveal some interesting insights. In the previous months a financial crisis was coupled with Japan's suspension of its US\$1 billion aid package. The Japanese decision was prompted by a graft scandal involving Ho Chi Minh City party boss Le Thanh Hai, a close ally of Dung. At the eighth plenum of the VCP Central Committee (2-A October), Dung was heavily criticized for the poor economic performance of his Cabinet.³¹ Manh reportedly asked Dung to step down as Prime Minister. Later, Chinese sources reported that Dung received substantial Chinese economic assistance during his late October visit.

Although critics of the bauxite project had appeared in the pro-reform

news media as early as 2007 when the Prime Minister approved it, the project only became a hot issue when it started to be implemented in late 2008. After General Giap's January 2009 letter, it quickly became the topic of a great national debate. It was a divisive issue even within the top VCP leadership. In late April, the VCP Politburo issued a "conclusion" that took a compromising stance that vowed to continue the project but to pay more attention to its social, ecological, and national security effects. President Nguyen Minh Triet, Vice Prime Minister Truong Vinh Trong, and Party Standing Secretary Truong Tan Sang, the number two in the VCP apparatus, were reportedly among those who disagreed with the bauxite deal, though publicly they had to support the government position and thus throw their weight behind the project.

While the bauxite deal was dividing the party, it was a unifying factor in the society outside. It helped to forge a coalition of nationalists and environmentalists. In this coalition, concerns of national security merged with concerns of human security and were focused on one target — China. The year 2009 witnessed a wave of debates on various aspects of the Chinese threat, ranging from illegal Chinese workers who are entering the country in the

thousands, to hazardous Chinese products flooding the domestic markets, Chinese attacks on Vietnamese fishermen, and China's perceived violation of Vietnam's sovereignty in the South China Sea.

The combined security and human security concerns underlying the anti-China protests have placed them on a moral high ground. This situation both encouraged the protesters and made repression by the authorities more difficult. In June, the jurist Cu Huy Ha Vu filed an unprecedented lawsuit against the Prime Minister for breaking national laws in an attempt to fast-track the bauxite mining project. Four days after the Politburo convened (26 April) to review policy on bauxite, mining an anti-bauxite petition signed by 135 scholars and intellectuals was delivered to the National Assembly. The petition stated that "China has been notorious in the modern world as a country causing the greatest pollution and other problems".³² The leading petitioners — Professors Nguyen Hue Chi and Nguyen The Hung and the writer Pham Toan — went on to set up a website titled "Bauxite Vietnam", which within months hit a record number of visits. As Cariyle Thayer has noted, "By May 2009, the anti-bauxite network of 2008 had grown into a national coalition including environmentalists, local residents, scientists, economists, retired military officers and veterans, retired state officials,

social scientists, other academics and intellectuals, elements of the media, and National Assembly deputies. These critics were all mainstream elite"³³ Whereas public opposition to bauxite mining did extend to religious leaders and political dissidents, what is new and significant about the activities of civil society in 2009 is the rise of mainstream elite dissent motivated by intertwined national and human security concerns. This chapter focuses on the rise of mainstream elite civil society that, because of the proximity to state power and because of many parallels with what happened in the late 1980s in Eastern Europe, may be consequential.³⁴

The authorities responded to the political dissent that was widening by

clamping down on critics. From late May to early July 2009, several pro-

democracy activists, including Tran Huynh Duy Thuc, an Internet entrepreneur. Le Cong Dinh, a high-profile lawyer, and Nguyen Tien Trung, a renowned activist, were arrested for "spreading propaganda against the state", a charge that in December would be amended to include violation of Article 79 which carries a maximum death penalty for "carrying out activities aimed at overthrowing the people's administration".³⁵ On 24 July the Prime Minister signed a decree known as Decision No. 97 limiting scientific and technological research. Under this decree, critical feedback {phan

Men) on policy issues, a recently allowed tool to rationalize governance, is no longer allowed to be publicized but only sent to the relevant authorities. On 14 September, the day before the decree

took effect, Vietnam's only independent think tank, IDS, decided to disband

in protest. On 28 August the Ministry of Public Security issued instructions

proscribing political commentary and limiting blogs to personal matters. About the same time, three prominent bloggers were detained and a renowned journalist fired from his job.

Journalist Huy Duc, who blogged under the name "Osin" (Housemaid), was dismissed from the newspaper Saigon Tiep Thi after writing a blog entry that praises the fall of the Berlin Wall and accuses the former Soviet Union of imposing on Eastern Europe "a regime which deprived men of fundamental rights".³⁶ Duc was far from being a dissident; he had had a close relationship with the late Prime Minister Vo Van Kiet and was his biographer. The three bloggers arrested included Bui Thanh Hieu and Pham Doan Trang in Hanoi and Nguyen Ngoc Nhu Quynh in Nha Trang. Hieu, who blogged under the name "Nguoi Buon Gio" (Wind Trader), was famous for his "Dai Ve chi di" series, which mimics the style of ancient Chinese literature and tells a fictitious story of the states Ve and Te that exposes the unpatriotic objectives of Ve's leaders and the country's subservient posture vis-à-vis Te as a result of those objectives. Ve and

Te are two ancient Chinese states, but the initials of their names and the activities of their leaders as described by the author allude to Vietnam and China (Trung Quoc in Vietnamese). However, as Hieu told the BBC Vietnamese service later in an interview, he was detained for his involvement in printing and distributing T-shirts with slogans against the bauxite deal and in support of Vietnam's claims to the Spratly and Paracel Islands.³⁷ These were also the activities for which Quynh, who blogged under the name "Me Nam" (Mother Mushroom), was questioned by police.³⁸ The third blogger, Doan Trang, was editor of the online magazine TuanVietNam, an offshoot of VietNamNet, and had written several articles in these and other websites criticizing China's role in the partition of Vietnam in 1954, its role as a hegemonic power, and its territorial claims

in the South China Sea. She was arrested probably not for those writings,

as the international press presumed, but for reporting an intervention of a

Chinese Embassy counsellor with the Vietnamese Ministry of

Information and Communication in which the Chinese noted that the opinions voiced by some Vietnamese newspapers were "unfriendly" to China and the Vietnamese media should be placed under control.

Fearing a movement that is inspired by patriotism and anti-regime sentiments, regime conservatives launched a campaign against what they called "the strategy of peaceful evolution". On 25 June, the VCP Propaganda Department issued a "propaganda concept paper" on "strengthening the struggle against plots and activities of 'peaceful evolution' in the ideological and cultural area". The concept paper notes that it follows up on the 24 April 2009 decree by the Party Central Secretariat. The paper describes the background of the propaganda campaign as the surge since the Tenth Party congress (2006) of the strategy of "peaceful evolution" and "cultural invasion" by hostile forces in order to "eliminate the socialist regime and the Vietnamese cultural identity". Other features of the situation are the trends of "self-evolution", "self-transformation", and "deviation from the socialist path" among party members and government officials. The paper identifies the West and the United States as the main hostile forces. It regards the U.S. Peace Corps as an organization specialized in propaganda and subversion activities, and the U.S. programme of education cooperation with Vietnam a means to transform Vietnam into a Western country. The paper asserts that influenced by liberal ideas from the West, some Vietnamese leaders and

journalists have recently placed too much emphasis on the role of critical feedback {phan bien) and misused "social power" (civil society forces) to attack the leadership role of the party and the socialist state.³⁹ This is a clear reference to the modernizers. As close ties with the West, critical feedback, and strengthening civil society are major policies supported by the modernizers, the propaganda campaign represents a unilateral move by conservatives in their political battle against the modernizers.

Immediately after the release of the Propaganda Department concept

paper, the Ho Chi Minh City Party Committee's newspaper Saigon Giai Phong published a series titled "Marxist-Leninist Theory and Socialism; A Trend or a Necessary Law?" (29 to 5 July and 6 to 10 October), which from 3 November would become a joint programme with the Ho Chi Minh City Television channel HTV9 under the title "A Necessary Law". This programme was scheduled to be continued until the eightieth anniversary of the VCP, 3 February 2010. It would address issues such as the collapse of communism in Eastern Europe and the return of socialism in Latin America, and attempt to uncover the nature of capitalism through analyses of the global financial crisis.⁴⁰ In late August, the People's Army newspaper

(Quan Doi Nhan Dan) launched a long-term series entitled "Defeating the Strategy of 'Peaceful Evolution'", which two weeks later would be joined by a weekly rubric titled "Preventing and Fighting Peaceful Evolution". However, most of the other major media outlets did not respond positively to the call of the Propaganda Department. The pro-reform news website VietNamNet with its flagship TuanVietNam even stepped up its crusade for what, if judged from the spirit of the concept paper, would be regarded as "peaceful evolution" and "self-evolution" and "deviation from the socialist path".

The authorities' clamping down on the nationalists and modernizers did not seem to create the necessary fear. After their releases, Nguoi Buon Gio continued his "Dai Ve chi di" series, Doan Trang emerged even stronger as an advocate of patriotism and good governance, and Me Nam's memoirs of her detention were publicized in several blogs despite police request that she stop blogging. Towards the year's end, TuanVietNam launched a series of articles on "Vietnam and the Development Model in the New Decade", all of which adopt nationalist standpoints and regard the rise of China as both a central parameter of the present and future world and a potential threat.⁴¹ In one of these articles, former Ambassador Nguyen Tmng calls for "building a political regime that is identical with the Fatherland", an allusion to a change of the regime from the current one that is identical with the Communist Party. He claims that "the most salient achievement of the 25 years of doi moi is democracy" and notes that democracy is still considered a threat of peaceful evolution, and that that is why reform continues to be obstructed.⁴²

The fact that Tmng's article has not been removed since reveals that a

regime change from a Leninist to a democratic national state has gained

substantial support among Vietnam's mling elite. This is also an indication that even if the modernizers still cannot fully redress the imbalance of power between them and the conservatives, the limits to their actions have been dramatically widened.

Self-heip in China's Backyard

The emergence of Vietnam's two-headed grand strategy dates back to the second half of the 1980s. When communism collapsed in Eastern Europe during 1989, the mling VCP was faced with a strategic choice between keeping the regime or changing it. Regime conservatives, based on the view that world politics is driven by the antagonism between socialism and capitalism, which has become imperialism in the present stage of history, and ultimately on the self-perception of Vietnam as an "anti-imperialist" (read: anti-

Western) champion, preferred regime preservation and advocated "political stability". Modernizers, based on the view that world politics is driven by national interests and globalization ("internationalization")

was their term in the late 1980s), and ultimately on the self-perception of Vietnam as a "backward" country, urged to conduct more reform.

The foreign policy linchpin of the modernizers is international integration. Modernizers envisage a change in Vietnam's international role from a socialist state to a democratic national state that is fully integrated into the world community. More specifically, they place a strong emphasis on cooperation with regional neighbours, in Southeast Asia as well as the larger Asia-Pacific region, and developing close ties with the advanced industrial countries. On the contrary, the central foreign policy orientation of the regime conservatives is "anti-imperialism", which includes combating the West and their perceived strategy of "peaceful evolution" against the communist regime. In the post-1989 era, regime conservatives see a key means to achieve their objectives in building a strategic alliance on an ideological basis with China.⁴³

Beginning with Nguyen Van Linh in 1990 and continued by his successors Le Kha Phieu and Nong Due Manh, these VCP General Secretaries all sought a strategic alliance with China. Although a formal "comprehensive strategic cooperative partnership" was only declared in 2008, Vietnam had informally titled China its "strategic ally" already since the 1990s.⁴⁴ The prevalence of anti-imperialism over integration in Vietnam's grand strategy after 1989 ensured that none of the country's ties with strategically important foreign states other than China (with the exception of Laos) was strong enough. For example, conservatives blocked — successfully at first — Vietnam's joining of ASEAN, its

bilateral trade agreement with the United States, and its accession to the WTO.⁴⁵ This has driven Vietnam into a semi-dependent position vis-à-vis China.

Beginning in mid-2003, the modernizers have stood on a more or less equal footing with the conservatives. The turn was due primarily to the awing and perceived threatening effects of the U.S. invasion of Iraq. It occurred when the conservatives realized that they were living not in a multipolar world but a unipolar one with the United States at the top.⁴⁶ The new balance of power between the conservatives and the modernizers meant that although Vietnam still remained in China's backyard, the chance that it would jump out of it was substantial.

At the same time, during the last five years, China was becoming

both more powerful and more assertive. The rapid and steady rise of China, coupled with the U.S. quagmire in Iraq and Afghanistan, and the financial crisis since 2008, has put Beijing in a much stronger position than ever before.

China is both rapidly building up its military and more willing to assert itself in the South China Sea, where it has major territorial disputes with Vietnam. In 2008 commercial satellite imagery confirmed that China was constructing a major naval base at Sanya on Hainan Island. At the same time, China has extended an airfield on Woody Island in the Paracels and consolidated its facilities at Fiery Cross Reef in the Spratlys. In early March 2009, Chinese vessels harassed the U.S. naval ship *Impeccable* at a site seventy-five miles south of Hainan and about the same distance off the Vietnamese coast. The standoff was followed by the collision of a Chinese submarine with a towed sonar array by the USS John McCain on 11 June. In May, China announced a unilateral fishing ban in the South China Sea above the twelfth parallel from 16 May to 1 August. This was the height of the Vietnamese fishing season. Eight modern Chinese vessels were dispatched to enforce the ban. Throughout the year, the Vietnamese news media reported several cases in which Chinese vessels seized and detained

Vietnamese fishing boats. In one instance a Chinese fishery vessel rammed and sank a Vietnamese boat. In August, when two Vietnamese fishing boats sought to avoid a tropical storm by seeking safe haven in the Paracel Islands, they were detained by Chinese authorities. In an unprecedented reaction, Vietnam not only demanded the boat's release, but also upped the ante by threatening to cancel a meeting that had been scheduled to discuss maritime affairs. In May, after Vietnam submitted a joint proposal with Malaysia and a separate claim extending their continental shelf beyond the 200 nautical mile limit set by the UN Convention on the Law of the Sea, China quickly lodged a protest but did not make a formal submission. However, China documented its maritime claims by attaching a map containing its traditional "nine dash lines" which form a U-shaped area embracing virtually the entire South China Sea. It would appear to be the first time that the People's Republic of China has officially presented its claim in this matter.⁴⁷

Over the western borders of Vietnam, China stepped up its investments and involvements in Laos, Vietnam's closest ally. Within a few years, China surpassed Thailand as the largest foreign investor. As a result of Chinese migrants, money, and influence, the north of Laos is taking on a Chinese character.⁴⁸ Chinese activities over the last few years and especially events in 2009 have left the Vietnamese little doubt that China's intentions include control of the South China Sea, which Vietnam sees as its front door, and influence in mainland Indochina, which Vietnam regards as its

backyard. Vietnam's responses to the Chinese challenges are, again, a mixture of different foreign policy pathways. In line with the modernizers' views, Vietnam has accelerated its force modernization programme, decided to internationalize the South China Sea issues, and boosted its own influence in Laos and Cambodia. On 26-27 November 2009, the Diplomatic Academy of Vietnam and the Vietnam Lawyers' Association conducted an international workshop on South China Sea Security, the first of its kind to have taken place in Vietnam, with the participation of a large number of leading scholars on the topic from several countries.

In early December, Defence Minister Phung Quang Thanh paid a visit to the United States, which also led him to the headquarters of the U.S. Pacific Command. In Hawaii he boarded a submarine, and in Washington Thanh asked for the lifting of an arms embargo that was in effect since the end of the Vietnam War.⁴⁹ When visiting France right after his U.S. trip, Thanh asked France to help Vietnam train army' medical personnel and sell helicopters, transport aircraft, and other modern military equipment to Vietnam.⁵⁰ At the same time. Prime Minister Nguyen Tan Dung visited Russia to sign contracts for the purchase of six Kilo-class submarines (for a price tag of about US\$1.8 billion), a dozen Sukhoi Su-30MK2 fighter jets (US\$600 million), and other military equipment. The deals had been negotiated years ago, but the conclusion at the time of a financial crisis

signalled Vietnam's determination in modernizing its military forces. In exchange for Russia's acceptance of barter and incremental payment. Dung offered Moscow to cooperate in building Vietnam's first nuclear power plant.⁵¹

When the Prime Minister went to Russia and the Defence Minister to the United States and France, Vice Defence Minister Nguyen Huy Hieu was

in South Korea to discuss military cooperation and arms trade, and VCP chief Nong Duc Manh paid a visit to Cambodia during which the two countries signed a treaty to free up cross-border navigation in the Mekong River.⁵² Less than two weeks later, an investment promotion meeting jointly organized by the Vietnamese and Cambodian Governments took place in Ho Chi Minh City with the presence of both countries' Prime Ministers. At the meeting Vietnamese enterprises pledged to invest up to US\$6 billion in the coming years.⁵³ If this goes ahead, Vietnam would become Cambodia's second largest foreign investor, only after China. Four months earlier, on 31 August, a similar meeting to promote Vietnamese investments in Laos was held in Ho Chi Minh City. According to a Lao official who attended the meeting, Vietnam

was topping the 46 foreign countries investing in Laos with a total investment volume of US\$2.08 billion.⁵⁴

In line with the regime conservatives' views, Vietnam continued to maintain dense exchanges with China and tried to tighten the bonds with the latter on the basis of a common enemy (the United States) and a shared ideology (communism). As General Le Van Dung, head of the Political General Directorate of the Vietnam People's Army, who was in China on a week-long visit in late October, said in an interview given to *Tuoi Tre* newspaper on 22 December, "As concerns our issue with China in the South China Sea, we are trying our best to solve it, and in the near future we [Vietnam] will discuss, negotiate, and demarcate the maritime borders with our friend [China]. So the situation would be gradually stabilized

and we keep strengthening our relations with China in order to fight plots of the common enemy".⁵⁵

Conclusion

The politics of post-Cold War Vietnam is a game of four key players. The

modernizers emerged from the crisis of socialism and the rise of globalization

in the 1980s. But the weight and proximity of China has been a major factor

supporting Vietnam's regime conservatives. The coexistence of communism and capitalism has provided a favourable environment for the rent-seekers. Over the past two decades, rent-seekers have conquered most of the commanding heights of the Vietnamese economy. In domestic politics, a tacit alliance of regime conservatives and rent-seekers are keeping reform at bay, only to meet with more vigorous opposition from the modernizers. In foreign affairs, China's assertiveness has reduced the effectiveness of Vietnam's deference, a foreign policy pathway preferred by the conservatives. Vietnam responds by boosting internal and external balancing, a pathway advocated by the modernizers.

In 2010 Vietnam's political system will be focused on stabilizing the economy, keeping the ASEAN events safe, and preparing for the Eleventh Party Congress that is scheduled to be held in January 2011. Under these circumstances and barring a major crash, the restructuring that the modernizers are urging is unlikely to happen. Vietnam will likely continue its capital-driven development path until the bubbles burst again. But a major change in Vietnamese politics may only be triggered by such a crash. Vietnam's economic, domestic, and foreign policy each will continue to be a mixture of elements advocated by conservatives, rent-seekers, and modernizers but the three areas are likely to evolve along different

paths. The economic policy will include some minor restructuring efforts but is

likely to be dominated by rent-seekers. In domestic politics, the regime is likely to tighten its grip amid louder calls for radical change from the mainstream elites. Vietnam's international behavior will be less submissive toward China but efforts to establish a strategic partnership with the United States are likely to be thwarted by disagreements over the government's approach to human rights.

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¹ Le Kha Phieu, "Dang Cong san Viet Nam tam muoi Xuan" [The Vietnam Communist Party at eighty], *Nhan Dan*, 3 February 2010 <<http://www.nhandan.com.vn/tinbai/?top=37&sub=130&article=167420>>.

² Vo Van Kiet, "Thu gui Bo Chinh tri" [Letter to the Politburo], 9 August 1995, *Dien Dan*, no. 48 (January 1996): 16-25. For Phieu's insistence on "national independence and socialism", see Phieu, *ibid.*

³ In my earlier work I called the two Vietnamese grand strategies "anti-imperialism" and "integration". These names refer to the central foreign policy orientation of the two grand strategies. I called them so because my earlier work mainly addressed Vietnam's foreign policy.

⁴ Rent-seeking is a special profit-seeking behavior that makes a benefit primarily from monopoly privileges and influencing government regulations.

⁵ For a different discussion of the intertwinement of profit and power in communist Vietnam, see Bill Hayton, "Vietnam's New Money", *Foreign Policy*, 21 January 2010 <http://www.foreignpolicy.com/articles/2010/01/21/vietnams_new_money>.

⁶ For background information, see "As Clamor against Suong Verdict Grows, Officials Vow to Dig for Truth", VietNamNet Bridge, 27 November 2009 <<http://english.vietnamnet.vn/reports/200911/As-clamor-against-Suong-verdict-grows-officials-vow-to-dig-for-truth-881145/>>; "NA Committee May Intervene in Labour Hero Case, Security Minister Orders Report", VietNamNet Bridge, 24 November 2009 <<http://english.vietnamnet.vn/reports/200911/NA-Committee-may-intervene-in-labour-hero-case-security-minister-orders-report-880585/>>; Huy Duc, "Sau ba Ba Suong la cac 'nong truong vien'" [Behind Mrs Ba Suong there are the farmers], Blog Osin, 1 December 2009 <<http://www.blogosin.org/?p=1074>>.

⁷ Dinh Thang, "Pacific Airlines thanh Jetstar Pacific: Nhieu Ian dan" [From Pacific Airlines to Jetstar Pacific: A life of hardship], *Tien Phong*, 11 January 2010 <<http://www.tienphong.vn/Tianyong/Index.aspx?ArticleID=183030&ChannelID=2>>.

⁸ Geoff Easdown, "Power Struggle Strands Execs", *Herald Sun* (Australia), 11 January 2010 <<http://www.heraldsun.com.au/business/power-struggle-strands-execs/story-e6frfh4f-1225818205174>>.

⁹ Personal communication, 16 January 2010.

¹⁰ Goldman Sachs Global Economic Group, *BRICs and Beyond* (Goldman Sachs, 2007), p. 131. BRIC is an acronym invented by Goldman Sachs to refer to a group of rising great economies including Brazil, Russia, India, and China.

¹¹ *Ibid.*, pp. 139, 140.

¹² Alexander L. Vuving, "Vietnam: Arriving in the World — and at a Crossroads," in *Southeast Asian Affairs 2008*, edited by Daljit Singh and Tin Maung Maung Than (Singapore: Institute of Southeast Asian Studies, 2008), pp. 375-77.

¹³ Vietnam General Statistics Office, "Socio-Economic Situation in 2009," December 2009 <<http://www.gso.gov.vn/default.aspx?tabid=413&thangtk=12/2009>>.

¹⁴ To Huy Rua, "Cuoc khung hoang tai chinh toan eau va nhung van de dat ra doi voi Viet Nam" [The global financial crisis and the issues it raises for Vietnam], *Nhan Dan*, 14 December 2009.

¹⁵ For a discussion of the role of SOEs, see Vu Quang Viet, "Vietnam Economic Crisis: Policy Follies and the Role of State-Owned Conglomerates", in *Southeast Asian Affairs 2009*, edited by Daljit Singh (Singapore: Institute of Southeast Asian Studies, 2009), pp. 389-417.

¹⁶ Phan The Hai, "Dan khung long cua nen kinh te vi thanh nien" [The dinosaurs of a juvenile economy], *TuanVietNam*, 12 November 2009 <<http://tuanvietnam.net/2009-11-10-dan-khung-long-cua-nen-kinh-te-vi-thanh-nien>>.

¹⁷ Pham Minh Tri, "Muon chu dao phai tu than" [If you want to be dominant, you must be independent], *TuanVietNam*, 9 November 2009 <<http://tuanvietnam.net/2009-11-06-muon-chu-dao-phai-tu-than>>; Huy Due, "Van chua het nhung tro ngai cu" [Old obstacles still exist]. Interview with former Trade Minister Le Van Triet, *Sai Gon Tiep Thi*, 25 May 2009 <<http://www.sgtt.com.vn/detail23.aspx?newsid=51921&fld=HTMG/2009/0524/51921>>.

¹⁸ Hoang Phuong, "Khong tai eau truc quan ly, moi no lue khac la vo nghia" [Without restructuring economic governance, any other efforts remain meaningless], TuanVietNam, 19 May 2009 <<http://tuanvietnam.net/khong-tai-cau-truc-quan-ly-moi-no-luc-khac-la-vo-nghia>>.

¹⁹ Vu Trong Khanh and Patrick Barta, "Hanoi Tightens Reins on Credit", *Wall Street Journal*, 3 December 2009, p. A13.

²⁰ James Hookway and Alex Frangos, "Vietnam Devalues Its Currency", *Wall Street Journal*, 26 November 2009, p. 23.

²¹ "Vietnam Acknowledges Growing Foreign Debt", *Deutsche Presse-Agentur*, 17 November 2009.

²² Hookway and Frangos, "Vietnam Devalues".

²³ Author's calculation based on data from the Vietnam General Statistics Office.

²⁴ Pivot Capital Management, "China's Investment Boom: The Great Leap into the Unknown", report dated 21 August 2009, p. 2.

²⁵ For more discussion, see Cariyle A. Thayer, "Vietnam and the Challenge of Political Civil Society", *Contemporary Southeast Asia* 31, no. 1 (2009): 1-27.

²⁶ For detailed discussions, see *ibid*, and Cariyle A. Thayer, "Political Legitimacy of Vietnam's One-Party State: Challenges and Responses", *Journal of Current Southeast Asian Affairs*, no. 4 (2009): 47-70.

²⁷ For a story of VietNamNet by Nguyen Anh Tuan, see his "From VietNet to VietNamNet: Ten Years of Internet Media in Vietnam", Discussion Paper #43, Shorenstein Center on the Press, Politics, and Public Policy, Harvard University, 2007 <http://www.hks.harvard.edu/presspol/publications/papers/discussion_papers/d43_nguyen.pdf>.

²⁸ "Dai tuong Vo Nguyen Giap gop y ve du an bo xit Tay Nguyen" [General Vo Nguyen Giap offers advice on the Central Highlands Bauxite Project], VietNamNet, 14 January 2009 <<http://www.tuanvietnam.net/2009-01-14-dai-tuong-vo-nguyen-giap-gop-y-ve-du-an-bo-xit-tay-nguyen>>; "Vietnam's War Hero Giap Urges to Halt Bauxite Mining Plans", *Agence France Presse*, 15 January 2009. For the photocopy of Giap's letter at Tran Huu Dung's website: <http://www.viet-studies.info/kinhte/Thu_VNGiap_NTDung.pdf>.

²⁹ "Vietnam-China Joint Statement" (2 December 2001), Vietnam News Agency, 4 December 2001.

³⁰ The sites of the bauxite projects are in the provinces Dak Nong

and Lam Dong in the Central Highlands region, which military strategists called the "roof of Indochina" and whose strategic importance is reflected in the saying "who controls the Central Highlands will control South Vietnam". The Dong Nai and Be Rivers that run through Vietnam's largest industrial and metropolitan areas stem from those two provinces.

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³³ Thayer, "Political Legitimacy of Vietnam's One-Party State", p. 51. See the same work for more details on the bauxite controversy and other protests in 2009.

³⁴ For discussions of broader civil society activities, see Thayer, "Vietnam and the Challenge of Political Civil Society", and Thayer, "Political Legitimacy of Vietnam's One-Party State".

³⁵ "Vietnam Activists Could Face Death Penalty", Deutsche Presse-Agentur, 11 December 2009.

³⁶ "Berlin Wall Post Costs Vietnam Blogger Job", Agence France Presse, 27 August 2009.

³⁷ 'Nguoi Buon Gio' ke chuyen" ["Wind Trade" tells his story], BBC Vietnamese, 9 September 2009 <http://www.bbc.co.uk/vietnamese/av/2009/09/090909_blogger_iv.shtml>.

³⁸ "Vietnam Police Release Another Detained Blogger", Reuters, 12 September 2009. Quynh's memoirs of her detention were later publicized on the blog Ban cua Me Nam (Mother Mushroom's Friends) at <<http://menamtg.multiply.com/>>.

³⁹ The concept paper was released on the Internet at the Web Portal of Quang Ninh Province but later removed. A photocopy of the paper can be found at <<http://www.viet-studies.info/kinhte/DeCuongTuyenTmyen.pdf>>.

⁴⁰ Mai Huong, "Ra mat chuong trinh 'Quy luat tat yeu'" [Programme "A necessary law" is launched], Saigon Giai Phong, 4 November 2009 <<http://www.sgpp.org.vn/chinhtri/hochuyetmaclenin/2009/11/207493/>>.

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⁴⁵ Alexander L. Vuving, "Strategy and Evolution of Vietnam's China Policy: A Changing Mixture of Pathways", *Asian Survey* 46, no. 6 (November 2006): 812, 816-17.

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⁴⁶ Vuving, "Strategy and Evolution of Vietnam's China Policy", pp. 817-18.

⁴⁷ This paragraph is adapted from Carlyle A. Thayer, "Recent Developments in the South China Sea: Implications for Peace, Stability and Cooperation in the Region", paper presented at the workshop on "The South China Sea: Cooperation for Regional Security and Development", Hanoi, 27-28 November 2009, pp. 5-11.

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December 2009; Huynh Phan, "Dien hat nhan va ODA trong quan he doi tac chien luoc" [Nuclear power and ODA in strategic partnerships]. Sai Gon Tiep Thi, 5 March 2010 <<http://www.sgtt.com.vn/Detail3.aspx?ColumnId=3&newsid=63735&fld=HTMG/2010/0304/63735>>.

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⁵³ "Viet Nam, Campuchia ky thoa thuan toi 6 ty USD" [Vietnam and Cambodia sign agreements worth up to US\$6 billion], Vietnam News Agency, 26 December 2009.

⁵⁴ Trung Hieu, "Nhiều cơ hội đầu tư vào Lào" [Many investment opportunities in Laos], Phap Luat Thanh Pho Ho Chi Minh, 31 August 2009.

⁵⁵ "Tim moi each giai quyét van de Bien Dong" [Making every effort to solve the South China Sea issues] (interview with General Le Van Dung), Tuoi Tre, 22 December 2009 <<http://www.tuoitre.com.vn/Tianyon/Index.aspx?ArticleID=354571> &