WANDERING THROUGH central Hanoi, where banners bearing Communist Party slogans stretch over streets full of jewelry stores, designer clothes outlets and fancy restaurants, it’s all too easy to buy into the received wisdom about how Vietnam got where it is today.

This view, which is shared by the Communist Party and many international scholars alike, holds that in 1986 the government launched a wide-ranging program of market-based reforms — known in Vietnamese as doi moi, or renovation — in order to inject life into an economy that had ground to a halt because of the limits of co-operative farming and central planning. The successful implementation and extension of this program over the next 24 years transformed Vietnam’s prospects as the state retreated from the economy and the private sector flourished. Vietnam was thus turned from an isolated, poverty-stricken nation into a bustling, middle-income country. Or so the argument goes.

However, a new and important addition to the rather limited literature on modern Vietnam seeks to explode this cozy consensus. In his iconoclastic Vietnam: Rethinking the State, Martin Gainsborough, a politics lecturer at the University of Bristol, in England, argues that any attempt to examine Vietnamese politics through the lens of “reform” is fundamentally flawed.

Gainsborough outlines four major problems with the consensus view of reform in Vietnam. First, it places too much emphasis on change rather than continuity. Second, it exaggerates the extent to which policy is a determinant of change and to which political elites are in control of this change. Third, it misconstrues the nature of policy in Vietnam, which in reality is “a disparate collection of elite actions and counteractions” and often “much less coherent than is thought.” Last, it promotes a wrong-headed attempt to divide the Communist Party into “reformist” and “conservative” factions. He writes: “However, what we find is that politics is much less about disputes over rival policy positions — elites in Vietnam hang loose to policy — than about money, patronage and loose political groupings linked to personalities.” This misguided fascination with reform has blinded most international observers to the real nature of economic (and, to a lesser extent, political) change in Vietnam over the last two decades.

Gainsborough takes particular issue with the idea that the withdrawal of the state from the economy and the fostering of an independent private sector have been the driving forces behind rapid growth in Vietnam. Drawing on his research into the realities of doing business in Ho Chi Minh City and the more remote provinces of Lao Cai and Tay Ninh, he insists that the state, in fact, extended its reach into the economy as growth accelerated from the 1990s onward.

Foreign investors and Vietnamese companies often complain that the regulatory and legal framework in many industries remains unclear and inconsistent. This is no accident, as the Vietnamese government uses uncertainty as an “instrument of rule,” Gainsborough says. “To succeed in business companies are still very reliant on the state for licences, contracts, access to capital and land and, very often, protection,” he writes.

Thus while there has been a growing clamor from the business community for less red tape and a more transparent regulatory environment, “these calls are relatively muted in comparison with the vigour with which many companies, out of necessity, go after state largesse.”

Gainsborough takes few prisoners in a polemical account that is, for the most part, concisely
written, even if his attempts to posit a general theory of the state may leave non-academic readers scratching their heads.

His refreshingly blunt and challenging observations on Vietnamese politics come at a crucial time for the country. Ahead of the five-yearly Communist Party congress in January, Vietnam has been wracked by macro-economic instability and concern about the government’s ability to maintain rapid economic growth. Many economists and analysts have expressed hopes that the 11th congress, when the leadership and economic plans for the next five years will be unveiled, will help to nudge the country in the right direction — precipitating the reform of clunky state-owned enterprises and other changes that will make for a more conducive business environment.

But, Gainsborough argues, not only are such predictions about party congresses often based on minimal information, they are also based on a policy blueprint that the elite were set upon in 1986 and then sought to implement is a fallacy,” Gainsborough writes. Later he adds: “Even that most ‘sacred’ of post-1975 truths, namely the association of the Sixth Party Congress in 1986 with the ‘launch’ of doi moi, would merit fresh investigation in relation to the revisionist interpretation of congresses being advocated here.”

If such comments will make uncomfortable reading for Vietnam’s rulers, they will also unsettle the foreign investors and Vietnamese businesses who are anxious to see a more independent central bank, more legal and regulatory certainty and reforms to the staid education system. Hopes that such a reform program will somehow emerge once the political wrangling associated with the congress is settled would seem illusory when seen through the prism of Gainsborough’s analysis.

Pre-congress discourse in the national assembly, the Vietnamese media and among international donors and investors has focused on Vinashin, a state-owned shipbuilder that nearly went bankrupt after expanding into many different sectors and amassing unsustainable debts. Several senior executives have been arrested on allegations of economic mismanagement since the government went public about the troubles at the company in June.

Nguyen Tan Dung, the prime minister, has come under fire as a result of the fact that Vinashin’s directors reported to his office and that he promoted the vision of developing state-owned con-

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glomerates along the lines of South Korea’s chaebol. The woes at Vinashin have thus prompted an apparent debate about the merits of such state-led development. But readers of Gainsborough’s book will be prompted to think twice about this. He notes that the surfacing of previous cases of economic mismanagement and corruption had less to do with a desire to weed out graft and inefficiency and more to do with struggles between different parts of the state.

For example, he argues that much of the behavior associated with the massive corruption case at Tamexco, another state-backed conglomerate, in the mid-to-late 1990s was fairly widespread. Many of the problems at Tamexco — political involvement in credit allocations, lending to heavily indebted companies and lax accounting — also lie at the root of Vinashin’s troubles.

All of which supports Gainsborough’s contention that the continuity in Vietnamese politics has been overlooked in favor of a more seductive vision of change. English language writing on modern Vietnam has struggled to move beyond the war with America in two key respects. First, Western novelists, journalists and academics have remained fixated on writing about the Vietnam War, perhaps because of the continuing importance of the war to contemporary US political discourse. Second, the first generation of scholars to try to move beyond this narrow focus included many who were themselves products either of the Vietnam War (such as David Marr and William Duiker) or the Cold War mindset.

Gainsborough’s new book not only adds significantly to the existing literature on contemporary Vietnam but also shakes up some of the underlying assumptions that have characterized it. He builds the straw man of reform and then adeptly razes it to the ground, helping to establish a more critical framework with which to understand the change and continuity that have driven rapid economic growth in Vietnam.

If Vietnamese politics is indeed driven less by policy than by personality, patronage and money, the time is surely ripe for someone to tell the fascinating yet unwritten story of who has won and who has lost in a quarter-century when the economic prospects of the country have been transformed behind recognition.

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