From Socialism to Expansionism

The Vietnamese people, in freeing themselves from US imperialism in 1975, also freed themselves to tackle the new problems of building a unified, modern and socialist Vietnam. After six years, however, the country is enmeshed in a military occupation of Kampuchea, riven by internal divisions and social unrest, and beset by economic chaos - with the world's worst trade deficit, ever-growing dependence on the Soviet bloc, inflation at ten times that of the war years and a permanent food crisis. (1)

The Communist Party of Vietnam (CPV) has no lack of explanations for these reverses: the legacy of two decades of military devastation, together with the poverty of a Third World country, the lack of technical expertise, and a catastrophic series of floods, droughts and typhoons. But if the material and technical problems are real, the fundamental explanation for these post-war defeats (as preciously for the victories of national liberation) is political. In fact, the CPV has always seen its strategy for socialist construction within the perspective of its nationalist and expansionist Indochina strategy. In the words of Le Duan's 1976 slogan, "Nation and socialism are one". (2)

From its very beginnings as the Indochinese Communist Party, the Vietnamese leadership has demanded recognition of its vanguard role in Indochina and looked to the creation of a Vietnamese-led Indochina bloc. After the defeat of the US and the liberation of all three countries of Indochina, Hanoi persisted in attempts to assert its political and ideological authority over Kampuchea and Laos. Its continuing claim to be the region's leading socialist nation was also reflected in the primacy which Hanoi placed on its comparatively advanced industrial infrastructure (itself largely a legacy of the region's uneven development in the colonial period). The domestic counterpart of Hanoi's nationalist strategy was a wholly economistic view of socialist construction with priority given to the rapid promotion of heavy industry and to the 'technical' development of the productive forces generally. These two sides of the CPV's conception of national development came together in the vision of a regional division of labour in which the more modern industry of Vietnam would have access to the agricultural 'hinterland' of Kampuchea and the mineral resources of Laos.

These two aspects also came together in the invasion and occupation of Kampuchea. The military invasion and the all-out alliance with the Soviet Union necessitated by it have brought the Vietnamese people to the edge of starvation and involved the Hanoi regime in a desperate struggle to check the growing economic dislocation and to contain its social and political effects. It is clear that the occupation and its catastrophic effects are not a simple interruption to the CPV's development strategy caused by a diversion of valuable resources from modernisation, whether to stave off a threat to Vietnam's national security or to fulfill some imagined "internationalist" obligation to save the Kampuchean people from themselves. On the contrary, even before the invasion, Hanoi's domestic policies had aggravated economic and social contradictions within Vietnam sufficiently to have brought about a steady decline in the country's ability to feed itself and to have ruled out the possibility of a democratic socialism based on the alliance between workers and peasants. Rather than being an interruption, Vietnam's invasion of Kampuchea and its aftermath corresponded to an intensification of the nationalist and economistic policies pursued by the CPV since at least 1975.

**REUNIFICATION OR ANNEXATION?**

These policies underlay the Second Five Year Plan (1976-80) unveiled in December 1976. Reflecting the CPV's simple identification of socialist development with industrial growth, the Five Year Plan aimed to lay the foundations for a take-off of the North's heavy industry by the mid-1980s and complete modernisation within twenty years. The crux of the Plan was a "leaping development of agriculture" so as quickly to solve the food problem (both North and South imported an annual average of around half-a-million tons of rice during the war, while the population was increasing by about a million a year) and afterwards provide much of the foreign exchange, capital resources and raw materials for the take-off of heavy industry.

The CPV's headlong dash in the name of socialism to promote heavy industry meant its abandoning its earlier promises on the gradual reunification of the North and South which was to have followed upon a lengthy period of relatively autonomous regional development under separate administrations. Instead, the South was subjected to something resembling a colonial annexation by the North. The prospects for a "leaping development of agriculture" in the North seemed non-existent. Though agriculture had been almost fully collectivised for fifteen years, agricultural production had only increased by 15% between 1960 and 1975, and then only through heavy capital investment. Per capita production of food in
1975 was the lowest since 1954. If given immediate control of the South, however, the stagnant Northern economy might possibly be regenerated. Collectivisation of the individual peasant economy in the South could be expected to produce a significant agricultural surplus to feed the North and provide investment for its industry (the South was officially self-sufficient in food by August 1976). An even larger surplus was anticipated from exploiting the large areas of land available in the South, "redistributing" into the so-called New Economic Zones the several millions of semi-and unemployed forced into the Southern cities by the war and up to 40% of the peasantry from the over-populated North.

What the plan initiated, then, was the virtual annexation of the South by the North, the replacement of the political leadership in the South by centralised direction from Hanoi and the rapid socialisation of agriculture by administrative methods imposed from above, thus both transformation would necessarily be a 'revolution' from above. Firstly, the South's mass organisations were absorbed into their Northern counterparts and no role was allowed for those patriotic and democratic forces which had opposed the US and its puppet regimes. On the other hand, none of the leading figures from the Provisional Revolutionary Government or the NLF were given positions in the top decision-making bodies of the Party. Moreover, large numbers of Northern cadres were drafted in to administer the changes. Secondly, the socialisation of agriculture and industry was never treated (except in words) as primarily a political process requiring the mass involvement of workers and peasants in seizing control of and transforming production relations. On the contrary, collectivisation of agriculture was handled as a simple organisational and economic process to facilitate centralised control by the North of the rural population and the agricultural surplus and the boosting of production through economies of scale.

In the North itself, the use of similar bureaucratic and economistic methods earlier during the war had failed to significantly boost agricultural production because of the passive resistance of the peasantry, many of whom were legally quitting the communes by 1976. In the post-war South, not only was the political and ideological resistance to the CPV immeasurably greater to start with, but also the implementation of economic and political policies designed principally to benefit the North could only aggravate the contradictions in the South and further strengthen popular opposition.

Firstly, the 60% of the Southern population engaged in agriculture were almost entirely middle peasants owning enough land and tools to produce independently and therefore having little or no material interest in collectivisation. Perhaps in recognition of this, collectivisation

New Economic Zone in Southern Vietnam

accentuating the uneven development between the essentially agrarian South and the industrialised North and exacerbating economic and social contradictions in the South. Such developments were to find a natural parallel in the subsequent military occupation of Kampuchea, the management of both the Kampuchean and Laotian regimes from Hanoi and the effective supression of the material and political interests of their peoples. Together, these two series of developments embody the CPV's conception of Vietnam's national development, a conception in which Socialism was increasingly subordinated to nationalism and socialist transformation of social relations to the administrative promotion of production.

REVOLUTION FROM ABOVE

The fate mapped out for the South in the Five Year Plan meant that in every respect its
was started late (June 1977) and slowly, with instructions for cadres to secure the voluntary participation of the peasants at each stage. However, given the equally insistent demand that Southern agriculture be completely organised in low-level communes by 1980, the cadres were faced with the choice between getting no results or using coercion, which in terms of the peasants' motivation to increase production was even worse. By 1978, not only had collectivisation not taken off, but food production was consistently falling to keep pace with demand (18% below the target in 1977 and 20% in 1978). As late as April 1979, only 17% of Southern farmland had been organised into communes.

Secondly, the CPV's inability to mobilise the agricultural wealth of the South, or even to realise the country's capacity to feed itself, reflected the privileged position given to the North's heavy industry in the Plan. Light industry, producing essential consumer goods and agricultural materials, had been given the lowest priority in the Plan's foreign exchange allocation, its raw materials being allocated to heavy industrial development. Light industry was consequently operating at about half its capacity, the resulting shortages in the State supply of these goods pushing up their price on the free market to which people were increasingly forced to turn. The Southern peasants, already reluctant to sell their rice surplus to the State at less than half the free market price, found it economically impossible to do so as long as the state failed to supply sufficient farming materials in exchange (free-marketed fertilizer, for example, sold at ten times the official price). Moreover, the general non-availability of consumer goods seriously damaged the incentive to plant for any surplus at all. Such surplus as was produced tended to be consumed by the peasants themselves or used to fatten their livestock; or else it reached the cities through the intermediary of the free market at inflated prices. In 1978, the state controlled only 40% of the South's retail goods trade and only 60% of the annual food production (out of which the North, on the edge of famine, had also to be supported).

Faced with growing popular discontent at falling living standards in both city and countryside and, in an effort to assert its control over the Southern economy, the CPV decided on the forcible destruction of the free market. On March 25 1978, business goods and facilities were seized and the former owners required to move to the New Economic Zones as farmers. While breaking the power of some big trading interests concentrated in Ho Chi Minh City, the move is reckoned to have mainly affected 1.8 million Vietnamese in the South, most of these individuals eking out a marginal existence in pavement peddling. And while it temporarily destroyed the free market competition with the State for the appropriation of food production, the state's continued inability to supply sufficient consumer goods left intact the conditions for its resurgence and did little to stimulate increased supplies of food.

The official description of this action as a "war campaign" was more than rhetoric, coinciding as it did with the initial preparations for the invasion of Kampuchea. The most prominent target of the attack was the overseas Chinese community (Chinese businessmen being said to control over 80% of the South's textiles, metal-working and chemical businesses, for example). By drawing on traditional anti-Chinese feelings, the attack on the free market also provided an "explanation" for economic hardships conveniently linking these to the resistance to Vietnam's nationalist ambitions by a Chinese-supported Kampuchea.

A TURNING POINT IN THE REVOLUTION

From early 1978, in fact, Hanoi's combined strategy for national development was severely under threat, with a convergence between the contradictions and failures of its Indochinese and economic aspects. The CPV was confronted by a Kampuchea with a self-reliant economy and a sense of national independence strong enough to rule out any possibility of the latter accepting a creditor/debtor relationship such as that involved in the 1977 Friendship Treaty between Vietnam and Laos; while the steady intensification of border clashes added to the problems of agriculture in the South by driving over a million peasants off the land in the fertile Mekong region. Already faced with mounting resistance to its domestic policies and leadership, the CPV could ill-afford to compromise its standing further with tactical concessions in the border disputes, whereas the manipulation of the national "security threat" could provide both a diversion from and an explanation for economic difficulties.

Whatever the immediate thinking behind the invasion, the CPV's attempt to guarantee its leading role in Indochina by the military occupation of Kampuchea constituted a turning point in the Vietnamese revolution. The relationship between nationalism and socialism had always been problematic in the Vietnamese communist movement, even though the full force of the contradiction was not to emerge until after the success of the national liberation struggle. Nonetheless, up to 1978 the pursuit of nationalist expansion in Indochina and of a bureaucratically-directed economy within Vietnam had proceeded in tandem but with a fair measure of autonomy from one another.

The decision to occupy Kampuchea and to bear the likely economic consequences necessarily involved firmly subordinating every aspect of socialist construction and the interests of the Vietnamese workers and peasants (to say nothing of those of the Kampuchean people) to Hanoi's nationalist ambitions. In December 1978, the month of the invasion, the CPV announced a reduction in the targets of the Five Year Plan and a reversal of priorities. From 1979, its economic strategy based on the socialisation of production and conceived in the formula of an "economistic" socialism was increasingly replaced by a policy of pragmatic manipulation of market forces in order to try and contain the economic and social dislocation generated by the military occupation and the resultant dependence on the Soviet bloc.

THE COLLAPSE OF SOCIALIST CONSTRUCTION

The sustained mobilisation of the Vietnamese army for the occupation of Kampuchea and, since the February 1979 attack, along the Chinese border (where most of Vietnam's heavy industry lies) DUE
impossible demands on Vietnam's agriculture. The latter was hit directly by the withdrawal of troops from productive work, by conscription (the ascription had been reduced to an average of 9 kilos per month, as well as the dose of Chinese aid which had previously name good a fifth of Vietnam's annual food deficit. The CPV's initial response to the worsening of the food crisis was to cut food rations by 20% in early 1979 and to try to force through its failed agrarian reform. The intensification of the collectivisation campaign provoked more drastic forms of resistance from the peasants, many of whom sold or slaughtered livestock and reduced the area of land under cultivation to avoid collectivisation. By the end of 1978, less than a third of the families and a quarter of the land in the South was collectivised and national food production (also hit by winter drought) was 2.5 million tons short. Before 1975, the official rice ration in the North had been an average of 15 kilos a month (12 for the military), only one kilo of which was rice. In the cities of the South, even this official ration was restricted to government employees and certain categories of workers. UN health officials estimated that a 30% increase in protein was needed to raise the consumption of the Vietnamese people to the minimal nutritional level and noted that the lack of protein was beginning to affect people's ability to work. Food shortages, moreover, made a mockery of the state's earlier efforts to break the power of the free market: in 1980, according to official figures, 7-10% of the North's food consumption and fully 50% of that in the South was supplied through the free market. Not only did the occupation of Kampuchea seriously expand the scale of Vietnam's existing economic problems, it added qualitatively new ones through the tightening strangler of relations with the Soviet Union and COMECON, particularly since 1978. The Soviet bloc was both willing and able to supply the military aid essential to the invasion. The continued occupation of Kampuchea and the consequent loss of other sources of international aid rapidly turned this relationship into the chief pillar of Vietnam's economy.

COMECON and the USSR made good, in purely monetary terms, much of the lost trade - the sum of $2 billion from the USSR in 1980 alone. But 55% of this total consisted of military supplies, and the assistance itself took the form of loans not aid. This not only increased the already existing burden of having to devote much of Viet Nam's productive capacity to exports in order to pay off interest on foreign debts (debt servicing rose from $4 billion in 1970 to $204 million in 1980, beyond the ability of Vietnam's export earnings to pay). More importantly, the reliance on a single set of foreign creditors meant facing the economy to the Soviet market. The effect was to further disrupt the key sectors of agriculture and light industry, accentuating shortages for the Vietnamese people, further blocking any advances in economic construction and accelerating the growth of debt peonage to the Soviet bloc. Plastics, medicines, textiles and handicrafts were produced in Vietnam for immediate delivery to the USSR; Southern factories were given over to producing, for Soviet-bloc markets, cloth from Russian yarn or plastics from East German chemicals. The New Ministry of the Decade, considered as the vanguard of socialist agriculture in the South, gradually moved to the production of cash crops for expert (rubber, coffee)- and while the Vietnamese people faced malnutrition, Russian trawlers fished Vietnamese waters and 325 tons of pork a month were shipped to the USSR.

POPULAR UNREST

The return to a war footing not only aggravated the economic dislocation with its attendant food shortages and inflation, it also meant the intensification of bureaucratic controls into a comprehensive militarisation of social life. Military conscription was accompanied in March 1978 by a general mobilisation order to build national defence, increase production and advance socialist management. The order involved everyone in two days' military training a day and in a campaign to promote the rigid centralisation of all activity. Despite this, the fact that camps in the South were said to have released 90% of their 15,000 detaine s by 1978, the attack on the Southern free markets and a 1979 directive prescribing forced labour for people guilty of "anti-social" behaviour simply "distributed" large numbers of people into a kind of rural house-arrest in the New Economic Zones.

Resistance to economic hardship and militarisation of life ranged from active opposition to flight. If it is assumed that at first most of the Vietnamese "boat people" were those who could expect little sympathy in a socialist country, this was less and less the case from 1979 onwards. One quarter of a million refugees left the Socialist Republic of Vietnam (SRV) from 1975 to the end of 1977. The same number fled in 1978 alone, and in 1979 the annual total rose to 300,000. The bulk of these were ethnic Chinese, but by no means all were businessmen fleeing the clampdown on the Southerners free markets. Of the 160,000 who crossed into China from the North in 1978, many were skilled workers and technicians. Coal production fell by 800,000 tons because 90% of the miners had been ethnic Chinese; the port of Haiphong came to a standstill for the same reason. During 1980, moreover, reports from both China and Hong Kong indicated that the continuing flow of refugees who consisted of 90% ethnic Vietnamese, including workers, students, doctors, the unemployed and army deserters.

More active forms of opposition came from the semi-organised national minorities who remained in the SRV (particularly in the Central Highlands). This opposition increased after 1978 to constitute...
a genuine security threat, reaching the stage, in 1981, of formal coordination with the resistance to the Vietnamese in Kampuchea and Laos. But more worrying for the authorities was the steady growth from 1978 - not just in the South but more particularly in the Party's very "rear base" in the North, where the food problem and other shortages were most severe - of crime, anti-government graffiti, food demonstrations and riots, peasant unrest and, unprecedently, industrial struggles (the coal mines in 1978; shipyards and steel plants in 1979).

Such struggles have necessarily had their counterpart within the Party. Renowned for the monolithic cohesion of its top leadership, the VCP has suffered a series of top-level defections - from Hoang Van Hoan, a Politburo member, in July 1979 Leadership fears is any linking up of a sizeable opposition inside the Party with the spontaneous popular resistance. As Hoang Tung, editor of the Party daily, recently remarked, "One has to prepare in time, otherwise one can have a Poland on one's hands". (4)

"LIBERALISING" THE ECONOMY

The attempt to avert such a possibility involved a radical revision of both Party membership and economic strategy. The influx of military and youth members into the Party represents not only a tightening of Party discipline but also a marked increase in the proportion of its educated, technical and managerial cadres. This shift was con-

Closed shops in the Chinese section of Ho Chi Minh City in July 1978 after decree limiting private trading

and Le Hao, Paris head of the Vietnam News Agency in 1980 to Truong Nhu Tang, justice minister in the PRG, and Chau Tam Loan in 1981, an important "third force" figure in the South and ex-

vice-president of the Association of Patriotic Intellectuals.

These defections were only the most dramatic evidence of growing opposition at every level of the Party. While each year since liberation has seen a new "purification" campaign within the Party, these were largely public relations exercises to redeem widespread political failures, bureaucratic incompetence and corruption by weeding-out appropriate scapegoats - the "Party uneducated" in 1976, the ethnic Chinese in 1977, those who "misuse their office or regard office as a reward" in 1978. But from May 1979 into 1981 the VCP launched a thoroughgoing review and re-

qualification of members aimed at "the detection and purge of ... enemy spies infiltrated into our ranks, those who refuse to apply the line of the Party or the State, those who indulge in factionalism ...". (3) To date, only 700,000 of the original 1.6 million members have received Party cards and 70% of the new members are from the military or the Communist Youth League. What the
at socialist economic transformation. Instead it concentrated on freeing the field for small-scale private production and the operation of the market in the hope that this method of developing the productive forces might be more successful in pulling Vietnam back from the brink of starvation and helping pay the price of its Kampuchean venture. The Second Five Year Plan was publicly declared a failure, the strategic goal of large-scale production deferred indefinitely and further agricultural collectives abandoned. More significantly, cooperatives were both encouraged to lend families unused plots of collective land for private production on a two or three-year basis, and permitted to sell their produce on the free market wherever the state was unable to supply essential agricultural materials or consumer goods. Given the shortages of such commodities, this was a direct incentive to the expansion of the free market encouraged by the VCP, which now abolished the control posts in the South set up in 1978 to check the unofficial circulation of goods. To stimulate production of consumables, in fact, the Party also suspended further socialisation of light industry and encouraged small private capitalists to organise production and sales on a local level. In order to preserve a possibility of state competition and encourage small scale production, the agricultural surplus, the state food-purchasing price was moved closer to the free-market prices. Finally, since this would mean higher prices for the urban population, piece-work and bonus schemes were introduced for industrial workers to allow them to increase their wages through increased productivity.

The effects of these measures were immediate: a massive growth in both the free market and inflation but with no corresponding increase in food production. The army was apparently the only cooperative work such as water-conservancy was abandoned, forests arbitrarily burnt to clear 'unused' land for private farming, food production sacrificed for more lucrative crops and the cooperatives deserted by the richer peasants for more profitable trading ventures. The UN Food and Agriculture Organisation recently estimated that between October 1980 and September 1981, Vietnam would face a food deficit of 4.4 million tons of paddy. The effects have been even worse for the third of the population living in the cities, culminating in food riots during the year. The state remained unable to provide essentials at the official prices and the acute shortages plus the rise in food prices accelerated inflation. Many workers were unable to increase their income proportionately since their productivity was limited by power shortages and dependence on imports for raw materials and equipment. The large numbers of unemployed naturally had no defence against inflation, while cadres, professionals and state employees found survival increasingly hard on their fixed salaries. Various remedial measures since last summer have done little to mitigate these effects, the Hanol planners accepting the IMF's analysis that increases in Vietnam's inflation are inevitable until the stimulus to private production has made good the shortages of essential commodities. While some efforts have been made to regulate the worst excesses (by restricting the size of private trading businesses and by banning price competition between the state and private sectors in some key commodities), the essential tenor of the recent reforms is to continue reducing direct State and party control of economic life. Control of foreign trade has been delegated to the authorities of the four principal cities, which have been given the right to use as they wish 70% of the foreign exchange earned by them. Since November, financial autonomy has been granted to all state enterprises, together with one-man management by technical experts backed up by, but above the control of, the local Party branch. In the same month the Party committed itself to the gradual abolition of official food subsidies - enormously expensive following the increases in the State purchase price - which can only increase hardship or, if a general wage increase were granted, further fuel inflation. It is unlikely that this "private enterprise from below" will be any more successful than "revolution from above" in raising levels of production to a significant degree. At the very least, such policies would require a massive injection of investment into agriculture and light industry that cannot be expected from Vietnam's sole remaining patrons in the Soviet bloc. On the contrary, COMECON members are already reluctant to meet the SRV's requests for manufactured goods unless it steps up its exports of agricultural and handicraft products, while the USSR has talked of increasing the cost of crucial imports like oil and of providing 40% less aid for the new Five Year Plan.

Sustaining the occupation of Kampuchea has in fact been the decisive factor in the complete overturning of Hanoi's objectives and ambitions. On the one hand, the drive for socialist modernisation within twenty years has been jettisoned in favour of efforts to push small-scale production openly along the capitalist road with its attendant aggravation of regional and class inequalities and economic hardships. For the masses. On the other hand, Vietnam's neo-colonial ambitions in Indochina have only compounded its own neo-colonial yassagle to the Soviet Union. The bright future of the Vietnamese people in 1975 has now become the bleak official prospect that "we will be poor and we will be hungry until the end of this century" (6).

Martin Jordin

NOTES

1. The principal sources for this article are the following:


Exploitation of the Kampuchean conflict by the Vietnamese state in the Kampuchean war is a relevant point regard the Vietnamese."
Exploiting the weakness of the Kampuchean people, mistreated and suffering under the Pol Pot regime, the Hanoi imperialists invaded Kampuchea. They continue to cling on in their occupation, exploitation and dictatorship while refusing to take part in the International conference to resolve the Kampuchean problem. Above all, they ignore the relevant UN resolution.

The Hanoi leaders (old hands at the conference table since the Paris talks of 1973 during the Vietnam war) persevere in their efforts to get the ASEAN members to accept the Kampuchean situation as a fait accompli through the political gambit of a so-called 'regional conference'. The ASEAN countries, however, continue to insist that the Kampuchean conflict is not a local conflict and that its resolution depends on the attitude of the superpowers, particularly that of China and the Soviet Union.

This year again, as the UN session on credentials draws near, the Vietnamese invaders and their puppet government in Phnom Penh are rushing to set up institutions that might legitimise their occupation - an occupation that is still internationally condemned and will continue to be so. These institutions include the 25-year Vietnam-Khmer Friendship Treaty, a constitution, an election and finally a party called the People's Revolutionary Party of Kampuchea. Imposed on the Kampuchean people, these institutions are, as always, mere camouflage to mislead international opinion, and entirely without legal standing. The reality inside Kampuchea is quite different - a friendship treaty with the occupying country; a constitution modelled on the Vietnamese (Chapter I, article 10: The People's Republic of Kampuchea strengthens the bonds of solidarity, friendship and co-operation with Vietnam, Laos ...); an election imposed on the people, without opposition parties and with candidates chosen beforehand by the Vietnamese; and above all the prisons increasingly filled with Khmer intellectuals. Some of this escapes the notice of Kampuchan whatever their class or political affiliations.

The Hanoi leadership recently increased their troops in Kampuchea. Some estimates suggest that as many as 10,000 - a full division - have been moved in. (Reuters, 15.4.81). This is not surprising: 10,000 more people to serve Vietnam's strategic and expansionist objectives and 10,000 less to feed in Vietnam.

Although barely recovered, the Kampuchean people are determined to struggle to free themselves from the domination of Vietnamese imperialism, whatever the cost. Many Kampuchans under Heng Samrin's rule may be willing to give surreptitious aid to Son San's guerrillas (Washington Post Service, 18.5.81). Concerning the United front, Prince Sihanouk has made it clear that he views the