The Lessons of Le Kha Phieu: Changing Rules in Vietnamese Politics

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In the run-up to the Vietnam Communist Party’s (VCP) 9th Congress, in April 2001, General Secretary Le Kha Phieu lost in his bid to be either re-elected for a full five-year term or, alternatively, be elected to serve out a five-year term and resign at a mid-term congress in 2003. The Central Committee’s rejection of Phieu says a lot about the evolution of the Vietnamese political system.

In February 2001, with the economy stagnant, Phieu was under fierce attack. Following the conclusion of the first session of the 11th Plenum, in February, press reports stated that Phieu was “99 percent likely to lose his job.” A key decision by the Central Committee that no one over the age of 65 would be re-elected at the congress in order to rejuvenate the leadership, seemed to confirm that the 67 year-old Phieu was to be replaced. Yet Phieu launched a furious counter-attack and soon thereafter, exceptions for the mandatory retirement age were being made for “key cadres.” Capitalizing on the wave of violent demonstrations by ethnic minorities in the Central Highlands in February 2001, the General Secretary was able to convince the leadership that with such serious political unrest, the country was not ready to change its leadership. Playing on the leadership’s over-arching concern for stability, by the end of the second session of the 11th Plenum, it looked like his job was secure, that he would keep his position, finish a face-saving full five-year term. In mid-April, two-thirds of the politburo voted to re-elect Phieu to serve until a mid-term congress in 2003, but at the 12th Plenum on 17 April, the full Central Committee overturned the politburo’s decision (in itself a rare event) and voted to oust him.

What did Le Kha Phieu do wrong? How did he not get re-elected to either a full five-year term, or even a face saving completion of his five-year term? Why are General Secretaries not carried out of their offices in coffins anymore? There are many reasons. Clearly he made many mistakes. Years ago leaders were not punished for poor

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1 The author would like to acknowledge the Institute of Southeast Asian Studies, Singapore, where a portion of the research for this paper was conducted in July 2001.
4 “Vietnam Number One in Fightback as Party Sets Date for Congress,” AFP, 24 March 2001. As a senior party spokesman said, “As we discuss the age limit it’s important that we not be too rigid.”
performance or failed policies, nor were they reprimanded for abusing power. Senior leaders were autonomous and nearly immune from both public and intra-party scrutiny; this is no longer the case. But in Phieu’s case, it was not just self-inflicted wounds that ended his career. We have to look for changes within the Vietnamese political system itself. This is not a static system and the rules have changed.

This paper will begin with an analysis of some of the systemic factors that played a roll in Phieu’s downfall, including his inherent political weaknesses, the growth of provincial power, and economic recession, before addressing Phieu’s own mistakes, such as abuse of power, political corruption and wanton ambition.

1. Systemic Factors

A. A Compromise Candidate in a Changing Political Environment

Le Kha Phieu was weakened from the start. He began his tenure as General Secretary mid-term after a protracted leadership dispute, and he was clearly selected by matter of default. He had no broad base of support, but was rather a compromise candidate. He was elected amidst political gridlock and a fierce power struggle that was crippling the Vietnamese leadership. Although some of that stalemate was truly based on ideology, much was the fault of the Vietnamese political system that strives to artificially create a balance in the system and inherently has a degree of gridlock built into the system.

Even before the 8th Congress, in June 1996, the leadership was mired in a political stalemate. None of the ruling troika, General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet, was willing to voluntarily retire without concurring moves by the other two. Doing so would have left their less politically skilled proteges weak and vulnerable. Thus the ruling troika remained in place until the fall of 1998, when President Le Duc Anh and Prime Minister Vo Van Kiet stepped down. General Secretary Do Muoi retired, not altogether willingly, at the mid-term congress in December 1997, under intense pressure from the Central Committee who saw him as too ideological and dogmatic to resolve the country’s economic crisis.

Le Kha Phieu was elected as Muoi’s successor, but he was clearly a compromise candidate as the “political gene pool” in Vietnam is very shallow. Successors to Kiet and Anh were easily found and appointed. But for the post of General Secretary, there were few people who were “eligible” candidates. If one analyzes the 18-man roster of the Politburo elected at the mid-term Congress in December 1997, this is evident.

1. Le Kha Phieu: Head of the VPA General Political Department and member of the Politburo Standing Board. One of two leading candidates for the post of

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General Secretary.

2. **Tran Duc Luong**: Was just elected President at the National Assembly session in September 1997; also a member of the Politburo Standing Board.

3. **Phan Van Khai**: Was just elected Prime Minister at the National Assembly session in September 1997; also a member of the Politburo Standing Board.

4. **Nong Duc Man**: Was effectively doing his job as head of the National Assembly, moreover he is an ethnic minority, not an ethnic Vietnamese which was seen as a liability.

5. **Pham Van Tra**: Just assumed the position of Minister of Defense, and was the senior VPA official on the Politburo after Doan Khue’s death.

6. **Nguyen Manh Cam**: The Minister of Foreign Affairs was weakened politically after his failed bid for the presidency in 1997. He was an un-charismatic figure and did not have a broad-base of support.

7. **Nguyen Duc Binh**: Though a very powerful figure as head of the top party school, he was seen as being too ideological, and too old for the position.

8. **Nguyen Van An**: Though relatively new to the Politburo, he was the powerful head of the Central Committee’s Organization Department, and was one of the front-runners for the position of General Secretary.

9. **Nguyen Thi Xuan My**: Had too little experience on the Politburo. As the first woman on the Politburo, her position on the body had more to do with tokenism then capability.

10. **Truong Tan Sang**: He, too, was fairly new to the Politburo, though he was clearly being groomed for bigger things. An advocate of further economic reform, he is mistrusted by party conservatives.

11. **Le Xuan Dung**: The Hanoi Party Chief was in ill health and had been criticized for his handling of the economic downturn in Hanoi.

12. **Le Minh Huong**: Was new to the Politburo and ensconced as the Minister of Interior.

13. **Pham The Duyet**: Though a long-serving Politburo member, he was often rotated through positions and was not considered to be overly competent. He was at the time the only Politburo member without portfolio. Though he clearly aspired to the post, he did not have the support needed to be elected General Secretary.

14. **Nguyen Tan Dung**: The Deputy Prime Minister was also the Bank of Vietnam Governor, and was clearly being groomed for bigger things. He was young and did not have a lot of experience on the Politburo, though he was on the Politburo Standing Board.

15. **Phan Than Ngan**: Elected to the Politburo at the 4th Plenum.

16. **Phan Dien**: Elected to the Politburo at the 4th Plenum.

17. **Nguyen Minh Triet**: Elected to the Politburo at the 4th Plenum.

18. **Nguyen Phu Trong**: Elected to the Politburo at the 4th Plenum.

When one took into consideration people’s current posts, their ideological position, rank, age, experience on the Politburo, there was only a choice between Nguyen Van An and Le Kha Phieu for the post of General Secretary. In the end Phieu was able to cobble
together more support than An, who himself, was a relative newcomer to the Politburo. Phieu, who was very ambitious, and already running the day-to-day operations of the party in his capacity as the secretary of the Politburo Standing Board, was in a better position, and certainly worked hard to win the support of the other members of the Politburo.

But the Politburo remained clearly divided along factional lines. Le Kha Phieu attempted to straddle the fence, pleasing neither camp. Phieu was elected, more or less, by default, not because he had a large base of support, or was able to cobble together a coalition of various factions. Just the opposite, no faction was able to dominate the carefully and artificially crafted Politburo.

B. A Broad-Base of Power

Besides being elected by default, Phieu had another inherent weakness, which has more to do with the maturing of the Vietnamese political system. Without a broad base of power, Phieu entered office handicapped.

The current generation of leaders, of which Phieu is one, are technocrats with neither broad-based experience nor the resulting patronage networks. Le Kha Phieu, like Prime Minister Phan Van Khai and President Tran Duc Luong, really did not have the authority (and more importantly the patronage networks running through the party, government, and military) that his predecessors did. The Vietnamese political system is based on patron-client ties: the relationship between two or more individuals of unequal rank or stature. In return for support and protection, the client owes his patron unquestioned loyalty and support. Because General Secretary Do Muoi, President Le Duc Anh and Prime Minister Vo Van Kiet came to power during the war years, they all wore a combination party, military and government hats. The party-military-government elite at that time really was an elite. There were ideological and strategic differences and personal rivalries to be sure, but it was a small group, who went through a formative period together. And they all had very broad experience. The current leadership, the fourth generation, came of political age during a period of stagnation when their predecessors refused to give up power- most importantly their patronage networks- the nomenklatura. They were brought up through the ranks because they were “clients” who never had enough authority or opportunity to really be “patrons” in their own right. What gave Le Duc Anh authority and power as president, was not his positional power, in Putnam’s terms, but his decisional power. As a senior general and former Minister of Defense, he had vast patronage networks throughout the military. Though constitutionally as powerful as his predecessor, the current President, Tran Duc Luong, has little power over the military that he technically commands because he does not control any of the patronage networks throughout the armed forces. He has never promoted protégés or done anything to ensure unwavering loyalty to him.

Phieu, like his contemporaries was brought up in “line” as technocrats; i.e., Phieu was just a military political commissar, nothing else, his entire career, until the end, when he was promoted so rapidly, that he did not have time to consolidate his power.

Their predecessors’ experience was wide though not deep. They rotated through different positions across different branches of government-party-military during the war years. Do Muoi, for example, served as a labor leader, oversaw the socialization of the south, served in various economic ministries, as prime minister, and in various party positions. Nguyen Van Linh served on the Politburo, Secretariat, as an underground leader in the south during the war and as Ho Chi Minh City party chief. These long and varied careers introduced them to a lot of people. And power in Vietnam is nothing but personal. The current leadership had no such broad experience and it shows. In short, the current top leadership does not have the leverage or personal pull over their colleagues.

Le Kha Phieu was a compromise candidate and came in without patronage or clear support. He was a weak leader who needed to broaden his core constituency beyond the military. Indeed, within the military, his influence was confined to the General Political Department, and it was long reported that he had poor relations with the leaders of the General Staff Department such as Le Duc Anh and Doan Khue and the nine regional military commanders. To this end, he tried to appeal for the support of both reformers and conservatives. For fear of alienating one group, he tended to sit on the fence, weighing in at the last moment, and tried to build consensus between these disparate factions, endearing himself to neither.

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9 At the 8th Party Congress the Secretariat was disbanded as their was a significant degree of overlap in its membership with the Politburo. In its place, a five-member Standing Board on the Politburo was established. This arrangement proved to be unworkable, and after a 5-year experiment, the Secretariat was revived at the 9th Congress in 2001.
C. Poor Performance

Traditionally the Communist Party has relied on its leadership during the long struggle for independence, its victories over the French, Americans and Chinese, and its successful reunification of the country to legitimize its continued rule and monopoly of power. But following years of economic malaise, triple-digit inflation, food shortages, resistance to collectivization in the countryside, and diplomatic isolation, the regime began to lose much of its legitimacy. As a result, the Party adopted an economic reform program in 1986 known as *doi moi* that saw the decollectivization of agriculture, the adoption of a quasi-export-led growth strategy of development, the courting of foreign investment, and the breakdown of central planning. As a result of these fundamental reforms, the economy grew at an average annual rate of 8 percent in the decade between 1986 to 1996. Though still a poor country, per capita GDP remains under $400, the economy grew each year and, as a result, the population began to expect a certain rate of economic growth. People began to link the regime’s legitimacy to economic performance and, importantly, their own standard of living. Political legitimacy was no longer rooted in national struggle, but economic growth and poverty eradication.

On top of this, the regime is confronted with an increasingly youthful population: by 1999, over half the population was under 30 years of age and hence had no recollection of the war or the party’s political leadership during that crucial period. With such a young population with greater exposure to the outside world and awareness of Vietnam’s relative socio-economic standing, the party’s constant attempts to justify its continued rule and hold on power based on historical grounds was increasingly untenable.

Yet during Le Kha Phieu’s tenure, the economy clearly worsened. A malaise took hold and *doi moi*, which had such wonderful results initially, petered out for both internal and external reasons. Externally, the Asian Economic Crisis had a devastating effect on the Vietnamese economy as Asian states accounted for 70 percent of foreign investment and absorbed 60 percent of Vietnam’s exports, and the country’s competitiveness dissolved in the face of the region’s devalued currencies. Vietnam did not cope with the crisis well and responded in piecemeal fashion because of a political deadlock and fierce differences on how to proceed; liberals promising reform while conservatives argue that Vietnam can weather the storm without changing. Indeed, the Central Committee’s 5th Plenum, in July 1998, emphasized the mobilization of $7 billion in domestic capital to supplant the fall in foreign investment. Conservatives within Vietnam’s leadership blamed the Asian economic crisis on capitalism, and believed that Vietnam’s lack of integration was a blessing. Reformers blamed the crisis on “crony capitalism,” imperfect markets and too much government intervention. Since the 8th Party Congress in 1996, the Politburo has been deadlocked and unable to implement any bold reforms to stimulate the economy.

Because of Hanoi’s unwillingness to reform, continued operating losses, and rampant corruption, foreign investors began to flee the country. Of the $7.9 billion pledged in the peak year of 1996, only 33 percent was actually disbursed. Foreign investment fell by 60
percent in 1998, and in 1999, declined by another 64 percent, to $1.48 billion down from $4.06 billion in 1998. By October 1999 60-70 percent of foreign firms reported losses from their Vietnamese operations. The economy was growing too slowly to create jobs for the one million new entrants to the workforce each year, while unemployment, now in the double digits, is already a problem. Exports are down and the dong is over-valued. The trade deficit was over $1 billion in 2000, 150 percent higher than estimated. The banking sector is in crisis and 46 percent of state-owned enterprises (SOEs) are in the red, subsidized at huge public expense. Although the economy is currently growing at 4-5 percent, it is only half the rate of first half of the 1990s and barely enough to keep pace with the country’s population growth. Angry at the slow pace of reforms, the World Bank and IMF held up some $500 million in loans in 1999 and an additional $700 million in 2000 until Hanoi adopted a “more comprehensive approach to reform.” The Prime Minister, Phan Van Khai raised the alarm, but the Politburo, bitterly divided along factional and ideological lines, was unable to come to an agreement on the direction of the reform program.

There is no consensus on which steps to take: Reformers understand that economic growth is contingent on exploiting Vietnam’s comparative advantage, joining the global marketplace, courting foreign investment and engaging in trade. Ideological conservatives, such as General Secretary Le Kha Phieu, see these as ways that the first world will continue to exploit Vietnam and keep it poor and underdeveloped. “When imperialism speeds up trade and services liberalization and the globalization of investments,” he warned, “the rich countries become richer and the gap between rich and poor countries widens.” Conservatives see economic interdependence as the West’s tool to undermine the VCP’s monopoly of power and reforms, such as privatization of state-owned assets, as a challenge to the authority of the state as well as its ideological underpinnings. Moreover, foreign competition will bankrupt many state-owned enterprises causing massive unemployment and social unrest.

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17 Peasants began to protest against the appropriation of land by corrupt local officials for themselves, families and friends, and the imposition of arbitrary fees and taxes from land usage to “teacher fees” for their children’s schooling, to corvee; an amount that one Vietnamese researcher calculated to total 40 percent of peasants’ income. Peasants, on a nationwide average, must contribute 10 days of labor annually to the state. In all, the total amount of taxes and levies collected between January 1994 and July 1997 were more than dong 176 billion (about $16 million) more than had been authorized by the central government. At the same time, loans to local farmers and businesses in the province fell by 40 percent compared to 1996 and unemployment was skyrocketing. Although the protests were quelled, after dispatching 1,200 police and several Politburo members, that the VCP’s traditional base of support even began to challenge the state caused grave consternation among the elite. For background on the protests, see Dang Phong, “Aspects of
The problem was that Phieu provided no leadership in resolving the country’s myriad of economic woes, equivocating and weighing in at the last moment, and in the end, endearing himself to neither faction. For example, in the midst if this debate and the continuing economic downturn, the politburo rejected a draft trade agreement (BTA) with the United States that would have seen average American tariffs on Vietnamese goods fall from 40 percent to 3 percent; a deal that the World Bank estimated to be worth $800 million in exports to the US in the first year of the agreement alone. While Phieu favored the agreement, his leadership during the debate endeared him to no one. On the one hand, Phieu understood the importance of exports to the Vietnamese economy and the need to penetrate new markets, especially during the Asian Economic Crisis. Yet he was more concerned about the market access and “national treatment” provisions of the BTA, which would give foreign firms the same rights and privileges, end subsidies and protection to domestic firms. In the end, Phieu voted for the agreement, but only after 10 months of fierce debates and concessions to interest groups, especially the Military and Ministry of the Interior. With the exception of the telecommunications sector, which received increased protection, the final agreement included many more concessions by the Vietnamese. Throughout process Phieu angered reformers by not forcing fellow conservatives to support the agreement, and for the further concessions that Vietnam had to make to conclude the agreement. He angered ideological conservatives, who saw the agreement as a threat to the state-owned sector.

Phieu also equivocated on the issue of state-owned enterprise (SOE) reform and privatization. Under Phieu, there was a minimal commitment to privatization of SOEs. At the time of his appointment, Le Kha Phieu asserted that “We understand that the way ahead is full of thorns so we have no choice other than continuing the acceleration of the doi moi course in a comprehensive and concerted way in he orientation to socialism of we want to bring our country further forward.” Though inefficient, the 6,000 state-owned enterprises are the cornerstone of the socialist economy, despite the fact that between one-third to one-half operate in the red. Many in the leadership, including Phieu, cannot fathom any policy that would limit subsidies or subject them to increased foreign competition because unemployment rates in Vietnam are already over 10 percent, and by April 1998, over 8 percent of the 1.8 million SOE employees had been laid off. In addition, at current population growth rates, Vietnam nearly one million jobs per year. Some reform-minded leaders want to scrap the inefficient SOE system and free up the private sector. For example in former Prime Minister Vo Van Kiet’s controversial


21 Kokko, “Ready for Doi Moi II?” 325.
October 1995 letter to the Politburo, he called for the “elimination or any form of business by state-sponsored civil organizations, the party, or armed forces,” and urged a greater economic role for private enterprise. Phan Van Khai, likewise, bluntly stated that “We cannot continue the policy of using state budget and revenues to subsidize loss-making enterprise, it is causing a big burden.” Conservatives believe that the collapse of the SOE system will lead to mass unemployment and political unrest. The SOE system is at the heart of the regime’s legitimacy and must be defended at all costs. Conservatives have focused their efforts on making the SOEs efficient, even profitable.

In sum, Phieu was unable to bridge the gap between the conservative and liberal positions and form a consensual policy. Phieu tended to sit on the fence, only weighing in at the last minute. He tried to be all things to all people. Yet to the liberals, his unwillingness to reform SOEs and his dogmatic ideological stance in the midst of economic doldrums branded him a conservative, while conservatives saw his support for the BTA as a rejection of core ideological values. In the context of a regime that has squandered so much of its legitimacy performance, his lack of leadership and vision was unacceptable and for this provincial leaders who were forced to confront the realities of the economic downturn punished him at the 9th Congress.

D. The Growth of Provincial Power

Being a one party state, it was not the masses who rose up or voiced their displeasure of Phieu’s handling of the economy, his fence sitting, but rather the provincial party leaders. That was clearly seen at the 12th Plenum, in April 2001, when the full Central Committee voted to overturn the Politburo’s decision and unseat Phieu. This is the manifestation of a gradual change in Vietnamese politics: decentralization and the growth of provincial power vis-à-vis the center.

When the country was reunified in 1976, the country was very decentralized: there were some 70 provinces, the country was divided into war zones, and basic infrastructure was devastated, making coordination and policy implementation difficult. In 1976 there was an attempt to centralize. The number of administrative units (provinces and central-led municipalities) was reduced to 38. The party hoped that a smaller number of larger units would be easier for the center to control and implement policy. Yet the economy worsened and by 1986 was near collapse; bankrupt from the war in Cambodia, racked by triple digit inflation, declining agricultural out-put and chronic trade and budget deficits. Nguyen Van Linh and the new party leadership elected at the 8th Party Congress in December 1986 apportioned much of the blame for the dismal state of the economy to over-centralization, too much bureaucracy, not enough concern for regional variations and circumstances, and too much central planning. Linh then sought to decentralize power, both for economic reasons and political ones. As he confronted a recalcitrant

bureaucracy that did not want to see his reforms that would strip them of much of their allocative power, Linh began to appeal to provincial leaders and work outside of the central VCP apparatus. *Doi moi*, or renovation, was a boon for the provinces. Although Linh did not “play to the provinces” to the extent that Deng Xiaoping did in China, he went to great efforts throughout 1986-1987 to replace the central leadership with more reformist officials from the provinces, and then further won their support by divesting some central authority to the locales. Stern argues that “Linh’s appeal for a wider use of extra-party entities and his support for increased representation for local level party bodies in setting the individual reformist agendas, were singularly unpopular with a central committee that was intent upon strengthening ties and true chains of command.”

Provincial power and autonomy grew substantially throughout the early-1990s, to a degree that alarmed the party, both reformers and conservatives. Between 1976-1990 there was only a net increase in provinces by 2. The 40 provinces were very large and autonomous. Economic reform had made many of them less dependent on transfer payments from the center. Indeed many were so economically successful that they were now resisting paying taxes to the center, that would be used to subsidize other provinces. The mid- to late-1990s saw a series of contests between the center and the provinces that were increasingly unwilling to give up their newfound power. For example, then Prime Minister Vo Van Kiet confronted fierce resistance from the provinces when the central government attempted to gain control over provincial-level appointments and sackings. In the end, the center could not wrest this authority away from the provinces and had to settle for a compromise two-term limit for provincial leaders.

This assertion of authority alarmed the leadership who oversaw the breakdown of many provinces into smaller units: Between 1990 to 2000, there was a 52.5 percent increase in the number of administrative units: from 40 to 61. With the economic slowdown at the end of the 1990s, provinces again began to assert themselves in an attempt to rekindle the economic reform program and grow their economies.

Provinces not only had more clout because of their economic strength but more political clout as well. Since *doi moi* was implemented, the composition of the Central Committee has shifted away from center-level officials to provincial leaders [see Table 1], and the result of this shift in the balance of power has been profound. As David Elliott notes, “Expansion in the number of province party leaders in the face of retrenchment everywhere else is a confirmation of the fact that power in Vietnam is increasingly devolving into what used to be called in China ‘independent kingdoms’.” At the 5th Party Congress in 1982, provincial official only represented 15.6 percent of the Central

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24 For more on Linh’s strategy, see Lewis M. Stern, *Renovating the Vietnamese Communist Party* (New York: St. Martin’s Press, 1993).


Committee. With Nguyen Van Linh’s election to the post of General Secretary, at the 6th Congress in December 1986, there was a 50 percent increase, to 23.7 percent. At the 7th Congress, in June 1991, the number of provincial delegates hit 52, or 35.6 percent of the total. The provincial share of seats dropped slightly to 31.2 percent at the 8th Congress; but for the first time, regional officials, Truong Tan Sang and Le Xuan Tung, the party leaders of Ho Chi Minh City and Hanoi, respectively, were elected to the Politburo. The Central Committee elected at the 9th Congress was dominated by provincial leaders. Currently, 56 of 61 provinces and municipalities are represented, and 41 percent of Central Committee members are secondary or provincial cadres.

Table 1: Provincial Representation in the Central Committee

<table>
<thead>
<tr>
<th>Congress</th>
<th>No. Of Provincial Officials in CC</th>
<th>No. of CC Members</th>
<th>Percentage of the Central Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th (1982)</td>
<td>24</td>
<td>154</td>
<td>15.6%</td>
</tr>
<tr>
<td>6th (1986)</td>
<td>41</td>
<td>173</td>
<td>23.7%</td>
</tr>
<tr>
<td>7th (1991)</td>
<td>52 (47)</td>
<td>146</td>
<td>35.6% (32.2%)</td>
</tr>
<tr>
<td>8th (1996)</td>
<td>53</td>
<td>170</td>
<td>31.2%</td>
</tr>
<tr>
<td>9th (2001)</td>
<td>56</td>
<td>150</td>
<td>41%</td>
</tr>
</tbody>
</table>

What this increase in the number of provincial delegates meant for Le Kha Phieu was considerable opposition to his tenure. There has always been a correlation between high percentages of provincial leaders in the Central Committee and economic reform and growth. It is the provincial leaders who feel the pinch when the economy slows. While the provinces lose foreign investment and export revenue, and not the central government, their transfer payments and revenue transfers to the central government do not necessarily change, increasing the fiscal burdens of the provinces.

Often the provinces are very frustrated with Hanoi and either ignore or circumvent official policy. For example, many southern officials feel that the more ideological north and their majority in the party leadership holds the country back. Hanoi’s ideological rigidity and social conservatism infuriates the more freewheeling capitalist south, who believes that politics has greatly interfered with economic development. In May 2000, so frustrated was Ho Chi Minh City over the red tape in Hanoi which it felt was driving foreign investors out of the country, that it announced that it would unilaterally approve

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27 Though Hanoi and Ho Chi Minh City party chiefs now seem to be a regular fixture on the Politburo, nonetheless, there has never been a provincial party chief on the party’s ruling body. I assume this is because the party is concerned that regional party leaders are already too powerful, in their own right.

28 Although the largest percentage of those who were dropped from the 8th CC were provincial leaders, 47 percent, a very high turnover rate for them, it was simply turnover, and not an overall loss of seats.
foreign investments if the approval process in Hanoi took more than two weeks.\(^{29}\)

So how did this affect Le Kha Phieu? Let us revisit what happened in the run-up to the 9\(^{th}\) Congress.

As mentioned above, in January and February 2001, with the economy stagnant, he was under fierce attack and the press reported that Phieu was “99 percent likely to lose his job.” Yet, capitalizing on the wave of unrest in the Central Highlands, Phieu was able to play on the leadership’s over-arching concern for stability and convince them that the time was not ripe for a leadership change. Following the conclusion of the second session of the 11\(^{th}\) Plenum, it looked like his job was secure and in the days before the 12\(^{th}\) Plenum, two-thirds of the Politburo voted to re-elect Phieu to serve until a mid-term congress in 2003. But at the 12\(^{th}\) Plenum, days before the 9\(^{th}\) Congress was to begin), the full Central Committee rejected the Politburo’s decision and voted to oust him. Phieu could not even garner 50 percent of the 170 Central Committee delegates. With 31 percent of the CC comprised of provincial leaders who were steadfastly against Phieu, it was easy to get an additional 20 percent of the remaining members to vote against the General Secretary.

Clearly the provincial leaders felt the pinch from 5-6 years of economic slowdown were cognizant that the status quo would lead to a continued economic malaise and that without a change in leadership, there would be no policy innovations. Once quiescent and following the center’s line, provincial leaders are now far more assertive and willing to advocate on behalf of their constituency.

2. Self-Inflicted Wounds

A. Ambition

Whereas there have been structural changes in the Vietnamese polity that help to explain Phieu’s downfall, much of it can be explained in terms of self-inflicted wounds. These include corruption, foreign policy orientation. But no explanation is more important than his ambition. Le Kha Phieu was an inordinately ambitious man. Phieu actively campaigned for re-election to a degree that has never been seen in Vietnam. This in itself is not a bad thing, but how he tried to consolidate power really ran against the grain of the Vietnamese political system.

First, there were widespread reports that Phieu tried to consolidate his power even more by changing Communist Party statutes so that he could concurrently assume the position of president and party General Secretary.\(^{30}\) Both the General Secretaries of Communist Party of the Soviet Union Mikhail Gorbachev and the Chinese Communist Party Jiang Zemin did this so that they could assume a more high-profile international position. It seems that Phieu had similar intentions and by many press accounts he was infuriated

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during an official visit to France in May 2000 that he was not treated as a head of state. There was another incident where a foreign diplomat was summoned to Le Kha Phieu’s office where he was reprimanded for going to the Prime Minister to complain about deteriorating investment conditions. “It is me who makes decisions,” shouted Phieu. Again, though the General Secretary is *primus inter pares*, there is a tradition of collective leadership and power sharing.

There were reports that opponents to Phieu tried to thwart his ambition by proposing to abolish the post of president altogether, but this was seen as too disruptive and quickly abandoned. Efforts then were made to thwart Phieu’s unpopular attempt to consolidate power. As the VCP has always prided itself on collective leadership, any attempt by one individual to overtly consolidate power is seen as “anti-democratic” behavior and eschewed. As a spokesman for the Central Committee diplomatically explained, “In our experience we don’t want one cadre to take both responsibilities to avoid confusion between the leading function and the managerial function.”

The second mistake Phieu made in his attempt to sure up his power, was to attempt to abolish the position of Advisor to the Central Committee, a position occupied by the former General Secretary Do Muoi, the former President Le Duc Anh and the former Prime Minister Vo Van Kiet.

Tensions between the General Secretary and the senior statesmen who appointed him were rife as they continued to intervene in key decisions. Do Muoi often weighed in on issues, notably during the Thai Binh peasant unrest in early 1998. Muoi was also an outspoken critic of the BTA, which he felt gave too much to the Americans and would leave Vietnamese firms vulnerable to competition to American firms. Le Duc Anh was not as vocal in his dealings with Phieu, but they traditionally had poor relations going back to their days in Cambodia, when Phieu was the political commissar of Vietnamese troops, ostensibly the number two person behind Anh, though Anh and his protégé and chief-of-staff Doan Khue often clashed with Phieu. Vo Van Kiet was under fierce attack by ideological conservatives who circulated a 17-page unsigned and undated letter addressed to Le Kha Phieu, Do Muoi and Le Duc Anh. The letter warned of factionalism and corruption, and lamented the party’s loss of credibility, reiterating fears of peaceful evolution and CIA-sponsored attempts to undermine the leadership of the country put all the blame for the country’s problems on the reformers. Yet Kiet remained a powerful figure and the patron of reformist leaders who were critical of Phieu.

For many reasons, Phieu wanted this position abolished in order to give him a freer hand in policy-making. Did Phieu simply think that he could just convince delegates to the 9th

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31 Only once before had one person held both positions, and that was only temporary: Following General Secretary Le Duan’s death in July 1986, President Truong Chinh assumed his post until the 9th Party Congress convened that December.
33 The letter, signed by “party veterans,” complains that Kiet left SOEs “half-dead,” and decries promotions based on merit over party rank. In terms of corruption, the letter quotes former General Secretary Nguyen Van Linh as saying, “If you want to fight against corruption, you have to start from Kiet’s family.”
Congress to eliminate the position?

Phieu’s mistake is not that he underestimated their continued influence and power, but that they could act in concert. Muoi, Anh and Kiet were never on the same ideological page. But clearly when the three decided that Phieu had to go, the general secretary had no idea that all three were working so concertedly to unseat him.

Ironically, once Phieu was unseated, the new General Secretary Nong Duc Manh made the abolition of the post one of his key conditions for accepting the position. Very clearly, Manh did not want party elders weighing in on policy issues as had been the case with Phieu. Moreover, although Phieu fought to abolish the position, once it was clear that he was not going to be re-elected he fought to be appointed “advisor.” Manh would have none of it and demanded that Phieu would have no such advisory role.

Regarding their influence behind the scenes before and during the Congress, Kiet was blunt. “We found that the proposed party central committee for this congress was even higher than for the last congress so we proposed that the average age of the Central Committee of the new congress must be younger or certainly no higher than the last congress.” The letter that the three circulated explicitly accused Phieu of “failings in party and state management.” “It is a perfectly normal part of our work for one, two, or even all three advisors to contact party members or write letters to the politburo. That is normal,” stated Kiet.

Phieu was guilty of naked political ambition. Phieu’s overt campaigning for the job did not sit well with many in the party; but when he tried to further consolidate his power by concurrently serving as the State President and by eliminating the power and influence of party elders who often interfered and served as a check on Phieu, he went too far. It was not simply his ambition that resulted in his sacking, but the means to which he sought to achieve his personal political goals.

**B. Corruption**

One of the leitmotifs of Le Kha Phieu’s tenure was anti-corruption and party rejuvenation. Phieu was truly appalled by the degree of corruption within the country, and in particular within the Communist Party’s own ranks. Phieu argued that such endemic corruption was the root cause of the VCP’s loss of legitimacy and the people’s faith in the party’s leadership. As Huu Tho, the head of the Central Committee’s Ideology and Culture Commission, admitted that “The Party Central Committee showed great interest in the depravation in living styles of a part of our cadres and party members,” as such practices “will be harmful to economic development and will make us lose the trust

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34 Denying that this had been Manh’s precondition, Kiet stated that “I myself will be stepping down because of my years and because I am past retirement age.” “We advisors could not have any pressure whatsoever whether we will continue or not.” AFP, “Vietnam Kingmaker Denies Coming Under Pressure to Stand Down,” 21 April 2001.

Indeed, corruption is endemic in Vietnam, ranked by PERC as the most corrupt country in Asia in 2000, with a score of 9.75 out of 10. Corruption pervades almost every aspect of life in Vietnam. Recent part reports stated that there was evidence of corruption in 43 percent of party cells inspected, and in the past 5 years, 1 percent of party members had been disciplined. In 1999, the Ministry of Finance reported that it was unable to account for $6 billion- or nearly one third- of all state assets.

At the 6th Plenum in May 1999, Phieu launched a 2-year regeneration drive to purge the Communist Party of corrupt cadres and reinvigorate the party with collective ideals. Soon after the campaign began, in July 1999, the party had already expelled 200 members and disciplined 1,550. By November 1999, the courts had heard 526 cases of graft involving 1,100 government officials and businessmen in the first nine months of 1999 alone, while 1,500 local and provincial officials were purged in the year after launching the anti-corruption drive in May 1999. In March 2001, two provincial party chiefs were sacked, but for the most part very few senior level cadres were disciplined, the majority being lower level party officials. Despite these high profile campaigns and daily attacks on corruption in the official press, corruption continued unabated and public perceptions of the party continued to fall, most people believing that the party was the leading culprit if not the root cause of corruption in society.

Phieu, personally, did have a very clean image. He was never publicly identified with graft and by all accounts he lived a modest lifestyle. Unlike most leaders, there were also no corruption scandals or nepotism allegations regarding his family. Many family members of leaders have been able to capitalize on their fathers’ positions for personal financial gain.

But whereas Phieu had a clean reputation in terms of never using his position for personal financial gain, Phieu was notorious for political corruption. He did this in two ways. First he stacked the leadership with cadres from his native province of Thanh Hoa. Every time a leadership position became vacant, Phieu pressed for the appointment of natives from Thanh Hoa. For instance, when Minister of Foreign Affairs, Nguyen Manh Cam retired, most expected that his widely respected and very competent top aide, Deputy Foreign Minister Vu Khoan would succeed him, yet the aging Nguyen Dy Nien, a Thanh Hoa native, was appointed instead. Thanh Hoa natives were also promoted to the posts of Minister of Agriculture and Rural Affairs and the Deputy Minister of the Interior.

The second instance of political corruption, and one that he was explicitly criticized for, was Phieu’s use of a military intelligence unit to spy on his Politburo colleagues. Through wiretaps, Phieu was trying to find out how the members of the Politburo were going to vote. Though it is not clear what Phieu intended to do with such information, one can surmise that he intended to use political pressure or launch smear campaigns on

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those who intended to vote against him. Phieu was explicitly reprimanded for using the security purposes for personal gain. As one of the advisors to the Central Committee, Vo Van Kiet, stated, “My comment is that it is definitely forbidden for anyone, not excluding anyone, to use the [intelligence] apparatus for private purposes. It is wrong, it is a mistake.” Kiet made it clear that “Any person among our leadership detected committing such violations will receive opinions and be criticized immediately. It is forbidden to do that.”

As a result of the phone tapping revelation, which Phieu never explicitly denied, two of Phieu’s closest allies in the military, Minister of Defense Pham Van Tra and Chief of the General Staff Department Le Van Dung received the highest reprimands the party can give at the 11th Plenum’s second session, in the run up to the 9th Congress. Citing “management shortcomings,” even Phieu supported the reprimands of his proteges. Both men were fall guys for Phieu who hoped that their censure would appease his detractors and not jeopardize his bid to be re-elected.

In the end, his abuse of power, use of the country’s security services for his own political gain, and political cronyism to further his own political ambitions were too much for the party to countenance and both loyalists and institutions that sided with Phieu faired poorly at the 9th Congress.

C. Sleeping with the Chinese

One of the most widespread criticisms of Phieu came from both sides of the political spectrum over his foreign policy orientation. Le Kha Phieu was criticized for not implementing a balanced foreign policy, and in particular, leaning too much towards China, thereby compromising Vietnam’s independence.

Vietnam’s China policy is very complex. On the one hand, China is a fraternal socialist state, an ideological comrade and a model for political and economic reform. On the other hand, China is a country that has a several thousand-year history of dominating Vietnam causing a legacy of mistrust and antipathy towards China. Despite ideological solidarity, China poses a serious threat to Vietnam’s territorial integrity and the tortuously slow negotiations to resolve the numerous territorial disputes between the two countries.

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40 Only 5 provinces (of 61) are not represented on the Central Committee, of which Thanh Hoa is one. The head of Military Region 4 which includes Thanh Hoa is no longer a member of the Central Committee. Le Kha Phieu’s protege and successor as Head of the General Political Department was unexpectedly thrown off the politburo, while the military in general went from 4 of 18 seats to 2 of 15 seats on the ruling body. The only real exceptions to the purge of Phieu’s loyalists were the cases of Pham Van Tra, who kept his Politburo seat (though 2 ranks lower), and Le Van Dung, who not only remained head of the VPA’s General Staff Department, but was also appointed to the party Secretariat. There are only two explanations for their continued appointments despite the severity of the reprimands that they received prior to the Congress: the lack of suitably trained successors and the fact that most of the leadership was cognizant that their reprimands were taken on behalf of their political patron.
along their land border, the Gulf of Tonkin and the South China Sea— in particular the Paracel and Spratly islands chains— has reinforced Hanoi’s suspicion of China’s intentions towards Vietnam and Southeast Asia in general.

In order to manage this complex relationship, Hanoi has adopted a two-pronged approach. On the one hand it reinforces ideological and historical ties to China, citing fraternal socialist identity and the dilemmas that both countries face as they try to justify continued communist rule in the face of market reforms and the decline of the ideological basis of their rule. On the other hand, Vietnam has striven not to become dominated by China and it has adopted an “omni-directional” foreign policy that seeks to balance the historical ties to China. In 1995, Vietnam joined ASEAN for a large part in order to “balance” against China. Although ASEAN is not a formal alliance, Vietnam believes that China deemed relations with ASEAN too important for its own development to risk a confrontational policy against one of its members. In short, there would be a “trans-ASEAN” cost that would moderate China’s Vietnam policy. Likewise Vietnam has tried to improve ties with other states including Russia, Japan, India and the European Union.

Le Kha Phieu upset this careful diplomatic balance and clearly put much more emphasis on maintaining ties with China. On the one hand, there was an economic rationale for his behavior. Vietnam was clearly interested in learning from the Chinese reform experience, especially in regards to the role of the private sector and reforming or privatizing SOEs. This could be seen in the number of visits of Vietnamese leaders to China, including very high profile delegation led by the Politburo’s top ideologue Nguyen Duc Binh. On the other hand, Phieu truly seemed more comfortable in dealing with China and believed that closer ties with China would help resolve their longstanding territorial and other bilateral disputes.

Phieu came under attack for this, because most Vietnamese policy makers do not believe that China will ever reward Vietnam for its quiescence and deference. In their eyes, for Beijing, such behavior is simply expected of a former vassal state. Yet, Phieu went out of his way to defer to China’s concerns, and to many in the government, to such a degree that Vietnam’s sovereignty seemed to be in doubt. There are many examples of this.

In the days before US Secretary of Defense William Cohen’s, long delayed trip to Vietnam, in February 2000, Phieu made an unannounced trip to Beijing to meet with the Chinese leadership and assure them that Cohen’s visit was in no way directed at China and that Vietnam was not seeking to join in Washington’s “containment” of China. Likewise, one of the explanations of the Vietnamese Politburo’s 10-month delay in approving the BTA was said to be Phieu’s concern of offending China. China was currently at an impasse with the United States in its negotiations over WTO membership,

42 Nayan Chanda, “Friend or Foe.” FEER, 22 June 2000, 32.
43 Zachary Abuza, Coping With China (Ph.D. Dissertation, Tufts University, 1998).
and Phieu did not want to one-up Beijing.\textsuperscript{44}

Phieu also came under intense criticism for intervening in the negotiations over the demarcation of the oil-rich Gulf of Tonkin. At a summit in Beijing in December 2000, Phieu gave into to Chinese pressure and acceded to the Chinese demarcation. He did this without any prior approval of either the Politburo, Central Committee or even the Ministry of Foreign Affairs, which had been conducting the negotiations to date. For most in the Vietnamese leadership, Phieu’s unauthorized actions amounted to a sell out of Vietnam’s sovereignty and territorial integrity- a treasonous act. If nothing else, the fact that he made the agreement without any prior authority or approval from the Politburo, Central Committee or National Assembly, the leading organs of party and state, suggest that Phieu believed himself to be above these institutions, able to act independently, free from the constraints of collective leadership, historically the \textit{modus operandi} of Vietnamese politics.

During this trip to China, Phieu also signed a long-term cooperation agreement that was very pro-China and explicitly anti-American. On most international issues, in particular the tumultuous bilateral relationship between the US and China, Vietnam has tended to side with China and be opposed to the American position.

It did not help Phieu when the Chinese actively lobbied for his reappointment, and it did not go unnoticed at the 9th Congress, when Phieu sat besides Hu Jintao, a senior Chinese leader and likely the next General Secretary of the Chinese Communist Party, and the head of the Chinese delegation to the congress.

Phieu was also roundly criticized for his behavior during President Clinton’s historic visit to Vietnam in November 2000. Clinton, who was the first American President to visit since the reunification of the country, was upbraided by Phieu, who proceeded to give Clinton a 45 minute lecture on American imperialism, Vietnam’s victory and the triumphs of socialism. That Phieu would take such an historic opportunity, in the midst of an economic downturn and when the BTA needed to be concluded, to dwell on the past, led many in Vietnam to believe that Phieu was simply out of touch with reality.

Phieu, likewise blamed the rioting of ethnic minorities in the central highlands in February 2000, which was ostensibly over the allocation of land, corruption, the influx of ethnic Vietnamese coffee growers, and the loss of land for traditional slash and burn agriculture on the Americans. Though the US did accept many of the leaders of the demonstrations as political refugees, following their escape to Cambodia, the US government was in no way involved in provoking the demonstrations. But that Phieu and others in the leadership explicitly blamed the United States is indicative of the regime’s continued reliance on foreign scapegoats rather than confronting the reality that so much popular discontent is the result of their own policies and corruption within the VCP’s own ranks.

\textsuperscript{44} Abuza, “Debating Globalization”: 12-13.
The Draft Political Report that was circulated before the 9th Congress emphasized that Vietnam’s foreign policy orientation would remain focused on socialist and neighboring states. This angered many within the party leadership who wanted a clearer statement about an omni-directional and sought a new foreign policy outlook to reflect the reform process. Phieu, who was in charge of the document’s drafting, was criticized for adopting a very antiquated foreign policy. ASEAN, too, was upset at the curt mention that was given to it, especially as Vietnam was the rotating president of the organization.

4. Conclusion

Although a resolution was passed in the Central Committee’s 11th Plenum in January 2001 that called for an age limit of 65 for all appointments at the 9th Congress in an attempt to rejuvenate the leadership, an exception was made for “key cadres.” Phieu lobbied hard for his re-appointment, to an unprecedented degree in Vietnamese politics. Yet, Le Kha Phieu was unceremoniously dumped from the post of General Secretary of the VCP after completing only three years of a five-year term. He was not even offered the face-saving post of Advisor to the Central Committee, which was abolished in order to deny him a platform from which he could continue to involve himself in policy-making.

This paper sought to analyze both what Phieu did wrong and what systemic changes in the Vietnamese political system account for Phieu’s dismissal. Very clearly, the rules of Vietnamese politics are changing, and leaders, more than ever before are being held accountable for their performance in office, and from different quarters.

On the one hand, many of Phieu’s wounds were self-inflicted. His ambition, overt campaigning for the job, attempt to grab even more power by concurrently assuming the presidency, his abuse of power, use of security forces for his own political gain, and cronyism, did not sit well in a country whose political culture favors collective leadership and shuns overt individual political competition. Constrained by ideology Phieu equivocated on key economic decisions causing an economic slowdown, from which the country has yet to fully recover, while he abandoned the country’s carefully nurtured foreign policy in favor of a pro-Chinese line.

On the other hand, there are systemic changes in the Vietnamese political system that led to Phieu’s downfall. The fact is the Vietnamese political system does not allow for a varied group of talented individuals to make it to the top. The “political gene pool” is very small because people are promoted on the basis of their loyalty to the party rather than innovative thinking. Thus when it comes time to making a leadership decision, often there is not much of a choice. Second, having a broad base of power is important for any top leader. Phieu’s core constituency remained the military, which, in turn was punished at the congress for siding with an individual rather than the collective interest of

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the party. Third, political power has steadily devolved to the provinces, and provincial leaders now dominate the VCP’s Central Committee. Angered by the economic malaise, provincial delegates were willing to punish central-level leaders for poor performance.

After analyzing Phieu’s mistakes and shortcomings, perhaps in conclusion we should give a brief analysis of the likelihood of success for his successor Nong Duc Manh. Manh has never been blinded by ambition, evident in the process of his selection. He turned down the position of general secretary when it was first offered to him at the 12th Plenum. Only when the party leadership came back to him, did he reluctantly accept it. He certainly did not campaign for the post, nor did he abuse his power for personal gain.

Manh has a broad base of power. He has headed the National Assembly since 1992. He was in that high-profile position for over 9 years, a long-enough period of time so that he became well known to both provincial and central-level leaders. That position put him into constant contact with both the party’s grass-roots and senior leadership. He has the support of reformers because he contributed so greatly to the reform process, and in particular was committed to turning Vietnam into a law governed society. Under his leadership the National Assembly evolved rapidly from a rubber stamp for all party decisions to an active law-making forum where policy was heatedly debated and to which the government was increasingly accountable. Under Manh, popular reforms, such as the live airing of Assembly proceedings, increased transparency in decision-making. Yet, to conservatives, Manh was a loyal party man who insured that the National Assembly proceedings got out of control and decisions that went against the party’s interests were made.

Manh has a reputation as a consensus builder, though he is committed to economic reform and is not hampered by ideology. Moreover, he won a near unanimity of votes, giving him a clear mandate from all factions and interest groups within the party. He has a very strong mandate to reform both the economic and administrative systems. At age 55, he is the country’s youngest leader, which helps in the party’s desire to rejuvenate itself, so as to be more in touch with the country’s youthful population.

Manh has a squeaky clean image. Not only has he never been tainted by corruption allegations, he is reportedly very strict with his family members, preventing them from entering either politics or business where they could capitalize on his position.

In sum, Manh has overcome many of the systemic factors that weakened Phieu. Likewise, Manh, in his ascension, has displayed none of the narcissistic characteristics of his predecessor. In some ways, his power is more steeped in Vietnamese political culture. He has a mandate, the mystery of his parentage give him an aura of mystery, he is morally upright, and has a broad-based of support; yet he still operates in the context of collective leadership. The rules of Vietnamese politics have changed, yet they somehow remain the same.