

Comment on “Has Nguyen Phu Trong’s Leadership Curbed Reform? Economic Reform Trends in Vietnam”

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JEL codes: P31, P48, D72, D73, O14, O43

Vietnam is trying to adopt market economic institutions, while maintaining the Leninist political regime. How and to what extent are those two things compatible? This is one of the most important questions which many specialists on Vietnam have tackled since the start of Doi Moi. To find a hint of the answer to this puzzling question, Sakata (2020) focuses on the economic reform policy of the present leadership. The key concept should be the inclusiveness of the ongoing policy, in terms of its targets.

The usual discussion is that the Vietnamese Doi Moi policy officially announced the application of equal treatment between all enterprises regardless of their ownership type, however in actuality it favors state-owned enterprises through rent-seeking practices. Sakata goes beyond this conventional interpretation, and concludes that the current leadership in Vietnam tries to bring successful private enterprises under the patronage system by expanding the range of application of its “national champion policy”.

The national champion policy is originally very nationalistic in the sense that it emphasizes the international competitiveness of Vietnamese economic institutions. The nationalistic sentiment in this economic dimension was stirred up during the process of Vietnam’s accession to the World Trade Organization and again during the Trans-Pacific Partnership negotiations. Furthermore, the first private enterprises which the government has selected, such as Vingroup and Viet Jet Air, are very popular among the Vietnamese people. Vingroup is the owner of shopping malls in major cities in Vietnam which attract many consumers. Viet Jet Ari is the most popular low cost carrier company in Vietnam and has whose sales that have surpassed those of the state-owned air company, Vietnam Airlines.

Sakata’s arguments are very attractive, but seemingly due to the space constraints, he cannot fully develop many related issues, such as the detailed mechanism of the rent-seeking system, the durability of the current system, the unique distinctiveness of Vietnam which makes it differ from the system(s) of other East Asian developmental

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economies, as well as the differences in the dimension of economic management system and institutions between Vietnam and China.

I like to add one additional remark concerning the recent political situation in Vietnam discussed in section 2 of Sakata (2020). As Sakata mentions, it is true that in October 2018, Party Secretary General Nguyen Phu Trong held concurrently the position of President (Head of State), after the sudden death of President Tran Dai Quang. Quite a few foreign observers argued that Trong's double role as president and party head together with his initiative in leading vigorous anti-corruption campaigns would intensify his political power, and they even compared his style of government with that of China's strongman, Xi Jinping.

But in April 2019, Trong suddenly suffered a brain infarction while visiting a southern province. He was then hospitalized and disappeared from the public scene for a few weeks. One month later, Trong made a comeback, but his activities have been less visible in the local mass media than previously.

At any rate, foreign observers recently anticipate that Trong who is now 75 years old¹ will retire at the next party congress to be held in early 2021, and that the next party chief will not take on the double role. As such, the Vietnamese Communist Party's principle of collective leadership will be unchanged.

The tradition of collective leadership in Vietnam is one of the most important factors which differ from the case of China. This difference stems not only from the personal attributes of the present leadership, but also the long tradition of political culture and the legacy of Ho Chi Minh's style of leadership.

Note

- 1 Trong was reelected as Secretary General at the last party congress held in January 2016 even though he was already 71 years old, and there was a party policy of political bureau's retirement age of 65 (in principle).

Reference

- Sakata S. (2020). Has Nguyen Phu Trong's leadership curbed economic reform? Economic reform trends in Vietnam. *Asian Economic Policy Review*, 1–18. <https://doi.org/10.1111/aepr.12301>.