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Background Brief:

Vietnam's 13th National Party Congress Scene Setter

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We request your views and insights on Vietnam's upcoming party congress and what it means for the country going forward. Could you address the following questions:

Q1. What will be some of the key changes at the Party Congress: personnel, the main fault lines, and what this means for Vietnam going forward?

ANSWER: The magnitude of turnover in leadership on the Politburo and Central Committee at the 13th national party congress to be held from 25 January to 2 February will be near normal. In 2016, at the last national party congress, 19 members were elected to the Politburo. This number was reduced to fourteen due to deaths, health reasons, disciplinary action or dismissal for corruption. Of the fourteen incumbent members, seven are due to retire having reached the mandatory retirement age of 65.

In order to be elected to one of Vietnam top leadership positions – party Secretary, state President, Prime Minister, and Chair of the National Assembly – a candidate must have served one full five-year term on the Politburo. Therefore, there are seven incumbent members who could contest the top leadership posts.

However, party rules permit an exemption can be made to the mandatory retirement age for exceptional performance. The current party Secretary General, Nguyen Phu Trong, was given an exemption at the 2016 national congress.

The main fault lines in leadership succession lie between what might be categorised as the “party block” and the “government block.” The current party Secretary General has the duty to groom his successor and Trong strongly supported his protégé, Tran Quoc Vuong, to replace him as party leader. Vuong would need an exemption from the mandatory age requirement.

Rumours swirling around Hanoi and among western observers have it that Prime Minister Nguyen Xuan Phuc is a contender for leader of the party to block Vuong.

At the last meeting of the party Central Committee, the 14th plenum, a compromise was reached. Two exemptions were recommended. Nguyen Xuan Phuc, the current Prime Minister, reportedly was one of the exemptions. It is uncertain who will receive the second exemption and who the candidates are for the top four leadership positions.

Vietnam's political system is one of collective leadership and decision-making by consensus. In October last year, Vietnamese leaders released the text of the Secretary General's Political Report to the 13th congress and the text of the socio-economic development plan for the next five years. Both these documents were agreed after an exhaustive process of drafting and review. Vietnam will continue on its path of domestic economic reform and anti-corruption drive. Vietnam will also step up its proactive efforts at international economic integration, including meeting its obligations under the Comprehensive and Progressive Transpacific Partnership, Regional Comprehensive Economic Partnership and free trade agreements with Europe and the Eurasian Economic Union.

2) Commentaries over the past year have highlighted how Vietnam has arrived and come of age, pointing to its robust growth, how Japanese firms are looking to move their operations to Vietnam, and how the country will emerge as a "next top model of growth". As someone who has observed Vietnam for so long, how far do you agree with this upbeat assessment?

ANSWER: While Vietnam has been a relative success story amidst the coronavirus, it faces several impediments to resuming high economic growth. One impediment is to overcome its massive trade deficit with China and restore robust supply chains to assist domestic manufacturing. Vietnam must also overcome the Trump legacy of tariffs and sanctions for currency manipulation. Vietnam is still classified as a non-market economy by the United States, and the Trump Administration stripped Vietnam of its less developing country status thus removing preferences on exports of Vietnamese products to the U.S.

Vietnam's recovery will be affected by developments that it cannot control, such as U.S. and European recovery from the coronavirus pandemic.

3) What do you think are some of the domestic and regional factors that will derail Vietnam from this positive growth momentum and coming of age?

ANSWER: The major domestic factor affecting Vietnam's return to high growth is the long-standing privileged status of state-owned enterprises and their resistance to divestiture. The main regional factor affecting Vietnam's recovery is Chinese harassment of Vietnam's efforts to develop hydrocarbon resources in the waters near Vanguard Bank and the Red Orchid block. In July 2017, March 2018 and October-November 2019, Vietnam cancelled contracts with foreign oil companies for operations in its Exclusive Economic Zone under Chinese pressure. Any attempt by Vietnam to resume exploration and development in waters claimed by China would result in Chinese intervention.

4) Some have argued that Vietnam should increasingly see itself as a middle power and to behave like a true middle power to accommodate its growing role in regional settings. How far do you agree with this assessment? Is Vietnam already a middle power or still in the making of one?

ANSWER: It is clear that younger academics in Vietnam, particularly in the south, are promoting the idea that Vietnam is a middle power and should act accordingly. Much depends on how middle power is defined. It is an ambiguous and contentious concept among academic specialists. At least two attributes are necessary, the capacity in

terms of resources (human and material) to act as a middle power, and self-identification by influential government leaders and elites that Vietnam is a de facto middle power.

There is no doubt that Vietnam's current leaders, including those to be elected by the 13th national congress, want Vietnam to play a greater role internationally and to step up Vietnam's proactive international integration. Whether they use the term middle power remains to be seen.

5) Under the upcoming Biden Administration, how likely will the new administration reengage with Vietnam or upgrade the 'comprehensive partnership' to a 'strategic partnership' and what does this mean for geopolitics in the Southeast Asian region? What about Vietnam's relations with other regional powers such as China and India?

ANSWER: The Biden Administration will continue to pursue relations with Vietnam under the framework of the 2013 joint statement on comprehensive partnership adopted when Barack Obama was president and Joe Biden vice president of the United States. The Trump Administration agreed to expand the comprehensive partnership and the Biden Administration will follow suit.

Raising bilateral relations to a strategic partnership is a two-way street. It should be recalled that then Secretary of State Hillary Clinton first proposed a strategic partnership in July 2010. After three years, both parties pulled back for lack of agreement. It was a case of "same bed, different dreams." The U.S. views a strategic partnership more in military and defence terms, while Vietnam has a more comprehensive view. The key issues for Vietnam is strategic trust (*lòng tin chiến lược*). Vietnam does not want to be ensnared in an anti-China relationship with the U.S. and at the same time be criticized and pressured over its human rights records.

Vietnam seeks a balance in its relations with the major powers – Russia, India, China Japan and the United States. Vietnam seeks to preserve its autonomy. It offers equity in Vietnam's development to all the major powers, and in return Vietnam promises not to align with any major power and to act independently on its national interests. One prime example is that Vietnam was twice unanimously elected by the Asia Block at the United Nations as its candidate for non-permanent membership on the Security Council. Vietnam was successful both times obtaining a commanding majority of votes in the UN General Assembly.

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