

Vietnam and America

Power plays

Vietnam's new friendship with America reflects political drama at home

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SHOULD all go to plan, America's government will soon host an unlikely guest. Nguyen Phu Trong's visit to Washington—perhaps as soon as July 6th—will be the first by a serving chief of America's old enemy, the Communist Party of Vietnam (CPV). In theory Mr Trong is the most senior politician in his country (though not, in practice, the most powerful). His trip marks an upturn in relations between America and Vietnam, just as the latter's dealings with China have soured. But where the new friendship leads will in part depend on the result of struggles in Vietnam. A party congress in a few months' time could have a big impact on Vietnam's policies at home and abroad.



America and Vietnam have had diplomatic ties for two decades, but growing cuddliness is a recent trend. America frets about Vietnam's atrocious human-rights record, even if it may be improving (on June 27th Vietnam released a high-profile political prisoner, Le Quoc Quan, a human-rights lawyer—the latest of several high-profile dissidents to be freed). Yet it appreciates Vietnam's enthusiasm for the American-led Trans-Pacific Partnership (TPP)—a proposed regional trade pact that would not, at least initially, include China. America is thought to be particularly keen to find a way for its naval ships to dock more freely at Cam Ranh Bay, a base on Vietnam's southern coast.

For Vietnam the relationship is more urgent, and the stakes much higher. Last spring a state-owned Chinese company moved an oil-drilling rig into contested waters close to the Vietnamese coast, sparking anti-Chinese riots in parts of Vietnam's central and southern provinces. Spooked by this assertiveness—and by a gaping trade deficit with its moody northern neighbour (see chart)—Vietnam has been seeking new friends. Last October it convinced America partially to lift a long-standing ban on arms sales to Vietnam. But this

strategy still worries some conservatives in the CPV, who fear inflaming China further and who believe that America may be quietly trying to undermine the party.



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American officials paint Mr Trong's visit as an exercise in "trust-building" between two countries still plagued by deep and troubled memories of their war, which ended 40 years ago. Mr Trong, however, may be thinking as much about burnishing the party's credentials at home. Many ordinary Vietnamese worry that the CPV is too close to China's Communist Party. His meeting with President Barack Obama may help to allay their suspicions that he and his ally, President Truong Tan Sang, have been soft on the Chinese.

Mr Trong may not be on the scene for much longer. He may well end up retiring after the party's next five-yearly congress, which may take place in January or February. There, Vietnam's three highest roles—party chief, president and prime minister, among whom

power loosely circulates—will be dished out to three members of the 16-seat Politburo. Forecasting the result is difficult. But with public opinion tilting firmly against China, party factions seen to advocate a tougher line against the Chinese—and a friendlier one towards America, Japan, India and South Korea—look most likely to emerge as winners.

Their leader is Nguyen Tan Dung (pictured, above left, with Mr Trong) a self-styled economic reformer and the prime minister since 2006. Despite a poor record in fighting corruption, his government seems open to ideas from Western-educated Vietnamese. Mr Dung seems more eager than other leaders to promote reforms needed to boost feeble productivity growth, not least by pressing on with the part-privatisation of Vietnam's many state firms—changes which the TPP would probably require. On June 26th the government said it planned to relax limits on ownership by foreigners in several industries.

In part through patronage, Mr Dung has greatly expanded his power: prime ministers are normally much weaker in Communist systems. His ties with provincial party heads and the bosses of state firms have enabled him to dominate the party's 175-member Central Committee. But this does not necessarily mean Mr Dung will emerge victorious at the coming congress. Enemies will be looking for weaknesses, of which he has shown a few. Mr Dung suffered embarrassment in 2010 following a loan default by Vinashin, a state-owned shipping firm which was meant to be an exemplar of his reform agenda. In 2012 he narrowly survived a campaign by rivals in the Politburo to oust him. Yet he is still widely regarded as the country's most capable and charismatic politician. China's aggressive behaviour in the South China Sea, where the two countries are in bitter dispute over maritime boundaries, has strengthened his position by giving him a chance to assert his nationalist credentials.

Mr Dung has already served two terms as prime minister and is forbidden to seek a third. But he is thought to fancy the role of general secretary (Mr Trong's job, at present). Winning that would probably allow Mr Dung to install one of two allies as prime minister: Nguyen Xuan Phuc, a deputy prime minister, or Nguyen Thi Kim Ngan, a deputy chairwoman of the country's legislature, the National Assembly. Mr Dung's camp may still face a challenger, however. President Sang may choose to keep his job, or he may retire and find an ally to replace him (Phung Quang Thanh, the defence minister, and Tran Dai Quang, who controls the police, are possibilities.)

But there is also speculation that Mr Dung may try to take on the posts of general secretary and president and toss a concession to his opponents by offering the premiership to a politician close to Mr Sang. That would mark a "major transition" in Vietnamese politics, says a foreign analyst. It would, ironically, make Vietnam's political system more like

China's, where Xi Jinping enjoys unrivalled influence as both the country's president and chief of the Communist Party.

Such a grab for power would make some in the party feel queasy. Mr Dung's ambition and strong personality have long seemed in conflict with the CPV's slow, consensus-based processes. But many think that perilous times call for decisive leadership. On June 25th a Chinese maritime authority announced that the state-affiliated oil rig that was moved close to Vietnam last year was again being positioned nearby (though this time just inside waters that are generally considered Chinese). The announcement is probably a sign that China is unhappy with Mr Trong's decision to visit America; the rig's next movements—towards or away from Vietnamese territory—will show how much displeasure China feels.

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