

Leadership Change in Vietnam

Carlyle A. Thayer

January 16, 2021

This Background Brief was commissioned by Radio Free Asia's Vietnamese Service. In nine days Vietnam will convene the thirteenth national congress of the Vietnam Communist Party. One of the key responsibilities of a national party congress is to elect Vietnam's leadership for the next five years.

Over the course of the last year four executive – or plenary – sessions of the Central Committee were held, numbered eleventh to fourteenth. A major agenda item at each plenum concerned “personnel work,” or the selection of candidates for election to the party's Central Committee, Politburo, Secretariat, and Inspection Committee. Under present rules, party officials must retire when they reach 65 years of age. And no person can hold office for more than two five-year terms. The rules provide for exemptions in “exceptional cases.” The current party Secretary General Nguyen Phu Trong has served two terms and was given an exemption at the last national congress in 2016.

In October 2018, Trong assumed the concurrent post of state president after the death in office of Tran Dai Quang. In April 2019, Trong suffered a stroke but resumed public duties a month later. As preparations for the thirteenth congress got underway, it was widely assumed that Trong, aged 76, would retire. This assumption was given credence when Trong began to quietly lobby for his protégé, Tran Quoc Vuong, to replace him.

At the thirteenth plenum in October, it became apparent that Vuong did not attract commanding support from his peers on the Central Committee. Prime Minister Nguyen Xuan Phuc emerged as a strong contender for party leader. Both persons were over 65 and would need exemptions in order to qualify as a candidate.

At the fourteenth plenum in December, members of the Central Committee were given a list of twenty-two names drawn up by the Politburo as potential candidates for the Central Committee to be elected by the delegates to the thirteenth national congress. Each name was followed by the putative post or office for which they were nominated.

The first name on the list was Tran Quoc Vuong, candidate for Secretary General. Nguyen Xuan Phuc was listed second as candidate for state president. Truong Hoa Binh was listed third as candidate for prime minister; and Pham Binh Minh was listed seventh as candidate for the Chair of the National Assembly. Once again it became clear that the Central Committee was divided and that Vuong did not command majority support.

Since December, a number of lists have been in circulation speculating on who will occupy the “four pillars” (tứ trụ) or the top leadership positions. In a major development, there is intense speculation that Nguyen Phu Trong will stand for an unprecedented third term. This would mean one of two things. First, Trong will serve a full five-year term. Second, Trong will step down when consensus is reached in the new Central Committee on who should replace him.

Nguyen Xuan Phuc appears odds on favourite to assume the post of state president. Sources in Hanoi have reported privately that the Central Committee's fifteenth plenum met on 16 January and voted to approve the nominations of Nguyen Phu Trong as Secretary General, Nguyen Xuan Phuc as President, Pham Minh Chinh as Prime Minister and Vuong Dinh Hue as Chair of the National Assembly. If officially confirmed, this means that Tran Quoc Vuong, Truong Hoa Binh and Pham Binh Minh are no longer in contention for one of the four pillars. The fifteenth plenum is scheduled to end on 18 January and the thirteenth national congress will convene on 25 January.

Background Brief:

Vietnam's New Leadership: Two Scenarios

Carlyle A. Thayer

January 14, 2021

There is not much public information about the selection process of candidates for Vietnam's key leadership positions – 1) General Secretary, 2) President, 3) Prime Minister and 4) National Assembly Chair – at its 13th National Party Congress to be held later this month. The current speculation is:

Scenario 1

General Secretary: Nguyễn Phú Trọng

President: Nguyễn Xuân Phúc

Prime Minister: Vương Đình Huệ

National Assembly chair: Phạm Minh Chính

or

Scenario 2

General Secretary: Nguyễn Phú Trọng

President: Nguyễn Xuân Phúc

Prime Minister: Phạm Minh Chính

National Assembly chair: Vương Đình Huệ

Basically the two configurations are the same, except Phạm Minh Chính and Vương Đình Huệ switch places.

Q1. We would like to ask what is your take on each of these positions? Who will hold which position, and why?

ANSWER: If Nguyễn Phú Trọng is re-elected Secretary General under either scenario, it means one of two things. Either Trọng is re-elected for a third full five-year term or he is re-elected on the understanding he will step down before his term expires (the precedent set by Đỗ Mười). Trọng's re-election under either scenario would be an indication that he was unsuccessful in grooming Trần Quốc Vương as his successor due to opposition by members of the Central Committee.

If Nguyễn Xuân Phúc is elected state president this could only be done by an exemption for exceptional service. Throughout the past year there have been persistent rumours that Phúc set his sights on becoming party leader. Since he has only served one full term as prime minister, and has achieved a very high vote of confidence from his colleagues for his handling of this post, this too would smack of a compromise. In other words, Phúc is nominated as president and withdraws from contention for the party leadership.

It is rumoured that the Central Committee approved two exemptions for Politburo members over the age of 65. This would support the above two scenarios. My preferred scenario is Phúc's re-appointment as prime minister for a second full-term.

Q2. What insights can you offer on Phạm Minh Chính and Vương Đình Huệ, and what leadership positions they are likely to occupy?

ANSWER: Vương Đình Huệ, aged 63, is obviously the most qualified of the incumbent members of the Politburo who are under 65 for election as Prime Minister. He served as Deputy Prime Minister for the last five years. He has training in economics and he has served as Minister of Finance, Chief Auditor, and Head of the Central Economic Commission. Currently he is Secretary of the Hanoi Party Committee which some analysts see as an avenue to broaden his experience.

If Phúc is given a second term as prime minister, under scenario two Huệ would assume the post of Chair of the National Assembly. Alternately, other analysts speculate that if Phúc were re-elected prime minister, Huệ could be appointed Standing Member of the Secretariat.

Phạm Minh Chính ranks ninth on the Politburo, two positions above Huệ who ranks eleventh. Chính has a mixed career background in the party apparatus and in the

security sector. He is head of the Secretariat, head of the Central Commission for Organisation and a former party secretary of Quang Ninh province. He has held various posts in the Ministry of Public Security covering logistics, technology and intelligence and he headed the Central Committee for Political Protection. This background would serve him well as state president but not particularly as prime minister.

Vietnam's 13th National Party Congress Scene Setter

Carlyle A. Thayer

January 12, 2021

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 nonmarket 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 (*long 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.