

THE DEVELOPMENT OF CAPITALISM IN VIETNAM

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Only a generation ago, Vietnam's social revolution played a critical role in the revival of the Western Left. Protest movements in every major city in the West not only offered international solidarity but expressed a rekindling of interest in socialist ideas and a renewed capacity for mass political action. It is an important and unfortunate symptom of the generality of the crisis of the Left today that Vietnamese intellectuals, like many of their counterparts in the West, are abandoning the socialist project. Most are doing so not through disillusionment or the **(re)discovery** of alternative intellectual paradigms alone, but because a commitment to socialism denies access to the material rewards of alignment with, or a **non-**antagonistic stance towards, the interests of the state and capital. Ultimately this retreat provides the ideological basis for the exercise of state power against the working class in the interests of the new bourgeoisie emerging from within the ranks of incumbent state enterprise managers and the most powerful segments of the party-state bureaucracy. Dismantling the socialist project is central to the agenda of the new policy orthodoxy in Vietnam.

The removal of Ho Chi Minh's portrait from the roof of the State Bank for "structural reasons" – architectural, not social – coincides with the removal of statues from parks and other public places, apparently because "prostitutes and drug addicts were leaning on them". They were not torn down by crowds celebrating the collapse of Communist regimes and the (somewhat brief) advent of democracy as in Eastern Europe. But a change is taking place: an ideological transformation in which the ruling political class is consolidating itself in a new social order. The dominant discourse has not abandoned Ho Chi Minh, but reinterprets his intentions: more a nationalist than a communist. In the same way that the search for the tomb of Genghis Khan can be interpreted as a search for a nationalist identity by the communists-turned-nationalists in Mongolia, there is here the restoration of old identities, repetition, and ultimately reinterpretation. This involves a re-mystification of the nationalist revolutionary and hence the removal of the Stalinist iconography. The recent discovery of Ho Chi

Minh's will at least establishes the pretext for the removal of the mausoleum, given that he had asked to be cremated. And since Ho Chi Minh isn't around to say, as Deng in China, "To get rich is glorious!", they are saying it for him: Uncle Ho had sought national liberation for the purpose of building national wealth. Socialism becomes peripheral, subordinate to this national wealth.

This renewal of national consciousness is central to the ideological transformation taking place as the Vietnamese people face the development of capitalism under a single-party authoritarian regime. Vietnam's leading economic advisor, Le Dang Doanh, a proponent of the "Taiwanese model", stated **unequivocally**, "The Vietnamese people are nationalistic. When they're told something's in the national interest, they'll do it." Inherent in this national interest is the legitimization of the rise of military-owned fractions of capital, and a group of powerful state conglomerates that will differ little from the bureaucratic bourgeoisie which prospered under the **authoritarian-capitalist** regime in the South before 1975.²

The mobilizing basis of the present reform process is precisely to replace class consciousness with a new economic nationalism. The adoption of the Asian **NICs** as the model for Vietnam's development is premised on the view expressed by Vietnamese intellectuals and policy-makers that **state-led** industrialization was based on a partnership between the proletariat and bourgeoisie in the interests of the nation-state. Ironically the statist analyses of East Asian development undertaken by analytical Marxists and the progressive Left in the West now inform an agenda where the crushing of working class struggle and repression of the labour movement is implicit in this model for growth. The trade union leadership itself has adopted the Singaporean model of trade unionism: business unionism and peaceful co-existence with an authoritarian-capitalist regime – a strategy by which they seek the political marginalisation of the working class.

There is a strong belief amongst the Western Left that the reform agenda is being thrashed out in debates over the merits of capitalism and socialism. Despite the zeal with which political economists and political scientists in Vietnam and abroad have described this 'public debate' it simply does not exist. When two hundred peasants arrived in Hanoi from Ha **Bac** province to protest against the theft of rice and land by local party officials, they were dispersed by police and within an hour had fled or been **arrested**.³ It is the same problem we have with 'human rights': people seem to have different conceptions of who the humans are. Those who describe this public debate appear to be referring to the Vietnamese intelligentsia and state officials as the 'public'. But even when one of Vietnam's leading social scientists, Hoang Chi Bao, published a monograph earlier this year which attempted to outline the crisis of "real socialism" and criticize the neglect of the present social crisis by policy-makers, it was banned under the new press laws and he was forced to write a statement of self-criticism.

Unfortunately, the remnants of the Vietnamese Left who are committed to democratic socialism are confronted by a newly pragmatic Western Left **all** too ready to accept the term 'market economy' or even 'market socialism' as a euphemism for disguising the transition to capitalism. Many on the Left exhibit a fascination with entrepreneurial forces, the lifestyles of the new rich and the machinations of business in the new Vietnam. It is assumed that workers are benefitting from higher wages and the availability of more consumer goods, and that the peasantry are responding to incentives free of the constraints of cooperatives, as indicated by thriving rural markets. Massive increases in exports of food are cited by intellectuals and policy-makers alike as the great pay-off for years of market reform. Western observers – including those on the Left – talk in terms of the responsiveness to market incentives, the restoration of farmers' interests in output and profit, and the economic democracy embodied in agricultural reform. Yet the National Institute for Nutrition has pointed out the costs involved to these same beneficiaries of reform. Record rice exports by state trading companies have coincided with 2.5 million people going hungry each year, and over 6 million people suffer from an inadequate calorie intake.'

The health and education programmes freely available to the mass of the people regardless of the distribution of property and income is often considered as evidence of the ongoing commitment to social equality in Vietnam today. In fact, while free health and education was certainly a very important element in Vietnam's socialist project, it no longer exists outside a handful of foreign NGO programmes. Of the state-run primary and secondary schools that remain open – and the number is rapidly declining – informal fees have reduced class attendance of the children of workers and peasants to a four-hour week and of the 600,000 that graduate from primary school every year as many as half cannot afford to go on to secondary school. Even then public classes are hollowed out and real learning only begins after classes for the few whose parents can afford private tuition fees. This coincides with increased exploitation of **child-labour**, with the number of children working full-time in their **millions**.⁵ Compulsory tuition fees introduced earlier this year have put tertiary education beyond the reach of the majority of those who finish secondary **school**.⁶ Faced with these fees, students of poor families are forced to quit or to work. Students from the provinces prostitute themselves in dormitories of colleges to pay their fees. This privatization of social welfare has also spread throughout the health system, with informal fees charged for the staff's time, beds, medication, and even the right to visit patients. Finally, the number of unemployed has reached seven million, and, far from receiving welfare payments, the unemployed have to pay to register as being unemployed or buy their way into a private sector **job**.⁷ Where money has been allocated to create jobs most of it has been misallocated or stolen by state officials.'

Melanie Beresford has articulated a view predominant amongst the Western Left and Vietnamese policy-makers concerning the decline of social welfare:

Some Western critics have complained that the introduction of market reforms in Vietnam and elsewhere has led to the abandonment of social welfare programs. What is abundantly clear, however, is that it is not the market reforms that are responsible, but the severe fiscal crisis of the Vietnamese state, brought about by the massive budget deficits required to maintain an inefficient public sector. Maintenance of health, education and welfare systems, the past achievements of which the Vietnamese are justifiably proud, will therefore be dependent upon continued reform of the state sector enterprises.⁹

There can be no doubt that the fiscal crisis of the state is important in this respect. But the reform of state sector enterprises has intensified rather than resolved this crisis. It is characterized by the private appropriation of public resources on a massive scale, where the state acts as the instrument of this appropriation. The dismantling of the "bureaucratic centralism and subsidy system" has concentrated power in the hands of incumbent state enterprise managers and the most powerful segments of the party-state bureaucracy, including the military. The theft of state assets and the sacking of the state budget by those with political power and connections is the outcome of the unrestrained search for profit and the accumulation of private wealth under the liberalizing effect of market reforms and is a far greater leakage of wealth from the state budget than the system of state sector subsidies."

The New Agenda

Variants of neo-liberalism, neo-conservatism and statism inform the economic reform agenda, not socialism. The policy discourse is informed by a 'new right': that group of state officials, policy advisors, economists, and officially endorsed intellectuals who are intent on imposing the disciplinary power of market forces on workers and peasants and demolishing what remains of the public sector. The new right has been institutionalized as an advisory body to the Council of Ministers and the Party's Central Political Bureau, in order to bypass bureaucratic obstacles and institutional constraints. This includes bypassing the National Assembly which, having been made more democratic under the 1992 constitutional reforms, is prone to take the notion of debate more seriously, slowing down the process of reform." This elite advisory body includes state enterprise managers, private business managers, and overseas Vietnamese entrepreneurs, as well as reformist intellectuals and technocrats. The tasks of the advisory body include setting the agenda for reform and drafting legislation to be passed on to the National Assembly for its approval.

Divisions within the new right technocrats over economic reform concern the degree of state management of the market. Although these differences are important it should be recognised that the debate over the

degree and type of state **intervention** is inextricably tied to their own interests and political power base. Policy advisors, consultants and bureaucrats from different ministries and state agencies **are** framing these opposing models of the state in terms of increasing their own power and influence. It is not over economic theory alone that central banks and finance ministries are pitted against each other the world over, and Vietnam is no different.

With support from the World Bank and **UNDP**, fiscal austerity, macro-economic stabilization, the expansion of the private sector, and export-led industrialization founded on exploitation of passive, cheap labour **are** central elements of the new agenda. From within the ranks of trade unions it has been argued that legal recognition of the right to strike must not conflict with the interests of foreign **capital**.¹² The reform of state enterprises is not simply a matter of reorganization of authority and accountability, but recreating the structures of power and control over industry that exists in the private sectors of capitalist economies. This was the primary objective of economic decentralization and managerial autonomy introduced under the rubric of market reform policies. Although these policies were a *post facto* recognition by the state of the changes which had already been imposed by managers at the level of the *firm*, it nonetheless provided the impetus for the expansion of absolute managerial power on a larger scale, and legitimized the concentration of power in the new factory regime.

Official recognition of the "state capitalist sector" is a reflection of the contradictions inherent in the new right dialogue on reform, which must be carried out within the (fast diminishing) constraints of the **Marxist-Leninist** political discourse. The authoritarian political regime, with its ideological basis in democratic centralism, is critical for these intellectuals to maintain exclusive access to policy-makers and to free themselves from the constraints of public debate or mass political participation.

In 1990 and 1991 the Party daily *Nhan Dan* (The People) ran a **number** of articles which criticized party cadres and state officials for corruption. In the same newspaper a tight circle of academics and journalists raised the issue of the involvement of party cadres in private business and discussed the notion of democracy. But even this limited debate saw an official backlash against the deputy editor and led to his overseas exile. The new press laws introduced this year forbid criticism of the Party and of the "falsification of history through denial of the gains of the socialist **revolution**."¹³ Clearly there can be no genuine public debate – not in the sense of genuine democratic participation – if it must be premised on the assumption that workers and peasants constitute the ruling class and social relations of exploitation and surplus extraction by the state do not exist.

A critical press does exist. The newspapers *Lao Dong* (Labour) and *Tuoi Tre* (Youth) have provided an ongoing critique of the social problems arising from market reforms. Unemployment, prostitution, child-labour,

the failures of the trade unions and the corruption of state officials are issues that are regularly reported. But where political interests are threatened and the interests of the state bourgeoisie directly challenged, censorship laws close the doors on this **debate**.¹⁴ More importantly, the destruction of social safety nets and welfare services, and the further impoverishment of millions is portrayed as the negative side-effect of the transition to a market economy, not an element of the market economy itself. Criticism can be directed at "**the** market mechanism" because, as with the anthropomorphized "economy" in advanced capitalist countries, it implies an autonomous force free of political interests and beyond the control of political power-holders.

In the early years of building socialism in North Vietnam, increased managerial control was argued to be a tactical necessity, shifting the structure of power in the factory regime against the workers. Unpaid overtime, the recruitment of extra workers at lower wages and the intensification of shift-work characterized the rush to meet plan targets. Under pressure to meet these targets, managers freely hired and fired workers. When workers' everyday forms of resistance manifested themselves in absenteeism, idleness and low labour productivity, the Party demanded that labour discipline be improved. Ken Post has concluded that: "This emphasis was most important for the future of the working class, because it put stress on management as the control of labour, implicitly shifting the balance against democratic **participation**."¹⁵

This shift against democratic participation and towards increased managerial control has been consolidated and expanded under the current reforms. Reforms introduced at the level of production which increase managerial control over the labour process and the redistribution of surplus are intended to "break the negative power of the working class which is seen as the ultimate source of inflexibility of the economic system."¹⁶ Previously, the power of state sector managers over workers had been constrained by the Marxist-Leninist discourse which framed the labour-power of workers as their politically constituted property. One of the key effects of market reforms is to create the compulsion for workers to sell their labour-power, breaking down this "socialist fetter", and imposing the whip of capitalism." Since exploitation occurred in redistribution rather than production, the state apparatus became the target of the struggle against surplus extraction. The struggle of the peasantry against the extractive mechanisms of the state was pivotal in the crisis which generated pressures for reform. But I will only deal here with the transformation of the state sector to examine the way in which state power has been exercised against the industrial proletariat, and discuss certain aspects of working class struggle in the transition to capitalism.

According to a senior Ministry of Labour official market reforms have freed managers from the constraints imposed on them by the state on the

behalf of workers. Under a market economy, "industrial relations" are reconstituted as "the efficient utilization of labour in a relationship that is better understood by managers than **workers**".¹⁸ The following is indicative of the centrality of this to the reform agenda of the new right intellectuals:

[I]n the socialist-oriented multi-sector commodity economy the labour force is also a commodity. Emoluments in general and wages in particular are the monetary expression of the value of labour. As such wages should in principle also be determined on the labour market.¹⁹

The same economists go on to claim that the labour market is constrained from allocating labour efficiently where the rise of the autarkic household economy has inhibited the commodification of the rural workforce. Market forces are also inhibited by the system of recruitment, guaranteed employment and fixed wages in the state, **sector**.²⁰ It is on this basis that the 'surplus labour redistribution' programme was initiated: to massively reduce the state sector workforce and expand the pool of 'free' workers that indigenous and foreign fractions of capital could readily draw on. At present just over a million workers have been laid off from the state sector. According to the Ministry of **Labour**, the reform of the "economic managerial structure" had revealed the extent of "surplus labour" in state enterprises. In the first few months of 1989, the managers of some state sector production units laid off 80–90% of their workforce. In the early years of reform this mainly affected the bulk of the administrative staff and middle managers, and only later spread to the direct producers themselves. The decree on the redistribution of the workforce in state economic units created the premise for a more widespread and systematic application of what had long been a *de facto* reform – laying off workers to reduce production costs. State officials themselves recognize that this process was "lacking democracy, lacking openness."²¹

The second step was to reform wages under a new flexible structure that allowed a 13:1 differential between the highest and lowest wages. The reality, however, was that by this stage enterprise directors had already transformed the factory regime, enforcing competition between workers by hiring younger workers and first generation workers from within the peasantry. Tens of thousands of day labourers gather in the twenty so-called "open-air labour markets" in Hanoi everyday in search of **work**.²² Day labourers gather on the fringes of Ho Chi Minh City and in the nearby industrial centre of Bien Hoa, Dong Nai province, in the sweatshop belt of small- and medium-scale factories that take up the production of state enterprises increasingly hollowed out through diversification, subcontracting and the private subsidiaries established by enterprise managers with state money. The collapse of rural cooperatives and *de facto* land reforms which saw the appropriation of land and its accumulation in private hands (usually local party and state cadres or their relatives) has provided enterprise managers with a pool of first generation workers willing to work

for low **wages** under any conditions. The culture of resistance of these workers **drawn** from the peasantry is individualized and sporadic, unlike the sustained collective struggle of the industrial workers who had developed a high level of class consciousness under the socialist project.

The shedding of the state workforce and lower-level bureaucrats has given rise to a massive social class of petty traders and shopkeepers. The petty-embourgeoisement of the lower ranks of the party-state bureaucracy and workers and middle managers made redundant under state enterprise reforms is not simply an outcome of the fiscal crisis of the state but is a reaction of the ruling class and the middle strata to the struggle against the state. Individual ability, personal relations, thrift, and market forces are supposed to determine the fate of this rapidly increasing class of street traders, artisans, shopkeepers, bicycle repairers, and household petty commodity producers. The struggle against the state disintegrates into the struggle for survival, where market compulsion, indebtedness and intense competition create working and living conditions that fall well short of the glorified small entrepreneur that pioneers market opportunities. Petty street traders and household producers are subject to police raids, extortion, arbitrary state taxes and charges, and indebtedness to the **state**-sponsored credit schemes, banks and money-lenders. Surplus extraction may not occur through the social relations of exchange, but profits of the petty commodity traders and producers are whittled away by these extra-economic modes of extraction.

Massive unemployment and increasing social inequality is integral to the logic of the 'market economy'. Under-classes and the threat of falling amongst them is the whip of capitalism. But in the dominant discourse of 'market transition', social inequality is the inevitable social stratification arising from differences in the personal ability of individuals to exploit market opportunities and **compete**.²³ Inequality arising from the structure of power and control over the means of production have become peripheral issues, as equitable tax regimes become the radical edge of the 'socialist orientation':

Acceptance of all the elements of the market and the regulating mechanisms of the market in accordance with the law of value and of supply and demand will inevitably lead to a polarization between the rich and the poor and to disparities in incomes. In order to ensure social justice, there should therefore be a policy for income redistribution through income taxes.²⁴

Under the guise of a new national struggle, a 'social partnership' between workers and managers and owners emerges as a central tenet of the dominant discourse. As with the 'social contract' imposed on workers in advanced capitalist societies, workers are promised **future** rewards in return for accepting intensified exploitation and exclusion from control over the conditions and organization of production in a period of adjustment. The politics of 'social partnership' arises **from** intellectuals and state officials legitimizing their own partnership of interests with capital. Nearly all ministries, **govern-**

ment departments and research institutes are involved in various types of profit-making activities ranging from the sale of information and **skills** to foreign capital to the export of **unskilled** workers and sex labour (brides and prostitutes), and theft of state funds through budgetary allocations for employment generation, research programmes and investment in buildings and equipment." There are also cases where aid money from **non-government organisations (NGOs)** and foreign governments is used to finance lending in informal financial markets, personal consumption, smuggling, and the purchase of greater access to the state budget.

The intellectuals and technocrats of the party-state apparatus use their political authority, personal contacts and influence, control over information and inside knowledge to combine their position within the state apparatus with consultancies for foreign business interests and in many cases engage directly in private business activities. It is these intellectuals who dominate the discourse on reform, informing the work of foreign observers and receiving legitimization from them. Financial support from foreign governments, the World Bank and the UNDP rewards the pursuit of pragmatic neoliberal policy solutions by this segment of the intelligentsia, as well as preparing the next generation of technocrats through courses in business administration and orthodox economics. Show-case conferences and the mutual recognition and legitimization of each other's work is as much a part of intellectual life in Vietnam as it is in Western capitalist countries. As in China, the programme for financial and banking reform incorporates consultants from global financial corporations into that body of the technocratic elite that will make the tough decisions on what must be done.

Power and Capital: The Transformation of the State Sector

The coal mines in Quang Ninh, a northern province bordering China, are often cited as a branch of the state sector which has failed to respond to reform. A government directive issued in 1991 ordered the reorganization of production to reduce waste and inefficiency. Earlier directives on consolidation and reorganization had been **ignored**.²⁸ Yet the initial pressure for reform had come from the miners themselves. Quang Ninh was an extremely poor region with widespread underemployment and the predominance of seasonal workers, insecure and without the social welfare benefits of full-time employment in the state sector. The miners' struggle against the bureaucratic strata, particularly the provincial people's committee, manifested itself in tension over wages in the mid-1980s. This continued up until 1991 when **lay-offs** under the redistribution of labour surplus programme and the consolidation of the military's ownership of a number of the larger mines undermined workers' solidarity and ability to oppose the extractive mechanisms of the state.

The threat of competition for employment and the removal of the constraints on managers to **fire** workers did not have its full effect until the spread of over a thousand 'bandit' mines saw the disintegration of state production units. Contracting out and cooperation with the private sector by state mine managers saw workers forced into the unregulated **small-scale** private mines where intense competition and unrestrained profit maximization combined with the fracturing of workers into smaller groups. Economic decentralization and the release of 'market forces' resulted in the rapid expansion of smuggling from China, shifting the interests of local state officials away from coal mining to illegal trade. It is this illegal cross-border trade which accounts for the increased wealth and higher standards of living visible in parts of Quang Ninh. The proliferation of bandit mines occurred as state regulation collapsed altogether.

The gamble that many on the Left take with workers' lives in the hope that friendly capitalists or an unleashed state sector will observe the rights and interests of workers has not paid off. Changes in the nature and intensity of exploitation have seen extended working hours, environmental pollution, and increased accidents and occupational diseases. Lung and skin diseases have spread to the residential areas near the mines and silicosis afflicts over three-quarters of the miners. "Ironically, the government directives to reduce air pollution in the coal mining towns of Hong Gai and Cam Pha were concerned with cleaning up the area for the development of the tourism industry, not the health of miners and their families. This coincides with the shift in state wealth out of coal production into the tourism industry, forcing miners into the private mines or into petty trade and services. In the bandit mines hundreds die or suffer serious injuries every year. The exact figures are not available because the Vietnam General Confederation of Labour's (VGCL) Institute for Labour Protection does not have access to private firms. Miners have died from lack of oxygen only 16 metres down and floods and cave-ins occur regularly since the mines lack basic infrastructure. Children and female workers are targeted for the more dangerous night-shifts and are paid less. Even in state mines where millions of dollars have been earned in exports – cited by both the Right and Left as evidence of the success of the market **economy** – female workers replace the outdated technology, carrying baskets of coal on their **heads**.²⁸

Hoang Chi Bao and Nguyen **Thanh** Tuan argue that as trade union cadres, enterprise managers and state officials plunder state assets and 'degenerate into thieves', workers are reacting against this by stealing from the shop **floor**.²⁹ The transparent increase in the private wealth of enterprise managers and cadres combined with increased exploitation and deteriorating living and working conditions has generated a culture of resistance which manifests itself in lax attitudes towards work and theft from the work-place. But this increasing idleness, petty theft, and lack of

labour discipline amongst workers is interpreted by market reformers as the cause of the inefficiency of state enterprises – hence the need to increase the power of managers and subject workers to the whip of market forces – using trade unions to ensure workers' compliance.

The claim that the leading role of the state-owned enterprise sector constitutes the mainstay of the 'socialist orientation' is discredited by the loss of control over state enterprises and the effective economic ownership exercised by incumbent managers. In contrast to Russia where this loss of state control is argued to have consolidated the power of the workers' collective within the enterprise, the massive lay-offs, destruction of social welfare programmes, deteriorating working conditions, extension of the working day (well beyond the eight hours that over a century of international working class struggle has won as a human right), and the decline in workers' control over the production process, suggests that state ownership as it exists in Vietnam today has very little to do with **socialism**.³⁰ Vietnamese policy-makers and the new right intellectuals point to juridical property relations and legal-institutional arrangements to define this state ownership. This is readily informed by the revived bourgeois paradigms of neoliberalism and post-Marxism, particularly neo-institutionalism, where actual social relations are assumed to comply with these legal-institutional arrangements. Such a view is articulated in the Party's *Communist Review*, where the constitutional reforms of 1992 are argued to have raised the National Assembly above conflicting political and social interests, enabling it to carry out its 'fundamental activity' of 'changing social **relations**'.³¹

In two years, the number of state enterprises has declined from 12,500 to 6,450. Of this, another 500 local state enterprises have disappeared since the beginning of 1993. The state sector is now comprised of just under 6,000 enterprises, yet only two state enterprises have been officially privatised in the whole country to date. Another nineteen are scheduled to be privatised in 1994.³² Market socialists and economic reformers would probably argue that this is the result of the dissolution of loss-making, inefficient enterprises, and the consolidation of the rest through mergers. But this sell-off of plant and equipment, buildings, and the illegal sale of land has not led to any payments to the state. Instead, virtually all of these enterprises borrowed heavily both from within the state sector and from overseas financial institutions leaving massive accumulated debts which must now be met by the state. This represents a stage of primitive accumulation in which the state budget and the accumulation of national debt are the source of capital for the private and quasi-private factories and businesses which have emerged out of the state **sector**.³³

The state enterprise managers who initiated grassroots reforms in the early 1980s prior to the era of market reform illustrate precisely what Bao and Tuan are referring to. Yet, these have become models for enterprise reform for Vietnamese and Western economists and political economists.

It is a familiar model: increased efficiency; improved competitiveness and exports; higher labour productivity and output; and financial autonomy. The reforms introduced by enterprise directors were based on the reduction of the workforce to cut production costs, the intensification of exploitation through shift-work and incentive schemes, increased managerial control, closer linkages with the private sector, particularly the merchant capitalist class, and overseas borrowing. The transformation of the factory regime also saw exclusive control over the **financial** resources of the state enterprise shift to managers. Workers do not have access to the accounts of the enterprise and have no knowledge of the financial structure of the firm, not even the size of the wage bill or profits. This restricts the ability of workers to monitor collectively the financial assets of the firm which are effectively controlled by the director and the chief accountant. A practice common in most state enterprises is to exploit this exclusive access to financial information by undervaluing the wage fund and paying the amount withheld as bonuses and productivity incentives.

An example may give some substance to this. HCMC Food Corp. has long been considered a model of successful reform. The director, Nguyen **Thi Thi**, had close connections with Party leaders in southern Vietnam, including Nguyen Van Linh and Vo Van Kiet, when she reformed the enterprise in 1983. **Thi** reduced the administrative staff from 4,200 to 30, replaced middle managers with former capitalist entrepreneurs of the pre-1975 era, and placed workers on piece-rate wages. Retained profits and foreign loans were used to diversify the company's **activities**.²⁴ In 1987, the first joint-stock commercial bank was established, institutionalizing the informal banking and trading capital that had emerged from within a group of state enterprises in the South operated by reformist managers. The director of HCMC Food Corp. headed this group. By 1985 Vo Van Kiet claimed that Thi had succeeded in bringing merchant capital under the control of the state through the expansion of linkages with the private sector under a form of 'state capitalism'.²⁵ But Kiet had misunderstood the direction in which power and wealth was being transferred. Increasing dependence on the networks and business practices of private merchant capital and the transfer of state assets and parts of the production process to the private businesses owned by state managers and their relatives in fact brought these state factories and trading companies into the orbit of private capital. HCMC Food Corp. was gradually being hollowed out.

By early 1993, Thi was forced into retirement when it was revealed that the company had accumulated hundreds of millions of dollars in overseas debts and had misallocated millions more. Of course, these debts have been added to the national debt and will be met by the state, not the constellation of private business interests that arose out of it. In total **US\$60** million has been stolen from the enterprise, including **US\$4** million worth of machinery which was moved to private factories. In a related case

a subsidiary of HCMC Food Corp., Miliket, was established in 1987 with money from the state budget. In 1990, the state enterprise director sold to himself the trademark, factory, warehouses and all of the physical assets of Miliket, paying for it by using funds from the state budget. Two years later, the HCMC People's Committee licensed Miliket Co. Ltd. as a private enterprise. In addition to the theft of the entire enterprise, the director accumulated millions in overseas loans which also have to be met by the state. This is only one of hundreds of illegal privatisations each year.³⁶

What is clear from this is that corruption on this scale cannot be seen as the continuation of past practices or simply as the negative side effects of the market mechanism. Liberals and some on the Left have become obsessed with the phenomenon of corruption in itself, using it to measure the relative degree of democracy or to attack the individuals involved. And as far as the academics-turned-consultants working on Vietnam and China are concerned, there is no shortage of fascination with the methods of corruption and with the ingenuity of state officials. Despite the liberal rhetoric on political reform, this is not a peripheral phenomenon to be resolved by the 'rule of law' and the development of 'civil society'. The theft of state assets, pillaging of the state budget, the transfer of state-owned land, factories, buildings and other assets into private hands, and the involvement of segments of the party-state bureaucracy in the interests of indigenous and foreign fractions of capital are not simply aberrations of an imperfect transition, but the very foundations of the new social order itself: the beginnings of civil society. This is not to say that 'property is theft', but to identify the mechanisms by which material wealth is shifted outside the state, creating a sphere of social power in which the exploitation of those free to sell their labour-power by those who have effective private possession of the means of production is a dominant social relation. **Marx** showed that the rise of merchant capital is contingent upon its links to the state. State power is exercised in this process of primitive accumulation, in the form of state-sponsored monopolies and government contracts gained through bribery and corruption. The most critical source of merchant wealth is the accumulation of national debt, where 'a good part of every national loan performs the service of a capital fallen from heaven'."

The link between corruption and the involvement of the relatives, particularly the children, of party and state officials in private business is critical to understanding this transfer of wealth from the state to the autonomous social sphere in which capital is emerging. Whereas previously, political authority and privilege had provided the means to transfer status and power from one generation to the next, the decline in the attractiveness of careers in the state bureaucracy relative to the potential wealth and power of private entrepreneurs, and the restructuring of the state apparatus, generates pressure on state officials at all levels to use their political authority to help their children set themselves up in

private businesses. Although difficult to conceptualize, this personal interest in ensuring the well-being of their children, defined increasingly in terms of capitalist-entrepreneurship is possibly the most powerful motivation of all for the private appropriation of public resources. In the case of both HCMC Food Corp. and Miliket, it was a network of family relations that underlay the process of privatisation.

The shift in state wealth out of production and the formation of direct links to the indigenous bourgeoisie and foreign capital characterises this privatisation process. It is exemplified by the transformation of the state enterprises controlled by the HCMC People's Committee where the retreat from production (manifested in factory closures and the reduction of the industrial workforce) coincides with the creation of the HCMC State Financial Holding Company which institutionalises the financial interests and nominal ownership rights of the local state apparatus. In the textiles industry, the creation of close relations with private capitalist entrepreneurs has effectively transferred control over production to private interests. The most powerful of these private interests is Minh Phung, who emerged from within the ranks of the ethnic Chinese merchant capitalist class. Close ties with local party and state officials saw the emergence of the Minh Phung Production Company (originally established as a 'collective economic production team' in 1991) as one of the largest private textiles conglomerates; subsuming state textiles production units as the HCMC People's Committee retreated into trade and finance. The nature of Minh Phung's ties to political power-holders was revealed in a recent investigation into his illegal banking and real estate activities in which he was shown to be providing city officials and their relatives with interest-free loans and new cars. Despite this investigation, state officials have indicated that policies to facilitate the expansion of Minh Phung's production and export activities will be implemented in 1994."

The formation of merchant capital from within the state enterprise sector is not simply a response to higher returns or the inability to reform industrial production. It is the outcome of class struggle where the assets of the enterprises are moved beyond the workers' sphere of interests, and beyond their control. Just as de-industrialization and the **casualization** of work in the advanced capitalist countries has undermined the social power of the working class by shifting industrial production offshore or dissolving it into finance capital, the rise of merchant capital in Vietnam as the dominant form of wealth has created a sphere of accumulation outside of the direct participation of the industrial proletariat. Sub-contracting and the relocation of production into small- and medium-scale private subsidiaries undermines the social power of the industrial proletariat through disintegrating the production process, with workers gathered in fewer numbers and in conditions where their interests **are** atomized. Workers are exposed to the competition of the labour market and their ranks are filled

with first generation workers and children who lack a sense of common interests that extend beyond mere survival, let alone a class consciousness.

It has been argued that in Russia the rise of merchant capital has not affected the social relations of production. In fact workers' control on the factory floor has increased." There are critical differences in the historical development of class relations and the nature of the state sector which prevent any serious comparison with the case of Vietnam. However, where wealth is shifted out of the sphere of production into the sphere of circulation in the form of merchant capital, it cannot be argued that the social relations of production remain unchanged. And if social conditions beyond the enterprise (such as massive unemployment, poor housing conditions, and the collapse of social welfare programmes) are recognized as affecting workers as a social force, then the argument that workers have recaptured control of the factory floor must be treated with caution. Particularly for workers no longer on the factory floor.

While the bulk of the state enterprise sector is slipping into oblivion, a new group of enterprises is emerging from within the non-economic institutions of the state apparatus. The most prolific growth has been in the businesses and production units owned by sections of the military. Although around 300 enterprises in construction, mining and transport are recognized as belonging to the Ministry of Defence, there are over two thousand enterprises which have been established using state resources but which are not state enterprises." The political power and influence of the high-ranking military officers that run these enterprises allows this entire sector to escape state control, while at the same time forging organic links with state trading companies and commercial banks, and channelling funds from the state budget. Both soldiers and civilian workers are employed in these factories, offices, hotels, and construction teams, although soldiers are only paid extra wages for this 'private' work in kind. Surplus extraction is not mediated by redistribution as in the pre-reform state enterprises, but is based on exploitation for private profit. But clearly, for these military workers extra-economic modes of appropriation remain important.

The significance of military involvement in private business on such a large scale should not be underestimated. The environmental protection laws due to be passed next year are irrelevant as long as logging and mining is carried out by military-run companies. The proposed labour laws are just as irrelevant. Mines owned and operated by the military have already shown that the safety and health of workers (let alone minimum wages or a limit to the working day) are interests suppressed by this combination of political power and capital, where the coercive power of the state extends into the factory regime itself. The murder of labour activists and the political repression of workers' rights and interests by the military in Indonesia gives us some insight into the possible dangers posed by

military-owned fractions of capital. Obviously, there are differences: the People's Army cannot justify the repression of workers' movements on the grounds that it gives rise to the threat of communist insurgency, as the Indonesian military does. But the threat posed to political stability and economic growth by strikes has already been conceived as a matter of national security.⁴¹

Privatization: The Politics of Exclusion

In the opening session of the Seventh National Congress of Vietnamese Trade Unions, Communist Party General Secretary, Do Muoi, railed against corruption and mismanagement in the state sector. The solution was clear:

Only through ownership of shares by the workers can they become the masters of their enterprises and through this rid the system of the disease of bribery and corruption.⁴²

Socialists could interpret this as the reversal of a reform agenda intent on ridding the system of what is Left. But in his advocacy of workers' ownership, Do Muoi had deviated from his prepared speech and government policy, contradicting the agenda of policy-makers and their entourage of new right technocrats. The Prime Minister, Vo Van Kiet, stayed away from the congress on the second day, sending a telegram instead which stipulated that the government would certainly allow workers to participate in shareholdings – as members of the public. In other words, they could buy them if they could afford them. It is a reminder that for the new right technocrats, privatization is about resolving the fiscal crisis of the state, and they are well aware that the same workers impoverished and excluded under market reforms are unlikely to have all that much money stashed away under their beds.

As mentioned earlier, amidst the 6,000 state enterprises, two have been privatised. The first of these, **Legamex** International Corporation, was 'corporatised' in mid-1993. The **Legamex** conglomerate – combining nine subsidiaries, seven 'cooperation production businesses' and four joint ventures – employed 6,485 workers and had total assets valued at **US\$13** million. Its accumulated offshore loans nearly matched this at **US\$12.6** million. To reassure potential shareholders, the State Bank guaranteed these existing loans, shifting the burden yet again to the national debt. Despite the rhetoric that these shares were open to all, at least 100 shares (just under **US\$1,000**) were needed to have the right to vote, and 1,000 shares (around **US\$9,500**) to run form membership on the management board.⁴³ The first point then is the exclusion of workers from control over the enterprise even if they own a few shares, since access to the board would require them to spend anywhere between 250 and 700 times their monthly wage. Secondly, it exemplifies the creation of capital in the private sphere out of national debt. The fact that **Legamex** is only now under

investigation for financial mismanagement and that the State Bank will have to cover its overseas debts comes as no surprise.

A programme for workers' shareholdings in the state sector had already been initiated by the government prior to Do Muoi's speech. Its aim is 'to create conditions for the workers to become the real masters of their respective enterprises by linking their interests with that of their enterprise.'" However, where shares have been issued to workers they have been to mobilize funds to finance the firm's operations, not to increase their participation in the control of the firm. In some cases workers have been issued shares instead of wages because another use had been found for the wages fund. In this sense their interests have been linked to the well-being of the enterprise.

Earlier Vo Van Kiet had ordered that funds be set aside for workers to borrow in order to buy shares. Initially announced as interest-free five year loans, workers are charged 4.8% per annum on amounts of **US\$300** to **US\$500**, which are only lent on a one-to-one basis, where they are required to buy one share with their own money for every share borrowed funds are made available for. The funds loaned are taken from the social welfare fund of the enterprise. Every year the joint-stock corporation will use profits to pay back the debt to the state and the shareholders will then be responsible for paying this amount back to the corporation. After five years the debt to the state would have been paid off and the shares will become transferable. In effect these are not shares, but long-term fixed interest bonds which – as with all bonds – do not carry ownership rights.⁴⁹

Where shares carrying ownership rights have been issued, workers have only been allowed to purchase just under 5% of the total shares and in other cases have been excluded altogether." In one case workers in the Refrigeration Engineering Enterprise (REE) were able to acquire effective economic possession of the firm when it was equitised, collectively buying over 50% of the shares and gaining control of 30% of the shares held by the state. But far from constituting a model for workers' participation in state enterprise reform, the head of the privatisation bureau, Nguyen Van Tuong, has warned workers against following the example of REE, recommending that they limit themselves to 10% of the shares issued by an enterprise." Another scheme often misinterpreted as a form of workers' shareholding is where workers are required to pay a fixed sum to owners of private enterprises to secure employment.⁵⁰ This is not a capital contribution but a way of buying your way out of the state sector or the ranks of the millions of unemployed.

In an indirect critique of the new orthodoxy, Nguyen The Kiet criticized the view that the working class has 'fallen into line with capitalism' in advanced capitalist countries. In stating that workers' ascent to middle class status through public share ownership underpins such a view, Kiet confronts the new right's attempt to collapse 'people's capitalism' with

socialism. Kiet argues that the exclusion of workers from ownership of the means of production is in no way altered by workers holding shares, given that ownership of a few shares and dividends which supplement workers' wages cannot be compared to the power of the bourgeoisie. And it does not alter the fact that workers are compelled to sell their labour-power to live. Despite the rhetoric of 'people's capitalism', the exploitation of workers does not disappear. Rather, 'they are exploited by more subtle methods.' Ultimately the view that the working class has somehow been absorbed into the middle class attempts to conceptualize away the very notion of class, class antagonism and the exploitative relationships that underlie it.⁴⁹ It seems that this is precisely the objective of the discourse on 'corporatisation' constructed by the reformist technocrats.

Trade Unions and the Working Class: The Politics of Inclusion

The dismantling of the socialist project under state policies which attempt to break the power of the working class generates contradictions within Vietnamese trade union organizations which are themselves embedded in the structures of state power. According to Ken Post, the 'role of trade unions in state enterprises from the very beginning has been to settle internal problems, popularize labour discipline and mobilize workers to achieve State objectives.'⁵⁰ To a large extent, this role has been reinforced under the transformation of state enterprises described above where enterprise managers have been able to use this as a form of extra-economic coercion.

The extent of the crisis within the trade unions was revealed in the lead-up to the recent Seventh National Congress of Vietnamese Trade Unions. What began as the usual pre-congress 'mass mobilization' campaign in which national branch unions, local unions and primary unions held their own congresses, turned into open conflict between trade union members and their representatives in which public criticism of the failures of the trade union movement was unleashed. The national congress, planned for October, was postponed until November as the VGCL executive committee met in Hanoi in an attempt to resolve the crisis. It was at this meeting that critical differences within the trade union leadership were resolved and the political report that had been submitted to the sub-national congresses was redrafted. Internal struggles within the trade union leadership were resolved with the appointment of three new vice-presidents and changes in the membership of the secretariat. There has also been a further centralization of power within the VGCL which marginalizes the voices of dissent. The powers of the executive committee and secretariat were reduced and a more powerful presidential committee created. The outcome of this meeting set the agenda for the national congress a month later. Each of the six hundred elected delegates was given a list of issues and

resolutions and instructed not to diverge from them as a way of preventing another outburst of public criticism at the congress itself.

From the very beginning of the pre-congress meetings workers accused trade union cadres of forcing the agenda away from the most critical issues. It was argued that trade union cadres were only interested in their own wages, trade union control over the social insurance fund, the selection of delegates and staff for the congress based on political alliances and personal contacts, and the preparation of documents praising the achievements of the trade union movement. Trade union members at the grassroots level began demanding that the failures of the trade union to protect the interests of workers be addressed. The trade union's own newspaper argued that the interests of trade union cadres are not aligned with those of the working class because cadres do not share the living and working conditions of workers and have no training in protecting workers' rights. The author concluded that they are not members of the working class but a middle stratum of bureaucrats with interests lying elsewhere.¹¹ In local and primary trade unions, it was argued that national trade unions are inclined to support the policies of the Party and the state regardless of the effects on the interests and rights of workers. This is reinforced by the fact that trade union leaders are chosen by the VGCL secretariat subject to the approval of the Party, with workers voting only to formalize this decision.

The most significant criticism was directed at the failure to abandon the trade union's role as a transmission-belt of the party-state in which trade union organizations 'neglect or nearly forget their function of protecting workers' legitimate interests, because it was assumed that all the interests of workers could not be separated from the common interests of the entire people for which the state is held fully responsible.'¹² As Xuang Cang has argued, by 'participating in state management' trade unions had gone against workers' interests, alienating their own constituency. The VGCL's current 'socialization' programme is intended to shift its social power base from the party-state bureaucracy to workers. But this has had little effect in resolving the basic contradictions within the structure of power that governs the existing trade unions. Cang argues that: 'There is a paradox in the trade union's activities: the popular movements which take place without the trade union's participation are more active than the movements organized by the union.'¹³ The reasons for this are clear. According to Cang, the commodification of labour-power, the release of workers from the state and cooperative sectors in their millions, the impact of 'business criteria' on shop-floor participation, the absence of unions for workers in the private sector, and workers' critical awareness of 'private interests' (presumably meaning in the state sector) have widened the abyss between trade unions locked into the party-state apparatus and workers' interests, especially where these interests include social equality and the right of democratic participation in the control of industry.¹⁴

As an outgoing member of the now defunct secretariat, Xuan **Cang's** views differ remarkably from VGCL policy. In addressing the national trade union congress, the head of the Ho Chi Minh City Federation of Labour, Hoang Thi Khanh, argued that under the commodification of labour-power, workers have the right to sell their labour 'at the right price' whilst 'enterprise owners also have the right to buy what they need'. The degree to which the labour movement has retreated is reflected in the fact that workers' rights were defined as: 'the right to work, the right to get paid corresponding to the quality of their labour, and the right to social welfare'.⁸ A democratic factory regime is not a right.

Criticism of the relationship between the trade union and the state included a demand for a restructuring of primary trade union committees to remove state enterprise managers. It was argued that the trade union committee could not be responsible for representing workers in collective labour agreements as long as managers represented both sides. The primary unions, organized within each enterprise, are emerging as mechanisms for organizing workers in the interests of the management (similar to enterprise-based unionism in Japan). It was in the context of the control of trade unions by managers that the issue of corruption and financial mismanagement was raised. Not only were trade union committees headed by directors or vice-directors but trade union officials were often involved in cases of corruption and theft of state assets. It was argued that workers' interests and rights could not be protected by the same people who were diverting state resources into private businesses of their own.⁹ In those joint ventures between state enterprises and foreign companies where trade unions have been permitted, trade union cadres have become part of the middle management, receiving as much as **US\$600** per month – 20 times more than the average worker. In return they guarantee the foreign investors industrial peace."

The low unionization rate in the private sector was an issue raised repeatedly in the lead-up to the national trade union congress, reinforced by the seven strikes which occurred in 1993, but was removed from the agenda by the VGCL executive committee. It is characteristic of 'business unionism' that the trade union operates as an organisation which delivers services to fee-paying members. The constituency is its clients – in this case the three million members of the VGCL – not the **working class**.¹⁰ The VGCL is not concerned that only 20% of foreign companies have signed labour contracts with workers, and only 15% have allowed the formation of labour unions. Only 14% of private Vietnamese enterprises have unions. As a result there are 2.2 million workers in the private sector of whom only 43,700 are union members." The trade unionists who have campaigned for the VGCL to recognize the need for unions in the private sector are aware of the limited capacity of workers to organize themselves. As To Tham has pointed out, 'the labourers themselves are not willing to

join the trade union as they are concerned only with having a job while the enterprise owners do not want such an organization in their enterprise'. " Although it is illegal to sack workers for trying to form a union, they are well aware that employers would find another reason for firing them. Given that the number of unemployed has reached seven million and the number of 'underemployed' on starvation wages is ten million, the threat of unemployment as a result of demanding the right to unionize is very real.

Antagonism does not just exist between the VGCL and its nominal constituency. There are internal divisions, particularly between the different levels of the trade union hierarchy. Particularly within the lower ranks of the trade union, cadres' interests are **aligned** to the interests of workers. Part-time trade union cadres have always had stronger ties with workers, being workers themselves. It is likely that the agitation for improved conditions, better wages and investigation of financial mismanagement in the 1980s found expression through these part-time trade unionists, rather than the permanent trade union members. However, the reform strategy directed against workers in state enterprises was replicated in the trade union movement, with part-time trade union cadres laid-off and the position of managers within the VGCL consolidated. One outcome of this has been to release former trade unionists into the private sector, where they have continued to demonstrate a commitment to the collective expression of workers' interests. A strike in a foreign joint venture clothing factory in Ho Chi Minh City earlier this year was organized by a former trade union cadre who had left the state sector under the labour surplus redistribution programme."

Although it is evident that there are political interests within the VGCL which support a radical transformation of the trade union in the direction of a genuine workers' movement, the domination of the trade union by the Party and state at all levels would pit the proponents of left unionism against the authoritarian Communist regime itself. The increased involvement of the military in capitalist enterprise and the rise of merchant capital from within the party-state bureaucracy has created the conditions for conflict between this movement and a nascent bourgeoisie whose power remains symbiotic with the structures of state power. It is not simply a matter of redefining the trade union agenda.

Recapturing this agenda is made all the more difficult by the material interests of fractions of the trade union bureaucracy embedded in it. This includes the interests arising from the diversion of trade union and state funds into business activities, particularly in the services sector. It can be argued that the profit-making business activities of the trade union increases the relative financial autonomy of workers' organizations and generates a source of funds for workers themselves. But these activities are based on channelling funds from the state budget, access to which is gained through political concessions; the main one being to deliver industrial peace to the state and foreign capital.

The export of workers to foreign countries for profit is the central business activity of the VGCL. The main agency for this is the Labour Centre of Vietnam Trade Unions (LACETU) and its provincial and city branches. Established by the VGCL with state funds in 1991, the function of LACETU was to provide training for unskilled workers and to assist in job creation. LACETU collects fees from workers who apply for training courses or register themselves as unemployed. There are discounts for the poor. Recently the Centre has introduced exclusive training courses – including business management – for high-ranking cadres and leaders of national branch unions. "LACETU sent 1,500 unskilled workers to Saudi Arabia in early 1993, and will send another 5,000 workers to the Middle East before the end of the year."⁶

Despite the fact that as few as 5,000 of the 80–90,000 Vietnamese workers in the CIS countries have regular employment (receiving wages which fall well below the US\$35/month minimum set by Vietnam's law on employment in foreign enterprises), LACETU plans to increase the number of workers exported to the CIS countries.^{6a} More recently, the VGCL executive committee approved a plan to establish direct links with foreign companies to export workers to the Asian NICs, in effect competing with the Ministry of Labour which monopolizes these markets. The Labour and Specialist Export Service (LSES), established by the Ho Chi Minh City Office of Labour, War Invalids and Social Affairs, has been successful in this respect, exporting workers to South Korea and Taiwan. In a report on the activities of the LSES, Phuc Tien revealed that workers sent to South Korea were not trained but were exploited as cheap labour, replacing Korean workers who were laid off as soon as the Vietnamese workers arrived. They were forced to work a twelve hour day, with unpaid overtime, and were subject to beating and humiliation by the managers. "When I raised the issue of poor working conditions, violation of workers' rights, and forced unpaid overtime as evidenced in the experience of Vietnamese workers in Taiwan and South Korea with the VGCL, I was told that the non-interference of Vietnamese trade unions is guaranteed in the labour export contracts."

The export of labour is justified on the basis that it creates employment. For the state officials and trade union cadres involved in this trade, it legitimizes intense exploitation and harsh working conditions as being better than nothing. It also gives exporting agencies access to the National Employment Fund provided by the state to reduce unemployment. However, in some cases the workers sent overseas already have jobs in the state sector and are hired out by state enterprise directors.^{6b} To argue that this is a conspiracy of some sort is to oversimplify the issue: there is a strong belief that workers who are sent overseas will be trained and experience better working conditions, particularly amongst trade unionists. Foreign conservative and centrist trade unions have played a critical role in shaping this

discourse on the new global labour market and the necessity of integration. But the material interests of the exporters of labour reflect something more than a commitment to training. In one case where Vietnamese workers are earning wages of US\$100–120 per month (prior to contributions to the Vietnamese government and transfer fees) the LSES official who travelled with them is being paid US\$980 per month. In the case of the workers contracted to Sun Sports in South Korea, 20% of their wages were allocated to the LSES.*

The Vietnamese government and VGCL are currently negotiating labour export contracts with Finland, Lebanon, the Czech Republic, Japan, Poland and Malaysia. In marketing Vietnamese workers, the Ministry of Labour and trade union organizations promote their passivity, low wages, and 'unconditional sale'. The contracts for 2,000 workers supplied to Prince International and Thaico by the Vietnamese Government in 1993 included a clause which states that: '... workers are absolutely forbidden to strike, leave jobs, or disturb the peace wherever they work or live'.* On the domestic front, this reinforces the trade union's commitment to the suppression of workers' interests to maintain industrial peace.

International labour organizations have achieved much in promoting workers' rights, but the predominance of conservative and centrist trade unions in the formation of global links that parallel the globalization of capital has transformed a labour movement born from revolutionary socialism into a mere appendage of capital. It is business unionism which has internationalized, not labour unionism. In their commitment to employment and training, we find international cooperation between labour organizations facilitating the export of labour and the preparation of workers as 'human resources', regardless of the exploitation that they will face.

The Vietnamese trade union movement as it is presently constituted cannot represent the interests of workers or effectively defend their rights. Delivering industrial peace to the state and capital is its overriding objective. And as organizations within the VGCL extend their business activities further into banking, finance and trade, this industrial peace will become its own prerogative and the organized labour movement will be incorporated into the capitalist project itself.

In a critique of the failure of trade unions to protect the rights and interests of workers as they are forced into a labour market, Hoang Chi Bao and Nguyen Thanh Tuan argue that trade union cadres, managers and state officials have 'degenerated into thieves'. Thriving on corruption and shifting state assets into the private sector, 'they have betrayed their class', turning against the working class which brought them to power.⁶⁸ But the roots of this betrayal lay in the formation of the post-revolutionary state which established a structure of power that – through crisis and reform –

gives rise to the embourgeoisement of the staff of the state. To argue that these segments of the Party and state bureaucracy are betraying their class origins is problematic given that the petty bourgeoisie, rich peasants, landlords and the national bourgeoisie were incorporated into the formation of the state apparatus in the nationalist struggle." Incorporation into the Party apparatus itself became a determinant of class identity. As the leading party ideologue, Truong Chinh, explained, '... because the Party is a party of the working class, once people, regardless of their social background, join the Party they already become a member of the working class'.⁷⁶

Class Struggle and Collective Action

The extent to which the VGCL remains a mechanism for the suppression of workers' interests is evident in its policy towards strikes – the clearest expression of workers' solidarity and commitment to collective struggle in the face of the challenge of market reforms. How many strikes have occurred since market reforms were introduced is not clear. According to the VGCL executive committee's report to the national congress, there have been 'dozens of collective reactions against the misconduct of the management accompanied with claims for ~~pay~~ rises and democratic behaviour from the employees at private businesses, joint ventures with foreigners, and even at some state enterprises'." Other sources put this figure at 54 strikes since 1992, with 70 'conflicts' in all. An article in the newspaper, Labour, addressed the issue of strikes in the lead-up to the national trade union congress, arguing that 'the unions have lost interest in workers and do nothing to protect the rights and interests of workers. Most of the workers' collective strikes occurred before the trade union cadres were aware of it'.⁷⁷ The main causes of these strikes were the fall in wages below the legal minimum, increased work intensity, including an increase in the working day to 10–12 hours without compensation, poor working conditions, and mistreatment by managers. Workers have never gone on strike to demand wage increases. They have only ever demanded that they be paid the legal minimum wage.

What is evident in these strikes is that workers have responded to changes in the factory regime where power has shifted to managers under market reforms. Virtually all of these strikes have involved criticism of management practices and demands for greater 'democracy' in the workplace. This is not limited to the foreign joint ventures where absolutist managerial control is introduced from the start as the way things are done. In 1990, 200 workers in a state rubber enterprise went on strike for thirteen days. The strike committee dismissed the manager for abuse of power and protested to higher authorities about the 'lack of democracy'. But the policy of the VGCL on strikes is clear. Strikes are viewed as 'an **unavoid-**

able phenomenon in a market economy', given that 'business profit is the primary aim of the employer, so it is necessary to increase productivity, reduce expenditure, increase labour intensity, and minimize **wages**'.⁷

Where strikes occur 'the trade union must take measures in time to protect the legitimate interests of workers and employees *without affecting economic growth and political stability*'. (Emphasis added)."

In the textiles and clothing industry where workers have expressed a high level of class consciousness and solidarity through collective action since the 1930s, they now face a declining state sector which is forcing them into small-scale private enterprises and foreign joint ventures where conditions are much worse despite the higher wages. Textiles factories owned by the Ho Chi Minh City people's committee are laying off half their workers, and across the country 20% of workers in state textiles factories are out of work." Thousands of workers in spinning factories throughout the country work only three weeks per month and receive 70% of their monthly **wages**.⁸ Strikes had begun as early as 1989, when 170 female workers went on strike in a state-owned factory. The main issue had been the authoritarian system of management and deteriorating **working** conditions. More recent strikes have concerned the extension of working hours of up to 12 hours per day without additional pay, and the failure of the management to pay the legal minimum wage. In November 1992, workers in a Taiwanese joint venture factory in HCMC went on strike to demand full wages, where wages had fallen from **US\$15 to US\$12** per month. In February 1993, 650 workers in a foreign joint venture clothing factory, Ree Young, went on strike and after two days had forced concessions: the full wage of **US\$35**; overtime pay; a limit on night shifts per week; and the right to form a labour union. In **making** these concessions, the director said, 'I also told the Korean technicians not to hit the workers, even if they had explained something many times.'"

Despite the view expressed by the VGCL leadership that 'strikes are the last weapon of workers for defending their rights in worker-management relations', the trade union will support the new labour laws to be passed in July, 1994, which – despite the legal recognition of the right to strike – will criminalize strikes. According to the draft law industrial disputes will be settled by arbitration committees established at provincial and city levels. If the dispute has not been resolved within 20 days, it is passed on to the state committee of labour arbitrators. But the state committee of labour arbitrators 'only settle serious disputes in the most important enterprises'. If the matter is not resolved within 30 days and there is no other way of resolving the problem, 'a strike is acceptable' on the condition that it is agreed to by over two-thirds of the workers. On each strike day, the strike leaders must provide written documentation (concerning the content of demands, a list of strike leaders on each strike day, the time limit of the strike) to the state officials concerned. The prime minister is empowered to

delay strikes at any given time, and the president can forbid or halt strikes in the interests of the state. Finally, 'Strikes which do not pass through the stages of conciliation and arbitration procedures are forbidden.'" The Minister of Justice, Nguyen **Duc Loi**, justified the legal recognition of strikes in a revealing admission: 'The world working class has fought for this decision for hundreds of years and the capitalist class has allowed it. And so we can't abolish this **clause**.'⁷⁹

It is clear that the legal recognition of the right to strike amounts to its criminalization. The law will establish mechanisms for conciliation and arbitration built upon the notion of the partnership between workers and enterprise managers. By setting out the necessary steps to be taken in the event of a dispute between workers and employers, it is explicitly stated that these mechanisms must be resorted to and the verdict given must be adhered to. Strike action which takes place prior to, during, or in spite of formal arbitration procedures is considered a violation of the labour law. The impact of these mechanisms for arbitration enforced by the state and weighted in favour of political stability and economic growth should not be underestimated. Intimidation by managers and officials and direct confrontation with the state bureaucracy can undermine workers' solidarity and force them into compromise or retreat. Gender and race relations are another sphere of domination and intimidation. The female workers in the Ree Young factory strike found it extremely difficult to confront managers, which led the Korean manager to **commend** them on the 'passivity' of their strike action. Although collective struggle often **makes workers** aware of other issues that they should be fighting for, the confrontation with officials on the state arbitration committees, the time constraints imposed by law and the pressure by bureaucrats to simplify their demands may push more abstract demands (such as greater democracy on the shop-floor) lower on the **agenda**.⁸⁰

The draft law also stipulates that, 'strikes are illegal if they do not concern issues relating to workers in the enterprise' and are only permitted if they deal with 'labour **problems**'.⁸¹ Not only does this restrict political articulation of the economic struggle within the enterprise, but it also prevents workers from expressing class solidarity. This is a serious problem for those intent on describing the transition as the reinvention of socialism or a socialized market economy. Revolutions are not made by laws, but the labour laws crafted by the new right are indicative of changes in the structure of power. When the new constitution was passed in 1992, Do Muoi (somewhat ironically) quoted Ho Chi **Minh** as saying in 1956: 'In whose hands is political power and whose interests does it serve? This will determine the whole content of the Constitution.'" Few would disagree. The spontaneous workers' strikes which gave rise to the 'soviet movement' in Nghe An in the 1930s would today be illegal.

What is Left?

Whether or not workers consider minimum wages, basic health and safety standards, access to housing, decent working conditions, and participation in the control of production as having their origins in socialist ideas, these ideas remain, particularly amongst second and third generation workers. And as Richard **Levins** suggests, these ideas may be embedded in the popular consciousness (even amongst those who are bitter about their experiences under 'real socialism') and as such have come to be considered as elementary human rights.⁸¹ A low-ranking trade union cadre who had spent ten years working in a northern textiles factory declared herself as being 'against socialism', arguing that, 'the socialist system only remembers workers when there's work to be done and forgets about them when the benefits are handed out'. The next time I met her she railed against the trade union leadership for failing to support the strikes in Ho Chi Minh City where workers were fighting for their rights. This consciousness of collective interests and critical awareness of workers' rights has seen increasing articulation of working class struggle. This is where the state runs up against its own socialist rhetoric. Usurping power is one thing, undoing the collective struggle of the workers and taking back what little they've gained is quite another.

Four decades ago the drive by the revolutionary state to shift popular struggle from national consciousness to a higher level of class consciousness in the period of radical land reform laid the basis for class struggle against the post-revolutionary state itself. The system of centralized administrative planning collapsed partly due to the struggle of peasants and workers against surplus extraction and exploitation by the state. The fact that the reform process itself is an attack on the class consciousness of the rural and industrial workers lays bare the crisis. We are also witnessing the attempt at the reconstruction of non-class alignments and divisions, with the new right intellectuals undermining the very consciousness of social conflict itself.

It could be argued that as the socialist project is dismantled and state power is withdrawn from the sphere of production, the working class is free to engage in collective struggle against the new capitalist social order. But the effects of alienation from political power and the meaningless forms of mass political participation that the Vietnamese people have been subjected to under an authoritarian regime should not be underestimated. Neither can the revival of a radical working class politics rest on the hope that a high literacy rate and a critical press will facilitate collective action, even if the fact that both are in decline is ignored. The experience of advanced capitalist countries has demonstrated that we have become more literate and less articulate. And as suggested in *Critique*, 'The commercialisation and bureaucratization of knowledge has permitted a vast expansion in information and a decline in **understanding**.'⁸⁴

In Vietnam the radical discourse on capitalism and socialism faces a critical challenge: the language of revolutionary socialism remains discredited, having been hijacked and used to legitimate the usurpation of power by the party-state bureaucracy and the denial of socialist democracy. Even where there has been a shift from 'bullshit Marxism to bullshit liberalism', as Richard **Levins** has pointed out, this leaves behind bitter cynicism and an aversion to the language of Marxism amongst workers. To talk of 'socialist democracy', 'exploitation', 'working class struggle' or 'historical materialism' is to be reviving the Marxist-Leninist propaganda that workers have grown sick of hearing. To make things worse, the orthodox Marxist intellectuals who frame the current transformation in terms of constructing socialism, consolidating the dictatorship of the proletariat, and the Party's role as the vanguard of the working class, democratic centralism, and so on, further discredit the language of radical politics.²⁴

The concept of a new partnership between the bourgeoisie and the proletariat which underlies business unionism and the denial of class antagonism in the post-radical politics of the Left, offers us what the new Vietnamese policy orthodoxy and Western intellectuals and trade unionists conceive as a market economy with a humane face or a friendlier sort of capitalism. In this abandonment of radical alternatives to capitalism, the working class is to make more concessions and compromises for the sake of the national or societal interest, which then legitimates the subversion or suppression of working class struggle. Yet every aspect of workers' rights, relative improvements in standards of living, minimal health and safety standards, the right to an education, social welfare and mass political participation, is the result of working class struggle against the very logic of capitalism itself. This was not achieved through concessions and compromise. It was certainly not achieved through retreat.

Yet this retreat is very real. In Vietnam today, we are witnessing the exercise of state power against what remains of the socialist project under the rubric of 'market reform'. The defeat for the socialist Left did not come with the collapse of Communist regimes in Eastern Europe or even with the adoption of capitalist projects by Communist regimes in China and Vietnam, but in the immediate aftermath of the socialist revolutions, in the years when the Communist leadership located its social power base within the party-state bureaucracy itself, alienating the workers and peasants from political power. It seems that the working class is only brought back on the scene where the collapse of Communism – this usurpation of political power by the party-state bureaucracy – and Social Democracy – the subversion of labour movements away from radical opposition to capitalism – is presented as evidence of its own retreat from radicalism. But is the *intellectual* Left and radical trade unionism that is in decline, as much in Vietnam as in the advanced capitalist countries.

NOTES

1. This is based on private discussions with Le Dang Doanh in Hanoi, October 11, 1993.
2. See L.D. Musolf, 'Public enterprise and development perspectives in South Vietnam', *Asian Survey*, 3, 8, 1963; and M.N. Trued, 'South Viet Nam's Industrial Development Center', *Pacific Affairs*, 33, 3, 1960.
3. This is based on interviews with witnesses to the incident on December 10, 1993. There have been no media reports.
4. 'Rice exported despite food problems', *Vietnam Insight*, March 10, 1993.
5. According to Vu Ngoc Binh, 'There is no official data available on child labour. The estimates in Vietnam could mount up to millions. . . . Many rural children are handed over by their parents to perform household chores in urban families. "Child catchers" roam rural areas, buying or taking children from poor families and selling them to private households, restaurants, workshops and brothels.' Binh describes the working conditions of child-labourers:

[L]ong hours of work; no wages or wages below the minimum rate; no weekly or annual holidays; lack of facilities in the work place such as light, water, space, rest rooms, bath rooms, urinals and medical facilities for growth and development; inhuman treatment, including physical and mental abuse; and health hazards.

- Vu Ngoc Binh, 'Child labour in Vietnam', *Vietnam News*, October 3, 1993, pp.4; 8.
6. Tran Kim Giang, 'New school tuition fees may threaten education system', *Vietnam Investment Review*, October 4-10, 1993.
 7. Although the Ministry of Labour's Centre for Employment Promotion places the number of unemployed at 2.1 million, and the Institute of Labour Science and Social Affairs at 2.9 million, this is based on unemployment in the major cities and as such does not include the rural workforce which accounts for 75% of the total number of workers. The rationale for this view is that there cannot be unemployment in rural areas due to the nature of agrarian life. However, the people's army newspaper, *Quan Doi Nhan Dan*, has placed this at seven million, which accords with the Asian Development Bank's figure of 6.8 million.
 8. All employment centres charge unemployed workers to register as being unemployed. On the practice of workers buying their way into jobs, see Per Ronnas, *Employment generation through private entrepreneurship in Vietnam*. Geneva: International Labour Organisation, 1992, pp.120-121.
 9. In April 1992 the National Employment Fund was established to create jobs for 1.3 million unemployed, a total of US\$83 million, of which US\$25 million was provided as interest-bearing loans. Of this amount 20% was misallocated and US\$18.4 million used to create 161,535 mostly temporary jobs and the rest used by ministries, the VGCL, and provincial people's committees to finance the export of labour and other business activities. The money allocated to provincial people's committees for job creation projects remains in the hands of local cadres. Bui Ngoc Thanh, 'How the 250 million dong fund for job creation was used', *Nhan Dan*, August 5, 1993; 'Employment, still an uphill battle', *Vietnam News*, June 6, 1993.
 10. Melanie Beresford, 'The political economy of dismantling the "bureaucratic centralism and subsidy system" in Vietnam', in Kevin Hewison, Richard Robison and Garry Rodan (eds), *Southeast Asia in the 1990s*. Sydney: Allen and Unwin, 1993, p.229.
 11. For example, the largest allocations from the state budget is to finance 'investment in fundamental construction'. This money is accumulated by state authorities and diverted to other activities. Only 12% had been spent on the projects the money was allocated for and between 20-30% of total state investment was leaked 'due to loosened management'. Le Van Toan, *Viet Nam: Socio-economy 1991-1992 and the first half of 1993*. Hanoi: Statistical Publishing House, 1993, pp.34-35.
 12. This was amply demonstrated by the struggle over the law on land where the fear of delegates from northern provinces of the resurgence of landlordism generated a drawn-out debate. Yen Hung, 'Parliamentarians simmer over land debate', *Vietnam Investment Review*, July 12-18, 1993, p.9.
 13. 'Opinions for the 7th national congress of Vietnamese trade unions', *Lao Dong & Cong Doan* (Labour and Trade Union Review), 150, September, 1993, p.12.

13. 'Directive issued to restore order in booming media', *Vietnam Investment Review*, November 1–7, 1993.
14. For example, an article on the theft of electricity by the residents of Hai Phong City was published in *Lao Dong*, and an article on the theft of US\$1 million worth of cement by the management of the Vietnam Union of Cement Enterprises was rejected by the editor, apparently because of the protective political 'umbrella' of those involved. Huyen An, 'Hai Phong: 59% of electric power, about 15.3 million KWH, is stolen every month', *Lao Dong* (Labour), July 25, 1993; Nguyen Anh Thi, 'Where is 120 billion dong?' (unpublished).
15. Ken Post, 'The **working** class in North Viet Nam and the launching of the building of socialism', *Journal of Asian and African Studies*, 23, 1–2, 1988, p.150.
16. Simon Clarke, 'Crisis of socialism or crisis of the state', *Capital and Class*, 42, 1990, p.24.
17. Michael **Lebowitz**, 'The socialist fetter', pp.362–363, and Ernest Mandel, 'The roots of the present crisis in the Soviet economy', *The Socialist Register 1991*. Merlin Press, 1991, p.204; 206.
18. Interview with Do Minh Cuong, director of the Institute for Labour Science and Social Affairs, Ministry of Labour, War Invalids and Social Affairs, September 28, 1993.
19. Nguyen Tuong Lai and Nguyen Thanh Bang, 'A development policy for human resources within the socio-economic strategy of Vietnam up to the year 2000', in Per Ronnas and Orjan Sjoberg (eds) *Socio-economic development in Vietnam*, Stockholm: SIDA, 1991, p.90.
20. *ibid.*
21. Speech by the head of the Department of Labour Policy, Ministry of Labour, War Invalids and Social Affairs, 'About the redistribution of the workforce in state economic units, and the role of the government in solving the problem of surplus labour', presented at the *Seminar on the Role of Labour Administration*, Hai Phong, 1990.
22. Vu Hung, "'Open-air" labour markets', *Thoi Bao Kinh Te Sai Gon* (Saigon Economic Times), July 22–28, 1993, p.13.
23. 'Polarisation of wealth widens in Nam Dinh City', *Vietnam News*, June 6, 1993, p.4; Ngo Manh Ha, 'On the present phenomenon of differences in the income and living standards in the countryside', *Nghien Cuu Ly Luan* (Theoretical Review), 3, 1993, pp.17–19.
24. Nguyen Tuong Lai and Nguyen Thanh Bang, *op.cit.*
25. Officials from the Institute of State and Law, the Ministry of Justice and the International Labour Cooperation Department of the Ministry of Labour are involved with a group of Japanese businessmen in plans to export sex labour to Japan. This is based on a meeting with one of the Japanese involved in the project. For a similar case see the article on a traditional dance troupe sent to Japan under the guise of 'cultural exchange' and forced into prostitution for three months. Do Quang Hanh, 'An artistic ethnic dance troupe performs in Japan', *Lao Dong* (Labour), October 12, 1993, pp.5–6.
26. BBC Summary of World Broadcasts, Far East, **FE/1012 B/7**, March 5, 1991; **FE/1068 B14**, May 10, 1991.
27. See my article, 'Disaster for Quang Ninh coal miners', *Asian Labour Update*, 13, October 1993, p.20.
28. **Dan Tam**, 'A glimpse at Quang Ninh', *Bao Ho Lao Dong* (Labour Protection Review), 1, 1993, pp.22–23.
29. Hoang Chi Bao and Nguyen Thanh **Tuan**, 'The role of unions under the market mechanism', *Lao Dong & Cong Doan* (Labour and Trade Union Review), 150, September, 1993, p.9.
30. Simon Clarke, 'Privatization and the development of capitalism in Russia', *New Left Review*, 196, 1992, pp.3–27.
31. Nguyen Van Thao, 'About the executive, legislative and juridical machinery', *Tap Chi Cong San* (Communist Review), 8, 1993, pp.37–40.
32. This is based on discussions with Do Hoai Nam, deputy director of the Institute of Economics, who is a member of the special **working** group on state enterprise sector reform.
33. The outstanding debt in the state enterprise sector was over US\$41 billion in 1991. This doesn't include overseas debt which has grown rapidly since 1989. The debt level is unclear

- since only 64% of managers in state enterprises in the South and 45% in the North responded to a directive requesting **information** on debts owed or owing. BBC Summary of World Broadcasts, Far East, **FE/1127 B/2**, July 18, 1991; *Far Eastern Economic Review*, September 26, 1991, p.57. The accumulation of debt through overseas borrowing by local governments and state **enterprises** that must be borne by the state is discussed by Le Van Toan, *op.cit.*, pp.33–34.
34. Melanie Beresford, *National Unification and Economic Development*. London: Macmillan, 1989, p.207; Murray Hiebert, 'Enterprise encouraged to invigorate the economy', *Far Eastern Economic Review*, July 23, 1987, p.28.
 35. Vo Van Kiet, 'Transformation of private industry and trade in South Vietnam – some practical problems', *Viet Nam Social Sciences*, 2, 1985, pp.55–56; 59.
 36. This is based on a series of articles in *Tien Phong*, March 23, April 6, and July 6, 1993; and 'The trial of Miliket', *Kinh Te Viet Nam* (Viet Nam Economic Times), 6, 2–1993, p.18.
 37. Karl Marx, *Capital* (volume 1). London: Penguin, 1990, ch.31, pp.918–919.
 38. Tran Kim Giang, 'Garment producer involved in illegal land deals', *Vietnam Investment Review*, December 13–19, 1993, p.7.
 39. Michael Burawoy and Pavel Krotov, 'The economic basis of Russia's political crisis', *New Left Review*, 198, 1993, pp.52–55.
 40. Nguyen Quoc Thuoc, 'The fourth military region', *Nhan Dan*, August 5, 1993; 'Organizing labour in military units engaged in business activities', *Kinh Te Doanh Nghiep*, 12, 1992, pp.20–21; Pham Van Tra, 'The third military region combines economic construction with national defence & the new economic mechanism', *Tap Chi Cong San* (Communist Review), 12, 1992, pp.27–30. See also, BBC Summary of World Broadcasts, Far East, **FE/W0219 A/7**, February 26, 1992.
 41. The creation of the National Branch Union of Defence Industry Workers in mid-1993 follows the rise of the military bourgeoisie. It is difficult to ascertain where pressure for unionization came from. Whether the workers themselves demanded it is not clear. It is also not clear whether the union will represent workers in private military-run factories or only those officially recognized as belonging to the Ministry of Defence. But the role of the defence industry workers' union is clear. Although nominally under the control of the VGCL, it in effect operates as a 'mass mobilizing' organization that functions as part of the Ministry of Defence. The main concerns are labour discipline, recruitment and training, and delivering industrial peace to the new fractions of military-owned capital.
 42. Speech to the Seventh National Congress of Vietnamese Trade Unions, Hanoi, November 10, 1993.
 43. Nguyen Ngoc Chinh, 'Legamex equitisation showing early success', *Vietnam Investment Review*, July 12–18, 1993.
 44. Thanh Phong, 'Business undertaking a motive force of production', *Vietnamese Trade Unions*, 2, 1993, p.11; Ngoc Anh, 'Government grappling with problems of privatization', *Vietnam Investment Review*, May 3–9, 1993, p.8.
 45. Duc Thinh, 'The shareholding group', *Vietnamese Trade Unions*, 2, 1993, p.12.
 46. 'Trade union and workers' rights', *Vietnam News*, November 28, 1993, p.2.
 47. 'Equitisation chief calls for more state involvement', *Vietnam Investment Review*, December 13–19, 1993, p.14.
 48. Per Ronnas, *op.cit.*, pp.120–121.
 49. Nguyen The Kiet, 'Some thoughts on the modern working class', *Nghien Cuu Ly Luan* (Theoretical Research), 4, 1993, pp.1–5.
 50. Post, *op.cit.*, p.145.
 51. 'Does the Trade Union take care of workers?', *Lao Dong* (Labour), July 22–28, 1993.
 52. Xuan Cang, 'The real situation of the working class and options for the Trade Union', *Tap Chi Cong San* (Communist Review), 10, 1992, pp.38–42.
 53. *ibid.*
 54. *ibid.*
 55. 'Trade union and workers' rights', *Vietnam News*, November 28, 1993, p.2.
 56. Hoang Chi Bao and Nguyen Thanh Tuan, *op.cit.*
 57. Interview with an official of the Socio-Economic Department of the VGCL, Hanoi, October 16, 1993.

58. David **Mandel**, 'The AFL-CIO goes to the CIS', mimeo p.3.
59. Dang Ngoc **Chien**, 'The primary duty of the trade union in a market economy', *Vietnamese Trade Unions*, 5, 1993, p.11.
60. To Tham, 'For the benefits of labourers in all economic sectors', *Vietnamese Trade Unions*, 2, 1993, pp.7-8.
61. This is based on discussions with **Phil** Drew of the Australian Trade Union Training Authority after visiting Ho **Chi** Minh City.
62. *Vietnamese Trade Unions*, 4, 1993, p.15. The brochure advertising LACETU produced in 1993 states: 'LACETU is ready to supply technical workers for production establishments of various economic sectors and for foreign capitalists' enterprises or companies which are in want of such workers.'
63. *Thoi Bao Kinh Te Sai Gon* (Saigon Economic Times), May 20, 1993.
- 63a. 'Most Vietnamese workers in CIS are unemployed', *Vietnam Investment Review*, November 22-28, 1993, p.6.
64. **Phuc Tien**, 'Skillings or selling our labour for peanuts?', *Tuoi Tre* (Youth), March 27, 1993. Translated by Hanh Tran in *Vietnam Today*, 65, May Quarter, 1993, pp.11; 15.
65. In the case of a state enterprise in Hai Phong, workers were sent to Japan after being 'sold' to the International Cooperation Department of the Ministry of Labour, by the enterprise director. This is based on research carried out in Hanoi and Hai Phong in October, 1993.
66. **Phuc Tien**, *op.cit.*
67. *ibid.*
68. Hoang **Chi** Bao and Nguyen **Thanh Tuan**, *op.cit.*, p.9.
69. Pham Van Dong, 'Revolutionary tasks, class composition and forms of the people's democratic power in Vietnam', in *On the problem of the State*. Hanoi: Foreign Languages Publishing House, 1983, pp.11-17.
70. Cited in Post, *op.cit.*, p.143.
71. Report of the Executive Committee of the Vietnam General Confederation of Labour to the Seventh National Congress of Vietnamese Trade Unions, Hanoi, November 10, 1993, p.8.
72. 'Does the Trade Union take care of workers?', *Lao Dong* (Labour), July 22-28, 1993.
73. President of the Ho Chi Minh City Federation of Labour, quoted in Murray Hiebert, 'Industrial disease', *Far Eastern Economic Review*, September 2, 1993, pp.16-17.
74. Report of the Executive Committee of the VGCL, *op.cit.*, p.8.
75. *Sai Gon Giai Phong* (Saigon Liberation), May 22, 1993.
76. *Vietnam Investment Review*, July 12-18, 1993.
77. Hiebert, 'Industrial disease', *op.cit.*, pp.16-17.
78. 'The problem of strikes', *Lao Dong Xa Hoi* (Labour and Society), September 10-25, 1993.
79. Quoted in *ibid.*
80. This is revealed very clearly in Li Meng-Zhe and Luo Xing-Jie's *Professor Chu's Summer Work*, a documentary which follows the struggle of women workers in a clothing factory in Taiwan.
81. 'The problem of strikes', *op.cit.*
82. Ho Chi Minh, *Selected Works*, volume 2, p.127, cited in Do Muoi, 'Towards a state based on the rule of law', in *Vietnam: One year after the 7th National Party Congress*. Hanoi: The Gioi, 1992, p.12.
83. Richard **Levins**, 'Eulogy beside an empty grave', *The Socialist Register* 1990. Merlin Press, 1990, p.341.
84. 'Critique notes', *Critique*, 25, 1993, p.4.
85. Anita Chan has noted this phenomenon in China where the Marxist terminology used by those aligned to the interests of the working class ('workers' advocates') has been undermined and discredited by the reformers. Anita Chan, 'Revolution or corporatism? Workers and trade unions in post-Mao China', *Australian Journal of Chinese Affairs*, 29, January, 1993, p.51.