Electric media in rural development: Individual freedoms to choose versus politics of power and control.

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Each of us carried in his heart a separate war which in many ways was totally different, despite our common cause. We had different memories of people we'd known and of the war itself, and we had different destinies in the post-war years. (...) But we also shared a common sorrow, the immense sorrow of war. (...) It was also thanks to our mutual sorrow that we've been able to walk our respective roads again.

Bao Ninh, The Sorrow of War

8.1 INTRODUCTION

Since the declaration of independence of the Democratic Republic of Vietnam (DRV) in 1945, the fate of the northern part of Vietnam has been linked to that of Vietnam's Communist Party (VNCP), founded by Ho Chi Minh. After three decades of almost continuous warfare against changing adversaries, the North-Vietnamese army and VNCP guerilla forces in South-Vietnam managed to overthrow the US supported government of the Republic of South-Vietnam. Consequently, the entire territory of Vietnam came under control of the VNCP and the Socialist Republic of Vietnam (SRV) was founded. The VNCP labeled the process re-unification, although no independent nation-state had existed within the present borders of Vietnam. Despite the clearly stated objective of the war, unification of the two Vietnamese entities, the pace of achieving victory surprised the VNCP. North-Vietnam appeared unprepared for the economic difficulties facing South-Vietnam, nor was it ready for a confrontation between two entities in different socio-economic conditions (Kolko, 1997: 4 - 8).

Territorial unification occurred April 30, 1975. Following legislative unification in 1976, the VNCP started an attempt to impose its political, social and economic order on the former South-Vietnam, with collectivization of agriculture being a major objective. Although some land redistribution took place, the main objective of a complete collectivization of agricultural activities was not achieved, mainly due to the resistance from the people in the former South-Vietnam. Given the large percentage of the population living in rural areas (close to 80% then and approximately 70% now), the failure to transform the agricultural sector of the former South-Vietnam can be perceived as a failure of the VNCP to impose its order. In addition, the effort itself created a significant amount of resentment between people in the two parts of the country. In an attempt to build on the successful war effort, the VNCP decided to apply similar organizational structures, methods and decision-making processes to the peace-time economy. Unfortunately for the VNCP, the centralized planning system, set up along the lines of Soviet and Chinese models, reproduced the inefficiencies of its examples. Moreover, specific aspects of post-war Vietnam worsened the negative aspects of the system. Despite the centralized nature of the State, the VNCP and the economic system, the regions had operated with a certain degree of autonomy to facilitate the war effort and local political and administrative leaders were not willing to hand over their power. Vietnam's economy never took off after the war and, starting in the late 1970s, people in rural areas started experimenting with non-collective economic activities.

The VNCP leadership realized that increasing poverty would inevitably cause people to question the party's legitimacy as the leading force in Vietnam. Therefore, beginning in the early 1980s, agricultural reforms gradually allowed farmers more economic freedom. At present, Vietnam's economic situation can be compared to what is commonly known as a socialist market economy, although all the land is owned by the State and leased to farmers. The 6th National VNCP Congress (1986) formally confirmed the economic reforms, officially called restoration (doi moi). This period before the 1986 economic reforms is often referred to as the subsidized economy. The economic reforms have moved the Vietnamese economy towards the mixed economies prevailing in Europe. A mixed economy, consisting of a State-economy, an economy of joint economic entities, Vietnamese-style joint-ventures, a cooperative economy and an individual economy (private enterprise). The introduction of market mechanisms in Vietnam has led to the emergence of small scale free enterprise in urban and rural areas. As a result, the State has lost some of its, once complete, economic control of the economic domain to the individual economy and, to a smaller degree, to more autonomous
operating management of some of the State-owned enterprises (SOEs). Nevertheless, the State maintains economic control through those SOEs and -mostly through legislation and regulation- also over joint ventures between SOEs and foreign companies.

Despite economic reforms, political control remains with the VNCP, which exercises this control by means of legislation and regulations. Initially, together with economic reforms, political reforms appeared to be part of doi moi. One of the reasons was the apparent alienation of the people from the VNCP. To some extent, openness in newspapers was tolerated, which led to large numbers of letters to the editor. However, when this openness led to questioning the maxim that 'the VNCP leads, the working people are the master, and the State manages', the process was reversed. Apparently, the ideological border of political reforms, the VNCP's monopoly on power, had been reached (Trogemann, 1997: 77 - 114). This is only part of the truth, however, since some external developments also influenced a decision to restrict critical voices within the VNCP. The collapse of the Soviet Union and its eastern European allies, as well as the consequences of the rise of the democracy movement in China, made clear what the threat of too much political freedom would mean to the Vietnamese leadership. Despite a halt on political reforms, economic reforms continued, which has resulted in an economic system more or less similar to that of Soeharto's New Order Indonesia.

Nevertheless, Vietnam's interpretations of Marxist-Leninist ideology and Ho Chi Minh's ideas still determine the official framework within which development approaches are defined. A State-controlled, top-down approach is applied to rural development. A Politburo statement in 1996 emphasized 'the party's thinking about market development, the pre-eminent role of the state in trading activities, and the party's distrust of private traders, especially in rural markets' (Stern, 1998: 30), thus emphasizing that the VNCP would not hand over complete control of Vietnam's economy to the free market economy forces. However, over the past few years, independent professional associations have emerged, challenging the role of the mass organizations of the Vietnam Fatherland Front and Vietnam is no longer a 'mono-organizational socialist state' (Thayer, In: Kerkvliet and Porter, 1995: 39-61). However, autonomous development initiatives at lower administrative levels, let alone at grassroots level, do not appear to be feasible if the leading role of the VNCP is challenged. The exception to that rule is the opportunity for free enterprise, particularly in economically thriving areas. In those parts of the country, market mechanisms operate autonomously, but within legislative and regulatory constraints. The lack of political reforms has affected the use of electronic media in rural development. Apart from holding on to political power, the VNCP is intent on controlling information flows within Vietnam, as well as to and from Vietnam. Amendments to tighten content restrictions in the press law (1999) are an example of the former, legal and technical restrictions on the Internet of the latter.

8.2 DEMOCRATIC INSTITUTIONS, PRACTICES AND POLITICAL FREEDOMS

In Vietnam, the lines between authority, power, responsibilities and tasks of the executive structure, the political structure and administrative structure are not always clear. In order to understand the political context of Vietnam, it is important to realize that the theoretical knowledge of pure Marxist-Leninist ideology was never as firmly established in Vietnam as in the Soviet-Union. Marxism-Leninism was interpreted for the situation of Vietnam, i.e., in Ho Chi Minh-thought, and applied in pragmatic ways. Socio-political arrangements have never completely been based on a pure Marxist-Leninist ideology and the political ideology was mainly used to legitimize VNCP control and dominance. In addition, the threats and specific organizational demands of war, as well as the organizational centralism of Marxism-Leninism, made the ideology an effective tool in the Vietnamese war efforts without a real need for understanding theoretical details. Maybe as a result of a lack of theoretical knowledge, the

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1 In order to reconcile the Marxist-Leninist concept of a hierarchical, centralized and elitist party organization with the reality of a party based on less ideologically educated masses, Ho Chi Minh produced his personal interpretation of communist theory. He essentially traded the Marxist-Leninist ideological rigidity for a more pragmatic approach applicable in the Vietnamese context, which meant, for example, that the influence of the people through mass organizations could replace too centralized controls. As such, Ho Chi Minh can be said to have favored a kind of democratic centralism, which allowed for a certain level of decentralization and autonomy (Kolko, 1997: 81 - 88). However, Ho Chi Minh-thought can more aptly be described as the dogmatization of Ho Chi Minh's interpretations of Marxism-Leninism for the purpose of legitimizing the reality of a power elite with rhetoric of participation by the masses.
VNCP automatically emphasized control aspects of Marxism-Leninism after the war and was not capable of translating war-time use of Marxism-Leninism ideology to peace-time use (Kolko, 1997: 19-30). In its attempt to stay in power and to solve the economic problems, it has been relatively easy for the VNCP to relinquish some economic control to market mechanisms. However, political control is apparently too closely associated with central power to be given up through reforms.

**Political system**

After unification, the VNCP started to reduce the discrepancy between the political system in reality and on paper, which resulted in more regular convocations of decision-making, consultative and legislative organs. At the same time, the democratic deficit of the political system was reduced slightly by balancing central and provincial representatives in the main consultative organ and by adjusting the electoral laws. However, real political participation is restricted to members of the VNCP. Vietnam’s political lifecycle is five years and revolves around the VNCP’s national congresses, which have been held in five year intervals since 1986. The congresses assess the past, provide outlines for the future and discuss changes in the political system as a whole, its constitutive elements and the role of the VNCP. Since the VNCP’s 8th National Congress (1996), Vietnam’s political system consists of the following elements:

- the VNCP is the leading force in the SRV (1992 Const., art. 4), although that position is subject to legal provisions; however, economic reforms, and the resulting emergence of non-party affiliated or controlled associations, have limited the parts of Vietnamese society in which the VNCP operates as the leading force to political, legislative and regulatory fields;
- the 1992 Constitution is the SRV’s highest law (1992 Const., art. 146);
- the president of Vietnam is the head of state and represents the SRV in internal and external affairs (1992 Const., art. 101), but performs a largely ceremonial role;
- the highest policy- and decision-making body is the Politburo, whose (varying number of) members are elected for five-year terms during a plenary session of the VNCP’s Central Committee;
- the National Assembly (NA) is the highest legislative representative body and the only institution with the right to amend the constitution (1992 Const., art. 147); members of the assembly are elected for five-year terms by members of provincial People’s Councils; the NA does not convene on a daily basis, but sessions are held when laws have been prepared to be discussed and passed;
- executive authority to implement policy rests with the government of Vietnam, which is accountable to the NA; the government consists of a prime minister, deputy prime ministers and other ministers, of whom only the prime minister has to be a member of the NA; and
- the Vietnam Fatherland Front is perceived to be the political base of the people’s power (1992 Const., art. 9) as the umbrella organization for VNCP-related mass organizations in Vietnam. The Central Committee can be conceived of as the consultative body of the VNCP and half of its members are provincial delegates. Delegates to national VNCP congresses are appointed through a consultative process, which occurs during preparations for each national congress. The VNCP’s 8th National Congress elected the 170 members of the 8th VNCP Central Committee. During this National Congress a Standing Committee (SC) of the Politburo was introduced to replace the VNCP Secretariat, which had obtained a relatively autonomous power position. However, the creation of the SC was said to run ‘counter to the practice of democratic centralism, and in itself represented a concentration of power that exceeded the authority vested in the Politburo’ (Stern, 1998: 88, italics added). Creating the SC has been defended in various ways, but decentralization of decision-making processes was not amongst those explanations.

Although, Vietnam’s political system is often perceived to be authoritarian, most of the formal
democratic institutions can be identified. Vietnam has a representative government, because the National Assembly is a representative body, elected for limited terms (five years) and accountable to an electorate (1992 Const., art. 7). However, the elections do not allow multiple parties to compete for seats in the NA and the VNCP is the only political party in Vietnam. Nevertheless, a liberalized electoral law (1992) allows for individual independents to nominate themselves. The right to vote is guaranteed in the 1992 Constitution (art. 54). The participatory nature of the political system is difficult to determine, mainly because of the dual political and administrative structure, but a right to participate in politics has been enshrined in the constitution (1992 Const., art. 53). Participatory elements are present in the VNCP’s political processes, particularly in the lead up to the five-year national congresses. However, the true people-oriented nature of the processes is questionable, given the degree of central guidance of the consultative process. The VNCP claims to rule on behalf of the people, whereby the people are usually identified as the working classes and peasants. It is the legitimacy of that claim which the VNCP defends with economic reforms, but without intentional political reforms.

Vietnam’s dual structure: administrative and political
Vietnam has an entwined dual structure, consisting of administrative and political elements, which operate alongside each other. The Chairman of the People’s Committee represents the administrative structure and a VNCP party secretary the political structure. An important aspect of the dual nature of the political and administrative structures is that VNCP politicians can also be part of the administrative structure, which creates a dual function elite.

At the central level of the administrative structure, government and government-related institutions are based in Hanoi, with representatives in Ho Chi Minh City (HCMC). The administrative structure consists of five levels (including the national level) and has not changed since independence. However, the number of communes, districts and provinces has changed regularly. The number went from 40 to 53 (1986) and subsequently to 61 (1996) (Le Ba Thao, 1997: 164), but presently Vietnam’s administrative structure consists of 58 provinces and 3 municipalities (Hanoi, HCMC and Danang) under direct control of the central authority. Provinces are sub-divided into districts, provincial cities and towns and districts contain various communes (1992 Const., art. 118). Local governments consist of a People’s Council, which is elected through universal suffrage, and a People’s Committee, which is elected by the People’s Council from amongst its members. The local governments have some autonomy over the elaboration and distribution of their budget, but ultimate decision-making power rests with the central government and most of the tax income is transferred to the central government (1992 Const., art. 119-125). Communes form the lowest administrative level, can contain large numbers of villages and hamlets and may cover significant geographical areas, particularly in remote rural areas. As a result of the economic reforms, the cooperative structure disappeared in most of rural Vietnam. To replace the administrative functions of the cooperatives, the village emerged as a de facto administrative level below communes and consists of a village chief, a policeman and people safeguarding order and security (Liljestrom et al., 1998: 24/25). Another result of the disappearance of commune cooperatives and a partial dissolution of the VNCP’s political structures in communes is that traditional organizations have re-emerged (Kolko, 1997: 89 - 100) (Thayer, In: Kerkvliet and Porter, 1995: 39 - 61).

The entwined dual structure influences preparations for the national VNCP congresses with its consultative processes based on directives for grassroots debates prepared by the VNCP’s central cadre. From commune to provincial levels, local VNCP branches are expected to organize congresses. During those congresses past experiences and performances are expected to be assessed and possible future actions are suggested. The consultative process leads to a draft political report, which is discussed by delegates to the VNCP’s National Congress. In addition to setting out goals for the consultation process, the VNCP also guides content and outcomes of debates on the draft political report. The

4 This parallel hierarchy extends to the military and mass organizations, and non-members of the VNCP are organized in functional mass organizations or special interest groups under the umbrella of the Vietnam Fatherland Front. The use of formally, or de facto. State-controlled functional and special interest groups is very similar to New Order Indonesia under the Soeharto presidency, where Golkar operated in a similar way as the VNCP, although Golkar’s role was not enshrined in the constitution.
effectiveness of the VNCP’s guidance is illustrated by the fact that the discussion of the draft report during the VNCP’s 8th National Congress saw delegates contributing ‘without departing from the broad thrust of the center’s basic message’ (Stern, 1998: 71).

As part of the executive structure, ministries have representative branches at lower administrative levels, which are managed professionally by ministries and administratively by local governments. The Ministry of Agriculture & Rural Development (MARD), which was established by Government Decree No. 37/CP of 1995, can serve as an example. Its provincial level Agricultural & Rural Development Services (ARDSSs) are managed by the provincial authorities (operational management) and receive professional guidance from MARD (functional management). At district levels, Agricultural & Rural Development Divisions (ARDDs) are managed by district level People’s Committees and they receive professional guidance from ARDDs. However, only about one-third of the provinces have established an ARDD. Finally, at commune level no professional section is connected to MARD, but one member of the People’s Committee is responsible for agricultural and rural development in the area, but unfortunately not in all communes (UNDP, 1998b: 5). The organizational structure creates complicated coordination and communication processes. As a result, information registration and provision is below the standards required for effective central management of rural development.

Freedoms, liberties and rights

The communitarian perspective on individual rights prevails in Vietnam, which means that individual rights are interpreted in the interest of the community. At the level of the nation-state, community rights are given a positive notion and a priority over the negative notion of individual rights in liberalism. It is largely in this context that liberties in Vietnam, with respect to freedom of the press and free speech, have to be interpreted as for the good of the community (from the VNCP’s perspective). The following rights are fully guaranteed by the 1992 Constitution, which means the rights are not further determined by provisions of law:

- people have the right to participate in political processes (art. 53, 54);
- citizens have both the right and the duty to work (art. 55);
- people have the right to education (art. 59);
- individuals have the freedom to travel within the territory of Vietnam (art. 68);
- citizens enjoy freedom of belief and religion (art. 70); and
- it is the sacred duty and noble right of the citizen to defend his motherland (art. 77).

The 1992 Constitution of Vietnam explicitly mentions freedom of speech and the right of its citizens to be informed, but in accordance with provisions of the law.

*The citizen shall enjoy freedom of opinion and speech, freedom of the press; the right to be informed, and the right to assemble, form associations, and hold demonstrations in accordance with the provisions of the law* (1992 Const., art. 69)

First, this means that the constitution does not guarantee full protection of free speech, but rather leaves that to specifics of the law. Secondly, the right to free speech has to be seen in the communitarian context of Vietnam. People are relatively free to speak out as individuals in non-organized/non-public ways, and consequently also do so, but, with respect to organized and otherwise public expressions of opinion, the constitution makes clear that the interest of the community prevails over the right of the individual.

*The State shall strictly ban all activities in the fields of culture and information that are detrimental to national interests, and destructive of the personality, morals, and fine lifestyle of the Vietnamese.* (1992 Const., art. 33)

Chapter nine elaborates on the emphasis which some Asian governments put on community rights over individual human rights. Typically, national interests, a common basis for community rights, are defined by those in power, which in authoritarian States rarely represent the will of the people. Articles 30 to 32 of the 1992 Constitution do not specify freedoms, rights or liberties of individuals, but confirm

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4 In the Freedom House Survey of 1999 Vietnam was assessed to be not free and without an electoral democracy. On a scale from 1 (highest) to 7 (lowest), political rights and civil liberties were both rated as 7 (Karaturcky, 2000: 187 - 200).
the role the State has attributed to itself in the constitution to determine what is in the interest of the Vietnamese society in the field of information. Initially, doi moi was also applied to political aspects of society, but later on liberalization of the press was not considered to be in the interest of society or the VNCP, and from 1988 on, liberalization was gradually reversed. Vietnam’s 1992 Constitution reflects a reversal of the limited political freedom which the press enjoyed in the early 1980s and the years immediately after the VNCP’s 6th National Congress.

8.3 SOCIAL OPPORTUNITIES

Vietnam’s 1992 Constitution guarantees two individual social rights, the right to education (art. 59) and the freedom to travel within the territory of Vietnam (art. 68). As far as individual social opportunities are concerned, the adult literacy rates for both genders (female and male) are high as compared to other developing countries (91.2% and 96.5%, respectively in 1995; UNDP, 1998c: 132). If literacy rates can serve as an indicator, the constitutional right to education is actually being enjoyed. However, there are distinct differences between enrollment ratios in cities and rural areas. Poor infrastructure, which prevails in rural Vietnam, tends to negatively affect the quality of educational processes in rural areas, but insufficient data has been collected to confirm or refute this assumption. Opportunities for education are provided, but the processes may not guarantee equal levels of educational attainment throughout the country. The average health care situation in Vietnam used to be significantly better than in other developing countries, in particular with respect to access to basic health care facilities. However, economic reforms have negatively affected the previously completely State-sponsored health care system. Private enterprise in the health care sector does benefit a number of medical practitioners, but that has not led to general improvement of the health care system to the advantage of all clients. The following descriptions of education and health care provide the basis for a rough assessment of the social freedoms of people in rural areas in Vietnam.

Education in Vietnam

Despite a tendency towards neo-liberal economic policies, school fees have not yet been introduced for compulsory primary education. Nevertheless, educational attainment levels show a positive correlation with the level of household incomes. Apart from the influence of income and wealth, regional and ethnic differences exist, with lower levels of enrollment and educational attainment prevailing in the most rural areas (Northern and Central Highlands and the Mekong Delta), as well as amongst children of minority groups. The educational system can be divided into groups of educational institutions by distinguishing between optional and compulsory curriculums, between public, semi-public and private schools and between general and vocational/technical education:

- primary education is one of two school types which has a non-diversified curriculum, meaning the curriculum is the same for every pupil, and it is the only compulsory and freely provided part of the education process (1992 Const., art. 59);
- junior secondary education is the second non-diversified type, but is not compulsory and pupils can go to vocational training centers (VTCs) immediately after primary school;
- senior secondary education contains three categories, senior secondary school (general education), professional secondary schools and secondary vocational schools, the latter of which also accepts pupils straight from primary schools; and
- tertiary education consists of colleges, managed by provincial authorities and focusing on training teachers for primary and secondary schools, and of universities, which are run by ministries or specialized agencies of central government; at university level a distinction can be made between specialized, multi-disciplinary and open universities.

Management and financing of the educational system are decentralized, which means that many educational institutions do not report to the Ministry of Education (MinEduc), but to another ministry or a specialized central agency. The central government has delegated budget responsibility to provincial authorities, which in turn have delegated responsibility to districts and communes. For public schools this means funds are distributed from above, but budget allocation at lower levels are determined by the respective authorities. Apart from public schools, Vietnam has semi-public schools, operated by mass
organizations, of which operating costs are nearly entirely covered by pupil/student fees. Private schools also exist, but are not allowed in general education (primary/secondary levels).

Literacy rates are still high, but enrollment ratios of primary schools gradually decreased from 1985 to 1991 only to start moving up in 1992. Over the 1985 to 1995 period, enrollment ratios for primary school fluctuated from 116% (1985) down to 109% (1989) and back up to 114% (1995), but the decrease was never dramatic. The situation was different for secondary schools, where combined enrollment ratios went from 45% in 1985 to 31% in 1990 and up again to 47% in 1995. An explanation for the difference between primary and secondary school enrollment ratio fluctuations could possibly be that the State started charging fees for secondary school in the late 1980s. The decline in enrollment ratios was also stronger in rural areas and among minorities (Kerkvliet and Porter, 1995: 17).

Health care in Vietnam
Private enterprise was allowed in the health care sector in 1989 and private health care is provided by medical personnel of urban State-hospitals. Although private health care is part of the health care system in Vietnam, it typically does not reach beyond urban areas. However, people in rural areas cannot afford privatized health care even if it would be available. In fact, health care expenses are often the main cause of debt problems for the poorest segments of the population (Kerkvliet and Porter, 1995: 1 - 31).

Vietnam's health care system distinguishes between preventive and curative health care. Preventive health care consists of national and regional institutes, provincial health services (PHS), district health centers (DHC) and commune health stations (CHS). At commune levels, inter-communal polyclinics (ICPs) also exist. The health care system has a decentralized structure and health care facilities below the central level are managed by the respective People’s Committees. However, funding for all levels is provided by the State and operating autonomy at lower levels is limited. The curative health care system is organized in similar fashion. Its hierarchical organization is based on the country’s administrative levels, but at district and commune levels no separate facilities are available for curative health care. Apart from these two systems, there are categorical health programs, aiming at specific short-term objectives and often funded with international assistance. Lack of integration and limited information feedback have been mentioned as constraints for the success of these health programs and nine categorical health programs were combined under one national health program.

Some of the problems facing the health care system are funding priorities for hospitals instead of for primary health care, lack of information exchange between the field and policy making levels on experiences with health care implementation, limited funds, uneven geographical distribution of health care workers and larger budgets for areas with higher GDPs. Apart from these problems, an emphasis on cost effectiveness, as shown in prioritizing bed occupancy over investment in lower level health care, is hampering health care in rural areas (Hannah, 1995). Improved road infrastructure and facilities for travel have made people in rural areas bypass CHS facilities. The lack of facilities at CHSSs and a shortage of medical staff often only enhance that development, which has led to CHSs with a handful of patients per day. In general, the situation of the health care system negatively affects people's individual social freedoms.

8.4 ECONOMIC FACILITIES
Vietnam’s economy has been in transition since the early 1980s and ever since individual economic freedom has gradually increased. Sen's perspective of economic freedom is the right to freely participate in economic transactions (section 5.5). In that sense, economic freedom in Vietnam has also gradually increased, with the VNCP acknowledging an individual’s right to take her own free economic decisions and to freely participate in economic transactions (1992 Const., art. 57). This change occurred despite a communitarian perspective on rights, which in words still prevails in Vietnam, and was enhanced by the fact that the State-controlled economy has been ineffective in increasing the wealth of

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6 These estimates have been calculated on the basis of absolute enrollment figures for primary and secondary schools in Vietnam (Jansen, 1997: 27) and on the average population growth figure for Vietnam over the 1970 to 1995 period (UNDP, 1998c:177).
individual people. As a result, free enterprise has been allowed in many sectors. Nevertheless, the VNCP has been reluctant to apply free market principles to information dissemination. However, free information provision, free exchanges of information and free enterprise in the information sector also influence the actual enjoyment of economic facilities of an individual. Independent information dissemination is particularly important with respect to three social coordination questions: (i) how resources should be distributed, (ii) how production should be done and (iii) who shall make decisions and rule on the previous two issues.

**Historical background ... and recent developments**

Before unification, North-Vietnam pursued socio-economic development along the lines of the Soviet model, with an industrialization process favoring heavy industry. However, contrary to the Soviet Union's centralized implementation, the war had more or less forced Vietnam to decentralize the economy. The poor economic performance of Vietnam in the first five-year plan after unification, partly caused by the political decision to intervene militarily in Cambodia and a border war with China, initiated a first round of economic reforms beginning in 1980. Agriculture remained organized in cooperatives, but farmers were allowed to sell their surpluses (above State-contracted quantities) on the free market. However, socialist cooperatives continued to control distribution of inputs and marketing of outputs (VNCP Politiburo Decree 100). A similar development took place in the industrial sector, where policy priorities shifted away from heavy industry and some loosening of central planning control took place. However, the positive economic impact of the initial reforms could not be sustained. The central planning approach and continued subsidizing did not stimulate efficiency drives in SOEs and the central nature of the decision-making process was unable to make agricultural production plans match local conditions.

The VNCP's 6th National Congress of 1986 initiated more drastic reforms by releasing price controls over agricultural inputs and outputs and extending land-use rights (Resolution No. 10/NQTTU, Renewal of Agricultural Management, 1988 Land Law). The role of cooperatives was reduced to providing technical advice and credit. At the same time, the decision was made to move towards a multi-sector economy, by allowing non-State companies alongside SOEs. Coordination through market forces partially replaced central economic planning control. Nevertheless, the State and the VNCP maintained a significant influence in the economy through numerous SOEs in vital economic positions. Thus, Vietnam has not completely converted to a private sector economy. Finally, in 1989, the remainders of the central economic planning system disappeared, with the removal of price controls and followed by increases in interest rates, a currency devaluation and liberalization of external trade. The State has significant control over trade in agricultural produce, however, and is able to manipulate the terms of agricultural trade. The joint operational schemes between SOEs and foreign companies have created a second sector in the economy and a significant number of small, private labor intensive companies has been established in the 1990s (Jansen, 1997: 9/10).

The latest development in the economic domain is the opening of a stock exchange in HCMC (July 2000), an economic reform which had been discussed since the early 1990s. The stock exchange serves as an example of how political and economic domains are intertwined in Vietnam. The market capitalization is limited and initially only two companies were listed, but before the first day of trading the Vietnamese government immediately intervened in the financial mechanism underlying any stock exchange, price fluctuation due to variations in demand for, and supply of, stocks. Allegedly to avoid major losses for investors, the government introduced maximum price fluctuations for the traded stocks. In the context of Vietnam, however, it may be more likely that political fears of a potential accumulation of wealth by people outside the VNCP elite, and the resulting power balance consequences, motivated the move.

**General guidelines for the economy: five-year plans**

The private sector of the Vietnamese economy is effectively out of direct management control by the State and the VNCP, but the VNCP continues to produce policy papers on all aspects of Vietnamese society, including the economy and development efforts, which is in line with article 26 of the 1992
Constitution. The 1996-2000 five-year plan confirms that ‘policy measures to encourage the private capitalist economy to invest in production branches and domains in keeping with the country’s development objectives and strategy [will be undertaken]’ (VNCP, 1996:194), which at least maintains an illusion of central control. In addition, the Politburo defines national level guidelines for development, which serve as a framework for development at national, regional and local levels:

- realize simultaneously the three economic targets, (...) high economic growth (...) macro economic stabilization (...) preparation of the premises for the phase of more advanced development;
- continue (...) the policy of developing the multi-sector economy;
- ensure that economic growth goes hand-in-hand with social and cultural development;
- combine closely economic development with national defense and security; and
- combine development of key economic regions with that of other regions (VNCP, 1996: 129/130).

The VNCP maintains a monopoly on political power, but its direct control over the economy has been replaced by an indirect form of control through legislation and regulation. In between national congresses, plenary sessions of the VNCP’s Central Committee and Politburo monitor economic developments. In the political report of the VNCP’s 8th National Congress, it voices support for a market economy by stating that Vietnam will ‘build a multi-sector commodity economy operating along the market mechanism in parallel with the strengthening of the role of the State-management along the socialist line; to closely associate economic growth with social progress and equity, the preservation and promotion of the national cultural identity, and the protection of the ecological environment’ (VNCP, 1996: 26 - 32) (1992 Const., art. 15). However, the policies put forward in a five-year plan are perhaps more an indication of which faction within the VNCP (e.g., conservative hard-liners, moderates or reformers) was in charge during the period the text of the five-year plan was prepared, than that they form a policy framework. Furthermore, Kolkó claims that ‘whatever the [VNCP’s] rhetoric or its pretensions, Vietnam’s economic and social direction since 1986 is comprehensible only in the context of the IMF’s central influence. The party’s ideologues still evoke Marx, Lenin and Ho Chi Minh, but the IMF’s inspiration has been far more decisive, and it has determined the nation’s crucial priorities’ (Kolkó, 1997:33).

Coordination mechanisms

The situation of economic freedoms in rural Vietnam can be described by the answers to the three social coordination questions, presented above, on resource distribution, production modes and decision-making processes.

The centralized production planning has all but gone for Vietnam’s SOEs. Free market mechanisms are taking over at the lower end of the economy and resources are distributed more in accordance with the demand and supply laws of free market economics. However, the State remains in control of the natural resources, with SOEs operating in the mining and oil industries (1992 Const., art. 17). At the same time, the financial sector is State-controlled, leaving the distribution of domestic financial resources to a large extent outside the free market sphere of influence. Another source of finance, foreign direct investment (FDI), is regulated and controlled by the State. Finally, the State controls generation, storage and dissemination of information through State-owned electronic media enterprises. A lack of market information hampers economic decision-making processes and information dissemination may be the area in which political and economic objectives conflict most.

Vietnam’s rural development approach is focused on a rural-urban dependency relation, with rural areas providing raw materials, labor and food to urban areas and urban areas providing markets for rural resources and products. The role of State-controlled cooperatives in Vietnam’s economy has faded. In 1987, about 45,000 cooperatives accounted for 70% of the farmers and agricultural produce output, but the numbers went down to 16,000 and 30% respectively (Murray, 1997). The remaining cooperatives are located in the northern part of the country, where changing environmental and weather conditions result in unpredictable economic hardship, which supports communal cooperative methods of organizing economic agricultural activity (Murray, 1997). However, even during the collectivized
agriculture period, production from individual household plots was exempt from claims by the State and cooperatives. The economic reforms have shifted the production mode balance towards production by individuals on individual plots, but private ownership of land remains illegal and land is leased for periods of twenty years or more (1992 Const., art. 18). The VNCP’s 8th National Congress addressed the decline of State-controlled cooperatives and its consequences and acknowledged that ‘inadequate attention has been paid to summing up practical experiences in order to devise timely orientations and measures to renew the cooperative economy, resulting in the disintegration or mere nominal existence of cooperatives in many localities, thus hindering the development of production’ (VNCP, 1996: 21). The statement in the five-year on cooperatives confirms the shift from State-owned to privately managed cooperatives:

*The principles of voluntariness, a democratic management mechanism, and transparency in terms of finances and business. (...) The State encourages and assists the cooperative economy to develop efficiently. To secure international financial support for this economic sector. (...) To gradually put into place consumer cooperatives and dealer networks to join with the State sector in preventing abrupt fluctuations [of demand and supply] and [to ensure] price stability (VNCP, 1996:154,193 )*

In order to encourage a renewal of the cooperative economy, a legal document was passed (No. 763/TTg, December 19th, 1994) on policies for a cooperative economy. The time of socialist cooperatives is over in rural Vietnam and private and people initiated cooperatives and producer groups, as well as small scale private enterprises, are emerging in rural areas of Vietnam (Kolko, 1997: 99), together with more traditional organizations and institutions at village level (Thayer, In: Kerkvliet and Porter, 1995: 49).

The political decisions with respect to macro-economic management are still made by the VNCP and usually converted into laws and regulations. Although the individual rural household has always held some degree of decision-making power on how to use and distribute its limited individual resources, an important element of the economic reforms was to allow private enterprise in agriculture. In rural areas, the result of Resolution 10 of 1988 effectively offered farmers the legal framework to operate as private entrepreneurs, leading to the above mentioned decrease in the number of cooperatives in agriculture. In following years, private enterprise was completely legalized by the Law on Private Enterprises of 1990 and subsequent amendments to the law of 1994, both issued by the NA. Apart from agricultural households, small-scale enterprises are active in food processing, construction materials, textiles and wood products. Most establishments are household enterprises and only a few have a formal organizational structure (Jansen, 1997: 9/10). The government does address this type of enterprise in the five-year plan and acknowledges that it plays an important role in a State-led multi-sector market economy. The importance and difficulties of this sector have been acknowledged by the State, but the VNCP still thinks in terms of control when it plans to ‘guide [SMEs] and enact appropriate policies encouraging them to establish or participate in cooperative economic organization and in joint ventures and business association with the State economy’ (VNCP, 1996:194).

**Financial institutions**

Access to credit is an important element of economic facilities (i.e., economic freedoms) in rural development. In rural Vietnam a distinction can be made between formal and informal credit suppliers. Formal rural banking institutions are the Vietnam Bank for Agriculture and Rural Development (VBARD), the People’s Credit Funds (PCFs), the Vietnam Bank for the Poor (VBP) and the Rural Shareholding Banks (SHBs). The VBARD was created (1990) specifically to provide banking services to the population in rural areas. PCFs are shareholding banks; they resemble cooperative banks and form a system of commune-based branches. In an official acknowledgement of the failure of the VBARD to reach the rural poor, the VBP was chartered (1995). This bank’s mission is to serve the poorest and most difficult to reach segment of the rural population in Vietnam. Despite the increase in the number and type of credit providers, problems in supplying the rural population with credit matching their demand remain, such as, for example, the credit system’s emphasis on short-term loans (since investments in agriculture require long-term loans), complicated lending procedures, as well as a
mismatch between the form and shape of procedures and the needs of agricultural crops and the literacy levels of farmers. SHBs are shareholding banks which derive capital from members' shares and savings of non-members. In coverage and size, SHBs have a minor function in the rural credit system. Mass organizations, such as the Women's Union (WU) and the Peasants' Association (PA) are also active in credit and savings.

The ineffectiveness of the formal banking sector is one reason for an informal banking sector to be thriving still. The most widespread examples of that sector are Rotating Savings and Credit Associations (ROSCAs), private moneylenders and friends and relatives. Private lending is technically illegal in Vietnam, since it is officially said to be exploitative by design. However, evidence of a need for informal lending is provided by interest rates of 4 to 5%, which are above the interest rates (1 to 1.5%) of the formal banking sector, indicating that the formal sector doesn't cover demand for credit in rural areas. Finally, some foreign NGOs have developed credit schemes, where in a number of cases the WU acts as the national counterpart. However, these initiatives do not have a significant coverage in terms of credit supplied, as compared to the formal credit sources (Nguyen & Nachuk, 1996: 17).

8.5 AUTONOMOUS DEVELOPMENT, OR .....?

Marxism-Leninism covers a broad range of political theoretical arguments on different issues and is not necessarily consistent over political, social and economic domains. Although it is essentially a more pragmatic version of Marxism-Leninism, similar remarks apply to Ho Chi Minh-thought. As a result, Vietnam does not have a clear development ideology. Therefore, interpretations given to Marxism-Leninism during the VNCP's National Congresses, with respect to particular issues and situations, may be more illustrative of what ideology underlies Vietnam's development policies.

Fundamentals of development policy

The VNCP's 8th National Congress (1996) confirmed the continued adherence to Marxism-Leninism, despite the expectations which the political and economic reforms of doi moi had raised (Stern, 1998: 72/73). After having assessed the economic reforms, the VNCP's 8th National Congress formulated the following main lessons for future development of Vietnam in the political report:

- **persist firmly in the goal of national independence and socialism throughout the process of renewal; to firmly hold on to the two strategic tasks of national construction and defense, and to persevere in Marxism-Leninism and Ho Chi Minh's thought;**

- **closely combine economic renewal with political renewal from the start, with economic renewal as the focus while step by step conducting political renewal;**

- **build a multi-sector commodity economy operating along the market mechanism in parallel with the strengthening of the role of the State management along the socialist line; to closely associate economic growth with social progress and equity, the preservation and promotion of the national cultural identity, and the protection of the ecological environment;**

- **broaden and strengthen the all-people unity and promote the aggregate strength of the entire nation;**

- **expand international cooperation, win the sympathy, support and assistance of the world's people, and combine the strength of the nation with that of the times; and**

- **enhance the leading role of the Party and to consider Party building a key task** (VNCP, 1996: 26 - 32)

The lessons are converted into decrees, directives, resolutions and guidelines issued by elements of political, administrative and executive structures. Rural development in Vietnam is State-controlled, or at least State-monitored, and top-down oriented, despite the fact that, in the economic sectors, reforms have led to removing central planning from the economy.

Institutionalized and centralized (rural) development?

Economic development in Vietnam was generally centralized and institutionalized in planning agencies, planning departments of ministries and their branches at lower administrative levels. Despite an increase in private initiative in rural areas, this is still valid for rural development. Although rural
development has not been institutionalized in a specialized large scale development bureaucracy, the constitution explicitly states that ‘the State manages the national economy by means of laws, plans and policies’ (1992 Const., art. 26). Since the VNCP still determines, or influences, most aspects of rural development (particularly in economically less viable regions, i.e., less attractive for foreign investment), preparations for the VNCP’s national congresses can be perceived as an institutionalized and centrally controlled policy making process on development. That consultative process starts with a draft political report prepared by the Central Committee. In the year preceding a national VNCP congress, local party congresses are organized to discuss the centrally prepared political draft leading to local versions of comments on the political report. Despite an appearance of grassroots consultation, registration of opinions is a more accurate description of the process. An illustration of the desire to centralize development policy in Vietnam is that during preparations for the VNCP’s 8th National Congress, secretary-general Do Muoi was ‘disturbed that almost none of the basic organizations whose performances [in the consultative process] had been reviewed [by the center] (...) had taken up the issue of rural industrialization and modernization’ (Stern, 1998: 26). The political report becomes the main discussion document during national VNCP congresses and its final version contains the reference for development policies and implementation plans for the period of the five-year plan.

Regional and rural development policy?
The transition of the Vietnamese economy can be described as a change in answers to questions of social coordination. With FDI flowing into the metropolitan areas Hanoi, Haiphong, Danang and HCMC, it is illustrative of the urban focus of development policy in Vietnam that creating urban growth centers is recommended to more evenly spread development over the various regions of Vietnam.

*The urban area has the advantages and conditions for rapid development, with large urban centers being the hubs for regional and international exchanges. To establish a network of urban areas which will play the role of regional or sub-regional centers to promote impact of industry and services on other regions and, through that, helping utilize more efficiently the potentials of each region. (...) The development of [Hanoi/Haiphong, Danang and HCMC] must be combined closely, serving and promoting development in other regions as well as the whole country, and creating conditions for enterprises in key areas to expand businesses into and invest in other regions (VNCP, 1996: 173 - 175)*

The current official policy objectives on regional rural development are expressed in the five-year plan which contains objectives and tasks for regional and rural development:

- develop in an integrated way agriculture, forestry and fishery, in association with the development of agricultural forest and marine produce processing industries and restructuring rural economy along the lines of industrialization and modernization;
- rehabilitate, upgrade and build anew in a selective manner a number of infrastructure, firstly where they constitute a bottleneck and the weakest link to development;
- the comparative advantages of the country as a whole and those of each region and sector should be fully utilized so as to achieve harmonious development among territorial regions;
- invest in infrastructure development and support credit, thus creating conditions for still underdeveloped, rural and mountainous regions to develop more rapidly, gradually narrowing the gap among regions in socio-economic development;
- develop agriculture comprehensively along the line of ensuring national food security for any contingency, increasing rapidly supplies of food vegetables and fruit; and
- develop and diversify processing industries, small industries and handicrafts in rural areas, commune and district town linkages with industries in major cities and in industrial estates.

(VNCP, 1996: 130 - 139)

The five-year plan pays attention to rural development, but the Vietnamese approach to development in general takes place along the lines of an unbalanced growth strategy, in which rural areas are instrumental in the relation between urban growth poles and rural areas. The State, which is dependent on FDI for development, because of limited financial resources, directs FDI to major growth poles and
only limited room to maneuver is available for autonomous regional development. The State’s development approach can be characterized as product orientated, with limited attention for development processes.\(^7\)

**Rural organizations in Vietnam: civil society?**

The VNCP, and its affiliated organizations, monopolize the political domain of civil society. However, the economic reforms have led to the emergence of professional associations in the economic domain and to a revitalization of traditional groups and associations in the social domain. Despite this, the State continues to discourage overtly political activity by non-VNCP related organizations and attempts to regulate the other two domains of civil society by ‘issuing new directives or by drawing up legislation to legalize the activities of [new groups and associations]’ (Thayer, In: Kerkvliet and Porter,1995: 53). In 1998, the impact which further economic developments would have on the possible emergence of an autonomous civil society as a mediator between citizens and the State was not clear.\(^8\) A parallel virtual civil society was almost non-existent and the main cyber-communities were VARENet (an academic community) and NetNam (academic institutions and NGOs). The two networks were technically connected, but formed separate entities in cyberspace. Apart from the limited size of civil society in the real world, the networked virtual civil society’s growth is hampered by the limited access to the Internet outside the major towns, by restrictions imposed on its use and by the alleged (by participants in Internet discussions) monitoring of e-mails by the State.

A civil society consisting of autonomous rural organizations was absent prior to the *doi moi* economic reforms and rural organizations were all part of a VNCP dominated rural society. The local People’s Councils and Committees, ministry branches like Agricultural & Rural Development Divisions (MARD) and the Culture & Information Departments (Ministry of Culture and Information, MOCI) are representations of government in rural areas. MARD is responsible for the State-funded extension services and village extension workers operating from the district level ARDD. However, people in remote rural and mountainous areas have little access to extension services. Due to financial constraints, lack of transport facilities and poor infrastructure, village extension workers do not reach remote villages. As a result of the ineffectiveness, or even absence of registration patterns, research institutes, which provide extension material, have insufficient information on actual needs and, therefore, do not always produce relevant material. The technology transfer is not market oriented, which leads to the introduction of technology and knowledge in fields that are not commercially viable, a remnant of a supply economy. However, all the organizations are part of the political-administrative structure of the country and not of civil society. Organizations which in other countries often are part of civil society, such as the mass media, are controlled by the VNCP or by the Vietnam Fatherland Front associated mass organizations. Examples of mass organizations are the Women’s Union, the Peasants’ Association, the Confederation of Trade Unions and the Ho Chi Minh Youth League. However, labor unions in Vietnam are State-controlled and they were given the dual function of ‘representing the workers’ and of ‘educating the workers in Socialism’ (Troegemann, 1997: 105) (1992 Const., art. 10).

Official documents in Vietnam are high on rhetoric and lower on implementation of policies, but the

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\(^7\) A UNDP report on Vietnam’s rural development proposes a more process oriented approach. It states that rural living standards are expected to rise more rapidly when the State establishes a strategic framework for rural development with an increased capacity to:

- prepare and apply effective national policies for economic and social development and efficiently allocate State resources by sector and major infrastructure programs;
- decentralize detailed planning and implementation of rural development work to provincial and lower levels and monitor performance;
- empower rural people through the use of participatory methods for design, construction and operation of social service and provincial infrastructure programs, including specific measures to ensure the active participation of women at all stages;
- target community development activities to the most needy and environmentally and financially sustainable projects; and
- use prices and other market signals to allocate resources for economic activity, to increase efficiency and competitiveness and fund commerce through a strong commercial banking system, with reduced State directed investment and subsidy.

The UNDP report also mentions that the government emphasizes a need for and importance of rural development, but that its policies are not always consistent with that preference (UNDP, 1998a: 5).

\(^8\) Allegedly, Vietnam has passed legislation which guarantees a right to found NGOs, independent from the State. However, given the State’s control over the political domain, the question is whether NGOs are able to operate outside economic and social domains.
statements make clear that the VNCP does not conceive of labor unions as potentially autonomous elements of civil society.

Despite large scale collectivizations of agriculture, the individual household has consistently been the basic organizational and economic unit in rural Vietnam. Nevertheless, apart from independent economic activities on small plots of land, people’s activities at the grassroots level have traditionally been linked to the State through various State-controlled organizations, agricultural cooperatives and the VNCP. Since the shift to a market economy the role of State-owned cooperatives in rural areas has drastically been reduced, except for parts of the Northern Uplands and parts of the Red River Delta, but the relations between the State and society are still to a large extent conducted through agricultural cooperatives, albeit mostly newly formed private associations.

8.6 ELECTRONIC MEDIA IN RURAL DEVELOPMENT

Policy framework

Characteristic of Vietnam’s policies towards the use of electronic media in development is that the Prime Minister’s Office has identified information technologies as one of the four economic priorities. Vietnam has not formulated a policy on the use of information provision and exchange to facilitate development or to create a more informed and autonomously active civil society. The Ministry of Science, Technology and Environment (MOSTE) has been responsible for the most recent policy document on information technology, the IT2000 report (1993), and is scheduled to replace that plan with a new 5-year IT policy. Although the IT2000 report is no longer the main policy document for a National Information Infrastructure (NII), the reports’ objectives are illustrative of the approach to networked electronic media in development in Vietnam. The objectives were based on guidelines defined by government Resolution CP/49 of August 1993, which addressed the need for a national program for development of information technology:

- evaluate major areas of information technology (IT) critical to the development of infrastructure to assess appropriate development strategies and policy implications (areas: education, R&D in IT, IT industry development, data communications, standards and open systems);
- establish guidelines and recommendations for government policies on development of an IT infrastructure, including recommendations on how policy should be implemented; and
- identify, and develop, specific IT projects, which should be undertaken by the government as a matter of priority (source: IT2000 report)

The objectives illustrate an emphasis on electronic media hardware and a technological orientation, which prevail in policy documents concerning electronic media. By decision of the Prime Minister’s Office, a Steering Committee of the National Information Technology also was installed in 1994 to:

- draft policies, regimes and stipulations relating to the implementation of the National Information Technology Program (NITP);
- draft a long-term plan as well as annual plans to implement the NITP and to organize the implementation of those plans, including the examination, approval and allocation of funds for the projects and draft projects of the ministries, branches and localities on the development of IT; and
- urge, supervise and guide the ministries, branches and localities in carrying out projects, draft projects and research projects in the field of IT.

The committee consists solely of high level bureaucrats of various sectors of government and operates under supervision of the Prime Minister, who has to approve policy documents (Decision # 212/TG).

To invest in building well-connected and modern communication projects at border gates, major corridors linking border gates with the inland, in key economic regions and [along] the North-South axis. (...) To develop a modern, integrated, uniform, evenly distributed and multi-service network of post and telecommunications that maximally meets the needs of socio-economic development and defense and security with high quality at low cost (VNCP,1996: 146 - 148)

The importance attached to security in this excerpt from the five-year plan serves to indicate the VNCP’s perception of the role of electronic media in society. A priority on infrastructure is logical given the present condition of the telecom network, but the five-year plan does not offer any vision on
how to use information provision and exchange to facilitate development. All policy documents point at the importance of information technology for the national economy, but none of the policy documents refers to the potential use of IT for creating information exchange in general, let alone in an autonomous networked civil society. Policies aimed at the electronic mass media are concerned with increasing the coverage of the State-owned and -controlled television networks by financing purchases of television sets by rural communities. Despite economic reforms, the electronic mass media remain the domain of the VNCP and affiliated organizations. Independent local broadcasting stations, which could perform a role as social actors in a rural civil society, are technically illegal, hence not feasible in Vietnam. The existing local electronic mass media essentially fulfill a political actor role.

Legislative and regulatory framework
The State performs the management of post and telecommunications (article 5, Decree No. 109/1997/ND-CP), but delegates most authority and tasks to the Department General of Post and Telecommunication (DGPT). The DGPT issues licenses, provides for telecom regulations, handles frequency management and regulates prices and fees for telecom services. The main element of the regulatory framework is Decree No. 109/1997/ND-CP on Post and Telecommunication, which states that:

- only authorized State agencies can manage operations of telecom networks and services (art. 3.2);
- telecom users are responsible by law for the content of the information when availing of the services; telecom subscribers are not allowed to use the subscribed equipment to do telecom business (art. 39);
- individual telecom networks cannot be used to provide public telecom services (art 51.2);
- such networks cannot be directly connected to other individual telecom networks (art. 51.4); and
- domestic and foreign organizations wishing to install, use and store wireless equipment in Vietnam and use fixed or wireless transmission frequencies must obtain permission from the DGPT (art. 55).

The main national telecom operator is Vietnam Post and Telecommunication (VNPT), established by Decree No. 51/CP in 1995. Private initiatives in telecom services are restricted to internal organizational networks and to joint ventures with SOEs, but with the State as majority shareholder. Private initiatives to start small-scale communication centers are illegal, as are communication networks for other than internal organizational purposes. In principle, radio communication is legal according to articles 54, 55, 56 and 64 of government Decree # 109/1997/ND-CP. However, special permission from the DGPT is required, operators are required to have professional certificates granted by authorized State-agencies and specific conditions on usage have to be met.

The Internet is a sensitive issue in Vietnam and efforts by ISPs to establish institutional structures, to expand operations and to provide independent content have been curtailed. In Vietnam, a distinction is made between three types of companies involved in Internet services: Internet Access Providers (IAP), Internet Service Providers (ISP) and Internet Content Providers (ICP). Regulation restricts access to a few Internet services outside Vietnam, including remote mail boxes, newsgroups and networked telephony and internet telephony is prohibited within the country (Fortier, 1999: 4).

In Vietnam, laws and regulations are not the only aspects of the legal framework for electronic media. The VNCP’s Standing Committee, the Politburo and the VNCP’s Central Committee all play a role with their respective directives and resolutions. In the years since the VNCP’s 6th National Congress, which formally introduced doi moi, some liberalizing directives were issued. Although the directives were mostly aimed at newspapers, they also apply to electronic mass media.

- Directive 79 (1986) allowed the press (newspapers) more freedom to write about shortcomings of the system, therefore supporting an official self-criticizing campaign of the Party.

Although both directives effectively led to more freedom of the press, the intention was rather to use the media for official VNCP purposes.

- Secretariat Directive 19 (1987), freed the media of the obligation to treat minor so-called protocol news about VNCP leaders as important information, thereby freeing room for other information.
The fact that VNCP’s directives were not really aimed at more freedom of the press became clear when both the 5th (1988) and 7th (1989) Plenum of the VNCP’s 6th Central Committee showed concerns about ‘media straying from the Party line’ (Heng, In: Marr, 1998: 45). Two further directives determined the extent of autonomy the VNCP was apparently willing to allow the mass media:

- Secretariat Directive 63 (1990), which was aimed at strengthening the influence of VNCP related mass organizations in mostly the printed mass media, and at constraining editorial autonomy; and
- Directive 08 (1992), which intended to increase the VNCP’s control over media operations.

In the middle of this period of time (1988 to 1992), the National Assembly produced a significant piece of legislation: the 1990 Press Law. However, the directives effectively have more influence on freedom of the press. In 1999, the NA approved amendments to the press law, with the objective to tighten State-control over official media and to set rules for form and content of media reports. Article 55 of State Decree # 109/1997/ND-CP on Post and Telecommunication also has some relevancy in the field of broadcasting. It stipulates that domestic or foreign organizations that would like to use frequencies for broadcasting have to obtain permission from the DGPT. The remainder of article 55 states conditions for issuing licenses and article 56 defines the technical room to maneuver. Despite this legal opportunity for foreign owned broadcasting operations, the VNCP’s 8th National Congress decided that electronic media would not be a sector for any foreign direct investment.

In Hanoi and HCMC, satellite television is available, although officially restricted to expatriates, hotels and certain VNCP officials. The Ministry of Culture and Information officially issues licenses for satellite dishes. However, the ban on installing satellite dishes without license is not effectively enforced. To counter the influence of satellite television, the government has liberalized foreign television channels access through its Multichannel Microwave Distribution System (MMDS), which transmits ten channels. Although content of the channels is not censored, a channel can easily be removed by withdrawing its license (Forrester, In: Marr, 1998: 83/84).

Economics and ownership
In Vietnam, ownership of the mass media is less relevant for its economic aspects, than for who owns media enterprises, since that largely defines freedom of the press in Vietnam. The radio and television stations are owned by, and under the managerial control of, the VNCP. National radio and television stations are used to disseminate VNCP approved information and State-owned electronic mass media are expected to ‘develop and raise the quality of cultural and art activities and of the mass media and the recreational facilities to meet the cultural and intellectual needs of the people. To pay attention to these activities in mountainous, border, island and rural areas which are experiencing difficulties’ (VNCP, 1996: 165). Until the mid-1990s, local TV stations were under the administrative control of local People’s Committees, but now they administratively report to Vietnam TV (VTV) headquarters. The centralized administrative control has led to a national network of TV stations (Forrester, In: Marr, 1998: 79/80).

In 1996, the VNCP’s 8th National Congress determined that ‘foreign direct investment should be channeled towards fields, products and services with advanced technology and have a high export ratio’ (VNCP, 1996: 158), thus restricting foreign investment to exporting sectors of the economy and excluding electronic media. This effectively means that only organizations and institutions affiliated with the State, such as People’s Committees and mass organizations, can own and operate radio stations. State-ownership of the radio station Voice of Vietnam allows the VNCP’s propaganda committees to select ‘the highest quality and most spirited views for publication and broadcasting’, and to use radio stations for ‘orderly transmission of reports on the viewpoints expressed in [consultations of lower VNCP echelons] through the appropriate party organization chain of commands’ (Stern, 1998: 36/37).


Radio and television
The State-owned and -controlled radio station is the Voice of Vietnam (VoV), which can be received in large parts of Vietnam, but only about 60% of the households own a radio. Information on households,
which own a radio is limited and perhaps unreliable, since according to UNDP the number of radios per 1,000 people is significantly lower than that of television sets: 106 compared to 163 (UNDP, 1998c: 167). As a result, it is difficult to establish the potential reach of this electronic medium. The VoV operates five domestic channels and one channel for overseas broadcasts. The transmission of VoV’s broadcasts takes place through numerous relay stations and those local radio stations broadcast VoV programs for a number of hours per day. At lower administrative levels, radio stations broadcast programs on local issues in local languages during limited periods of time. A few communes have relay stations that transmit central and local broadcasts. Loudspeaker systems, which relay the broadcasts of the Voice of Vietnam to the population, have been installed in towns, villages or hamlets. The objective of the system was to guarantee reception of information through the radio network by people who did not own a radio receiver. This application of electronic mass media arguably uses the hardest allocation pattern possible. Unlike provincial level radio stations, district level radio stations lack funds and media skills for producing local broadcasts. However, particularly in the mountainous parts of the country reception of provincial (or district) radio stations is difficult and at times impossible. An additional complication of mountainous regions are the ethnic minorities, who have different languages.

The State-owned and -controlled television station is VTV, which can be received in large parts of the country, with the exception of most mountainous areas. In Hanoi and HCMC almost every household, 95% and 89%, respectively, owns a television set. However, only about 6% of the population of Vietnam lives in the two cities (UNDP, 1998c: 175). Specific data for rural areas are not available, but the number of television sets for the entire country is estimated between 163 and 180 per 1,000 people (UNDP, 1998c: 167) (World Bank, 1999: 227). Overall, about 20% of the households own a television set. Access to television sets is thinly spread in mountainous areas of the Upper North and Central regions and mostly restricted to towns. Some mobile units are deployed in remote areas to show videos to local people, but with an extremely low frequency. Although radio broadcasts at sub-national levels are sometimes in local languages, television broadcasts are generally in Vietnamese, which adds psychological inaccessibility to a lack of physical access.

Local TV stations operate at provincial and district levels, but the latter mainly function as relay stations for broadcasting signals from national and provincial TV stations. VTV operates four channels, of which VTV1 serves a general audience with news and information, VTV2 targets specific audiences with educational programs, by disseminating knowledge and providing universal and vocational training, VTV3 provides entertainment in competition with foreign stations. VTV4 broadcasts internationally, but Hanoi, three other cities (Danang, Hue and Can Tho) and each of the 58 provinces of Vietnam have a local VTV4 channel and VTV broadcasts via satellite to regional Asian countries through Measat.

In general, local electronic mass media (radio and TV) in Vietnam do not operate as forums for public debate or discussion on local issues, nor do they play a role in mobilizing public opinion on specific local subjects and they can also not be considered a source of neutral information. In order for local electronic mass media to perform such functions, the socio-political and economic context will have to be more conducive, but the level of media skills must also be raised. In general, the mass media tend to play a political actor role instead of an economic or social actor role. The poor quality of television and radio programs produced by local radio and television stations has been acknowledged and pilot projects have been started. The main objective, is to teach skills in mass media productions so that local people can produce, or participate in the production of, local content for mass media. A lack of information in rural areas, a lack of skilled people to handle information provided by the mass media (i.e., receiving, processing and applying) and teaching people information and communication skills are major concerns.

**Telephone, Internet and radio communication**

VNPT operates the national backbone infrastructure and its branches operate networks in the 58 provinces and 3 cities. The branches have their own budgets for operational activities, but expenditures, investments and agreements with foreign investors require approval from VNPT headquarters in Hanoi. The branches are charged with daily operations and with implementing infrastructure development.
plans formulated at the national level. VNPT controls the two gateways for international telecom services and Internet through its subsidiaries Vietnam Telecommunication International (VTI) and Vietnam Data Communication (VDC). Due to the fact that VNPT owns and operates nearly the entire telecom infrastructure and has close personal ties with DGPT and the State, it has managed to maintain a monopoly, despite the presence of two other national level operators (Saigon Postel and METC).

The telecom infrastructure consists of five levels: international (gateway), national, provincial, district and commune. The introduction of VSAT stations is foreseen for remote, isolated, mountainous areas, mostly along Vietnam’s international borders and security considerations will play an important role in the priority setting process for the program. Urban areas have 5 to 20 phone lines per 100 people, rural areas overall have 2 and mountainous rural areas have to 0.1 to 0.2. The figures are from Vietnam Economic News, #11 of 1997, and illustrate the uneven distribution of telephone access in Vietnam. For most people in the mountainous regions access to telephone services is non-existing.

Vietnam formally connected to the Internet in December 1997, but since 1992 the Institute of Information Technology (IOIT) in Hanoi has initiated several initiatives with foreign counterparts. At present only one IAP is operational, Vietnam Data Communication (VDC), a subsidiary of VNPT and cooperating with Vietnam Internet Network (VNN), which is also a VNPT subsidiary. The other licensed IAPs, Saigon Postel and the METC (Armed Forces) do not operate as IAPs. VNPT is the only provider of access to the Internet through its gateways in Hanoi and HCMC. International access is provided to ISPs by VDC/VNN and they subsequently provide access to their subscribers. At present only VDC/VNN, FPT (Fund for the Promotion of Technology), NetNam and a few smaller companies provide official Internet access. In 1998, local dial-up access was possible only in Hanoi, HCMC and Danang, seriously hampering the widespread use of Internet. However, in 1999, VDC established a number of regional Internet access points throughout the country. ICPs produce content on the Internet. Officially, only ICPs are allowed to provide content, but once access has been obtained a user has numerous possibilities of obtaining ‘web space’ through web sites of foreign companies.

8.7 CONCLUSIVE REMARKS: CONDUCIVENESS TO SOCIAL CHANGE
The conduciveness of the Vietnamese socio-political and economic context to development as freedom of choice through autonomous spheres of empowerment is relatively low. Individual political freedoms are restricted to the VNCP’s communitarian interpretation of individual rights. Political participation consists of participation in VNCP-controlled and -guided processes and is limited to an elite of party members. Vietnam has gone through a gradual process of economic reforms since the early 1980s, but the VNCP’s insistence on its position as the only political party is a constraint on reforms in non-economic domains.

The VNCP’s position also limits the extent of reforms in the economic domain, which affects information provision and exchange through electronic media. The electronic mass media have always been under strict control of the VNCP and although, by issuing conditional licenses, a concession has been made to foreign satellite television stations, these stations focus on entertainment, broadcast news in English and are only accessible in Hanoi and HCMC. Networked electronic media are still more restricted. The telecom and Internet markets are dominated by SOEs and establishing independent electronic networks is prohibited. The same is valid for commercial communication centers, although basic telecom services are provided on an illegal basis. Vietnam focuses IT for economic development instead of on independent information exchange to facilitate self-empowerment. Chapter eleven contains examples of electronic media in rural development and an analysis of the I&C power structure in Vietnam.

Vietnam’s rural development efforts are mostly centrally controlled and top-down. To some extent autonomous rural development is possible in the economic domain, although even then some restrictions apply. Autonomous development spheres for empowerment of individuals in economic, social and political domains is not feasible. Potential spin-offs from economic reforms, such as an autonomous civil society are monitored, and discouraged through legislation and regulation. However, in rural areas semi-independent organizations are emerging, but their activities are restricted to the economic and social domains.