The Vladivostok speech of Mikhail Gorbachev, the then Secretary General of the Communist Party of the Soviet Union, on July 28, 1986 wherein he spelt out his programme for changes in the Soviet domestic and foreign policies, proved to be the beginning of the end of the contemporary global order. The socialist economics, based on the state entrepreneurship and centralized command system, were stagnating and the attempt to break the impasse led to the breakdown of the socialist system itself. The bipolar order marked by the cold war finally gave way to a new world order which is still unfolding.

Ever since, the world order has witnessed drastic and phenomenal changes. Studies of these changes on national and international levels are imperative for a better understanding of the post-cold war realities and the emerging world order. The study of Vietnam’s domestic and foreign polices in this context acquires special significance. The country was the arena of the most vicious conflict of the cold war era. Though Vietnam was able to defeat the US led imperialism but despite a decade of socialist reconstruction following the glorious victory, the country was in shambles. Vietnam counted among the poorest countries of the world with the per capita annual income of $130 a year. Dong, Vietnam’s currency, rated 430 per dollar in black market. The annual inflation rate was 700 percent and budget deficits averaged 19 billion dong per year during 1981 to 1984, which further increased in 1985-1986. Miserable standard of living, massive unemployment, food shortages, short supply of raw materials and imported inputs marked the overall scenario.

The problems arising out of the dismal performance in economy were compounded by the foreign policy choices as well. The Cambodian expedition, the resultant diplomatic isolation of Vietnam and the imposition of trade and aid embargo by the U.S., hostile relations with China and ASEAN were too heavy a burden for the economy to bear. Simultaneously, declining aid and assistance from the Soviet Union and the East European countries made the conditions even worse.

In 1986 the programme of renovation (Doi-Moi) was launched at the Sixth party Congress. Renovation sought reversal of earlier policy line, which implied liberalization of economy, decollectivization of agriculture and diversification of foreign relations.
The present study covers Vietnam’s domestic and foreign policy at the initial stage of ‘doi-moi’ era, i.e., from 1986 when reforms were launched to 1991, the year of the Seventh Party Congress, when this policy was reiterated and reinforced. During this period while Vietnam moved on an uncharted course, facing numerous dilemmas and challenges, it did ensure despite all trials and tribulations a remarkable and unprecedented economic turnaround.

The study was based on the perusal of a number of questions. It began with the question whether the launching of doi-moi was mere a response to the changing global scenario or was it basically the result of compelling demands of the domestic factors? The study attempted to analyse respective contributions of national and international factors leading to the launch of doi-moi. In the similar fashion the study sought to answer a series of related questions. How did the renovation programme evolve? Did it move on jotted lines or it acquired its own dynamics? Renovation sought to transform the state controlled economy to a market oriented economy. What were the impact and implications of this switchover for the economy and the general life? For the success of doi-moi Vietnam needed massive foreign assistance and investments but the U.S.A. demanded drastic political reforms as a condition for lifting trade embargo. The Vietnamese leadership nonetheless considered the one party rule as the insurance for order and stability which they held necessary for economic development. How were these knotty issues of international relations resolved by Vietnam?

Economic development and people’s welfare are not always linked. The moot question was, has the economic liberalization worked for the good of the people? Besides, the impact of this process on society and culture was to be observed. It is also generally assumed that liberal democracy is a corollary of market economy. So far the communist regime continues to exist in Vietnam but its form and substance have really undergone a metamorphosis of transformation. The effect of reforms on the political order was a very important point of probe. The reforms in Vietnam were also different from the socialist countries of Eastern Europe. The reforms in the Eastern Europe was highly destabilising and disintegrating. Vietnam escaped that predicament. What were the factors which saved Vietnam from that predicament and as a result of which Vietnam faced least of social upheaval? One more question which needs consideration is the future
of socialism. So far, the ideology remains discredited but it has always remained starting point of the Vietnamese leadership's rhetoric.

The study started with the question of the origin of the reforms. Some may feel that it was Gorbachev who pioneered the new thinking in the Communist System and the rest followed the suit. Nothing is farther from the truth. A rethinking and the reformist initiatives had begun in Vietnam as early as in 1979, only three years after the reunification. The Vietnamese case is in fact different, wherein its own history, culture and experiences play very significant role. In this context the introductory chapter presents an opening to the study and attempts to situate the reforms, i.e., it looks at the Vietnam’s fundamentals - the people, the location, the terrain, economic resources and the history. All these give a sense of the country and the reforms launched in 1986.

The second chapter ‘Rationale of Reforms’ offers a comprehensive detailing of the causes which led to the launch of the reforms. In fact the Vietnamese were very quick to realise the pitfalls of the dogma they deified. They could ignore the plight of the people and the falling credibility of the Party at their own peril and the stimulant for the launch of reforms was the encouraging results of the limited reforms already initiated in 1979.

The third chapter ‘Nature of Reforms’ seeks to give a systematic and compact idea of the reforms process in Vietnam. The chapter begins with looking at the definitions of the reforms and it goes on to describe reforms, their prelude and later reforms. It also attempts to outline the basic elements of the reforms and goes on to detail the unique features of the reforms process in Vietnam.

Nonetheless, the most important and relevant aspect of reforms was their implementation and their actual course. It was at this level that the reforms concerned the people and the dynamics of the reforms acquired a distinct character. The fourth chapter ‘Socio-Economic Implications of Reforms’ aims at the understanding of the policy implications of the Renovation and progress made through its implementation. This chapter begins with the economic growth following the policy changes in economic sphere and goes on with structural changes, reforms towards market economy, political and social changes. In the process the chapter tries to comprehend the socio-economic implications of the reforms.
To an uninitiated the impression may go that the authoritarian communist regime in Vietnam would have thrashed its way with reforms as a monolith. The fact is that the reforms did not follow a smooth and linear path. Instead there were deep divides within the Party over reforms and on various aspects of reforms. The reform process from the very beginning was mired with problems and as the reforms unfolded, there emerged unseen challenges to the process. Besides, the uncharted course posed almost on every move fresh dilemmas before the leadership. The next chapter ‘Challenges of Reforms’ deals with all these problems with the negative fallouts of the reforms process, for instance, the environmental problem, which is an extension of the focus of the study, namely, the socio-economic implications of the reforms.

The linkage between the internal and external policies of a nation is unavoidable for a country but in case of Vietnam both were badly entangled. Choices in any domain impeded the course in other but the leadership at great risk and overcoming divergences of views within took strong measures before an incredulous world and ultimately succeeded in overcoming almost every odd. The chapter ‘Foreign Policy Reforms’ charts the accomplishments of the Vietnamese leadership in the domain of international relations.

Lastly the conclusion among others finds a very interesting aspect of the reform process; while the reforms faced obstacles which seemed insurmountable; the reforms once got going proved to be the most powerful facilitator by themselves.

The present work may be the most ordinary but I had to put in extraordinary efforts to complete it. Looking after job, family and other numerous and unrelated responsibilities, I faced great difficulty in systematizing the available data and ideas which cropped up in my mind. Meanwhile the years were extremely turbulent for me. While I moved from tragedy to tragedy and crisis to crisis, my basic academic concern dragged. I could ultimately reach the final stage of Ph. D. only because of the forbearance and encouragement of Professor Ganganath Jha, my supervisor.

I am very thankful to my teachers particularly late Professor Parimal Das and Professor Dawa Norbu for their kind words and encouragement when I decided to work on the present topic.
I am deeply thankful to faculty members and staff of the Centre for their kind cooperation and Embassy of Socialist Republic of Vietnam to facilitate my work. However, it was difficult to complete my work without the full cooperation of my wife, Rakhi, who always stood by me in crisis.

I am beholden to Prof A P S Chouhan, Dr. Bharati Karnik, Dr D K Singh, Dr Vibha Doorwar for discussing my research. By thanking them, I am afraid, I would only belittle what they have done for me and what they mean to me. I record my gratefulness and pay homage to Late Dr Madhav Pandy, my senior colleague, who all of a sudden and very untimely left for heavenly abode a few months ago. I am also indebted to my friends Dr. Arvind Kumar Sharma, Dr. Ravi Ranjan, Dr. Ratan Sinha, Dr. A. K. Tyagi, Dr. Mukesh Kumar Singh, Dr. R. K. Singh and Dr. Sanjay Singh, Dr. Ranjan Anand and Mr. Sanjay Tripathi. Lastly I am indebted to Dr. R. S. Pawar, our Principal and Dr. N. S. Chauhan, our HOD to facilitate my research work.

Niraj Kumar Jha
(NIRAJ KUMAR JHA)