

Languages of Transition ‘From Plan to Market’: Hypothesising the Vietnam Case Study

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Abstract

The paper discusses the ‘language of transition’ in the Vietnamese process of shifting ‘from plan to market’ of the 1980s. The motivation of the paper is to show how linguistic evidence may support a conclusion that such transitions may be seen (both by analysts and participants) as ‘bottom-up’ rather than ‘top-down’ (predominantly driven by policy) and offers this as one way to discuss other transition processes. Its results are provisional and hypothesising, and not linked to existing theoretical debates. Clearly, if linguistic analysis suggests that other authoritarian regimes, such as that in North Korea, may also be seen as co-existing with ‘bottom-up’ processes, then this must have important implications for how their political and social evolution may happen. Other examples for possible additional Case Studies are of course China, but also Laos and the failed trials of market-oriented change in the Soviet Union.

Key words: transition, central-planning, socialist market economy, Communism

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I. Introduction

Tự nó tự giải quyết (they solve it themselves)

Prof Phan Văn Tiêm, overheard by the author, ca 1990

This paper was originally stimulated, as not a few are, by a series of informal discussions with friends and colleagues, around the issue of whether variations in the pattern of change away from central-planning between ‘reform’ (that is, mainly policy-driven, and so inherently ‘top-down’, as in Lao PDR) and ‘bottom-up’ processes would be marked by language. Thus, the common but not universal view that the 1980s transition ‘from plan to market’ in Vietnam was largely ‘bottom-up’ would be marked by the evolution of Vietnamese terminology. It needs to be pointed out that in the English language literature on Vietnam’s transition, there is extensive disagreement, with the majority (supported by donor-funded research) asserting that the main driver of change was policy, focusing on the 1986 VIth Party Congress, and the minority (to which I belong) arguing that this is a myth (Fforde 2018a and 2018b). These minority positions tend to rely upon a comparison between underlying change processes and policy, stressing that the latter tended to follow the former, rather than leading. These in turn refer to Vietnamese language sources, where the evolving language makes (so the minority position argues) the same point. More widely, this disagreement in part follows the familiar fault lines between area studies and subject disciplines, with the latter, seeking generalisations through comparative work, risks ignoring perhaps annoying linguistic and cultural/historical details

(Fforde 2018a). This paper, in that it discusses Vietnam as a possible Case Study, consciously avoids any attempt to manage these tensions through any empirical comparison of alternative theoretical perspectives. As such it is speculative, without reference to mainstream existing theoretical frameworks, to save space for 'getting the argument out there' and offering its speculations to others as hypotheses to test and develop.¹⁾ It is also empirical, for whatever analysis may conclude was the reality of change processes, language reveals how local participants may have seen it.

The paper starts with a series of statements about the tensions within central-planning systems and how these relate to transitions to market-oriented systems, an overall change that I find it useful to term commercialization (though directly translatable, this is (in my view - I am ready to be corrected) not a common Vietnamese term). After a very rapid overview of the Vietnamese transition, which draws on other work, this allows me to divide my discussion of linguistic

1) The topic appears to have been little studied of itself and so the speculation here may be productive for other scholars. A search (28th Dec 2020) using Harzing's *Publish or Perish*, which platforms on Google scholar, on 'Vietnam + transition + language', and omitting references to works on the Vietnam wars, leads us to - Popkin 1979 (2,721 citations, with of necessity due to its date no reference to the 1980s transition); McMillan & Woodruff 1999, which is an economic study of firm-firm relations (1,145 citations); and de Vylder & Fforde 1996 (1996/2019, 654 citations), after which the next most cited work is Pickles & Smith, 2005 (414 citations). Only the latter would seem theorized. A search using DocFetcher of my own database threw up Mariuchi & Abe 2018, which is not interested in linguistic issues (search on 'Vietnam AND transition AND language'). This search is superficial but has some empirical value. There seems nothing comparable to the work in development studies, such as Heryanto 1985 or Arndt 1981. The former shows how tracking language illuminates the tendency for development theory to evolve somewhat independently of actual development experience, and the latter offers the valuable argument that development as a verb is both transitive and intransitive.

change under various headings, and in passing I make various remarks about the creative possibilities for policy-writers seeking to support commercialization, and the varied power within a ruling Communist Party of evolving economic forces during transition. I then discuss the Vietnamese terminology under these headings, and I then conclude, speculatively.

II. Central-planning systems

This section offers a framing of the issues involved in assessing language issues in Vietnam before and after the transition to a market economy. This entails a characterisation, in isolation from mainstream theory, of what the transition was away from - what is commonly called, central planning.

Under Soviet rule, the practical question of how things should be ‘under communist rule’ was answered.²⁾ The core economic institutions were powerfully driven by political power, including violence, and combined central planning with a system of collective farms in the rural areas, and strong pressure against free markets. Central planning entailed the balancing of the large part of the economy in material terms, usefully seen as a matrix of real inputs

2) See Fforde 2020 for a short discussion of the possibility that the Vietnamese Communist Party is usefully seen, unlike for example the Chinese Communist Party, as a ‘reformed’ post-Stalin Party, like the CPSU from the mid/late 1950s. See also Fforde & Mazyrin 2018 for a co-authored paper on some aspects of Soviet-Vietnamese relations and Fforde 2019 for a discussion of changing ‘moments’ in Vietnamese economic history.

and outputs, the basic unit of which were the state enterprises (SEs). Planners calculated, based upon norms - ratios - the required inputs for outputs, and then rejigged their solution to secure a 'fit', which was then treated as a basis for actual implementation. With a political thrust for rapid growth, seen as the expanded reproduction of crucial means of production, this system allowed for high rates of accumulation and the rapid expansion of industrial output in the Five-Year Plans (FYPs). External to this centrally planned core were two main economic areas: first, the population, increasingly moving from the countryside to form an urban socialist working-class, and supplied with consumer goods partly through rations and partly through legal and illegal markets, and, second, the system of collectives, especially in the rural areas, into which the rural population and much of their means of production were forced during the often very violent collectivisation. Two adjustments to the system were made early on: first, to give better control and create some awareness of relative values, a system of accounting based upon state prices (*Khozraschyot*, in Russian). These prices were set so that SEs made high levels of accounting profits, which were then 'used' to finance high levels of investment by the state. Second, when it was realised that the rural collectivisation was causing immense damage, for example as farmers slaughtered livestock rather than see the animals taken from them, it was decided that farmers would be allowed to retain part of the land for their own use, *and that the output from these activities could be sold onto the local (relatively free) markets*. Theoretically, as explained by Stalin later [Stalin 1952], this meant that the 'law of value' (production for the market, for

profit) legitimately existed. Collectives existed in other areas, with residual elements of private production, such as petty services. But the rural collectives were to some extent, like the state sector, 'balanced' by the planners, receiving supplies of fertiliser etc, and in return being liable for supplying product to the planning system. It was quickly found by farmers that work on the collectives was economically inefficient and unattractive, and by planners that securing productivity gains was expensive. The system as a whole was often torn between two poles: first, increasing supplies of consumer goods to encourage worker and farmer efforts, which reduced in the first instance what resources planners had available to increase investment (thought to be a major source of growth), and, second, using force or propaganda to stimulate workers and collective farmers.

Because of the existence of *Khozraschyot*, and the payment of workers (and sometime also collectives) in cash, the state needed to balance its cash outflows and inflows, as, if the former exceeded the latter, there would be monetary inflation. This was often the case, such as in the Soviet Union during WWII.

Here, though others may be drawn (such as the greater importance, compared to economic factors, of political and social control under a totalitarian regime), for me various important conclusions follow from this.

First, *incentives mattered*. Within the system of administrative allocation of resources, workers and/or their units (such as SEs) could be and were given bonuses in the form of access to scarce rationed goods for good performance. Cash bonuses, or increases in cash

wages, could be spent on high-priced goods in the state shops, or for meat and fresh vegetables in the collective farmers' markets. Career advances, whether as skilled workers or management officials, or professionals, were materially rewarded (including access to better housing etc). There was a black market that increased the value of cash to the extent that it was extensive.

Second, *a complex interplay of forces determined the overall balance of incentives*. Stalin had accepted the operation of the 'law of value' in the collective farmers' private plots. If, for example, free market prices fell, perhaps as there was a good harvest and high deliveries of staples to the state, then better workers' performance in the SEs might lead to better supplies of goods to the central plan system and so increased supplies to the rural collectives. Collective farmers would then face a relative decline in the value of work for the private plots.

In general, a range of historical experiences tended to lead to the economic conclusion that, whilst better efficiency could be secured from central planning by 'doing it better' (such as by the use of computers to calculate the 'balance', by reducing transactions costs by placing SEs into larger units, or by applying Taylorist methods, such as by basing work organisation upon a notion of 'links' (*Khâu*), at certain levels of real incomes *growth tended to slow* and real consumption look far lower than in competing developed capitalist countries. This problem was never really solved by centrally planned economies. As the general conclusion reached was that this was for political reasons, focussing on how 'top-down' policy attempts were stymied in various ways, the possibilities of 'bottom-up' change were

widely ignored in the literatures.³⁾

III. A rapid overview of the Vietnamese transition

Following the already-mentioned minority view, a very rapid overview of the Vietnamese transition should stress that it ended in 1989-91, as the Soviet Union collapsed, but had started about a decade earlier. Again, there are unresolved issues in the literature, already mentioned. For me important points include:

Reference to the extent of marketisation in north Vietnam before 1975: the fact that the private plots (the so-called ‘5%’) land were on average far more than 5% of the land;⁴⁾ *declines* in sown areas as farmers retreated from collectives to focus upon their private plots; tendencies for SEs to ‘run to the market’; and the wide gap between free market and official prices caused by monetary inflation. This was expressed with reference to the metaphor of ‘two feet’, the ‘inside’ and the ‘outside’, with the ‘outside foot being longer than the inside foot’ (chan ngoai day hon chan trong). With political pressures part of the balance, it could be said that those who ‘worked outside, ate outside’ (*làm ngoài ăn ngoài*). An important element of this language was its dualism, and the possibility that these were two elements of

3) Literature reviews in the Vietnam studies literature are rare - but see that in de Vylder & Fforde 1996 pp. 246-252, and a later review of the unresolved tensions in the literature in Fforde 2018a. One reason this paper does not refer to existing literature is at root what I see as the unresolved, as undebated, issues that these two overviews, over 20 years apart, reveal.

4) A word often used here was ‘*chiếm*’, with a fascinating semantic range, including ‘occupy’, ‘encroach upon’ etc.

a totality, rather than ontologically independent.

The effects of the failure of the hardline economic policies of the period just after 1976, exacerbated by the loss of Chinese and most Western aid. As SEs start to 'break fences' and 'jump fences' (*phá rào, vượt rào*), central-planning shrinks. In 1979, the 6th Plenum called for production to 'explode' (*bung ra*). ***The transition seems to start. During this period, central planning co-exists with market relationships.***

The period from late 1979 to early 1981. Whilst this saw a reaction against the implicit 'laissez-faire' of 'bung ra', with the slogan shifting to 'explode in the right direction' (*Bung ra đúng hướng*), early 1981 saw two policy statements: 25-CP, which announced a 'three plan system' (*Chế độ ba kế hoạch*) for *all* SEs (see below), labelling already existing activities, both centrally planned and not, in various ways, and CT-100, which announced a defence of agricultural collectives, which had been spontaneously dissolving, by introducing a normative 'output contract' (*khoán sản phẩm*) system based upon allocating responsibility for various stages of production (*khâu sản xuất*) to households, with extra-contract output freely disposable (like the output from the private plots).

- 1981-early 1986 saw SE policy go through a period of conservative reaction, seeking to curb market activities, which was reversed in early 1986. These policy shifts were expressed within the framework of the 'three-plan' system documented in 25-CP. There is a textured and fascinating debate in the Party media about the experiences in SEs and elsewhere with the new methods and evolving institutions, which mobilises new terms

and debates their meanings.

- In 1985 failed 'Price-money-wage' reforms, for by now there is rapid inflation, introduce a period of hyper-inflation that culminates in the late 1980s.
- By 1986 (likely earlier) there are statistics that measure the extent to which parts of the previously centrally planned economy have moved to 'self-balancing' (*Tự cân đối*) - securing inputs outside the plan.
- From around 1982 a large Soviet bloc aid program largely replaces the lost aid.
- The VIth Party Congress of late 1986 introduces '*Đổi Mới*'. There is still no clear green light to the private sector.
- In 1988 Decree # 10 in effect de-collectivises agriculture.
- In 1988-89 Soviet aid starts to decline sharply.
- In 1989 a set of macroeconomic 'shock' policies treat the economy as a market economy, raising interest rates to levels above inflation, and creating a supply shock partly by the interest rate hikes but also by opening domestic market barriers and the northern borders, which leads to the hoped-for change in inflationary expectations, and also shows that Vietnamese SEs often can compete in these open markets.
- In 1990-91 Soviet bloc aid collapses, and the residual elements of central-planning cease to have much meaning or relevance.

The transition seems to be over.

1. How policy-writers may support commercialization

Now, developing my speculation, it is useful to consider the implications of the fact that the start of transition is marked by the economic crisis of 1978-79, not by a clear political rejection of central-planning and the Soviet model. Again, it is useful to point out that others argue that politics is far more important, leading to a stress on the cognitive changes rather than the historical context.⁵⁾

On the one hand, my framing suggests that policy-writing that seeks to support marketisation as a process in which plan and market co-exist must avoid being labelled as politically incorrect, and so seek a language and concepts that are politically feasible.

On the other, under Vietnamese conditions, and with marketisation driven by powerful economic forces (and its path smoothed by material gain), policy that refers to clearly observable phenomena was likely to be more convincing than 'high theory' (though not always) [Fforde 2017].

2. How policy-writers can oppose and critique commercialisation

Once, as at the latest Decree 25-CP of early 1981 implies, 'market' and 'plan' legally co-exist *within* SEs' activities, opponents of commercialisation are faced with a dilemma: either they can use the old language of traditional Communism, which poses the question of

5) Thus Goscha, 2016, in one of the best recent histories of contemporary Vietnam, frames his history in terms of the struggle of ideas, for him the basis of the fight between communism and its competitors.

how to manage the legality of clearly capitalist methods (even if these are not labelled as such), or they can seek other attack points, such as the negative effects upon deliveries of resources to the state's goods management systems, and so upon supplies to those not immediately benefitting from market-oriented activities.

IV. The Vietnamese language of transition⁶⁾

I repeat that, partly to save space and partly to advance a speculative argument, I do not refer to existing mainstream theoretical positions.

1. Empirics

Much of the discussion here is informed by my own familiarity with both the literature and many discussions with Vietnamese, both specialists and others. More testable empirics can be found in the use of these terms in official documents, as accessed through the massive database www.thuvienphapluat.vn (henceforth, TVPL). Numbers in {} below refer to the number of documents containing the term being discussed in that database up to the stated date.

An issue here is that the Party's view, naturally enough, is that its role in the transition was larger than in my view it actually was,

6) See the list of terms in the Appendix for a full listing of the words I discuss here. This is unlikely to be exhaustive, especially given Vietnamese customary pleasure in creatively playing with the possibilities of their language, regional differences etc.

though the fact that these massive changes happened largely during Lê Duẩn's period in office, and he accepted them, gives him a positive place in history that many, in my view, downplay excessively. His and Lê Đức Thọ's somewhat Stalinist tendencies are well-documented by Huy Đức 2012.⁷⁾

Another issue is the 'translation problem' - Vietnamese use and semantics are, in my view, often very different from most varieties of English. I use an asterisk (*) to mark situations where I think that this issue is particularly important, but usually, given the purposes here, do not go into this unless I think it very useful or illuminating. If the speculative conclusions here are seen by others as productive, this hopefully will lead to further debate and research.

2. Dualities and deep ontological assumptions: plan and market, and the nature of change

I would argue that, sociologically, for many Vietnamese *lack* of diversity can be seen as a negative, as marked by the expression '*cá mè một lứa*' ('tench of the same clutch', the point being that such a group of fish are identical, and this is seen as a negative. A demotic English equivalent might be 'same same no difference'. Thus, the English expression expressing the possible value of diversity ('bringing them all together so that the whole is greater than the sum of the parts'), is expressed far more economically in the Vietnamese verb '*kết hợp*', with implications of a possibility of action to create

7) See Fforde 2021 forthcoming.

a positive outcome from a better co-existence. Thus, dualities such as plan and market, formal and informal, hard and soft are easily presented as potentially positives rather than in opposition. There can also be observed a certain hostility to essentialism - for example, the observation from a Party reformer - 'in Vietnam, the private is never entirely private, nor the public ever entirely public' (*Tại Việt Nam, tư không hẳn là tư, công không hẳn là công*) - Prof Đào Xuân Sâm.⁸⁾

Given this, I find the idea that plan and market should co-exist positively (*Kết hợp kế hoạch với thị trường*). Other dualities were deployed, most centrally associated with the 'hard' - 'soft' of *cứng* - *mềm*. With the former semantically linked to ideas of obligation and authority, it was identified with distant and obligatory instructions - those 'legal* targets' (*chỉ tiêu pháp lệnh*) sent to the unit by the authorised authority (the central plan). As commercialisation developed, other activities were then labelled as part of the unit's 'soft' activities, or, more typically, its 'soft' plan, with a semantic suggestion that these were attractive and positive.

Another duality, positive and negative (*tích cực, tiêu cực*) was not usually deployed as things that could be combined positively, though *tiêu cực phí* was and remains a term for corruption (lit. - the costs of negativity, interestingly using the Chinese/Han-Viet word order).

At a general level, this suggests to me that Vietnamese here are deploying linguistic assets to manage discussion of the co-existence of central-planning and markets, in ways that accept that this

8) For example, see his 1986, arguing strongly for the value of contractual relationships, and Dao Xuan Sam, Khong Doan Hoi and Vu Huu Ngoan, 1986 on an early statement, before the VIth Congress, on reform thinking.

co-existence can be positive. This suggests that whatever external analysis concludes was reality, this was how their language told them what was happening, or could happen. Given that central planning had been created, and for long had been taught, as far better than capitalism, this shows considerable political and cultural capacity. Much of the language of transition is, as the sources show, a deployment into official texts of terms that refer, by legalising it, to illegality, and so reflect 'life' (*Cuộc Sống*).

3. Mentality or thinking: (Tư duy) as something inherently diverse

For those Vietnamese forced through re-education (literally - re-creation - *Cải tạo*) after 1975, and earlier, the idea that the Vietnamese language of transition expresses a flexible view that mentality or thinking (*Tư duy*) is usually diverse and varies over time may appear odd. However, evidence suggests that this is the case [Fforde 2017]. Consistently throughout the official literature (an example is presented in Fforde 2017), official discussion of implementation of policies tends to assume that this will vary between locations, with the pattern of evolution of local mentality or thinking viewed as part of the overall change process, thus also varying over time.

This stance then has implications for how we may grasp the ways in which authorised knowledge is normatively created.

4. Authorising knowledge: *sơ kết* and *tổng kết*

Two established terms describing meetings to established

authorised knowledge are the hard-to-translate *sơ kết* and *tổng kết* [Fforde 2017]. Both are verbs, the first implying a provisional statement on what is to be made of something, the second a more authoritative ‘general’ bringing together of evidence, views and research results. Neither refers to issues of truth. The first is contained (as of 16 June 2020) in nearly 30,000 documents in TVPL; the second in about the same number.

If we search for *sơ kết* and 25-CP, we find 28 documents, and inside 25-CP itself, in the concluding section, that the Economic Management Research Institute is “responsible for directly monitoring {its} implementation and *sơ kết* the situation ... [Section 7 Clause b]. This would seem best put in English as a ‘provisional summing up’.

If we search for *tổng kết* and 25-CP, we find 46 documents. These include an Order (# 20-CT) [Premier 1982] strengthening implementation of contract wages, wages paid in output, and monetary bonuses for SEs in agriculture, forestry and fishing. It states that in 1981 many such SEs such enterprises had expanded such forms of remuneration, but that in many places the principle of the ‘three interests’ had not yet been done well, often giving too much to workers and not enough to the SE or the state and:

Việc chỉ đạo thực hiện của các Bộ chủ quản và Ủy ban nhân dân các tỉnh, thành phố thiếu chặt chẽ, liên tục, những kinh nghiệm trong việc khoán, thưởng chưa được tổng kết và phổ biến kịp thời. Các cơ quan quản lý tổng hợp của Nhà nước chưa chú ý cải tiến cơ chế quản lý để tạo điều kiện cho cơ sở thực hiện mạnh mẽ việc khoán và thưởng vv (Guidance of implementation by SEs

leading Ministries and the People's Committees of provinces and cities has not been close or continuous, and experiences with contracts and bonuses had not yet been *tổng kết* and distributed in a timely manner. The general management organs of the state had not yet paid attention to improving the management system so as to create conditions for SEs to strongly implements contracts and bonuses etc).

Thus, *tổng kết* refers to a more general and authoritative summing-up of experiences that can form a basis for wider implementation. Similar conclusions can be drawn from State Inspectorate 1981, which is concerned that SEs are not respecting their plan instructions, or contracts signed with the State. Ministry of Labour 1982 uses *Tổng kết* to refer to basis from calculating the end year bonuses as being the *Tổng kết* for the whole year. This latter is not part of the SEs' accounts per se.

5. Labelling significant 'first steps': fence-breaking and fence-jumping

Whilst there is evidence for a relatively - 'contrary to the textbooks' - extensive existence of markets in north Vietnam before 1975, loss of Chinese and most Western aid by around 1978-79 shifted the pattern of economic incentives against participation in the plan. In a technical English, this led to the creation of direct extra-plan relationships between SEs' suppliers and customers. Economically, this both exploited the slack (static economic inefficiency) of central planning to both compensate for lost aid

supplies and, through efficiency gains, increase output. But most of these Western economic terms were not reliably translated into Vietnamese until the 1990s. How, then, was the creation of extra-plan relationships to be named?

Two terms that had considerable power referred to ‘fences’ (*rào*) being either ‘broken’ (*Phá*) or jumped (*Vượt*). Neither appears in these senses in official documents, according to the TVPL database. Further, by the ‘noughties’, Vietnamese references, consistent with the already-mentioned tendency to attribute change to policy, or at least to politicians, tends to present the terms as referring to part of a general attack on the ‘old system’, supported by local leaders [e.g., Dang Phong 2009].

However, Le Sy Thiep⁹⁾ & Dam van Nhue 1981 provide a detailed picture of microeconomic change in the period *before* 25-CP. This of itself is striking as it places causality upon ‘life’ (*Cuộc Sống*) rather than policy. The focus is upon actions taken by SEs to establish direct (non-plan) relations with (often new) suppliers and customers.

‘Fence-breaking’ and ‘fence-jumping’ was the spontaneous response of economic actors, usually within the planned economy (but also including cooperatives) to the changing incentive pattern, which meant that incentives to participate in the plan had declined relative to alternatives - the ‘outside foot’ was now far longer than the ‘inside foot’. Such SEs were producing a range of goods and services, which can be divided into three groups: the first was made up of items that the SE was ‘planned’ to produce, and should have delivered to the

9) Le Sy Thiep 1967 is a devastating critique of the state of the northern planned economy in the mid-1960s, focussing on the Hanoi local metal industries.

state planning system, and received the requisite inputs to produce, as part of the 'balancing' of central planners. These can be called 'list' goods. The second group were items on this list that were produced using inputs that the SE had not received from the planned supply system. The third were other items, typically referred to as using by-products or minor inputs, but most importantly not 'list' goods. At this stage, with exchange relations not yet always fully marketized, there were a range of methods used to negotiate exchange. I recall rather later meeting in Hanoi a purchasing manager from a southern SE who had 'dollars, steel and cement' to trade. Whilst there was some legal justification for the third group (but not if it was using resources that should have been used for the obligatory 'legal' plan targets of the SE, the second group was illegal.

The policy-writing issue for progressives then appears as how to produce policy that could match this reality in a way that made sense without going too far and risking conservative ideologues' fury. This issue was solved in early 1981 with Decree 25-CP. This was of crucial importance, but of greater importance still was the reality described by Le Sy Thiep & Dam van Nhue 1981.¹⁰⁾

6. Labelling market activities as part of the plan: the 'Three Plan System' (*Chế độ ba kế hoạch*)

The language of transition expressed here relies heavily upon deployment of the Vietnamese word '*Tự*'. This is used to express

¹⁰⁾ See also the textured detail of SOE behaviour reported in Fforde 2007.

ideas of independent action by the entity concerned, typically as a modifier of verbs, but far from always. It is deployed to frame the tasks and nature of change as deeply associated with increasing the autonomy of economic units, primarily, in the early stages, SEs. Thus, the title of 25-CP is *Decision of the Government Council # 25-CP 21/1/1981 on a number of policies and measures to develop the rights to autonomy (Quyền chủ động sản xuất - kinh doanh) in production and business, and the rights to financial autonomy (Quyền tự chủ) of state enterprises* [HDCP 1981].

In this document, the three-plan system is laid out clearly, deploying a range of elements of the Vietnamese language of transition (at this early stage). The SE's plan was said to have three parts and the relevant text is:

Như vậy, kế hoạch của xí nghiệp bao gồm ba phần:

- Phần Nhà nước giao có vật tư bảo đảm;
- Phần xí nghiệp tự làm;
- Phần sản xuất phụ.

(Thus, the enterprise's plan includes three parts:

- The part given out by the state that has guaranteed materials {that is, 'balanced' by the state, and thereby legitimising deliveries to the state of items produced using those materials}
- The part that the enterprise 'does itself' {the use of 'tự' here allows for the generalised statement, rather than detailing exactly what the enterprise does}
- The part that is made up of subsidiary {non-list - see above - AF} products [Section 2].

The Decree then details what this means, which I will omit here

as of somewhat arcane interest.

The two key points for me here are that the commercial activities of the SE (parts 2 and 3) which are decided by it (approval is not strictly required), are deemed part of the plan, and so defended from conservative attack as being capitalist, and that these activities are decided upon by the enterprise (tự). The latter are its rights to initiatives in production and business (*Quyền chủ động sản xuất - kinh doanh*) and financial autonomy (*Quyền tự chủ*). Here *chủ động* requires glossing, as in common use it means to 'take the initiative', for example, after a discussion that agrees on action, the one who accepts responsibility for taking that action will *chủ động*. Further, *Quyền tự chủ*, is not and was not particularly rare as it applied to any unit of the state that had its own account, its own 'seal' and could use directly revenues allocated to it by the state budget. So, what is being stressed here is that in the second two parts of the plan this also applied - thus 'financial autonomy'.

Whilst clearly this decree refers to the three parts of a single plan, usage quickly led to calling this a three-plan system [Huy Duc 2012 Vol 1 p.498 fn # 480; Dang Phong 2009:123] although '*ba kế hoạch*' (three-plans) is not findable as such in TVPL.

7. Discussing and managing plan-market interactions: 'three interests' (*ba lợi ích*)

Nowadays, '*ba lợi ích*' ('three interests') has a range of meanings, for example in discussions of consultancy services in supply chains or Buddhism.¹¹ I can find no direct reference to the phrase by

searching for it and ‘Soviet planning’.

I first heard the expression ‘*làm ngoài ăn ngoài*’ (‘work outside, eat outside’) from a working-class Hanoi Vietnamese around 1980, who had left Vietnam in 1978 or 1979. I think it was their own comment, as there is no record of it on the internet apart from references that seem to be to my own use of it. I was asking whether people who were working ‘outside’ the plan received rations. For me, its sense is that people who are dependent on the free market must make their own way in obtaining food etc. It could also mean that earnings outside the plan allowed access to resources on the free market. In either, the sense is that the two ‘spheres’ are rather distinct, with only limited interrelationships.

During the early stages of transition, however, it was used to refer to the need to secure a harmonious balance between the interests of the state, the collective, and the worker. Thus, the earliest of 20 references {12/6/2020} is in August 1980 in a discussion in Order # 30/CT-UB 2/8/1980 of Ho Chi Minh City, which predates 25-CP. This is an Order from the People’s Committee of the city to all its departments and subordinate levels.

Nếu sản xuất, kinh doanh ngoài kế hoạch mà bảo đảm bù đắp lại được chi phí sản xuất, chi phí lưu thông mà đơn vị sản xuất kinh doanh được phép sử dụng quỹ tiền lương đã hạch toán vào

11) <https://orgit.ai/vi/resources/ba-loi-ich-cua-dich-vu-tu-van-quan-ly-chuoi-cung-ung> and <https://books.google.com.au/books?id=n6vviEgOM3kC&pg=PA15&lpg=PA15&dq=%22Ba+l%E1%BB%A3i+%C3%ADch%22&source=bl&ots=C08BfepSal&sig=ACfU3U3JgaZqOEchMRxTT7InFe7MLy7BUQ&hl=en&sa=X&ved=2ahUKEwiPk9PchPvpAhXzzzgGHTySCQYQ6AEwD3oECAoQAQ#v=onepage&q=%22Ba%20l%E1%B%A3i%20%C3%ADch%22&f=false> 12/6/2020

giá thành hoặc phí lưu thông của phần sản xuất kinh doanh ngoài kế hoạch pháp lệnh để trả lương hằng tháng cho người lao động theo nguyên tắc kết hợp đúng đắn ba lợi ích (của Nhà nước, tập thể và cá nhân người lao động). Số lao động tham gia sản xuất - kinh doanh ngoài kế hoạch pháp lệnh được hưởng đầy đủ các quyền lợi vật chất (được cung cấp lương thực, thực phẩm, nhu yếu phẩm, bảo hiểm xã hội, bảo hộ lao động v.v..) và các quyền lợi về chính trị, văn hóa theo chính sách, chế độ của Nhà nước. [Sect. 1].

If production and business outside the plan ensures that production and 'circulation' {procurement and distribution}, and the unit has permission to use its wage fund that has been accounted for in unit costs or 'circulation' costs of that part of production and business outside the legal {obligatory - centrally-planned - AF} plan {then} monthly workers' wages are paid according to the principle of a correct '*Kết hợp*' {see above - AF} of the three interests (of the state, the collective and the individual worker). Workers participating in production and business outside the legal plan fully enjoy rights to material benefits (they are supplied food and staples, necessities, social insurance, labour protection etc) and political and cultural benefits according to state policies and systems. [Sect 1].

Granted that this is mid-1980, it is clear that the relationships between plan and market activities of SEs had been identified; that market activities within definable limits were legitimate; and that 'inside' resources - rations etc - were to be enjoyed by those working 'outside'. We can note that there is no explanation of how this situation had arisen.¹²⁾

12) See Fforde 2007 pp. 76-80 for a discussion of 'pre-25-CP' policy and local analysis of activities in artisanal and collective industry, and also Fforde forthcoming.

The phrase is used for the second recorded time (referencing TVPL) in the already mentioned CT-100 of January 1981, and here its conservative direction is clear, as is the direction of CT-100 (see below).

8. Hard and soft plans (*kế hoạch cứng, kế hoạch mềm*)

These two terms used a different duality to refer to the plan - market distinction, and early in the transition became, whilst unofficial, shorthand for economic activities ‘according to the plan’ (the first plan in 25-CP terms) and all the rest.

To give a concrete example, interviewing state bank officials in 1990,¹³⁾ one simply referred to the ‘hard’ or ‘stiff’ plan as that which was obligatory, and then the commercial activities, the ‘soft plan’ as the rest, which were, as they used systems of collateral, negotiation etc, were clearly an evolved commercial banking operation.

9. Cooperatives and output contracts (*Khoán sản phẩm*)

Whilst the language of transition regarding SEs shows the power of the expansion of commercial activities outside the plan, for agricultural cooperatives the picture is different. Again, it is I think useful to treat this both as an indicator of what analysis may conclude was happening and as an indicator of how it appeared locally, in Vietnamese.

13) Research for SIDA, Hanoi.

Before 1975 the existing attempts to improve cooperative performance had used contracts (*Khoán*) to try to manage relations between cooperatives' constituent elements [Fforde 1989]. As the 1979 economic crisis intensified, and SEs through their 'fence-breaking' and 'fence-jumping' sought suppliers, some of these were in agriculture, and this made farmers' own account activities in the private plots relative more attractive (the 'outside foot' got even longer relative to the 'inside foot').

In response to this, in the same months (January 1981), CT-100 came from the Party's Secretariat treated its focus - expansion of contracting as part of the internal management of cooperatives. This management had to be strengthened, and *as part of this*:

Hợp tác xã phải nắm được sản phẩm để bảo đảm việc phân phối sản phẩm kết hợp được đúng đắn và hài hoà ba lợi ích (lợi ích của Nhà nước, của tập thể, của người lao động) và thực hiện tốt việc phân phối theo lao động cho xã viên. (The cooperative must control output in order to ensure that its distribution is able to 'kết hợp' correctly and harmoniously the three interests (ba lợi ích) (those of the state, the collective and the worker), and implement well distribution according to labour to co-operators) [Section I.b.4]

The Order labels the spontaneous changes as the contracting of output by brigades to groups of workers and individual workers [II.1]. It is described as a way of avoiding situations where land was simply allocated to co-operators, referred to as 'white contracts' (*khoán trắng*). This was clearly the natural tendency [II.1], and the push was, therefore, to allocated certain of the stages of production to the

brigades, and some to the co-operators. The details are complex, as was the underlying situation. However, two things stand out:

First, as with 25-CP, the language of the decree mixes that of the pre-existing normative system and the emerging crisis - *khoán trắng* thus mixes the ‘contract’ of the normative system, meant to govern relationships between the brigades and the cooperatives, with its use to label, in effect, decollectivisation, by being ‘white’, or empty.

Second, the underlying power of incentives, as policy struggle to cope with the tensions between deliveries of output to the state, financing of the cooperative (which paid for primary health care as well as the cadre structures), and co-operators.

10. Measuring the extent of the shift towards market activities: ‘Own capital’ (*Vốn tự có*), ‘Own wages’ (*Lương do Xi nghiệp Tự lo*) and the extent of ‘self-balancing’ (*Tự cân đối*)

The various terms discussed so far allowed a contemporary discussion to give a solid empirically based answer (assuming the data was not contentious, and so ‘nuanced’) to where, for a given SE or group of SEs, the process of marketisation had got to at any point in time. Of course, external analysis may conclude that an alternative depiction of reality is better.

25-CP showed the mixing of plan and market concepts in its notion of self-balancing (*Tự cân đối*). It was, traditionally, the plan that was meant to ‘balance’ and SE by supplying it with the required inputs, but if it could not, and these were part of the second plan, then it

could be said (!) that the SE was self-balancing. Thus, it was rather simply, both at the level of the SE and at more aggregated levels, to see to what extent output was 'balanced' by the plan, using the established norms (so much cotton for so much thread ... etc). Such data can be found reproduced in de Vylder & Fforde 1988 and were by then in some branches well over 50%. It can be found widely used up until today in official documents{2774}, referring to extra-budgetary receipts and activities by state units.

Vốn tự có can be translated as 'own capital' and is also widely used in official documents, and before 1979 refers to various legal forms of accumulation, such as from official depreciation. In the increasingly refers to accumulated profits from the SEs' second and third plan activities. It then in the 1990s became contested as the state argued that it had in part relied upon state assets for its accumulation. Contemporary use equates it often to 'equity capital, which makes sense.

Lương do Xí nghiệp Tự lo refers to wages that the SE itself pays for. This is more informal and there are no uses of it in official documents. My understanding is that it refers to wages paid for from the second two plans, or any other activities of the SE that are 'outside' the plan. Literally, *Tự lo* means 'sorted out by itself'.

V. Conclusions: 'Top-down' or 'bottom-up'?

I have used the linguistic evidence I have presented to highlight three aspects of the Vietnamese transition. Further research and

deployment of effective theory and rigorous empirics is needed to take this speculation further. This should not be hard. It should also not be hard to platform on this discussion to examine other countries' experiences, again deploying theory and better empirics. I have also asserted that these linguistic phenomena both point to what analysis may conclude was actually happened and to what local participants saw, which may be different. But the discussion, for what it is worth, should alert others to the possibilities of the following:

First, the use of dualities to describe and assess the transition *as process*. This worked both at local level, for example a specific SE, and at aggregate levels, such as a branch of the economy.

Second, a creative adaptation of terms taken both *from practice and extant theory* to write policy and make official sense of the process in terms that also made sense in terms of experienced reality. The three-plan system (*Chế độ ba kế hoạch*) and output contracts (*Khoán sản phẩm*) are central examples.

Third, powerful deployment of the word *Tự* to create a *positive sense of the value of independent economic action* that was inherent to a market economy. Related terms such as that of the three interests (*Ba lợi ích*), which justified the interests of the collective and its individual workers, are linked to this.

Further deployment of theory and additional factual argument would assess this conclusion further.

Does this show that the process in Vietnam was 'bottom-up'? I think that the linguistic argument here is strong but not conclusive. It poses questions, I think productive ones, both for historical interpretation and for how to frame it (that is, for deployment and

development of theory). It does however suggest that local participants, the Vietnamese, had a language that enabled and encouraged them to see change processes as being spontaneous and so not necessarily policy driven. Detailed examination of microeconomic behaviour, for example, would illuminate further, and for Vietnam this is available through the extensive public discussions (and official reports including the internal 'framings' of various policy documents) in the 1980s, especially before the 1986 VIth Congress. Interviews are also fascinating (see Fforde 2007 for reports of how SOE managers saw things). However, analysis that seeks to produce a characterisation of historical reality, which may disagree with participants' views, can engage with the writing and reading of these discussions. Appreciation and analysis of the many experiences they report is I think hard without some appreciation of the language of transition I have discussed, and conversely far more fun with it as part of the historian's tool kit.

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14) I have sometimes omitted Vietnamese diacritics, usually but not always as my notes did not record them; I also exploit the fact that Word sorts Vietnamese names (written as FAMILY-MIDDLE-GIVEN) far better if they are not re-written in some way that seeks to mimic most Western conventions (FAMILY, GIVEN-MIDDLE) by preserving that word order for Vietnamese names.

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Appendix: some relevant Vietnamese terms and phrases¹⁵⁾

Ba lợi ích	Đa dạng hoá các hình thức sở hữu
Bung ra đúng hướng	Phá rào
Cá mè một lứa	Quyền tự chủ
Chân ngoài dài hơn chân trong	Quyền chủ động sản xuất - kinh doanh
Chế độ ba kế hoạch	Sơ kết
Chỉ tiêu pháp lệnh	Tại Việt Nam, tư không hẳn là tư, công
Cuộc Sống	không hẳn là công
Cứng, mềm	Tích cực, tiêu cực
Đổi Mới	Tiêu cực phí
Kế hoạch ba	Tổng kết
Kết hợp	Tư duy
Khâu sản xuất	Tự
Khoán sản phẩm	Tự cân đối
Làm ngoài ăn ngoài	Vốn tự có
Lương do Xí nghiệp Tự lo	Vượt rào

15) The list comes from my own observation and experience, and a PhD would no doubt be able to provide far better empirical basis for such a list. I do not speak or read Chinese, but I am aware that many of these terms ‘borrow’ from Chinese, sometimes more directly than others. Therefore, I leave it to somebody else - perhaps another PhD - to explore this issue. Note, however, that some argue that Vietnamese differentiate those of their words that are ‘Sino-Vietnamese’, calling them as such, and leave it to linguists and others to point out that there are other Vietnamese words that ‘come from Chinese’ that are not usually identified by Vietnamese as such. Phan Ngọc 2000, who writes in a Puckish stance, argues this strongly, although I have been told his position is contentious.