

NEW ECONOMIC POLICY (N.E.P.) IN REVIEW: AN APPLICATION OF VIETNAM IN ECONOMIC “DOI MOI”

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ABSTRACT

This article aims to widen the recognition of the NEP and the economic reforms in Communism-oriented countries via some assessments to unravel similarities and differences between the New Economic Policy (NEP) and Economic Reform (Doi Moi) in Vietnam and make a forecast about the development of this mechanism. The author majorly employs the comparative method along with qualitative design including the collection of primary and secondary data while complying with the historical approach to confirm that the NEP had a profound impact on the perception of the Communist Party of Vietnam. For the Soviet Union, the NEP was the transition from a wartime communist economy to a market-oriented economy with the regulation of the State. This policy helped the Soviet Union overcome the economic crisis and it was an implication for Vietnamese leaders to transform the wartime economy into a market-oriented economy controlled by the State. The recognition of Vietnam's role in the market economy pushed this country into the economic management mechanism and its integration into the world economy.

Keywords: N.E.P, Vietnam, Soviet Union, Economic Reform, Doi Moi, Communism

1. Introduction

The integration of Vietnam after Doi Moi (1986) marked a turning point in Vietnamese history. This event is a glaring illustration of about-tur in Vietnam's perception regarding the critical role of the market economy to make leverage for Vietnam's economy, which underwent a serious crisis due to a wartime-oriented economy after the Southern Liberation for National Reunification (1975). Evidently, Vietnam Communist Party (VCP) were acutely cognizant of their hindsight. It was also a rewarding lesson for both the VCP and the Chinese Communist Party (CCP) to depend on the initiative of Lenin, who also floated the idea of borrowing capitalism to justify a malfunction of the Communism paradigm in the economy. Historically, the economic crisis posed a menace to the national economy of the Soviets in

their Post-War. Lenin stated that The Civil War (1918-1920) severely raged the national economy, braked the production force's development, and made porcelain self-undermine their political leadership. Thus, the Party had to apply rapid solutions to improve quality of life and boost productivity since 1921 [1, p. 262]. Also, he questioned whether other parts of the national economy still exist or not. Many people acknowledged this fact. However, they are not determined to recognize this fact in the Russian economy. This is a problem [1, p. 248]. At the 10th Congress of the Soviet Communist Party, Lenin and the Communists solemnly declared a new economic policy, and its name was Новая экономическая политика - Novaya Ekonomicheskaya Politika, НЭП (English: New Economic Policy, N.E.P.).

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Despite the USSR's failure to seize power in Russia in 1991, some communism-oriented countries in the world still depended on the N.E.P. of Lenin to exist in byzantine international relations. Vietnam and China employed this mechanism for their renovation. However, there is a modicum of academic arguments indicating similarities and differences between N.E.P. and the economic reforms of Vietnam, or the majority of scholars and researchers only drew their attention to Vietnam's economic reform in the absence of scrutinizing the mechanism of N.E.P. Meanwhile, identifying the outcome of N.E.P. and Vietnamese Doi Moi plays a considerable role in recognizing the ideological progress of Socialism thought regarding the economy through typical examples of the Soviet Union under the leadership of Lenin and the current economic Doi Moi of Vietnam. As a result, this article stays focused on some objectives:

- How did the N.E.P. affect the economic growth of the Soviet Union from 1921-1924?

- How did Vietnam apply the fundamental principles of N.E.P. in Doi Moi (since 1986)?

- What can we see for the prospects of Vietnam's economy in the application of a market-oriented economy in the future?

2. Literature review

There is a handful of online articles referring to N.E.P. and its significance to Doi Moi in Vietnam. However, all articles are inclined toward the political theories of Marx-Lenin, which praised N.E.P. in the absence of an in-depth analysis of the Vietnam economy.

Recently, there are some typical articles in academic journals and proceedings mentioning this theme. Duong Quang Hiep and Nguyen Duy Nam analyzed N.E.P. in industry and the linkage to industrialization and modernization in Vietnam nowadays. The paper provided readers with reliable statistics on the national industry and make some outlooks for the future of the market economy in Vietnam [2, pp. 391-403]. Besides, Nguyen Thi Thanh Tung appreciated the position of N.E.P. in the Soviet Union's economy and the author implied that it could be a measure for socialist-oriented countries in the world [3, pp. 404-414] Nguyen Quoc Hung in *Cach mang thang Muoi: Lich su va hien tai [October Revolution: Past and Present]* systematizes the evolution of the October Revolution, which according to Communists was a groundbreaking revolution to hurl capitalism-based regime and establish the first Communism state in the war [4]. Hung compiled a chapter concerning the role of N.E.P. in the national economy of the Soviet Union with some statistics to prove that this impersonated a charismatic vision of Russian Communists about retaining capitalism elements in the national economy of the Soviet Union.

Meanwhile, N.E.P. is also a controversial academic discussion around the world. *The Russian Revolution from Lenin to Stalin 1917-1929* was composed by E.H. Carr and R. W. Davies. The book provided readers with a wealth of information about Russian history, from the October Revolution to the leadership of Stalin.

The author paid attention to Sections 4 and 5 of this work namely, “The Breathing Space of N.E.P.” and “The New Soviet Order”. Based on the viewpoint of American historians, this book appreciated the role of N.E.P. in the Soviet Union but lambasted its reality. The death of Lenin and the succession of Stalin dismissed this idea and led to the Fall of the USSR in 1991 [5, pp. 30-38]. Besides, Robert V. Daniels in *A Documentary History of Communism in Russia from Lenin to Gorbachev* allocated a huge part of the analysis to Russian Communism. Daniels unveiled that there were numerous dissidents, who rejected an implication of N.E.P. as those Communism-based citizens supposed that N.E.P. was a betrayal of proletariats and blasted the reforms of Lenin [6, p. 152]. Although Lenin strived to justify his argument that N.E.P. would not vanquish the power of the political system the in Soviet Union, this policy still faced lots of opposition to be acknowledged by the majority of the Russian population.

In comparison with Vietnam, Katariina Hakkala at Stockholm School of Economics in Sweden released a paper entitled *The State and the private sector in Vietnam*. This paper elucidates the correlation between state and non-state sectors in Vietnam's economy. Hakkala generalized the prominent landmarks of economic achievements and expounded on the subordinate position of the private sector in the national economy of Vietnam. At the end of the paper, the author proposed some solutions to make a role betterment of the private sector in the Vietnam

economy. The point viewed in 2007 was grossly different from the current viewpoints of the Vietnam Communist Party (VCP), who placed their faith in the well-being of the market economy in Vietnam as the VCP has been increasingly cognizant of the market economy in the national economy of Vietnam. Melanie Beresford in collaboration with Dang Phong released *Economic Transition in Vietnam: Trade and Aid in the Demise of a Centrally Planned Economy*, which added more depth to an exhaustive understanding of the stagnant economy of Vietnam before 1986 and its transition to a new mechanism since 1986 [7]. Thomas Jandl in *Vietnam in the Global Economy: The Dynamics of Integration, Decentralization and Contested Politics* majorly concentrated on foreign investment and social benefit harmonization to gain mutual economic growth. Also, he stressed the role of the VCP in managing a strikingly dynamic and intricate economic system [8].

Overall, this topic is a moot question for various domestic and international scholars. Despite not being an original topic, this paper does not view the N.E.P. and Doi Moi under the theory of Marxist-Leninist, and several authors in Vietnam followed this path to shape their papers. The author focuses on a historical science and economics approach to prove that Communists reached a compromise with Capitalism to recover their economy while keeping the political system at bay to avoid being failed and overthrown by dissidents. Also, the author makes some forecasts for prospects of this paradigm in the

national economy of Vietnam once Communists continued to operate “market economy under the guidance of Socialism and the State”.

3. Methodology

This paper was conducted using fundamental methods of qualitative methods. The data collection is applicable to glean reliable data regarding the Soviet Union and Vietnam’s economy on desk-research papers and updated figures from the World Bank, the national Vietnam state bank, and other related sources to analyze the economic correlation between Vietnam and the Soviet Union. Also, primary sources stem from viewpoints of VCP in its Congress after 1986 to strive to set a framework of the so-called “Market economy under the direction of Communism”. Some source materials were also employed with Russian languages and old archives of the USSR on the Internet. We suppose that these sources are major and grossly substantial to the reality of this research paper.

However, it is admitted that the source-material-based method is likely to make jaundiced eyes when depending on. As a result, the author referred to related papers and desk-research materials springing from previous authors, who paid much attention to this research topic and heavily focused on the research results to generate some assessments. Thereby, the paper employs comparative methods to unravel the similarity and differences between the Soviets and Vietnam in national economic policies. Not only source materials are examined, but

previous findings are also scrutinized to define new areas of findings for academic contribution and respond to research queries.

4. Results and discussions

4.1. N.E.P. contents and their influences

First of all, Russian Communists decided to temporarily revoke the policy of left-over agricultural products and implement a consistent levy tax on agriculture. Peasants were entitled to use the remaining products to exchange in their market. Lenin supposed that this policy had been congruous with the proletariat's mission and reinforced the leadership of communists. It would lead to the success of socialism. Agricultural tax marked a standpoint of the economy [1, p. 265]. This policy publicized market factors in the national economy due to exchange activities. Also, Lenin acknowledged that the Soviet national economic system was a mechanism including several different parts of the economy. He stated that the restoration of bourgeois and intellectuals in the economy was foreseeable, and he also endeavored to shape a norm of a free economy [1, p. 73] and engaged with a prospect that the market economy was geared to stimulate productivity. This is germane to Soviet society since the majority of Soviet people were farmers. Also, Edward, in his work with the theme of the History of the Bolshevik Party, supposed that the element of war communism, the substitution of a “natural” for a “market” economy, had no such foundations. The policies of the flight from money and substitution of a natural economy arose from the inability

to address the problems of backward peasant agriculture, which occupied some 80% of the whole population [9, p. 274]. The facet of war communism curbed the national economy of the Soviets, and it was high time for the country to transform its old economic system into new management.

As a result, agricultural exchange was unavoidable. The market economy would create a class of middle peasantry and this class would become the major production force. Lenin argued that the role of middle-class peasants and petit bourgeois peasantry would simultaneously enhance the quality of the labor force and economic Reform. However, Russians showed their apprehension about the revival of kulak in rural Russia. They supposed that this policy was not commensurate with social equality in Russian rural areas and

cast doubt on the future of N.E.P. among Russian Communists.

In addition, this policy led to the fashioning of the national agriculture mechanism. This directive was germane to the Soviet's historical background. Accordingly, various manors of landlords were completely eradicated, and all assets were confiscated, which triggered a burgeoning trend of agricultural production. The farmer had the option to sell their surplus yields and, therefore, were encouraged to produce more grain. Food security was adequate, and the market economy rapidly developed. For instance, the productivity of agricultural products was estimated at 50 million tons and rose by 118% compared to the year 1913 [10, p. 48]. The process of trade and exchange was relied on to supply a further 160 million and thus make up the estimated minimum requirement of 400 million [9, p. 285].

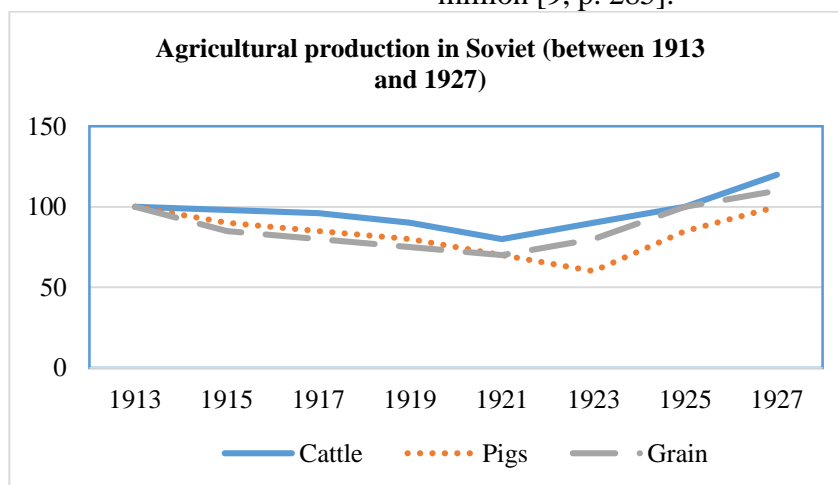


Figure 1: *Agricultural production in the Soviet (between 1913 and 1927)*

According to Figure 1, all agriculture production dropped rapidly from 1913 to 1921. However, they showed elements of recovery as soon as the Soviets applied N.E.P and the

production reached its peak in 1927. This piece of evidence furnished economic assistance for agriculture and led to a social transformation in rural areas of the Soviet Union. The number

of large-scale farms soared from 728.000 to 896.000 between 1925 and 1927, and its proportion accounted for 3.9% in 1927 [11]. Simultaneously, a better-off peasantry (kulaks) class was an infantile class in rural areas, that played a vital role in improving the quality of life of the Russian peasantry. Capitalism in agriculture can be seen as an acknowledgment of Communists about an absolute element of a Capitalism-based economy in the initial stage of Communism-oriented national building, which helped Communism stand at bay for shunning collapse.

Besides, the role of State Capitalism was not an initiative of Communism-stated management mechanism, yet Lenin perfectly employed it to address his country's affairs in the economy. He argued that State Capitalism was able to be applied to the economic infrastructure of a country, which would make a political volte-face as proletariats and peasantry seized power [1, p. 250]. Communists proclaimed that factors of a Capitalism-based economy still existed in the transitory phase of Communism and the Soviet Union would retain those elements to renovate the national economy. Lenin justified that the State played a vital role in moderating the condiments of the national economy. It was harmonious with political institutions. States would take the liability of State Capitalism operation based on national laws. Accordingly, concessions, bourgeois cooperatives, and agents in the Soviet's national economy were also recognized by the state of the Soviet Union.

Moreover, N.E.P. also aimed to reorganize the national industry of the Soviets. In the industry, the first stages of N.E.P. were two directives authorized by Sovnarkom on May 17, 1921. The first announcement reveals an intention of the government to "take necessary measures to build up rural and small-scale industries under an illustration of private enterprises or cooperatives" and to "avoid the excessive regulation and excessive formalism which would crush the economic initiative of individuals or groups of the population" [9, p. 299]. In particular, state-owned enterprises would transform to partially private-owned methods by half concessions. Entrepreneurs were entitled to employ several employees not exceeding 20 % of their membership. It can be seen as a concession between a state-driven mechanism and the capitalist. This policy also suggested that advanced techniques and factories be operated under state funds, self-financing, and self-sufficiency mechanisms. Besides, the measurement of Communists also acknowledged an autonomous status of "local economic organs" to lease enterprises from apparat.

Under the validity of N.E.P., Russian processors were able to operate their own facilities in the absence of an apparat. According to Edward, there were at least 7,100 enterprises scheduled at this time for leasing; 3,800 had been leased, and these employed 6,8000 workers, an average of less than 20 altogether. Their provenance stemmed from old-style owners or heads of old cooperatives [9, p. 302]. This paradigm blighted all wishes of Communists about

a Communism-based society with the absence of a private economy and Lenin strived to allege himself through an argument that the State had a central role in managing the national economy. In addition, metallurgy, the chemical industry, and electrification had the incentive to be expanded in scale and shape in business accounting. A salary policy marked the hindsight of Communists about a mechanism of price-salary money. As estimated, industrial productivity gained approximately 73%, and the percentage of heavy industry was 80%. Ten mechanized factories were constructed until 1924 [10, p. 48]. A census of 165,000 industrial companies in March 1923 showed that 88.5% of the population were in private ownership leased to private persons, state-run enterprises estimated at only 8.5%, and cooperative enterprises for 3% [9, p. 302]. However, the industrial achievements of the Soviets were subordinated to their accomplishments in agriculture, which was an archetype of economic rehabilitation. Communists majorly paid their attention to ensuring agricultural well-being and eking out agricultural commodities for consumers to stabilize the national market.

Furthermore, fiscal reforms also contributed to rescuing the national economy of the Soviets. For example, a resumption of money transactions terminated a prolonged stagnation of the national economy, which nearly pushed the Soviets into an early-bird debacle. As mentioned in some materials, cash was considered a very convenient transaction in the whole country in lieu of stamps

and checks. A system of banks was soon established to satisfy the consumption demand of the Russians. State Bank, a network of cooperative banks, Industrial and Commercial Bank, Bank for Foreign Trade, and a network of local public banks were a glaring illustration of a failed model of economic operation under the leadership of Communists. The expansion of the bank system also drove several enterprises in the Soviet to deposit for expanding their branches.

Economic International Relations is also a typical example of anachronistic administration of a Communism-based economy. The Soviets had to acclimatize a trade-based route of the world, so they integrated into the commercial network in East Europe. Communists resumed activities of seaports and made a spurt in foreign trade through the State of Vietnam seized major power in this field. Also, it swayed the scale of trade and various methods of buy-and-sale and controlled import and export activities. This open-door policy in trade made leverage for both domestic and foreign trade Soviet, which was curbed by the old-style paradigm of collective economies and a blockage of foreign trade. Russian Communist leaders reached several agreements and forged relations with England, Mongo, Iran, Turkey, Norway, Austria, Italy, and Afghanistan [10]. The USSR also forged economic ties with the Republic of China (ROC) and Mexico. In 1924, France diplomatically recognized the USSR, and then Japan also established bilateral relations with this country. The operation of a market economy in a Communism country illustrated the

Communist's failure to insist on upholding a collective and self-sufficient economy, which crippled their effort to

shun a political collapse and make a blurred demarcation between Communism and Capitalism.

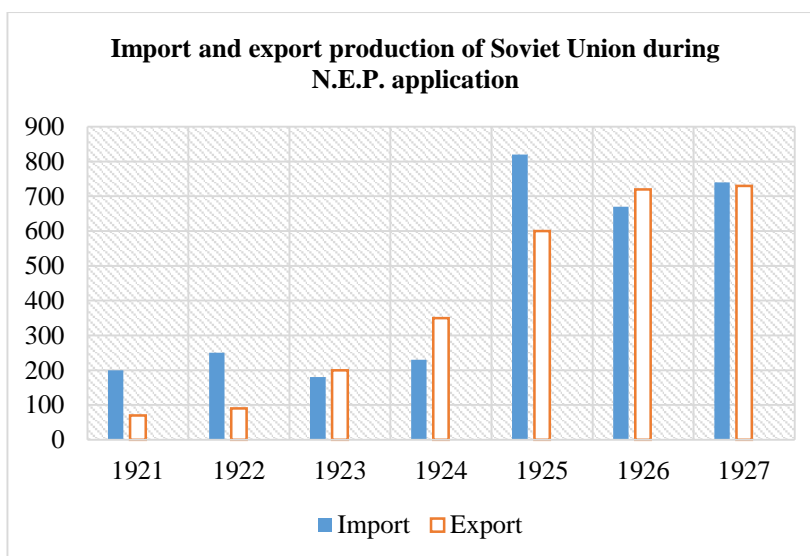


Figure 2: *Import and export production of the Soviet Union during N.E.P. application* [12]

Figure 2 depicts a radical change in import and export production of the USSR during the application of N.E.P., the export production showed upward trend evidence and peaked in 1927. Despite a fluctuation in import production, this value reached a plateau in foreign trade, and it showed an attempt by Communists to churn their country into an export-based country. In the final year of N.E.P, the production of export and import was nearly equivalent, and it was stated that international economic relations as well as free trade were conducive to a long-standing plan of the USSR and enlarged the presence of the USSR in the world.

In a nutshell, N.E.P. of Lenin was an acknowledgment of Communists about a quixotic future of a Communism-oriented economy, and it fundamentally rescued the Soviet Union from the hill of the debacle. It challenged the governing

style of the Bolshevik Party and coerced communists to ponder over their targeting objectives to build economic well-being. It would be a fair point to argue that N.E.P was a creative program of Lenin as communists had to revert to a previous preeminent market-based economy. Russian Communists were charismatic to designate an interim to disentangle economic difficulties after the salvation war.

4.2. The influences of N.E.P. on economic Doi Moi in Vietnam (since 1986)

In 1986, VCP floated an idea to build a so-called “socialist market economy under state guidance” which recognized the merger of the market economy and eliminated the central planning program, and this paradigm was abolished in 1989 [13, p. 221].

First and foremost, VCP remedied a weakness of the old-style economic

paradigm by admitting an absolute presence of a market economy. The Soviets first made a decision to temporarily revoke the policy of left-over agricultural products and to implement a consistent levy tax on agriculture. Peasants had retention of exchanged goods in the market, which they achieved after laboring. Lenin supposed that this policy was congruous with the proletariat's mission and reworked the leadership of Communists and they were bumptious to fructify the success of socialism asap. Agricultural tax marked a standpoint of the economy [1, p. 265]. This action resumed market elements in the national economy of the Soviet Union. Also, Lenin acknowledged that the Soviet national economic system had to ratify several parts of the economy, including the state and private economy and he also did not acknowledge that the bourgeois and petit bourgeois would play a rising role in the national economy. He also aimed to interpret the definition of a free economy [1, p. 73] and supposed that the market economy was likely to stimulate productivity and that the agricultural exchange was inescapable. The market economy would create a class of middle peasantry and become the major production force. Lenin assumed that the role of middle-class peasants and petty-bourgeois peasantry would simultaneously make a stage for the quality of the labor force and economic Reform. However, Communists also placated their grassroots with an apprehension of the revival of kulak in rural Russia.

In addition, VCP admitted an operation of the multi-sector mechanism in the national economy, especially the role of the market economy. Lenin argued, "Theoretically, it is undoubted that there is a transitional period between Capitalism and socialism. This phase included a mixture of old and new elements" [14, p. 30]. Lenin placed his faith in a rising tendency of Capitalism, which greatly vindicated his sense that State Capitalism was an initiative of Capitalism. Lenin felt confident to state that State Capitalism would have incremental progress in the Soviet economy, and it would not put the government at stake as bureaucracy would ensure the entitlements of proletariats and peasantry [1, p. 250]. This model received ample attention from Lenin and his colleagues, and he offered staunch support for the State-directed economy to be able to weather the challenges of the market economy. The new mechanism can be understood as a *state-managed multi-market mechanism*. VCP utilized the term "*socialism-oriented market economy*" in the 9th Congress of VCP documents. They proclaimed that the Party and State would cling to firm fundamentals of multi-sector mechanism, which had to be under the administration of state based on the socialism-oriented market economy" [15, p. 23]. In the 11th Congress of the VCP, this norm continued to be located in the direction of Communists, which saw points of the socialism-oriented market economy implemented relying on the market organism and under the management of the State and VCP, who showed their

fidelity to socialism [16]. VCP added more depth to shaping a complete norm of a socialism-directed market economy in the 12th Congress. Vietnam's socialism-oriented market economy would be synchronously and comprehensively implemented predicated on market economy principles and would serve the national development. VCP still put emphasis on the centrality of state ownership while private ownership would create an impetus for the national economy, and the market would be geared to liberate production power [17]. VCP continued to show its termination to build an exhaustive norm of a socialism-oriented market economy in the 13th Congress in early 2021 [18, p. 43]. It seems to be plausible to argue that VCP approved of market elements in their economic system, which mimicked the reform of the PRC to bypass the debacle of the USSR in 1991. The 6th Congress of the VCP rescued the power of the VCP to pave the way for the advance of the market economy and ended the

socioeconomic crisis after the Civil War. Obviously, Stalin thumbed N.E.P.'s nose at its policy and he muddied the flexible system of the Soviet economy and showed several weaknesses after 1960. The apparatus of the central planning economy and bureaucratic subsidies posed a threat to the socialist system since this model was not germane to the national economy during peacetime. The catastrophe of the USSR was a glaring illustration of the Soviet Union setting an excellent example of the wrongdoings of The Communist Party of the Soviet Union (CPSU) as experiencing hindsight of the market economy's importance. In Vietnam, economic Doi Moi after 1986 inchoated a rising number of domestic businesses and an allocation of foreign investment. There were over 48000 private businesses established in the period 1990-1999, and this number significantly increased to 45691 new enterprises in 2006. Moreover, it brought the total number of private-sector enterprises to surpass 200000 in 2006 [19, p. 7].

Table 1: *Gross domestic product at current prices by types of ownership and by kinds of ownership (Unit: Bill dong) [20, p. 198]*

Types of Ownership	2015	2017	2018	2019	2020
State	1202850	1433139	1533459	1633868	1715632
Collective	167913	188096	207505	219247	227879
Private	330590	432491	504352	584085	607013
Household	1313649	1469197	1620388	1773224	1859195
Foreign investment sector	757550	982678	1124184	1228297	1266857

Table 1 reveals the values of gross domestic products classified by genres of ownership and kinds of ownership. The statistical figure shows that all

categories of ownership show an upward trend evidence from 2015 to 2020. Meanwhile, state ownership and household ownership ranked first and

second position in Vietnam. State and household ownership ostensibly boosted the revenue of the national economy. However, private ownership and the foreign investment sector also experienced a gradual increase in the same period. Vietnam's government allocated its attention and fund to attract external help from enterprises and benefit from the media to promote Vietnam as a healthy environment and open policies to become a ripe area for investment.

Besides, it is undeniable that Communists were cognizant of the role of agriculture in their national economy, so N.E.P. suggested that VCP stay focused on the potential of agriculture. In the 6th Congress of the VCP, VCP showed their nagging concern over human and financial resources by implementing three programs including food, consumer goods, and export goods [21, p. 20]. However, a dearth of industrialization and mechanization, along with apprehension during central planning programs cast doubt on the future of Vietnam, so VCP kept those plans at bay to concentrate on more down-to-earth plans. This scheme continued to be recalled in the 10th Congress, and VCP opined that the development program of agriculture and rural areas would be the initial stage of industrialization and modernization. The mission to reorganize the scale of agriculture, rural area development, and the life quality of peasants would become major objectives of industrialization and modernization accordingly [22, p. 29]. In the 13th

Congress of VCP, VCP opinionated that it is essential to depend on the Nong Thon Moi (New Rural Area) program to restructure the scale of agriculture and economic development with the advance in sciences and technology [23, p. 111]. Obviously, VCP was able to appease potential social tensions, which originated from rural areas through a new direction to foster market economy elements to be operated in the rural area and bridge a huge gap between urban and rural areas of Vietnam. Accordingly, a myriad of agricultural products would be able to be exported and consumed overseas as well as ensure that Vietnamese peasants would be wordless to complain about new policies of the government to make a congenial combination between development and well-being. Vietnam transformed from a food-scarcity country into the second-ranking country in rice export [24].

In addition, N.E.P in industry facilitated laissez-faire enterprises, and even this section was even subsidized and prioritized by the central government. Before Doi Moi in Vietnam, state-owned enterprises dominated other companies and curbed the prospect of industrial development in Vietnam. Private-owned companies were relegated branches staying aloof from the dogmatic arguments of VCP. As the collective economy led to a collective failure of VCP to construct Socialism, VCP had to restore the presence of the private economy and abjured the totalitarianism of the state-owned economy. The open-minded policy of Vietnamese leaders at that time

flowered the economy of Vietnam since private-owned companies as well as foreign enterprises put an investment trial on Vietnam's market. This direction made a radical change in the economy and pushed VCP into its inception of *Cong nghiep hoa – Hien dai hoa* (Industrialization- Modernization) in 1996. This direction was mentioned again in the 10th Congress of VCP, which would coalesce with a knowledge-based economy [22]. The target of Vietnam's economy was a concentration of light industry, commerce, and service. This would be accompanied by Fiscal Reform by eradicating market books and stamps. This means Vietnam's government broadened the scope of the bank system to stimulate the market economy in Vietnam.

In post-Doi Moi, Vietnam aimed to make a massive transition from a centrally planned to a market-based

economy and became an export country. The export and import market of Vietnam got hustling in the 2000s. Beyond the short-term period of N.E.P., Vietnam greatly benefited from the power of VCP to muse over a long-standing vision for the development of Vietnam through employing a market economy of Capitalism to justify their wrong awareness of Socialism economy. After four years of détente, Vietnam reconciled with the United States and set up an official diplomatic relationship in 1995. After some following years, Vietnam respectively became a member of the Association of Southeast Asian Nations (ASEAN) and a partner of the Asia-Pacific Economic Cooperation (APEC) in 1998. Vietnam also signed and became a partner of the World Trade Organization (W.T.O.), International Monetary Fund (I.M.F.), and Trans-Pacific Strategic Economic Partnership Agreement (T.P.P.).

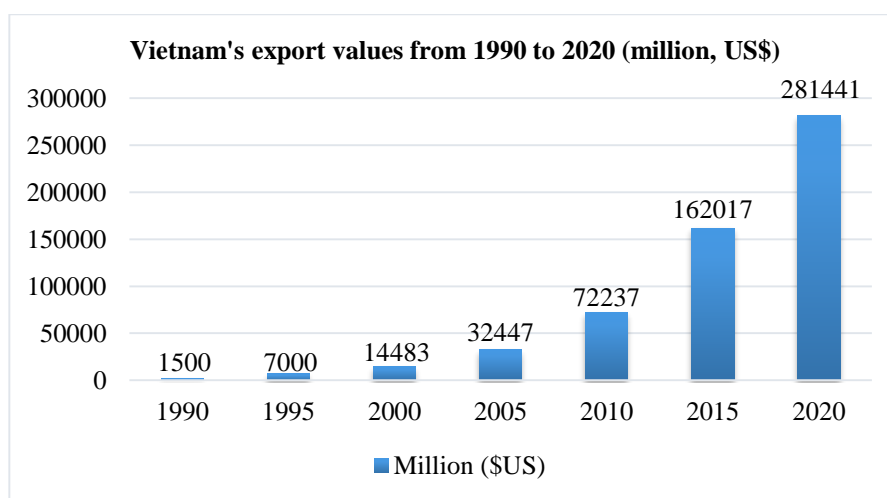


Figure 3: Vietnam's export values from 1990 to 2020 (million, US\$)
(Source: World Bank)

of Vietnam experienced impressive

growth from 1990 to 2020. Its value gradually rose within 30 years and

reached a peak at 28441 US million in 2020. The publication of an easy-going export-and-import policy in tune with a huge allocation of foreign traders and investors pushed the national economy of Vietnam ahead and introduced products of Vietnam to the international market. Meanwhile, the expansion of bilateral and multilateral relations with Vietnam in the international environment significantly contributed to improving the prestige of Vietnam and engendering a notion of Vietnam in international forums and conferences. A turncoat of VCP in the market economy assisted the Vietnam government to set up a robust relationship with great power, which are sharing several contradicting interests in Vietnam, including deeper engagement and issues of navigation freedom in the South China Sea.

N.E.P. can be seen as a panacea, which neither ruined the Communism that VCP built nor thwart the advance of Vietnam's economy after the global economic crisis. N.E.P. engendered a sense of a compromise between Capitalism and Socialism in the economy, which coerced VCP into acclimatizing the market economy and shaping a complete norm of a market-oriented economy down the road. In the 13th Congress of VCP, Communists opined that it was crucial to set a firm foundation of a "market economy under the guidance of State" [18, pp. 128-129]. VCP was sensible to revise the theory of Karl Marx which was no longer appropriate to the new contour of Vietnam. The Capitalism-Communism

compromise was able to keep the Communism-oriented regime intact. Furthermore, VCP supposed that the future of Vietnam's economy would be subservient to increased productivity, scientific and technological progress, innovation, and high-quality human resources with a view to enhancing national economic thriving. It would continue to institute innovative start-ups and industrial development, which is on par with the achievements of the fourth industrial development [18, pp. 120-121]. VCP had an overriding desire to make a sharp differentiation in the economy to completely operate Vietnam's economy in a state-of-the-art mechanism of the world market economy.

Additionally, private ownership would perform its utmost firmness of position in Vietnam's economy as the State gave permission to activities of private enterprises. Lenin back-pedaled on his argument to admit the power of Capitalism to remonstrate cut national economy [25, p. 2] and accordingly, the utmost role of the bourgeois significance to be committed to the national economy. After Doi Moi, VCP compromised with Capitalism to rescue a crisis country due to the old-style operation of the Communism economy. Although patronized by the State, elements resort to competing with the private economy and other elements to make a rivalry in this economy. competition. The national economy of Vietnam would be restructured and create a benign market and use resources effectively [18, p. 121]. Accordingly, the

private economy is stated as the most dynamic factor of the national economy and has ample attention of VCP compared to other elements for the development of Vietnam's economy. Subsequent to COVID 19, a private-owned economy would likely make a spurt for Vietnam's economy to recover from the breakdown and crisis due to the pandemic when several enterprises went in the red.

Last but not least, N.E.P. of Lenin puts stress on free trade in the international market, which saw the futility of foreign trade prospects. After the National Reunification, Vietnam was fully embargoed by Western economies while implementing close-door policies as well as a prolonged war-communism economy. The Doi Moi in 1986 and the open-door policy of Vietnam are analogous to the open-door policy of the Soviet Union over the course of N.E.P. and it pushed the international economic relations of Vietnam ahead. Nowadays, the involvement of Vietnam in international organizations opened a bright vista for Vietnam's economy to receive more economic attention from their partner to allocate investment packages into the Vietnam market. Vietnam would deeply integrate regional and international relations to elevate its role and appeal to potential foreign investment to frame solid trade relationships in an economic way with its partners. The openness of Vietnam's economy deserves attainment, with the proportion of exports and imports to gross domestic product (G.D.P.) surpassing 200%. Vietnam also

intermeddled in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Free Trade Agreement between Vietnam and the E.U. Europe (EVFTA), the Regional Comprehensive Economic Partnership (RCEP), and the Free Trade Agreement between Vietnam, the U.K., and Northern Ireland (UKVFTA) [26]. Vietnam authorities also made a gambit of the legal system to give a new bid for the private economy and foreign investments in Vietnam.

Nevertheless, VCP is also grappling with various weak points of economic Doi Moi. The contraption of red tape contains several uncalled-for procedures and remitted efforts of foreign enterprises to engage with Vietnam in major projects in Vietnam. The efficiency of FDI fund investment was rather low [27]. The quality of human resources was ill-qualified while the demand of the labor forces in the world challenged the endeavor of Vietnam's labor market to catch up with international criteria. A lack of a complete mechanism for a market economy, along with the all-out investment of foreign partners is likely to make a significant obstacle to the national economy. In the upcoming years, VCP would employ a market economy to continue to build a "market economy under the guidance of the State" together with a diplomatic channel to reach a further agreement on trade and international cooperation. Also, VCP would seek a measure to streamline its mechanism and change its governing style to rekindle the hope of

being a dynamic developing economy in Asia and guarantee satisfactory benefits of VCP for its leadership without losing power owing to market economy elements.

5. Conclusion

To sum up, this paper attempts to seek analogies and differences between N.E.P. and economic Doi Moi of Vietnam to state that Lenin's policies rescued VCP from a prolonged socioeconomic crisis and on the bank of collapse unless they self-perceive a compromise a hybrid model, which restored the presence and key role of the private economy and other elements in the socialism-oriented economy while insisting on integrity of the political system. Vietnamese leaders made a decision to concede with Capitalism to appeal to the restoration of Capitalism elements in the national economy. VCP

put an embattled government to appease social tensions in advance by emancipating the market economy and would revolutionize the political system accordingly. VCP prevailed over a tough leadership due to an economic crisis that was subject to the debacle of socialism building. The finding of this research recognized the hindsight of VCP to timely transplant the market economy into the national economy of Vietnam, which created a harmonious development of the economy and weathered difficulties of international relations. Vietnam is expected to continuously dig into the principles of market economy and put starch into this element to engender a sense of a dynamic developing economy in Southeast Asia and the Asia-Pacific Ocean.

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**NHÌN NHẬN LẠI VỀ CHÍNH SÁCH KINH TẾ MỚI (N.E.P.) CỦA LIÊN XÔ
VÀ SỰ ỨNG DỤNG TRONG ĐỔI MỚI KINH TẾ CỦA VIỆT NAM
TÓM TẮT**

Bài viết này nhằm mục đích mở rộng nhận thức về N.E.P. và cải cách kinh tế ở các nước theo chủ nghĩa cộng sản thông qua một số đánh giá để làm sáng tỏ những điểm tương đồng và khác biệt giữa Chính sách Kinh tế Mới (N.E.P.) và Đổi mới kinh tế ở Việt Nam, dự báo triển vọng về mô hình này. Tác giả chủ yếu sử dụng phương pháp so sánh cùng với thiết kế định tính bao gồm thu thập dữ liệu bậc một và bậc hai đồng thời sử dụng cách tiếp cận của khoa học lịch sử để khẳng định rằng N.E.P. đã tác động sâu sắc đến nhận thức của Đảng Cộng sản Việt Nam. Đối với Liên Xô, N.E.P. là sự chuyển đổi từ nền kinh tế cộng sản thời chiến sang nền kinh tế thị trường có sự điều tiết của nhà nước, giúp nước Nga Xô Viết thoát khỏi khủng hoảng kinh tế và nó là một gợi ý cho các nhà lãnh đạo Việt Nam để chuyển đổi nền kinh tế thời chiến sang nền kinh tế thị trường định hướng xã hội chủ nghĩa do Nhà nước kiểm soát. Sự công nhận vai trò của Việt Nam trong nền kinh tế thị trường đã giúp Việt Nam đổi mới cơ chế quản lý kinh tế và hội nhập vào nền kinh tế thế giới.

Từ khóa: NEP, Việt Nam, Liên Xô, Đổi mới kinh tế, Đổi Mới, chủ nghĩa cộng sản

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