Workers and the socialist state: North Vietnam’s state–labor relations, 1945–1970

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Abstract

Based on archival sources, this paper examines North Vietnam’s labor regimes during 1945–1970. Soviet and Chinese models are found to be influential there up to the late 1950s. An early emphasis on labor mobilization was gradually replaced by a concern for control to increase economic efficiency and to cope with pressures from workers. As in the Soviet Union and China, a hierarchy based on political criteria was created in the workplace but the state failed to motivate workers to work hard despite intense political campaigns and propaganda. Productivity and labor discipline declined in the 1960s while collusion between state enterprises and the informal sector to steal state resources was widespread. Similar to their counterparts in other socialist states, Vietnamese workers were assertive and able to evade state demands and control. They depended on the state for their food and clothes but the state was not able to count on them for quality labor. The failure of the Vietnamese state seemed to speak not only to workers’ ingenious strategies for survival but also to the inherent limit of Stalinist regimes in creating compliance.

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Keywords: Workers; Socialist state; Vietnam; State–labor relations; Labor politics

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Introduction

This paper examines state—labor relations and workplace politics in socialist North Vietnam’s during 1945–1970. In comparative perspective, two broad issues confront students of labor politics in communist systems. First, to what extent did labor regimes among communist countries differ? What were the origins of different workplace institutions in different socialist countries? For example, Soviet labor policy was heavily oriented towards the control and repression of workers although there were also occasional productivity campaigns and limited opportunities for upward social mobility (Filtzer, 1986, 2002; Fitzpatrick, 1979; Siegelbaum, 1988; Siegelbaum and Suny, 1993). This orientation has been shown to stem primarily from the historical circumstances when the Soviet Union was born and from the general conditions of the Soviet labor market. In particular, the Soviet state at birth faced a relatively well organized labor movement that posed a threat to its rule. Rhetoric aside, Lenin moved gradually to coopt and subject autonomous workers’ councils to central state control (Sirianni, 1982). As Bolshevik leaders sought economic recovery and industrial growth, their goal was not to create a proletariat with internal cohesion, shared identity and the autonomy to pursue their collective interests as Marx and Engels had called for, although some idealistic Bolsheviks no doubt cherished such a goal (Connor, 1991, 41–47). Rather, they aimed at reforming and expanding the labor force inherited from the Tsarist regime to make it sufficient in numbers, loyal in political attitudes and dependable in production. The same goals continued under Stalin. As Connor writes, “Stalin wanted more workers, but no working class” (Connor, 1991, 43). However, in the 1930s and again in the late 1940s labor shortage necessitated a switch to a mobilizational strategy and some accommodation of workers’ interests.

For China, if the earlier studies are to be believed, mass mobilization rather than bureaucratic control was the principal orientation of its labor regime (Schurmann, 1970). Chinese workers were less organized and played little role in the rise of the communists to power; controlling them therefore was less a pressing issue than in the Soviet Union. More recent research, however, has revealed the influence of Stalin’s postwar labor mobilization campaigns on Chinese labor policy (Kaple, 1994). Nevertheless, Soviet models do not explain all Chinese institutions. In terms of job security and workers’ welfare, it has been argued that Chinese labor regimes reflected the interests of skilled workers because high-ranking party leaders in charge of labor policy came from skilled workers themselves (Perry, 1993, 253–254). Chinese

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1 Marx and Engels, Manifesto of the Communist Party (Tucker, 1978, 483–484). In Marx’s own works, the concept of “the proletariat” in fact varies in meaning between “a class in itself” — that exists as an objective condition — and “a class for itself” — that is capable of acting collectively with shared consciousness (Giddens, 1975, 29–30). A recent review of the debate on the concept of “class” from Marx to Lenin, E.P. Thompson, Perry Anderson and Stedman Jones can be found in Siegelbaum and Suny (1994, 1–8). For a discussion of the usefulness and limits of class analysis in socialist countries, see Connor (1991, 7–17).
regimes also inherited many workplace institutions imported from the West in the 1920s (Frazier, 2002, 6–13).

The second major issue facing students of comparative communist labor policies concerns the outcome of the state’s attempt at creating “socialist workers.” Given such policies, how did workers react? What kinds of workers emerged and what were the implications for state—labor relations? Did the socialist state succeed in suppressing the rise of class consciousness among workers? Research on the Soviet Union suggests that by the late 1920s Russian workers’ nascent class consciousness developed under the Tsarist regime had been eliminated (Siegelbaum and Suny, 1994). “Class” since then existed only in state propaganda and was not a basis for collective action or a socio-economic identity but a signifier for political status. This did not mean that workers were totally passive. Secure employment, labor shortage and collusion with management allowed them to control the pace and quality of their work even while they lost institutional representation and actual means of collective bargaining (Filtzer, 1986; Andrle, 1988). Using strike data, Connor in fact claims that an “accidental proletariat” in the sense of “a class for itself” autonomous from the state did develop in the Soviet Union, especially toward the 1970s (1991, 8–12, 249–257).

A status system is also found in China, where workers were segmented into different political status-groups and were tied to their workplaces and residential units (Walder, 1981, 1984). However, while some see workers as completely, if reluctantly, acquiescing in the order the Chinese state imposed on them, others view the status system as a source of resentment and recurrent labor conflicts (Walder, 1986; Perry, 1995). According to the latter view, status, skill levels and places of origins divided Chinese workers but these cleavages did not hinder but in fact served as basis of mobilization for protests during the Cultural Revolution (Perry and Li, 1997).

North Vietnam’s labor regimes during 1945—1970 have never been systematically studied. From archival and newspaper sources to be examined below, Soviet and Chinese models were influential there up to the late 1950s. There was an early emphasis on labor mobilization in state policy but this was gradually replaced by a concern for control and discipline to increase economic efficiency and to cope with workers’ demands and pressures. Eventually a hierarchy based on political status

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also emerged in North Vietnam as in the Soviet Union and China. Paradoxically, workers’ status-based complaints were substantial but collusion across status lines to siphon off state resources was also widespread. This collusion contributed to a severe decline of productivity and labor discipline in the state sector but may have helped alleviate resentment against the state and prevented the formation of class consciousness among workers.

Compared to the Soviet and Chinese cases, the Vietnamese state’s control over workers was similarly limited (Filtzer, 1986; Perry, 1995). Vietnamese workers are found to be assertive and calculative. While it is not possible to assess whether these workers ever developed any sense of class as a basis for collective action, the data here corroborate the findings in many studies about the avoidance and passive resistance behavior common among peasants in Stalinist states, including Vietnam (Scott and Kerkvliet, 1986; Kelliher, 1992; Viola, 1996; Kerkvliet, 2005).

Labor mobilization in war, 1945–1954

After Ho Chi Minh declared independence in August 1945, his government at first maintained a policy of national unity and avoided alienating landlords, intellectuals, and the urban bourgeoisie (Tonnesson, 1991, 362–407; Marr, 1995, 473–552). Less than a month after being established, the government issued a terse statement denouncing as demagogues those who called for the establishment of a new state based on a worker-peasant alliance (Cuu Quoc, September 21, 1945). At the same time, it did take some steps towards promoting and protecting labor. In the same newspaper issue, the Minister of Labor announced several policy initiatives to outlaw the inhuman treatment of workers by their employers, to annul unfair labor contracts and to help unemployed workers find jobs. A year later, the National Assembly passed a Labor Law with the professed goal being “not to encourage class struggle but to harmonize the interests of both management and labor.” (Dan Thanh, November 10, 1946). The law nevertheless accorded workers significant rights and welfare protection, including the right to strike.

When the war with France started in late 1946, Ho’s government withdrew to the northern highlands of Vietnam and waged a guerrilla war from there. As the war intensified during 1947–48, refugees flooded into base areas while urban markets for base area goods, such as rice, became off limits (Phan, 1990, 260–261). Government inflationary spending quickly led to a hyperinflation. In response to worsening living conditions of workers, the state set up the Committee to Establish a Minimum Wage for Workers and fixed the monthly minimum wage for all workers in resistance zones to be equivalent to 35 kg of rice (Phu Thu Tuong [vv], n. 2333, 1949, 1950).3

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3 Materials in the National Archive III in Hanoi are organized by “phong” (file) of ministries and government agencies, “quyen” (volume), “so” (number) and often but not always “trang” (page number). A file may contain a permanent set (marked by “vv” or “vinh vien”) and a temporary set (marked by “tt” or “tam thoi”). Classified [mat] or top classified [toi mat] documents are not separated from other documents in the same file and are provided at the discretion of archival authorities.
The effort to guarantee certain living standards for workers by decrees immediately ran into many problems. Within only two months, as rice prices were soaring, the Ministry issued a classified circular that instructed local governments not to strictly force the minimum wage on private enterprises for fear of their closures (Phu Thu Tuong [vv], n. 2333, 1949, 1950). Local officials were ordered to discuss the matter with both private enterprise owners and workers’ representatives to decide a “reasonable minimum wage.” This circular set a precedent for a dual system of public and private sector in which state employees would enjoy better benefits and protection. With this policy an incipient hierarchy in the labor force had been established.

Parallel to efforts to stabilize prices and incomes in the areas under its control, the guerrilla government also expanded its state-owned enterprises and trading companies. Except a few in mining and farming, most enterprises were set up to produce small weapons and consumer goods to meet wartime needs (Phu Thu Tuong [vv], n. 2211, 1953). They were organized as administrative bureaucracies, with management composed of three components: Dang (Party committee), Chinh (Administration, that is, the enterprise director), and Cong (state-sponsored Trade Union). In principle, the Party committee was entrusted with political education and personnel decisions whereas the Trade Union cadre represented workers’ interests. In practice, except the enterprise director who was in charge of production, the roles of the other two components were not always clear and shifted over time. In the 1950s, with a war going on in the background, trade unions were organized less to take care of workers’ welfare than to perform a political function by representing workers in the national patriotic front together with peasants, youth and intellectuals.

As the Cold War was brewing in Europe and Chinese communists were scoring significant victories in northern China in early 1948, Vietnamese leaders began to view their government as one of the emerging “new democracies” that spread from Eastern Europe to northern China and Korea (Van Kien Dang Toan Tap, hereafter VKDTT, 2002, v. 10, 60). Workers and peasants were now openly acknowledged as the leading classes of the revolution and their interests were to be aggressively promoted in the forms of a rent reduction campaign for tenants and a democratic management campaign in state factories.

Following instructions from the Party, the Ministry of Labor issued Decree 118 in October 1949 creating a “democratic management system” [quản lý dân chủ] with the formation of “Factory Committees” [Uy Ban Xí Nghiep] as consultative bodies elected by workers (Bo Lao Dong [vv], v. 1, n. 617, 1952a,b). Under Decree 118, factory committees were to be part of management besides the existing triumvirate of Party, administration, and union. The formation of factory committees independent from the trade union was similar to Bolshevik policy around the time of the October revolution (Sirianni, 1982, 95–129). This, however, did not mean that Soviet and

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4 There were 41 enterprises under central management but no information is available on the number of state workers (Phu Thu Tuong [vv], n. 2211, 1953).
Vietnamese leaders confronted a similar situation or shared the same goals. During 1917, workers and autonomous trade unions seized authority in enterprises across Russia (Nove, 1989, 40–41). After they overthrew the Tsarist regime, the Bolsheviks were forced to issue a decree accepting the authority of Workers’ Control Councils to run factories. The Soviet decree was simply to give an official blessing to a fait accompli that the Bolsheviks could not afford to discourage (Moore, 1950, 159; Sirianni, 1982, 54). After the Soviet state had been consolidated, the workers’ control movement was gradually coopted and dissolved. In Vietnam, enterprises under the communist government in the early 1950s were small in number and scale. The democratic management campaign in Vietnam was a top-down approach to mobilize workers’ participation rather than a reaction to workers’ autonomous acts as in the Soviet case.

The year 1950 was a turning point in the course of the Vietnamese revolution. In late 1949, Chinese communists emerged victorious in mainland China and the People’s Republic of China was the first foreign government to recognize Ho’s government in January 1950. Chinese aid and advisors streamed into Vietnam after Ho made a formal request (VKDTT, 2002, v. 11, 11). With the translation of Mao’s classics into Vietnamese, Chinese models in guerrilla warfare, economic management and cultural reforms were in vogue (Mao, 1948, 1949, 1950a,b, 1953). A wave of organizational reforms was initiated after 1950 and the Ministry of Labor was not immune from this new development. A revived Democratic Management campaign during 1952–1954 reflected the strong influence of the same campaign in China a year or two earlier. Like the Chinese campaign (Kaple, 1994, 65–70), the Vietnamese campaign, which was launched by Decree 128 in November 1952, sought to expand the authority of enterprise directors and to raise workers’ consciousness (Bo Lao Dong [vv], v. 1, n. 617, 1952a,b). The old Factory Committees were criticized as being ineffective; hence there was an urgent need for the unity of management.

Under the new decree, all matters concerning management had to be decided by the director with the help of a Factory Management Committee [Uy ban quan ly xi nghiep], of which workers’ representatives accounted for 50%. The other half of the committee included all management personnel appointed from above. Workers participated in management but the director had overall responsibility. He held a veto over any committee’s decisions regarded as “against state policy or the overall interests of the factory” (Bo Lao Dong [vv], v. 1, n. 617, 1952a,b). Workers also participated at the factory level by means of Factory Employees’ and Workers’ Conferences [Hoi nghi toan the cong nhan vien chuc], to be organized by union cadres every three months. At this conference, workers were encouraged to ask questions and contribute ideas.5

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Chinese influence was also apparent in a later political campaign to implement
Decree 218 with three purposes: (1) to educate workers about the superiority of the
“people’s democratic government” over the colonial regime; (2) to change the way
workers thought of themselves: no longer as hired labor, but as the true masters of
their factories and their country; and (3) to make enterprises implement new wage
regulations (cited in Bo Lao Dong [vv], v.1, n. 658, 1954). A detailed report of the
campaign at the Hong Phong Factory, a unit of the State Printing House, provided
a close look at how the campaign was implemented and how workers responded in
a specific context (Bo Lao Dong [vv], v.1, n. 658, 1954). According to this April 1954
report, the conditions of the factory before the campaign were chaotic. A planning
system had been set up for a year, but management continued to process orders as
they came. Workers had little respect for Party committee members. Party meetings
did not discuss production matters and the “half-secret, half-open” conduct of Party
meetings was generating mistrust among workers. Trade union cadres viewed their
jobs as thankless and did not want to run again for reelection when their terms
ended. These cadres reportedly were not even sure what their responsibilities were;
they “harbored grudges against the Party committee” and did a poor job in
improving workers’ living conditions. The director often ignored both the Party
committee and the union. The report cited a conflict when the director ordered
workers to work overtime on a Sunday while disgruntled union cadres told them to
stay home.

Workers were seen in this report as lacking interest in anything beyond their
immediate job responsibility and their own individual welfare. Initially they reacted
half-hearted to the campaign because:

First, so far they have been told that they themselves were the masters of their
factory, but this was only in theory. Some wondered, ‘If we are the masters,
why are we only contract workers instead of permanent ones?’ and ‘why are the
masters so poor?’ Second, most workers still thought of themselves as hired
labor. They viewed their responsibility as limiting to the eight hours required;
whether the factory prospered or not, how much or little inefficiency there was:
these issues were for Comrade Manager to worry about (Bo Lao Dong [vv],

Helping workers to appreciate their new political status was seen as the central
task of the campaign. The report evaluated as highly effective the technique of
“telling harsh experiences” [lien he vach kho]. This technique used carefully selected
workers to retell stories of their sufferings from hunger and inhuman treatment
under the colonial regime. It was developed by the Chinese communists in their
Cheng Feng campaign during 1942–1944 and was widely applied in the land reform
campaign in North Vietnam at the time.

According to the report, Hong Phong workers underwent three stages in their
consciousness. First, they were skeptical of the new campaign that would just seem
to demand more of their own time for meetings. Then they were mainly concerned
about new wage regulations that would give many of them back pay. Those who
would not benefit materially from the campaign were reportedly inattentive. In the
end, however, they responded “enthusiastically” and contributed 400 questions and comments on labor regulations and management. After a Factory Managing Committee was elected, workers became more active in mass meetings, however late at night these meetings extended. Cadres also became more attentive to workers’ criticisms. Workers reportedly monitored not only management but also themselves more closely. The report cited the case of a worker X who kept his monthly child allowance for himself instead of sending home to his family. X was reported to the committee by his co-workers, and the report saw this episode as a positive evidence of workers’ higher political awareness.

Whether the campaign achieved any significant result on a broader level is harder to assess because the above report is the only one available. At any rate, the campaign was soon overtaken by larger events when the war ended in late 1954. Although a conclusive statement is not possible, the campaign’s impact on labor relations was likely to be small in the postwar context given the small number of industrial workers under the control of Ho’s government during the war. In fact, postwar labor reports and Party resolutions contained no reference about the campaign as if it had never existed.

Labor demobilization in peacetime, 1954—1956

On winning the war and control over North Vietnam in October 1954, the Vietnamese Workers’ Party Political Bureau formulated a labor policy in urban areas that “firmly [relied] on the working class and [gave] priority to organizing workers, forming unions, and educating or encouraging workers to work harder for economic recovery” (Chi, 1956a). “Democratic management” had given way to a more general call to “rely on workers and focus on production.” Accompanied this call in the same resolution were a number of material incentives, including a law establishing an 8-hour workday, a new wage scale for state workers, and regulations that established piece-rate wages and productivity bonuses for construction labor.

“Relying on workers” may be viewed as a strategy to gain control over nationalized factories whose French management had left, often with key equipment and technical information required to run them. Without the “retained” workers, it would have been impossible to resume production.6 Many workers in fact hid equipment from departing French owners and later assisted communist cadres in taking over (Bo Lao Dong [vv], v. 1, n. 60, 1955a,b). Relying on retained workers did not mean the Party lowered its vigilance. In fact, one of the first tasks of take-over teams was to have communist soldiers guard the facilities and, if necessary, to arrest members of “reactionary organizations.” Reports by the teams also mentioned certain “plots” to “obstruct” the transfer or to “sabotage” machines. Class struggle,

6 Most workers who did not quit or migrated to the South following the Geneva Accords in late 1954 were allowed to keep their jobs after the communist take-over. For an analysis of the politics surrounding the Geneva Accords and North Vietnam’s unification policy, see Thayer (1989).
however, was neither an official goal nor a sanctioned method of taking over. In Thanh Hoa, for example, the Provincial Committee convened a conference of “ship-owning capitalists” and their workers in March 1955 to reassure the former that they were not enemies of the state and would be treated differently from landlords (Bo Lao Dong [vv], v. 1, n. 60, 1955c). This official policy may not have been implemented uniformly, however. In Interzone 4, which included Thanh Hoa province, certain local governments reportedly organized task forces that used the same methods of struggle with landlords ostensibly to root out “reactionaries” in the newly nationalized factories (Bo Lao Dong [vv], v. 1, n. 60, 1955c; Chi, 1956a). Yet how widespread were such struggles is not known from available sources.

A second problem for the nationalized enterprises came from exchange rate policy. When it took over North Vietnam, the government set the exchange rate of the currency used in French areas for its own currency to be 1/30, or only half the market rate (1/60) (Bo Lao Dong [vv], v. 1, n. 60, 1955d,e). Because of this policy, workers in former French enterprises now could buy only half of what they used to in the market and quickly sank into dire conditions. This was the conclusion reached in several reports of the Labor Bureau in Hai Phong, the second largest city in North Vietnam, after comparing workers’ salaries before and after the take-over (Bo Lao Dong [vv], v. 1, n. 60, 1955d,e). “If adequate living conditions are not ensured for these workers,” it was warned, “theft is inevitable;” “the enemy can take advantage of workers’ discontent to sabotage our factories;” “there can be serious political consequences;” and at the very least, “production may be affected due to workers’ poor health.”

The proposed solution to this problem was not to adjust the exchange rate or wages for all workers for fear of budget consequences. Instead, the Labor Bureau decided to offer child allowance (each child would receive 12 kg of rice) and “temporary price allowance” equal to 30—50% wage. This was probably not a new way for bureaucrats to cope with state workers’ declining real wages, but it was the earliest documented case of the bureaucratic thinking behind the decision. In this case, efforts to cope with problems relating to market prices led to the expansion of a remunerative system that paid low money wages but compensated with high, egalitarian non-wage benefits. These benefits, in most cases paid with rice or other consumption goods provided by the socialist bloc as aid, cost the state little. On the other hand, they helped the newly established state reduce inflation and win the hearts and minds of urban workers. As a classified report from the State Cereal Corporation pointed out:

After the ship carrying medicine from Poland and those carrying rice [from China and Burma] arrived in Hai Phong, the people of Hai Phong and Hong Quang were optimistic and expressed confidence in the new government. Some said, ‘we shall never have to worry again about rice shortage.’ (Bo Tai Chinh [tt], n. 327, 1955).

7 The percentages of imported consumption goods of all imports into North Vietnam were 55, 34, 35, 29 and 28% in 1955, 1956, 1957, 1958 and 1959, respectively. Between 85 and 95% of North Vietnam’s imports came from the socialist bloc as aid (Luu, 1990).
This report did not discuss any long-term effects of this aid, however. As will be clear, this remunerative system that relied primarily on non-wage benefits would, by the 1960s, contribute to social stability while creating serious problems for the state in disciplining labor.

Just when the state sector suddenly swelled up with the take-over, the private sector composed of mostly small enterprises owned by Vietnamese “capitalists” exploded with labor disputes (Bo Lao Dong [vv], v. 1, n. 709, 1955b).8 Within a year after the communists established themselves in Hanoi, there were 456 incidents involving the firing of nearly 1000 workers and 240 incidents involving wage disputes (Bo Lao Dong [vv], v. 1, n. 709, 1955a,c, 1956). According to Ministry of Labor’s reports, employers were taking advantage of the postwar high unemployment rates to lay off workers arbitrarily, to make them work harder for less pay, and even to default on paying. Workers for their part were responding to new regulations that protected them against layoffs and abuses. Many workers were in fact aroused by the ongoing land reform in the countryside where landlords were harshly punished—in many cases, shot—and their properties confiscated. While many workers brought their disputes to the Labor Bureau, others resorted to strikes and called for public denunciation sessions, a method commonly used in the land reform campaign, to try their employers. It is not reported how these strikes were organized but one wonders whether a limited class consciousness had developed among some workers under colonial rule.

In response to workers’ demands, the government issued new labor regulations for the private sector in late 1955 (Bo Lao Dong [vv], v. 1, n. 709, 1955d, 1956). In contrast with the earlier policy of “relying on workers,” the new policy tried hard to appear fair to both workers and employers in private enterprises. The state backtracked from its earlier commitments to outlaw layoffs and to make an 8-h workday mandatory for all enterprises. Now employers were allowed to hire or fire workers as necessary and to extend the workday up to 10 h. In return, they had to respect workers’ right to join state-organized unions and to sign employment contracts. Here, as with the minimum wage policy during the anti-French resistance, the state had to retreat from a more progressive position and left behind a hierarchical system in which state workers were better protected.

The new policy was justified by the Party’s class analysis and assessment of its strategic tasks. Unlike landlords who were considered “feudal remnants,” “national capitalists” in this period were still regarded as “one of the four masters of the new regime,” and as “a friend of the working class with many shortcomings but also many positive traits” (Bo Lao Dong [vv], v. 1, n. 709, 1955d, 1956). Capitalists were still viewed as critical for the tasks of economic recovery and were not to be unnecessarily alienated. A large-scale campaign under the motto “both private and public interests are attended to; both workers and capitalists benefit” [cong tu kiem

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8 There were 1203 “mechanized” private enterprises (two-thirds of which employing less than five workers), and 1313 small, non-mechanized ones (three-fourths of which with less than five workers) in the three major Inter-zones. The great majority of these enterprises were in Hanoi (Bo Lao Dong [vv], v. 1, n. 709, 1955b).
co; lao tu luong loi] was launched to implement the new regulations (Bo Lao Dong [vv], v. 1, n. 709, 1956). Besides meetings for workers and employers to discuss new policies, cadres were sent down to organize unions and to lead workers in their negotiations with employers for collective contracts.

Campaign reports showed that workers, not surprisingly, reacted negatively to the new regulations (Bo Lao Dong [vv], v. 1, n. 756, 1956). Some, probably the more politically educated, attacked the new policy of 10-h workday as “rightist” [huu khuynh] that betrayed workers’ long struggle for an 8-h workday. Those who were more cynical pointed out that the new policy was to benefit the state but not workers as it claimed. As most private enterprises would eventually be transformed into “public-private joint ventures,” profits would be shared between the state and the former owners. Finally, the jealous resented what state employees enjoyed but were denied to them. Some hoped the state sector would expand and absorb them. They would rather wait than work.

To counter both criticism and cynicism among workers, campaign cadres emphasized two major themes: one was doan ket or solidarity, and the other phuc vu nhan dan or in the service of the people. For the sake of solidarity, workers should accept negotiations with their employers rather than resorting to strike. Dau tranh or struggle was the appropriate method only to deal with landlords, the enemy. Both workers and capitalists were members of the “anti-feudal, anti-colonial national front” and they needed to cooperate. While doan ket was primarily to reduce conflicts, the spirit of phuc vu nhan dan called on workers to stop making “excessive” demands. In this spirit, workers should care about making good products, which would be used not by their employers but by “the people.” Similarly, they should work harder for their employers, who were also serving the needs of “the people.” The nationalist rhetoric was clearly designed to dampen workers’ class consciousness vis-à-vis employers.

Self-help workers and the shift to labor control

The second half of 1956 was a challenging time for the regime. In the wake of cataclysmic events in the Soviet bloc and widespread dissent at home, the Party had to make a public apology for its errors in the land reform campaign while Secretary General Truong Chinh was forced to resign in October (VKDTT, 2002, v. 17, 418–474). At the same time, a severe shortage of consumer goods led to soaring prices in urban areas (Tran, 1958; Truong, 1958; Tra, 1958). As described below, both events had echoes in state–labor relations.

9 The motto “cong tu kiem co” was borrowed word for word from the one [gongsi jiangu] used in Chinese labor campaigns in the early 1950s (Kaple, 1994, 78).
10 These international events included Khrushchev’s denunciation of Stalin, uprisings in Poland and Hungary, and China’s Hundred Flowers campaign. Domestic dissent involved mainly the criticisms of the land reform, the Nhan Van-Giai Pham affair and peasant unrests in Nghe An (Moise, 1983; Boudarel, 1990; Ninh, 2002).
In July and August, the Party newspaper published a series of articles highly critical of labor policies and workers’ conditions. These articles condemned management cadres for their “commandism,” their failure to improve workers’ living standards, their lack of respect for “workers’ right to rest,” and their procrastination to raise wages for contract workers according to new laws (Chi, 1956b, c; Ngo, 1956a, b; Tran, 1956). As a union cadre, apparently from the central government, lamented about the conditions of coal mine workers at Hong Gai. [In our visit] we have found that many workers are afraid of committing to production targets. This happens because management cadres often rely only on exhorting workers to work harder without educating them and taking care of their living conditions. At an open-pit mine we visited, it was raining on and off but workers had to keep on working to achieve their target. Their clothes were soaked, dried, then soaked again, from 5 am to 3 pm, but they were able to fill only 16 trucks, or six short of their assigned target. This meant they would have to work until 5 pm .... The long workday makes many workers tired but they dare not take a day off for fear of criticism .... For the workers at Coc 6 who live six kilometers away in Cam Pha, their typical day begins at 3 or 4 am and does not end until 5 or 6 pm, taking into account their commuting time (Tran, 1956).

In this sympathetic account, mine workers were helpless under heavy pressures from management. Although this situation was probably true in many places, how widespread it was is not known from available documents. The union cadre might have been observing a passing phenomenon, however. The state was about to face a major price crisis that would test its ability to control workers in the face of declining real wages. Significant contradictory evidence that the state’s grip on workers was not, if ever, that tight turns up in documents dated about a year later.

These documents reported the negative effects on labor discipline of the price crisis in late 1956 and early 1957 that seriously eroded workers’ real wages. Several, some classified, reports in mid-1957 showed that post-crisis workers were not helpless but knew how to help themselves. The Transportation Bureau in Bac Ninh, for example, reported that wages for its 31 road maintenance workers were so low that seven had quit and another eight had asked to be fired (Bo Lao Dong [vv], v. 1, n. 336, 1957b). Most were unwilling to work, and many often requested to take time off to moonlight in the farms during harvest time. If their requests were not granted, they simply did not show up.

A classified report on construction labor in all of Thai Nguyen province discussed a similar situation where a large number of workers demanded transfers, shirked work, or simply quit (Bo Lao Dong [vv], v. 1, n. 336, 1957c). Requests to be fired or transferred became “a movement” [phong trao], and in a particular unit, 70% workers did not work at all for several months. Most construction workers were employed on a contract basis and were frustrated because they were not made permanent despite their long involvement with the enterprise.

Low morale and absenteeism were not limited to contract and construction labor. Among the more privileged workers in Hanoi’s public utilities plants, many
reportedly had to take a second job selling newspapers or driving pedicabs just to make ends meet (Bo Lao Dong [vv], v. 1, n. 336, 1957a). There was a “movement” among workers to demand an annual vacation, and if not approved, monetary compensation. From these reports, a common strategy for most workers to cope with declining real wages was to idle in their day jobs to save energy for their evening jobs. Their demands to be fired were apparently more to “bluff” the state into raising their wages than to really quit. Those who did quit were reportedly either skilled workers who were in high demand in the private sector, or those who had many children to take care of and thus could not wait for their wages to be raised. The wide variations in workers’ strategies to create pressure on the state and their passive behavior (quitting rather than protesting) suggest that workers acted individually although the impact of their actions may have been felt collectively by the state.

This impact perhaps led to an official study that examined several unnamed large state enterprises in various sectors and offered more statistics and specific examples of labor discipline and management problems (Do, 1957). According to this study, wastes and inefficiencies were “extensive” in the inspected enterprises. The “three large factories” in the study operated only between 37 and 65% of their capacity. During 1956, “one transportation enterprise” left their equipment idle for 40% time, while “one farming unit” operated only one-third of their machines. Absentee rate was 19%, and administrative employees [lao dong gian tiep] accounted for 9 to 20% of the total workforce.

The study apparently formed the basis for the Party’s 12th Plenum Resolution in March 1957 that marked the first time when labor control, rather than labor mobilization and participation, received primary attention (Nhan Dan, April 23, 1957). The two tasks set by the Plenum were to strengthen labor discipline and to implement a cost-accounting management system [che do hach toan kinh te].11 This system was to give cadres more autonomy in managing state enterprises and to allow the state to better monitor them. The overall goal was to boost productivity, cut costs, increase savings and better manage state capital. To fight theft and wastes, the Plenum stressed the need to instill both workers and cadres with a stronger sense of discipline and self-reliance. The call for self-reliance apparently reflected the central leadership’s frustration with workers’ numerous demands for wage increases and with cadres’ tendency to transfer the pressure upwards without first trying to address those demands with their own means, as documented in the Thai Nguyen case above. The need for better discipline and self-reliance may have been more urgent as the state absorbed an ever larger number of employees and their families to feed, clothe, and house.12

11 The Vietnamese cost-accounting system was the same as the Chinese one implemented in the early 1950s (Kaple, 1994, 64). The Vietnamese term [che do hach toan kinh te] was also borrowed from the Chinese term [jingji hesuanji].

12 According to one source, the number of employees in state enterprises increased from 184,800 at the end of 1955 to 604,800 by June 1961, or about 230%. This number apparently did not include contract workers and those in state enterprises under local governments. (Bo Lao Dong [vv], v. 1, n. 1730, 1961).
The new policy combined both exhortations and material incentives by allowing enterprises to retain 1–5% of their profits within the plan, and 8–20% beyond the plan (Do, 1957). Within this retained amount, 50% was to be used to ameliorate workers’ living conditions, 15% to reward the best workers, 20% to improve working conditions, and 15% for emergency welfare. The high percentage of retained profits to be distributed among all workers was a response to workers’ complaints about the earlier elitist incentive policy that only rewarded the best workers if the performance of the enterprise exceeded state plans.

The 13th Plenum in December 1957 also ordered a wage reform. Through this reform, the leadership for the first time displayed concern about the unwieldy system of extensive non-wage benefits as supplements to low money wages (Le, 1958a, b). The child allowance of 12 kg of rice per child was singled out as a major source of confusion and contention that would need immediate reform. Some employees who ranked low on the wage scale had many children and ended up having higher incomes than those who ranked higher or worked harder. Wages had been eroded so much by inflation that in some cases they were less than child allowances paid in rice (valued at market prices). The denial of child allowance to contract workers also generated envy and discord.

The wage and benefits system was a legacy of earlier years, when the state used available foreign aid in kind to cope with short-term inflationary crises and market disruption. As efficiency and productivity became priorities under socialist construction, however, the principles of “distribution according to labor” and its corollary “anti-egalitarianism” gained new currency (Vu, 1958). Still, even the critics of non-wage benefits were arguing for a gradual phasing out rather than immediate abolition for fear of “disruption.” As will be seen later, the remunerative system remained largely intact by the late 1960s, and fear of “disruption” again would obstruct proposals for a complete overhaul.¹³

“Political flowers will bear economic fruits:” the campaign of management reform, 1958–59

Policies to strengthen labor control during 1957–58 faded to the background as the Party launched a large campaign of management reform in late 1958. We have seen that workers’ participation had been a goal of several policy initiatives during 1950–56 (for example, the democratic management campaign). Now it returned as one of the primary goals. In this new campaign, Vietnamese leaders acknowledged their intellectual debt to the Great Leap Forward campaign (GLF), which had just started a few months before. As Le Thanh Nhi, a Political Bureau member and

¹³ This system was still in place in the late 1980s. “Official salaries” [luong chinh thuc] were negligible; the goods distributed at heavily subsidized prices were what mattered to most employees (my personal observation at a state enterprise in Ho Chi Minh City, 1988–1990).
Minister of Industry, spoke at length at a Central Committee conference on the campaign in September 1958.

These days China views workers’ participation in management at the level of production team as an important measure to improve the relationship between the Party and workers. This policy has produced good results [in China]. We need to develop production teams and should apply the Chinese experience to strengthen our Party’s leadership in enterprise management … (Nhan Dan, November 27–28, 1958).

Nghi called for the implementation of two Chinese labor management institutions. First was the system in which “the Party Committee leads, the director implements, and workers participate in management.” This system had just been officially instituted at the 8th Congress of the Chinese Communist Party two years earlier (Schurmann, 1966, 284–306). As the GLF campaign promoted the dynamic masses as the source of radical changes, the Vietnamese also suspended their attention to labor discipline and called for more workers’ participation.

In his speech, Nghi further revealed that the “one-man management system,” which had been widely implemented in China in the early 1950s but was condemned in the GLF campaign, was also “for a time applied in Vietnam without official sanctions by the Party Central Committee.” Nghi argued that it was wrong to limit Party committees’ role to political campaigns as under the one-man management system. Instead, these committees should take a direct leadership role in all aspects of management and production while still allowing management cadres room to implement technical and administrative tasks.

The second institution the Vietnamese learnt from China was to san xuat or production teams. Each worker in a team would undertake management tasks besides his production ones and the team would convene and evaluate its members at the end of the day (Chau, 1959). Production plans were handed directly to these teams instead of through workshop foremen as before. 14 In contrast with the earlier democratic management campaign, workers now could in theory participate at both the production team level and the factory level through periodical Factory Conferences.

Like their Chinese counterparts, Vietnamese leaders saw state enterprises as not fully functioning according to socialist principles, and one of the three principles of socialist management promoted in the campaign was to establish political leadership over all matters, especially economic ones. As Nghi promised, “it is certain that political flowers will bear economic fruits.” 15 However, there were differences between the Vietnamese and Chinese campaigns. While the GLF was born after China’s first Five-Year Plan and viewed as an alternative development strategy, the campaign in Vietnam took place during the phase of socialist transformation

14 This measure may be viewed as a way for management to have direct control over workers. In Nghi’s speech, it was described as a participatory institution. For a discussion of the Chinese factory workshops, see Walder (1986, 95–113).
15 This statement actually belonged to Mao and appeared on Renmin Ribao (People’s Daily) on February 18, 1958. See the original statement quoted in Schoenhals (1987, 41).
No utopian goals of catching up with capitalist countries were set for the campaign in Vietnam as in the GLF.

The Vietnamese campaign also sought to counter eroding public support for the Party following the land reform debacle in late 1956. Throughout 1957, a thinly veiled sense of crisis pervaded the official press that condemned the rise of “capitalist thoughts” among Party members and workers. The earlier problem of weak labor discipline was not stressed but did not completely vanish from this campaign. Earlier, the democratic management campaign attempted to change the way workers thought of themselves as hired labor. For this campaign, the thought enemy was workers’ “individualism.” This was pointed out to include laziness, absenteeism, and over-dependence on superiors (Chau, 1959).

The campaign was organized in three phases that lasted till the end of 1959. The first phase organized self-criticism sessions for cadres. The second phase launched study sessions for workers to discuss the differences between the socialist and the colonial/capitalist systems. The motto of this phase was “to respect workers’ freedom of thought and to use the masses to educate the masses.” In the last phase, enterprises would set up production teams and convene Factory Conferences. The organization of this campaign for the most part resembled the democratic management campaign in its emphasis on thought reform and in its sequencing to have a participatory institution to be formed at the end. The difference was its more ambitious scope and higher intensity, as confirmed by labor reports in several cities (Bo Lao Dong [vv], v. 1, n. 940, 1959a–f, 1960a,b). For example, Phase I at the Nam Dinh Textile Factory, the largest of its kind in North Vietnam, lasted for 13 “days and nights” at the factory level, and five “days and nights” at the workshop level. Both sessions were described as “tense,” as many cadres were forced to admit mistakes and take remedial measures.

In Phase II, all reports agreed that most questions raised by workers during study sessions concerned their everyday (material) lives. Not only did workers complain about cadres receiving special privileges, such as six months of death compensation for cadres compared to two months for workers, scholarships to study abroad for cadres’ children, and more attention paid to cadres by the medical staff. We have seen that a dual system existed between state and non-state workers. Within the state sector itself, a status system also existed between cadres and workers. Among workers themselves, a complex system of stratification is found to be based on the state’s differential treatment for various groups. In this system, factory, permanent, “Southern” and “resistance” workers were the objects of envy for construction, contract, “Northern” and “retained” workers, respectively. Pregnant female

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16 Some Vietnamese leaders were impressed with the strategy of decentralization in the GLF and viewed it as a potential solution to overcome technological backwardness. (Bui, 1958).

17 “Southern” workers were Southern guerrillas transferred to the North according to the Geneva Accords. “Retained” workers used to work for French-owned factories and were allowed to keep their jobs after the communists took over, whereas “resistance” workers worked for the guerrilla government during the anti-French resistance. It is clear that those rewarded the most were those whose loyalty had been tested. Most “Southerners” had left their families behind to follow the Party to the North, while “resistance” workers had served the Party in an earlier, more difficult period.
factory workers, for example, received a one-month wage allowance, whereas pregnant female construction workers were fired on the spot if their pregnancies were known. Contract workers were not paid if they did not work on Sundays, whereas permanent workers doing the same jobs were. Children of “Southerners” did not have to pay tuition, whereas those of “Northerners” had to. Childcare facilities were reserved for “resistance,” not “retained” or newly recruited, workers. Through their complaints the less privileged workers demanded the universalization of particularistic workplace benefits that served the state’s various political goals. While these complaints reflected a degree of jealousy and enmity among workers across the status system, one wonders whether they divided workers to the extent that their shared consciousness as a class could not form.

Labor reports suggest that class labeling was perhaps not a significant source of resentment. Among thousands of complaints summarized by labor cadres, only two cases involved workers’ resentment against class labeling. In one such case, some demobilized soldiers from Nam Dinh resented their designated status as “petty bourgeois” despite many years serving in the army during the anti-French resistance. The second case involved a construction worker in Nghe An who complained that the management hired children of “landlords” but not the unemployed poor in urban Thanh Hoa. In both cases, the complaints did not suggest any specific discrimination at the enterprise level.

Why was not class labeling an issue? On the one hand, it is likely that resentment was alleviated by an official policy that allowed people from all class backgrounds to earn a “working class’s status” after three years working in a state enterprise (Bo Lao Dong [vv], v. 1, n. 940, 1959c). On the other hand, it is plausible that unauthorized class struggles in some nationalized enterprises during the take-over campaign may have purged state enterprises of most workers with bad class backgrounds. Those with these backgrounds who survived the purge for whatever reasons, knew how to conceal their true identities from their enterprises and naturally would not want to draw attention to themselves with their complaints.18

As with earlier campaigns, labor reports revealed that workers did not accept state propaganda at face value. The main goal of Phase II in the management campaign was to make workers appreciate how the new socialist regime was better than the capitalist French system. The Party hoped that workers would change their thinking after having studied Marx’s theory of surplus values and realized their status as masters of the new regime. While workers readily accepted that the new regime was superior in “spiritual matters,” many disputed its superiority in “material matters” and supported their arguments with specific examples of low

18 Years later in a 1968 official report by the People’s Committee of Hanoi that investigated the lives and activities of former “capitalists” and their children, it was admitted that many among these were able to hide their true backgrounds and obtain jobs in state enterprises. Some covered up so well that they were elected for many years as “model workers” [chien si thi dua] and were admitted into the communist party (Bo Noi Thuong [vv], n. 752, 1969). This report did not say whether these workers would be expelled from their enterprises and from the party after their true identities had been revealed but it is almost certain that they would.
wages, no pensions, lack of vacation time, and poor medical care under socialism. In these areas, the current regime appeared inferior to the French labor regime that reflected a relatively developed welfare state, however small and limited its coverage had been in colonial Vietnam. The coercive nature of the new regime also did not go unnoticed, as the following comment from a worker in Nghe An suggested:

In our regime, workers are not beaten by their bosses [as under the French] but [if they make mistakes,] they are subject to criticism sessions in their production teams and negative remarks in their personal dossiers. They have to carry these remarks with them wherever they go, which is much more painful than the beatings (Bo Lao Dong [vv], v. 1, n. 940, 1959f).

Workers were adept at pointing out the inconsistencies in different state policies and those between state rhetoric and actual policies. The following complaint came from a worker in Hai Phong:

Under our regime, workers are given 10 days a year for vacation. But we have to contribute two days per month to ‘socialist labor,’ which means there is no vacation at all. The government just gives us something with one hand and takes it back with the other.” (Bo Lao Dong [vv], v. 1, n. 940, 1960a).

Workers also appropriated official rhetoric and used it, often clumsily, to raise their demands. The following are some of the most interesting comments from Hai Phong workers: “The contract system is a highly exploitative one: contract scales are adjusted [upwards] whenever productivity increases. The current regime is thus not different from the French one;” “Why is there the rule that workers can receive their benefits only after they have been employed for six months? Does this rule show any love for humanity?” And, “The French boss used to carry several suitcases full of money back to France three times a year. Now the productivity in our factory has tripled; where has that money gone? We are supposed to be the factory’s masters but in fact we don’t know what’s going on.” The rhetoric about capitalist exploitation versus socialist love for humanity was appreciated but workers would rather see it translated into tangible benefits.

The birth of the “worker with one leg longer than the other”

The campaign of 1958–59 was the last large-scale experiment of the Party on labor organization and management reform until the 1980s. Labor discipline in fact declined even as the socialist economy was consolidated. A classified midterm report

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19 For a discussion of the French labor code as applied in Indochina after 1936, see Goudal (1938, 134–138). However, in their comments workers were obviously referring not to this code but to specific examples in their experiences.

20 The Vietnamese dossier system was similar to that in China (Walder, 1986, 88–95).

21 “Socialist labor” [lao dong xa hoi chu nghia] was a form of community labor that each citizen had to do for a certain number of days in a year.
of the First Five-Year Plan (1961–65) on labor management in the state sector expressed concerns about low productivity gains in the first half of the plan (Bo Lao Dong [vv], v. 1, n. 1135, 1964). Nearly 60% of the gains in gross national products during 1960–63 came from increases in labor inputs. This naturally translated into rapidly expanding state payrolls. From about 170,000 in 1955, by mid 1964 the number of state employees had increased to more than 800,000, a quarter of whom were categorized as “administrative or non-productive” employees. This number did not count 300,000 employees in joint public-private enterprises, local school teachers, and temporary and contract workers partially paid by the central budget in money or in kind.22

The report acknowledged that this expansion had contributed to reducing unemployment. On the other hand, the large percentage of non-productive workers was raising concerns. So was the “acute” problem of labor management in the state sector. Lax labor discipline, it was noted, was “causing great losses in human and material resources.” The average number of actual working days in a month was between 19 and 21 days for most state enterprises in all sectors. In factories under the Ministry of Heavy Industries, the average number of actual daily working hours in 1962 was 5–5.5 h. The corresponding numbers in the Steel Complex in Thai Nguyen was 5.5 h in 1962 and 6.3 h in 1963. The rates in other sectors such as construction, mining and state farms were lower and had been declining.

Slack labor discipline was found even in flagship state enterprises such as the Tran Hung Dao Machine Tool Factory in Hanoi (Bo Lao Dong [vv], v. 1, n. 1135, 1964). Here cases were discovered in which workers did not show up for weeks without any reason, and foremen and even the entire production team slept during their shifts. According to the same source, these episodes were “more common” at construction sites and state farms than in factories. In the units under the Ministry of Construction, for example, the report counted 446,565 workdays lost due to workers’ unexplained absence during 1960–63. Few enterprise managers had devised specific technical standards for each labor task as they were supposed to. Many feared that with new standards the state would “increase their enterprise’s planned targets, cut its payrolls, or reduce benefits for their workers.”

Three years into the war in which one-third of North Vietnam suffered strategic bombing by the U.S., labor management again became a major concern for the Party (Bo Lao Dong [vv], v. 1, n. 168, 1967, 1968a,b). In the transportation sector, the most expanded sector since the war, labor productivity plunged in all but two sub-sectors between 1964 and 1967: by 85–90% in rail and sea transportation, 50–70% in road and river transportation, and 40% among dock workers. Among other reasons, the shortage of highly skilled workers was said to contribute to falling productivity, but this problem was not because there were few such workers, but because enterprises had transferred too many of these workers from productive to

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22 The population of North Vietnam was 18.6 million by 1965, while its urban population was 1.8 million or about 10% (Fforde and Paine, 1987, 141). State employees thus accounted for nearly half of the urban population.
administrative jobs. Enterprises also refused to let their skilled workers transfer to regions subject to intense bombing. It was not mentioned whether this phenomenon stemmed from enterprises’ desire to protect their skilled assets or from the desire of such skilled workers themselves to avoid danger. Either reason would indicate that enterprises and workers had some room to maneuver within a status system that separated white-collar from blue-collar workers and that sought to limit the number of the former. In any case, the phenomenon caused the percentage of administrative employees in the transportation sector to balloon to 25% of the workforce.

In the same sector, it was reported that the main problem was not manpower shortage but lax labor supervision. The number of actual workdays in a month was 2–7 days less than allowed in state plans, whereas the average number of working hours per day was 5. War-related activities (air defense, military training and assistance in transporting war materiel) accounted for about 30% of the time devoted to non-productive activities [ngay cong gian tiep], which by 1967 nearly doubled the pre-war measure. The rest (70%) was spent on activities not related to the war: absence due to sickness accounted for 25%, absence without reason 11%, meetings 12%, and job transfers 20%. The main reason for the increase in non-productive activities “was because we did not strictly enforce working discipline; [therefore] workers were free to do personal businesses or to get together in small groups to chat during their shifts.” One of the worst cases of absenteeism was exhibited by Trucking Team No. 42 which had 156 drivers, of whom one-third worked 25–26 days a month, one-third 14–15 days, and one-third 7–8 days. The actual working time per day was 5.5 h. In another factory under inspection, nearly 100 workers were found to be cooking their meals on “their own little stoves” during their shifts.

In the 41 state farms inspected, six (15%) achieved or exceeded the 280 days workdays in a year set by state plans; 12 (30%) were 1–10 days short; 16 (40%) were 11–20 days short; the rest (15%) more than 20 days short. The average number of daily working hours was 6.5. As the classified report by the Ministry of State Farms lamented:

The average value created by a state farm worker in a year is only 1000 dong, while the average wage (including other benefits) per worker is 800–900 dong annually. This means we spend nearly all of what we produce, not counting the fixed capital invested in the beginning. This situation was acceptable [before] when the plants we grew were small, but is now unacceptable because we are harvesting most of them. (Bo Lao Dong [vv], v. 1, n. 168, 1968b).

A report by the Study Group under the Ministry of Cereals and Foodstuffs in late 1970 that inspected seven large state enterprises, 12 cooperatives and an administrative unit in Hanoi (Hoan Kiem district) discussed a sharp contrast in labor discipline between the state and non-state sectors (Bo Luong Thuc Thuc Pham [vv], n. 435, 1970). The March 8 Textile Factory, which had 6700 workers and which was among the worst performers in the seven inspected, had an absentee rate of 18%. Through interviews, the report found that absenteeism was especially high among a group of workers who engaged in “smuggling” or who were able to
moonlight by subcontracting piecework from cooperatives. Although their wages were subtracted for their days off, this was negligible compared to their fully subsidized food rations, which were fixed at 18 kg a month with 40% rice and 60% wheat at official prices, regardless of how many days they worked in a month. According to the report, one-half to two-thirds of state employees received their food ration coupons through their local governments but not their work units. To strengthen labor discipline, it was recommended that all state employees received food rations through their work units based on their actual workdays in a month. The report admitted that many cadres disagreed with this recommendation, fearing “disruption.” The director of the laggard March 8 Textile Factory in particular feared that the administration of several thousand workers’ rations was beyond his factory’s capacity.

Leaving state enterprises behind, the same report found a totally different world in Hanoi’s cooperatives that employed about 50,000 and paid their workers based on piece rates. There workers worked with “high intensity,” “from 10 h up” a day. Many workers brought children to their workplaces to help out, or brought work home to subcontract to neighbors. Most workers also owned small equipment at home to work on their subcontracts. Their incomes, apart from their fully or partially subsidized food rations, were “many times more than those of state employees.”

Collusion thrived among state enterprises, cooperatives and the black market. As subcontractors for state enterprises, cooperatives commonly inflated their payrolls so that they could withdraw more cash from state banks and receive more food rations from state distributors. They also overstated their need for raw materials in their subcontracts and used the leftover portions to produce consumption goods demanded by the black market. The report gave an example of a side street in Hanoi that had 200 households producing bicycle parts using illegal materials. Cooperatives did not receive these lucrative contracts from state enterprises for nothing: the latter often treated the former with contempt, violated contracts arbitrarily, and defaulted on payment. No kickbacks were mentioned but it was highly unlikely that collusive state managers did not benefit personally from these deals.

Food distribution and labor management, revealed a great irony in North Vietnam’s socio-political system. The system of low money wage compensated by extensive in-kind benefits gave a strong disincentive for many state workers to work

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23 The black market price of rice was five times higher than the official price. The rate was three times for wheat. The importance of food to households cannot be exaggerated. In poor North Vietnam, food accounted for more than 70% of total monthly per capita expenses of state employee households during the 1960s (Fforde and Paine, 1987, 227).

24 No information about the class backgrounds of cooperative workers is available but my impression is that most of them were people without any connections to officials (who would have found jobs for them in the state sector), people of “bad” class or criminal backgrounds, and peasants who illegally sought temporary or seasonal work in the cities (interviews with many Hanoi residents, April–August 2003).

25 For a theoretical treatment of this common phenomenon in socialist countries, see Kornai (1992, 102, 248).
hard. This system guaranteed food security at mere subsistence level to all state workers (and in fact all urban residents), yet made it difficult for the state to discipline them. On the one hand, no large-scale famine was ever reported in North Vietnam even as ordinary people scraped by on any audible things they could find.\textsuperscript{26} On the other, the system was toothless vis-à-vis pragmatic state workers. Hunger, lax discipline in state enterprises and the financial temptations of the informal, often illegal, economy gradually gave birth to what a popular saying called the state worker “with one leg longer than the other” [\textit{chan ngoai dai hon chan trong}]. These workers, who were still common until recently, had one “leg” in a state enterprise and the other “leg” in another job outside the state sector.\textsuperscript{27} The leg inside was to keep a coveted political status and valuable food rations while that outside was to make extra income. The typical worker would try to steal office time in his state job and spent it on his other job in the informal sector; hence, “one leg was longer than the other.” To the extent that shirking work constituted a passive act of avoidance and resistance to state extraction of their labor, the regularity, individual scale and subversive impact of their behavior are similar to what scholars of “everyday forms of resistance” have documented for peasants in North Vietnam and other socialist societies (Scott, 1985; Kelliher, 1992; Viola, 1996; Kerkvliet, 2005).

Conclusion

To conclude, the origins of North Vietnam’s labor regimes were complex. Whereas Chinese and Soviet models were influential, their applications in North Vietnam took place in different contexts and were often aimed at different goals. “Democratic management” in state-owned enterprises began with the Soviet model but ended up as a Chinese-style mobilization campaign. After Ho’s government took over urban centers of North Vietnam in 1954, mobilization had to be replaced by demobilization and control for the sake of economic recovery. Like its Soviet brother, the Vietnamese communist government was clearly not interested in a working class capable of acting autonomously and collectively. Faced with workers’ strikes when it was just established, the state resorted to nationalist rhetoric and downplayed class issues to get them back to work. In the late 1950s, China’s Great Leap Forward inspired Vietnamese leaders to return to labor mobilization for a brief period. This campaign may have achieved its political goals to further strengthen Party control of production organization at both enterprise and shop floor levels, but it did not produce what Mao promised it should, that is, enlightened workers and productivity gains. Both productivity and labor discipline in fact declined throughout the 1960s.

\textsuperscript{26} Many informants who were not government officials in the 1960s could still describe vividly how hungry they were at the time. A mid-level official who had been a college student in a province north of Hanoi in the late 1960s confessed to me that he and his friends thought more about food than their studies back then. They survived sometimes by stealing from unguarded rice field the sprouts of yet-to-ripen rice plants to fill their empty stomachs (interview in Hanoi, April—August 2003).

\textsuperscript{27} My personal observation at a state enterprise, Ho Chi Minh City, 1988—90.
As a result of the complex trajectory Vietnam bore many distinct characteristics. State workers were segmented not only by skill levels and types of employment but also by place of origins and past contributions to the revolution. There were also vibrant cooperative and informal sectors that occupied lower ranks in the hierarchy and employed people whose political backgrounds the state could not trust. The enterprises in these sectors colluded with state managers and workers to produce consumption goods scarce in North Vietnam’s centrally planned economy. This collusion was possible in part because, unlike their Chinese counterparts (Walder, 1984), most Vietnamese state workers received their food rations not through their workplaces. Labor discipline was thus much harder to enforce. Wartime conditions in the late 1960s might have contributed further to the erosion of state control over workers, leading to even more discipline and productivity problems across all sectors. The outcome was bloated state payrolls and indisciplined workers.

Whether status hierarchies among workers hindered their solidarity as a class for itself against the state is not known from available sources besides the fact that status-related complaints were common. To the degree that collusion between state managers and cooperatives was widespread and caused declining productivity in state enterprises and the transfer of state resources into private hands, two possible impacts on labor politics can be identified. First, collusion leveled income among workers of different statuses and undercut the hierarchy based on political criteria. The system in fact became increasingly dependent on how well the police was able to keep the black markets of rationed goods under control. Second, while collusion caused the state considerable material losses, it may have reduced workers’ resentment against the government by giving them opportunities to earn extra income. This may help explain the relative absence of workers’ protests in North Vietnam compared to China. In this sense, not divisions but collusion across status lines for individualized material benefits weakened workers’ potential to form a class for itself against the state.

Finally, North Vietnam was not more successful than its socialist brethren in producing socialist workers. Like their counterparts elsewhere, Vietnamese workers are found to be calculative, not docile. They knew how to take advantage of the new socialist rhetoric and noisily demanded as much job security and benefits as they could in the state sector while quietly improving their income in the informal sector. They depended on the state for their food and clothes but the state was not able to count on them for quality labor. While future fieldwork is required to learn more about workers’ behavior, available evidence suggests that the state failed to motivate most workers to work hard despite repeated campaigns and concentrated propaganda. Behavior parallel to that of peasants who resisted socialist states can be found among workers, including absenteeism, shirking work, and doing personal businesses during office time. Food scarcity and meager rations distributed by the state perhaps contributed to its inability to generate enthusiasm among workers for

28 This is based on the initial results of my research for an ongoing project on domestic trade during the 1960s in North Vietnam.
work. However, collusion necessarily involved not just hungry workers but also many state managers who were well-fed. The failure of the Vietnamese state seemed to speak both to workers’ ingenious strategies for survival and the inherent limit of Stalinist regimes in creating compliance.

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