China’s rapid growth over the past two decades and the prominent economic role of its state has led numerous analysts to ask whether or to what extent China represents an actual or a potential ‘developmental state’, along the lines of those observed in the past, in Japan, Korea, Taiwan and Singapore. China’s unusual institutional features have led still others to characterise its political economy as unique. But China is not a developmental state – at least not along the lines of the countries identified above – and nor is its political economy without comparison. In this chapter I contend that China, together with the neglected case of Vietnam, represent a distinctive variety of state and a distinctive variety of political economy that is perhaps best construed as market-Leninist. Building on a constructive critique of existing accounts of China’s and Vietnam’s development and of extensions of the developmental state and varieties of capitalism (VoC) literatures to the Chinese and Vietnamese contexts, I develop a comparison of the Chinese and Vietnamese experiences that establishes essential features of market-Leninism.

The chapter is organised as follows. I begin by reviewing the limitations of conventional economic approaches to the political economy of development in China and Vietnam. I then consider the value and limitations of ideas from the literatures on the developmental state and on VoC for understanding and explaining the Chinese and Vietnamese experiences, warning against the hazards of thinly descriptive accounts that treat institutional forms and patterns as causes. In the subsequent section I take an alternative approach, one that locates China and Vietnam’s distinctiveness in the two countries’ social histories. I devote special attention to the two countries’ paths from the past to the present and underlying social dynamics, showing how character and development of social relations in the two countries have bestowed modes
of political and economic integration that are specific to them. I contend that China and Vietnam's specific combination of market economic institutions and Leninist power relations produce political and economic logics that are not captured by the ideal-typical notion of the developmental state or recognisable 'Asian varieties of capitalism'. Finally, I consider the value and limits of the market-Leninism concept as a heuristic for situating and theorising the Chinese and Vietnamese political economies among historical varieties of political economy.

Overall this chapter argue that analysts who have addressed China and Vietnam within the developmental state and VoC literatures are often arguing along the right lines – these countries' political economies are indeed both developmentalist in their orientation and deeply animated by capitalist social relations. However, understanding and explaining these political economies' development requires a sociologically thicker and deeper analysis of continuity and change in the power relations and ideas that have underpinned these political economies' development. China and Vietnam's political economies are best understood with reference to their particular combination of Leninist political institutions and market-based strategies of accumulation and, as such, are best construed as particular instances of a distinctive market-Leninist form of political economy whose institutional features differ from ideal-typical developmental states and from known varieties of capitalism. And yet analysis of institutional forms does not suffice for explanation. By bringing the often neglected case of Vietnam into a comparison with China, I aim to explain how differences in the countries' politics and their underlying social relations have generated the development of distinctive instances of market-Leninism in the context of the twenty-first-century world market.

Explaining Economic Performance: Limits of Economism

Over the last quarter-century China and Vietnam have had among the fastest-growing economies in the world. In both countries poverty has declined precipitously and living standards have improved significantly even as inequalities have intensified amid rapid industrialisation and uneven development. Since 1990, China and Vietnam (together with the much poorer country of Laos) stand out as the fastest-growing economies in the world, with average growth estimated at over 10 per cent in China and 7 per cent in Vietnam (World Bank, 2012). A
Figure 15.1 China and Vietnam’s economic performance over time. The y axis tracks average annual economic growth since 1990, while the x axis displays the number of years where the country had 5 per cent growth or higher over the interval, to demonstrate the consistency of economic growth. China, Vietnam and Laos, marked with diamonds, appear alone in the far right of the graph. All other countries are denoted by blue circles.


The frequently cited statistic for China states that, since initiating reforms in 1978, more than 500 million have been lifted out of poverty (World Bank and DRCSC 2012). According to official figures, poverty in Vietnam has declined even more sharply. In 1993, 59 per cent of Vietnamese were estimated to be living on less than a dollar a day, whereas today that figure is below 15 per cent in a country of over 90 million (World Bank, 2012). In contrast to other transitional countries, economic growth in China and Vietnam has been sustained over their entire reform periods (see Figure 15.1).

Interest in China’s growth experience has fuelled the development of a massive literature, leading one scholar to declare a state of ‘Sinomania’ (Anderson, 2010). Vietnam’s experience has also attracted considerable attention. Having risen from the ranks of Asia’s poorest countries to become one of its most upwardly mobile, the one-time
bulwark against peripheral capitalist development has emerged as a poster child for market-led growth, even as analysts find its economy to be riddled with inefficiencies. And yet, while China’s and Vietnam’s economic performances have attracted considerable attention, explaining their performance has posed certain challenges to economic theory and, in particular, to leading normative theories of development, especially those that trace their roots to principles and assumptions drawn from neoclassical economics and from the emergent field of ‘new institutional economics’. For, by very many appearances, China and Vietnam’s growth experiences would seem to contradict the expectations of neoclassical economics and contradict the ‘market-friendly’ policy prescriptions of normative theories of development: in both countries, states led by communist parties remain pervasively involved in economic affairs and govern in ways that keep prices ‘wrong’ and property rights fuzzy. In both countries, the rule of law is absent, while economic growth has taken place amid pervasive corruption.

When their claims are called into question, neoclassically and institutionally oriented economists have tended to seek intellectual cover under variants of the capacious claim that China and Vietnam would grow even faster and/or more sustainably had they more ‘market-friendly’ institutions that conform to features of more established or more ‘competitive’ varieties of capitalism – that is, ‘real market economies’. Invariably, the presumption is that China and Vietnam would be better off with less statist policies and more markets and ‘good governance’. Still, while there is ample empirical support for the claim that China and Vietnam’s state sectors are inefficient, this fact alone does not explain the sources of inefficacy and nor does it validate the proposed remedies, such as greater market liberalisation.¹

Clearly it is possible to construct parsimonious, empirically grounded economic explanations of China’s and Vietnam’s performance. Within such accounts, improved incentives, low-cost labour and vent for surplus play the heroes against the villains of rent seeking,

¹ Another question is whether the medicine prescribed is ever really taken, even if promised on the basis of bilateral and multilateral pacts, agreements and aid packages, and notwithstanding whether certain chapters or words in certain development reports written in English appear in the Chinese and Vietnamese versions. The reference to missing chapters is to the Chinese version of the World Bank China 2030 report, which was printed without a key chapter (World Bank and DRCSC, 2012).
market imperfections and irrational exuberance. Be that as it may, absent an account of the politics and social histories that generated the Chinese market and its constituent institutions, such narratives are inadequate to the task of understanding or explaining how the Chinese and Vietnamese political economies actually work. This tends to support the conclusion that while the wealth of economic analyses of China and Vietnam provide indispensable insights, they do not themselves provide a satisfactory explanation of the two countries' particular patterns of development and the social mechanisms at work.

While these facts alone do not invalidate economic arguments, they do underscore the inadequacy of economic theory and, in particular, neo-institutionalist theories that locate sources of growth in countries' institutional features but rest on accounts of institutions that are under-socialised, ahistorical, depoliticised and culturally vacant. As such, leading economic explanations of China's and Vietnam's performance tend to be theoretically and empirically wanting. And yet, one might ask, do leading political economy approaches do any better? Taking up this question, the next section considers whether and to what extent ideas distilled from the scholarship of developmental states and varieties of capitalism can assist in understanding and explaining the political economy of growth in contemporary China and Vietnam.

Varieties of States, Varieties of Political Economy

In the wider field of comparative political economy, the literatures on developmental states and VoC have taken up the question of how to explain states' and political economies' economic performance over time. Indeed, the developmental state and VoC literatures represent two leading strands of comparative political economy. In contrast to economists, theorists of developmental states have expressed enthusiasm for the idea that, under certain conditions, states can and should govern markets, rather than be governed by them – and, indeed, that the most promising paths to development lie with an approach that, while not denying the centrality of markets, does not leave economic growth to the whims of the market. While the developmental state literatures grew up around studies of North East Asian industrialisation, the literature is seeing something of a revival around the concept of 'effective states'. Drawing on different strands of theoretical
institutionalism, theorists of VoC have embraced the not-too-different claim that attributes of political economies' institutional make-up - rather than their conformity to market principles per se - are what best explains their economic performance. In recent years the VoC literature has been subjected to a wide-ranging and in respects productive critique that, among other things, has sought to understand how features of the world market register across countries and across a variety of social scales.

Despite different roots and initial differences in their geographic foci, analysts within both literatures have sought to understand and explain patterns of industrialisation with reference to states' institutional attributes and their capacities, and to the character of states' external ties, particularly as it concerns economic governance. The developmental state literature took form through studies of East Asia, with the notable exclusion of China and Vietnam, whereas the VoC literature developed through analysis of North Atlantic political economies plus Japan, with much later reference to other East Asian contexts. In recent years, analysts have extended ideas from both the developmental state and VoC literatures to analyses of China and Vietnam.

As rapidly growing economies with unusual institutional features, China and Vietnam raise intriguing questions for both the developmental state and VoC literatures. Numerous analysts have construed China as a 'unique' developmentalist state and/or a 'unique' variety of capitalism. While Vietnam has received less attention, analysts have nonetheless taken note of the developmentalist features of its political economy. On the one hand, explorations of the claim that China's pattern of growth, in particular, may be owed to institutional features it is said to share with the ideal-typical 'developmental state', a theoretical construct distilled from analyses of Japanese, Korean, Taiwanese and Singaporean industrialisation. On the other is the claim that China, in particular, represents a unique variety of capitalism, one whose performance is explained by its unique institutional features. In the section below, I review the claims of the developmental state and VoC literature and before turning attention to the cases of China and Vietnam. As to whether China represents the developmental state I argue that characterisations of China and (to a lesser extent) Vietnam as developmental states encounter explanatory limitations owing to the fact that they rest on thinly descriptive accounts of these countries' institutional attributes. As for the claim that China represents a unique variety of
capitalism, I point to the case of Vietnam, which shares with China certain institutional features.

In what follows I argue that while the developmental state and VoC literatures are instructive, they are inclined to settle for thinly descriptive historical accounts. I further argue that while recent critiques of the developmental state and VoC literatures helpfully underscore limitations of both literatures, attention to subnational variegation and global marketisation should be seen as complementary, rather than alternative, to the analysis of national political economy. If anything, patterns of subnational variegation and global engagement illustrate why China and Vietnam are best understood as unique instances of a particular variety of national political economy whose specific institutional features are distinct from those of ideal-typical developmental states and established varieties of capitalism.

Developmental States?
The now voluminous literature on developmental states has given rise to the construction of an ideal type having institutional, ideational and social relational features said to be characteristic of the experiences of a small number of high-performing economies in East Asia. Starting with Japan and extending their analysis to Korea, Taiwan and Singapore, developmental state theorists located sources of effective industrial promotion in states' historically emergent bureaucratic and technocratic capacities and their ability to forge and maintain relations with capitalist firms that facilitated international competitiveness, productive reinvestment and capital accumulation without being 'captured' (Johnson, 1982; Amsden, 1989; Wade, 1990; Woo, 1991; Evans, 1995; Leftwich, 1995; Woo-Cumings, 1999; Stubbs, 2009; and this volume).

What were those features? As Stubbs notes, most treatments have isolated two critical dimensions. These include an 'institutional element' – which refers to a cohesive set of state institutions with sufficient technical capacity and bureaucratic autonomy to design and implement a strategy for capitalist growth and industrialisation – and a 'relational element' – which refers to a tight-knit and even 'seamless web of political bureaucratic, and moneyed influences that structure economic life in capitalist Northeast Asia' (Stubbs, 2009: 6). He also notes that many conceptualisations have emphasised an ideational
component - which refers to states' emphasis on 'nationalism, (neo-)mercantilism, economic transformation, rapid industrialisation, performance legitimacy or some amalgam of a number of these ideas' (ibid.).

For his part Leftwich (1995: 403), in a definition to which I shall return, distilled six features of developmental states, including (1) a determined developmental elite; (2) relative autonomy of the state from society; (3) a powerful, competent and insulated bureaucracy; (4) a weak and subordinated civil society; (5) the effective management of non-state economic interests; and (6) repression, legitimacy and performance. This particular combination of institutional properties, combined with the 'favourable' circumstances of post-war United States hegemony, permitted rapid and sustained industrialisation (see Berger, 2003). The unique historical and geopolitical circumstances of developmental states' development and engagement with global markets have often (if at times not sufficiently) been acknowledged (Cumings, 1984; Friedman, 1996; Doner et al., 2003; Stubbs, 2005).

While not uncontroversial (Krugman, 1994; Iball, 1996; Young, 1994; and, for Marxian critiques, see Chibber, 2003; Gray 2011) the developmental states literature has made several important contributions to understandings and explanations of East Asian development and the lessons that might be drawn from it. Perhaps most importantly, the developmental state cast doubt on 'free-market' accounts of East Asian development favoured by the likes of the World Bank and other market enthusiasts, who suggested that the sources of East Asia's dynamism lay principally in their embrace of markets, macroeconomic stability and export orientation, and that developing country governments ought to stay with this prescription and not be lured by anything resembling protectionism or constructed comparative advantage. Efforts to shield policy advice from inconvenient features of East Asian growth were particularly apparent in the World Bank's ill-fated efforts to suppress evidence that state industrial promotion and pervasive intervention may have contributed to those countries' 'miraculous' growth (Wade 1996). For the most part, however, mainstream economists have stuck to their favoured account, proclaiming something along the lines of 'there was protectionism, but its contributions to total factor productivity are unclear, and therefore do what we say' (Amsden 1994). Indeed, in the face of combinations of high growth and high levels of state interventionism, this perspective has gained
some traction with respect to China and Vietnam. Improved incentives, together with massive savings and investment, and outward investment, explain these countries' performance, rather than state intervention or industrial policy. According to such a perspective, state ‘intervention’ in China and Vietnam remains a hindrance to faster growth (Huang, 2011).

A second contribution of the developmental state literature was that it provided fine-grained historical analyses of state formation and industrialisation, an element that was up until the early 1990s mainly lacking. The developmental state literature was at its best when analysis of institutions featured penetrating accounts of social relations. To cite two early examples, Johnson's (1982) initial notion of the developmental state was meant as a shorthand method of characterising a thicket of institutions and relations in terms of their developmental focus, character and outcomes, and Jung-en Woo's (1991) analysis of Korean industrialisation captured the social, political and world-historical context of the Korean case with a Geertzian thickness that is too rare in political economy.

A final contribution of the developmental state literature may be seen in the counterweight it provides to theoretical and policy literature on 'good governance'. For theorists of neoliberal globalisation, 'good governance' amounts to a hegemonic project of domination intent on instituting capitalist social relations on a world scale (Cammack, 2014). For normative theorists of development, getting the 'right' institutions is critical for promoting sustained and 'inclusive' economic growth. Recent theoretical literature on 'effective states', which draws substantially on the developmental state literature, is sceptical of both sorts of arguments suggesting possibilities of a counterhegemonic form of governance whereby states can navigate the perils and maximise the opportunities to be had under global capitalism, to maximise the capabilities of 'their' citizenry, while achieving these not necessarily at the price of democracy (see, for example, Evans, 2005, 2014; Evans and Heller, 2015). By other accounts, China and Vietnam are following their own distinctive path, a point to which we will return in due course.

For the moment let us consider whether China and Vietnam can usefully be seen as types of (Asian) developmental states, as described in the developmental state literature. There has been a wide discussion of whether China represents a developmental states (see Beeson, this volume). At a minimum, the rapid economic growth and industrialisation
under authoritarian rule that has occurred in China and Vietnam is consistent with the historical experience of the developmental states of Korea, Taiwan and Singapore, which 'successfully' combined authoritarian politics with rapid economic growth. Additional characteristics of states in China and Vietnam would appear to share features in common with the ideal-typical developmental state. Numerous scholars (e.g. Johnson, 1982; White 1984; Rodan, 1989) have called attention to institutional attributes present in both state socialist regimes (i.e. pre-reform) and the developmental states of East Asia. These include a pervasive ideology of developmentalism – characterised by a belief in the necessity of explicit state guidance and planning in the pursuit of economic development and modernisation, the use of Leninist or Leninist-inspired organisational tactics (see Friedman, 2011; for the case of Taiwan, see Winkler, 1999), and the suppression of civil society and political opposition.

Striking in this context is White's (1984) contention that state socialist states, along with 'state capitalist' and 'intermediate' states, all represent developmental state variants. By state capitalist, White refers to countries 'in which the relationship between state and private capital involves both control and collaboration and where the state itself acts as an economic entrepreneur and exercises a wide range of direct and indirect controls over economic actors', whereas 'intermediate regimes' refers to those 'which, often using “socialist” labels, severely circumscribe the power of private industrial capital and base industrialisation on a massive expansion of state ownership and management, the state class emerging as a crucially independent interest to dominate those of civil society' (White, 1984: 102–3). Nearly three decades and a global crisis of socialism later, The Economist (2012) declared 'state capitalism' to be an ascendant variety of capitalism, more about which I discuss below.

Given these noted similarities it is reasonable to ask whether China and Vietnam have, in the transition from planned to market economies, migrated closer to the ideal-typical qualities of developmental states and whether such transitions, if they have occurred, make China and Vietnam developmental states in their own right, or the more qualified claim that China and Vietnam are states with developmentalist attributes and/or aspirations (e.g. Beeson, 2004, 2009, and this volume).

One way to approach this question is to examine the Chinese and Vietnamese cases according to the ensemble of institutional features
contained in the ideal-typical treatments of the concept (e.g. Beeson and Pham, 2012). These include, most crucially, the presence of a highly capable and determined developmental elite that maintains close relations with capital but manages to maintain autonomy from capital. It is arguable that China and Vietnam possess what Leftwich (1995: 401) terms a ‘determined developmental elite’. Like the ideal-typical developmental state, the political elite in both China and Vietnam appear determined in their pursuit of industrial promotion. And yet a closer examination of the ‘developmental elite’ in both countries paints a picture at odds with the ideal-typical developmental elites of East Asian developmental states.

As for these elites’ ‘autonomy’, the situation is considerably more complicated. In China and Vietnam, the notion of state autonomy is problematic, whether in relation to the market or to society, as it fails to grasp the deeply interpenetrated features of state and society in these countries, even in the current market era. In both countries the party and state are pervasively involved in economic governance, through not only state-owned enterprises (SOEs), but also administration, and the countless non-state enterprises that are linked to party and state elements. On the other hand, Johnson’s famous distinction of plan-rational and plan-ideological regimes spoke directly to a fundamental difference between state socialist (or ‘communist’) states and states such as Japan – namely their different orientation with respect to the market (Johnson, 1982). One suspects that while markets have arrived, differences in orientation remain.

Among relevant discussions, Deans (2004), who terms China a post-socialist developmental state, has noted that while China’s state lacks autonomy and capacity, it nonetheless exhibits three institutional criteria identified as characteristic of developmental states, namely ‘transformative goals, a relatively insulated pilot agency, and institutionally government-business cooperation’ (Weiss, 2000, cited in Deans, 2004: 133–4). Alvin So (2002) has claimed that China, like Korea and Taiwan, exhibits a relatively autonomous state, authoritarian policies that have effectively crushed civil society and political opposition, and legitimacy owing to high growth and nationalism. Beeson and Pham (2012: 540) have written of ‘developmentalism with Vietnamese characteristics’, noting, ‘Even though Vietnam lacks the sort of state capacity and ability to penetrate society that is generally thought to
distinguish the ideal-typical developmental state, Vietnamese policy makers have demonstrated a surprising ability to influence the direction and style of economic development. They conclude by characterising Vietnam as an 'aspirant developmental state' because it exhibits a 'general orientation or vision about the appropriate role of governments in shaping economic outcomes' (ibid).

Whether these states possess powerful, competent and insulated pilot agencies akin to Japan's famed Ministry of International Trade and Industry (now the Ministry of Economy, Trade and Industry) is in doubt. While it is plausible to argue that the Chinese and Vietnamese states are 'powerful' with respect to their ability to maintain 'stability', analysts have noted that state power in both regimes is fragmented and that the central states have significant but limited and/or uneven abilities in shaping the behaviour of local agents. As for the 'competence' of bureaucracy, it's a mixed bag. While both countries (especially China) have seen substantial improvement in the technical capacities of elite bureaucrats, elite bureaucrats nonetheless have evidenced uneven steering capacity, as the recent history of macroeconomic management in both countries reminds us. The relatively small size of China's central state bureaucracy has been widely noted. In both countries local planners often wield greater power. To suggest that China and Vietnam's developmental bureaucracy (whether at central or local levels) is 'insulated' begs the question: insulated from whom? The concept of relative autonomy has typically referred to fractions of capital within capitalist economies (Block, 1981). With their Leninist political organisation, high degree of decentralisation, and deeply interpenetrated and opaque pattern of public and private ownership, use of term 'state autonomy' with respect to industrial promotion in China and Vietnam is hardly straightforward. Suggestions that the Chinese central state's practice of linking officials' promotions to economic performance both promoted growth and enhanced the power of the central state relative to local officials have been criticised on the grounds that such accounts do not sufficiently account for localities' growth trajectories or local officials' central ties prior to their arrival (Shih, Adolph and Liu, 2012).

As for the 'effective management of non-state economic interests', the very notion of 'non-state economic interests' in both countries is fraught, even in the face growing 'private' sectors. If there is any agreement as to the features China and Vietnam have in common with the
idealised developmental state, it is probably their combination of rapid economic growth and state repression backed by comparatively well-functioning if not wholly Weberian bureaucracies.

Varieties of Capitalism?

The literature on 'varieties of capitalism' began as an effort to distinguish capitalist political economies on the basis of their institutional traits and industrial organisation, to account for perceived patterns of divergence and convergence, and to link these to patterns of economic performance, competitiveness and welfare (Albert, 1993; Lindeberg, Campbell and Hollingsworth, 1991). Albert's seminal distinction between Anglo-American and Rhinish models spurred nuanced accounts of capitalist variety across countries, industries, sectors and policymaking fields, down to the level of the firm. Literature along these lines saw steady growth during the 1990s (e.g. Hollingsworth and Boyer, 1997) and especially after the publication of several works by Hall and Soskice (e.g. Hall and Soskice, 2001). In addition to their basic distinction between co-ordinated and liberal market economies, Hall and Soskice and other VoC theorists have explored sources of institutional and organisational change across and within varieties of capitalism, teased out the notion of 'institutional complementarity' (IC), and explored the sources of institutional change across and within varieties of capitalism.

For the purposes of this chapter we are more interested in VoC statements of varieties of capitalism per se than, say, in firm-level dimensions of capitalist variety, even as those may warrant consideration. In this context, the notion of IC warrants greater attention. The hotly debated notion of institutional complementarity understands institutional arrangements within any given political economy as forming a holistic institutional formation consisting of interacting institutional domains which, by some accounts, evolve because of their contributions to economic performance, efficiency, welfare and the like. As noted by Lane and Wood (2011), more functionalist variants of IC view it as a result of strategic decision making and institutional design carried out by elites within a given capitalism. These are taken in the name of achieving institutional coherence, which is achieved through the use of selective incentives and other means. From the perspective of this more functionalist variant of IC, more or less effective institutional
performance (whether with respect to economic performance, skilling and labour markets, or welfare) may be attributed to the relative presence or absence of such coherence, or IC. From this perspective, institutional heterogeneity within specific countries is likely to be the exception rather than the rule (ibid.) Within this strand of the literature, co-ordinated market economies are deemed more likely to exhibit greater degrees of IC (e.g. Whitley, 1999; Aoki, 2001).

This approach can be contrasted with the more indeterminate, bottom-up account adumbrated by the likes of Crouch (2005, 2009), Streeck and Thelen (2005) and Boyer (2012), who are open to the possibility that economies with contradictory elements can be structurally stable, and who view institutions as flexible and constantly evolving. This is a more dynamic and open-ended conception of IC. According to this approach, heterogeneity may be expected, insofar as institutions are the product of social competition and conflict. Coherence, according to this perspective, is not stable, but must be constantly worked out and shored up, and is rarely the result of some 'grand design' (Lane and Wood, 2011: 11). One example of this that is particularly germane to the concerns of this chapter has been dubbed 'institutional conversion', a situation in which actors adapt an existing institutional set-up to a new purpose and by doing so contribute to the maintenance and/or restitution of complementarity within the broader system (Streeck and Thelen, 2005).

There is, then, a tension among those analysts of VoC who see 'a method in the madness' and those who attribute the presence of institutional mechanisms and practices to historical holdovers (whether ideological, organisational or institutional) from previous periods, and not their being the product of some grand design. Within this latter camp of VoC, heterogeneity and internal variation, which might in the past have been seen as evincing 'incoherence', are seen has having the potential to contribute to opportunities for innovation. In such cases, institutional diversity may be seen itself as the grand design. Let a hundred flowers bloom. To what extent, then, are features of capitalism the product of the intentional design of something profoundly indeterminate? The answer to this question is likely to vary across specific contexts depending on balances of power among competing interests and their effectiveness in imposing their will, sabotaging plans that adversely affect them, or simply muddling through. In other words, the question of design or indeterminacy is probably sterile. The
questions of interests concern precisely the mechanisms underlying processes of institutional change. The manner in which this occurs varies enormously across countries and even within them, particularly in the world’s continental-sized economies.

As the VoC literature has developed, there has been intense debate as to whether the world is migrating towards a single (presumably more ‘neoliberal’) variety of capitalism. According to some observers, financial globalisation, however powerful in the eyes of the VoC theorists, has not resulted in the homogenisation of institutional set-ups. Such a claim stands in tension with the assumption of theorists of ‘neoliberal globalisation’, who insist that, cross-national variation in the details notwithstanding, a process of marketisation is expanding, transforming institutions and deepening capitalist social relations on a world scale, often by working ‘through and around’ states to this end (Carroll, in this volume). Either way, there has been increased interest in the determinants and consequences of hybridity and internal diversity across and within national configurations of capitalism (e.g. Boyer, 2005; Lane and Wood, 2011). This latter trend is visible on both ends of the spectrum, with analyses bearing titles such as ‘variegated neoliberalism’ (Brenner, Peck and Theodore, 2010) and ‘institutional diversity in business systems’ (Jackson and Deeg, 2008). The ‘so what?’ question in this debate concerns effects on diversity of outcomes.

Extending ideas from studies of European and North American experience, analyses of VoC in East Asia have sought to establish causal links between features of economic governance in East Asia and patterns of economic performance. Analysts of capitalist variety have sought to distinguish key features of East Asian ‘business systems’ with particular attention to the role of the state, financial systems, industrial organisation, industrial relations, skilling and inter-firm relations (Witt and Redding, 2014). Others have mapped variegation across and within East Asian capitalist economies (Carney, Gedajlovic and Yang, 2009; Peck and Theodore, 2007; Ebner, 2013). From these accounts it would appear that, however insightful, Hall and Soskice’s (2001) distinction between ‘liberal market economies’ (LMEs) and ‘coordinated market economies’ (CMEs) has serious limitations, particularly in the analysis of countries outside the Organisation for Economic Co-operation and Development (OECD) and, in our case, the dynamic economies of Asia. The distinction between LMEs and CMEs, which admittedly is a shorthand for more nuanced distinctions, is nonetheless
far too narrow and static to capture features and dynamics of institutions in poor, late-industrialising or formerly state socialist economies, where states vary enormously in attributes, interests and power (Boyer, 2005; Schmitter and Todor, 2014; Szelenyi, 2015) and where institutions are decidedly in flux.

This brings us back to the cases of China and Vietnam. A number of analysts have extended VoC ideas and analytic frames to the Chinese case and Boyer’s many analyses show the promise in doing so (see, for example, Boyer, 2012). Starting with the familiar question of ‘just what kind of economy is it?’ Boyer avers that, substantively and structurally, China is indeed a variety of capitalism. It does not appear capitalist, in formal terms, owing to the close relation between politics and the economy, the fuzziness of property relations, and other features. In a structural sense, however, Boyer (2012) maintains that China is a variety of capitalism on the grounds that competitive markets play a preponderant role in the allocation of resources: that capital–labour relations are prevailing in the organisation of social and economic relations, and that market competition and labour–capital induced an imperative for capital (ibid.: 34). Boyer’s (2012), Lane’s (2007), and Wilson’s (2007) attempts to situate China among varieties of capitalism have, like most thoughtful analyses of China, highlighted the path-dependent nature of institutional development, the presence of institutional layering and institutional residues, processes of institutional conversion, the salience of internal diversity, and, most generally, a (largely unintended) outcome of a complex history of institution building.

Peck and Zhang (2014) offer a useful critique of the VoC perspective from the standpoint of critical geography that emphasises the significance of space and regional variation, leading them to propose an agenda of research on variegated capitalism in China, ‘Chinese-style’, rather than seeking to force China into a VoC box of Anglo-European origins. In their words, the two seek to develop an analysis of uneven development in China through an account of ‘polymorphic capitalism(s)’ that accounts for ‘meaningful variegation and spatial/scalar fixes positioned in the context of shifting macro-ecologies of accumulation and regulation’ across ‘space/time’ that is ‘embedded within international divisions of labour and transitional regulatory relations’ and which unfolds according to social processes of ‘contradictory disequilibria’ featuring ‘(co)evolving forms of combined and uneven development’ (Peck and Zhang, 2014: 56). However tough the sledding, their
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analysis provides ways and means of pursuing research on what they term 'sub-models' of capitalism (hence the talk of 'polymorphism') within what they see as China's formidably heterogeneous economy. Thus Peck and Zhang do the service of identifying 'varieties within varieties', or multi-scalar variegation in space/time, as it were.

As has been observed above and will be addressed below, many of the conceptual problems observed in attempts to extend VoC analysis to China stem from the question of just what kind of political economy China is and how it compares with the known varieties of capitalism; that is, of the difficulty of meaningfully placing China within identified varieties of capitalism without arriving at well-reasoned but unsatisfactorily and unconvincingly general characterisations, such as 'quasi-LME' (Witt, 2010; Fligstein and Zhang, 2011). Peck and Zhang's main response to this has been to place programmatic emphasis on the presumptive need to move away from national political economies and to accept the 'fragmented, multi-scalar, and "polymorphous" styles of governance' that may be found within any large country, which for them calls attention to the numerous limitations of analyses that feature a 'near-exclusive focus on nationally scaled formal institutions and economic dynamics' (Peck and Zhang, 2013, 361–2). While they are on the right track, I believe this line of argument is overstated and I discuss more on this below.

Towards Thicker Analysis of National Political Economies

The most informative analyses of developmental states and varieties of capitalism are precisely those that delve deeply into the social and political relationships underpinning institutions. Absent such an approach, we are left with varieties of 'institutional fetishism' that mistake institutional forms as causes themselves rather than the products of historically emergent social relations. Extensions of developmental state ideas to the Chinese and Vietnamese contexts can avoid this trap by not ticking boxes of where institutional attributes of developmentalism appear, but looking at political economies' social constitution. With such an approach one observes that, despite significant similarities, China and Vietnam differ from both ideal-typical and the real developmental states of Korea, Taiwan and Singapore during their decades of developmentalism.
Varieties of States, Varieties of Political Economy

But nor is there a need to jettison macro-sociological analysis. Recent critiques of VoC from the field of critical geography have rightly underscored the diversity and dynamism within capitalism and the perceived need to move beyond the alleged 'institutional fetishism' and 'geographical reductionism' of earlier VoC literature (Peck and Theodor, 2007). Such thinking has informed a sub-stream of literature focused on variegated capitalism (ibid.; Jessop, 2011) or variegated neoliberalisation (Brenner, Peck and Theodore, 2010) that have sought to explain how the expansion of world markets has registered across 'uneven institutional landscapes' (ibid.). A key contribution of debates around VoC has been precisely the recognition that states are neither 'hermetically sealed' nor defined by national borders (Crouch, 2009: 91). National political economies are today interpenetrated with agencies and institutions of the global political economy to a greater extent than in the past.

These are vital points. But I do not believe they recommend a rejection of nationally scaled macro-sociological analysis, particularly if our aim is to understand political economies comparatively. Indeed, in the section that follows I will argue that the features that distinguish China and Vietnam from other varieties of state and other varieties of political economy and which have conditioned their development lie precisely with the form and content of the power and class relations that have animated the development of their national states from the revolutionary periods, through state socialism, to the present.

China and Vietnam on the Path from State Socialism

Processes and outcomes of economic growth and industrialisation in China and Vietnam over the last several decades owe to social dynamics and institutional attributes that are not captured by the broader ideas of the developmental state and/or some generic putatively 'East Asian' variety of capitalism. Nor is it accurate to state that China's variety of capitalism is unique. Despite important differences, Vietnam's social history and institutional arrangements exhibit fundamental similarities to China's and a juxtaposition of these two large countries' experiences allows us to observe the distinctive and shared features of these political economies in relation to each other and to other varieties of state and political economy.
In this section, I illustrate how the political economies of China and Vietnam have developed through path-dependent processes of institutional development that are specific to them, in terms of both their internal properties and their external links. I demonstrate that these political economies display distinctive combinations of political and economic institutions and that the manners in which politics and economy have been integrated in these countries have given rise to distinctive patterns of welfare and stratification. I illustrate how thick and active legacies of state socialism continue to condition these political economies' development across the full spectrum of social fields. I also note significant differences between the Chinese and Vietnamese cases, which are traceable to variable patterns of domination and accommodation across the two countries and which, in turn, have influenced the development of institutionalised relations among state, economy and civil society over time. I show why China and Vietnam differ from ideal-typical accounts of developmental states and established varieties of capitalism, and why they are most usefully understood as unique instances of a single market-Leninist variety of political economy.

Paths from State Socialism

The historical development of the Chinese and Vietnamese political economies has differed fundamentally from that of other countries in East Asia. The two countries have taken a distinctive but shared path from the past to the present, transitioning through decades of revolutionary socialism and state socialist central planning under conditions of semi-autarchy, violence, chaos and trauma before undergoing processes of social reconstitution in the transition to market-based political economies that have become progressively enmeshed in the institutions and processes of a single world market. These experiences have shaped the development of political and economic institutions in both countries, generating distinctive states, markets and modalities of political and economic integration. The distinctive institutional features that China and Vietnam display are manifest in the character of their politics and underlying patterns of domination, in the manner in which market institutions have been emplaced, and the latter's effects on welfare and stratification. Hence, while states in contemporary China and Vietnam may be safely regarded as developmentalist and perhaps even capitalist, the character of their developmentalism and
capitalist social relations are distinctive from those observed in other countries.

Here we are particularly interested in an explanatory account of the development of Chinese and Vietnamese political economies on the path from state socialist to market-based economies. The discussion here is specifically concerned with the formation of market economies within the crumbling foundations of the planned economies and, indeed, the reconfiguration or reconstitution of social relations by ruling interests. This was achieved through the piecemeal adaptation of existing institutions to the pursuit of market-based strategies of capital accumulation within the framework of Leninist political institutions. This last point bears emphasis: while over the last two decades or more, capitalist social relations have come to pervade both countries, the emplacement of market relations has taken place within relations of domination of a specifically Leninist character. And it is this relationship of domination, its historically emergent features, and its amalgamated and often contradictory ideational features, that makes the Chinese and Vietnamese states behave differently from other states and which recommends against characterising the countries as garden varieties of East Asian capitalism.

Within the literatures of market transitions, the work of Ivan Szelényi is particularly useful to the explanation of the Chinese and Vietnamese political economies and how their paths from state socialism are distinctive. Specifically, Szelényi and King (2005) and Szelényi (2010) have distinguished three ideal-typical paths of transition from state socialism. Where the transition occurred through a ‘revolution from above’, state elites orchestrated change according to a ‘blueprint’ designed by neoliberal economists, resulting in the nomenklatura (and its clients) being transformed into a ‘grand bourgeoisie’. Such was the path taken in Russia. The case of other Eastern European societies such as Hungary resembled a ‘revolution from without’. An alliance of technocrats and elites adopted neoliberal blueprints but blocked attempts at appropriation by the old nomenklatura, in addition to forging economic alliances with foreign investors and multinational capital (Szelényi, 2010: 3). Still, Communist Party rule ended in both ideal-typical Eastern European experiences, even as subsequent political configurations varied considerably, a phenomenon that Szelényi and King (2005) contrast with a singular third approach termed the ‘Chinese’ or ‘East Asian’ path. Here, the transition was said to involve a process of
'transformation from below' or from the bottom up, which was then developmental statism.

**Political Institutions**

The East Asian cases did not witness the demise of state socialist political institutions, but rather the Communist Party oversaw the reconstitution of relations between state and economy, therein forging the new political economy best understood as 'market-Leninism'. The literature on the survival of both countries' political regimes is extensive, especially in the Chinese case, best summed up in influential studies such as Shirk's *The Political Logic of Economic Reform in China* (1993) and Yang's *Remaking the Chinese Leviathan* (2004). Comparison of China with Vietnam allows us to observe what they share, where they diverge, and why together they represent a distinctive variety of political economy.

In China and Vietnam, communist parties have overseen the consolidation of market-Leninist regimes, where Leninist political institutions remain the vital integrative force supplying the formal and informal rules that govern politics, regulate economic activity and shape patterns of social stratification. The market now plays a more determinative role in all aspects of social life. Nonetheless, the, party, along with its Leninist institutions and ideational components, remains interpenetrated with state, market, welfare and coercive institutions. In the final section I examine the core features of consolidated market-Leninism in greater detail, and account for patterns of institutional convergence and diversity as observed across China and Vietnam. Below I briefly discuss core political, economic and welfare institutions in the two countries.

Core institutions of Leninist political organisation have been maintained in China and Vietnam, notably the Communist Party's structures and institutions, as well as the vast array of administrative and representative institutions, mass organisations, police and public-security agencies. Crucially, despite the inclusion of non-party political actors and institutions in market-Leninist regimes, party actors and institutions dominate and often interpenetrate non-party institutions. Examination of Leninist political ideology contributes to an understanding of its pervasive entanglement within social life in China and Vietnam, in contrast to other regimes invoking Leninist principles. This fortifies the argument that China and Vietnam's common
political experiences have shaped the distinctive market-Leninist regime. Between 1923 and 1989, Marxism–Leninism served as a malleable straitjacket (Wallerstein and Gao, 2012), often custom-fitted to the needs of communist parties at different historical junctures. Yet Leninism today is not only a set of ideas, it is a set of historical experiences, institutionalised residues and discourses that have decayed but retain significance in both countries.

Economic Institutions
Although all the formerly state-socialist regimes in Eastern Europe passed through a period of state retrenchment, the differences in the path-dependent effects of the transition between Russia and Central and Eastern Europe have been unmistakable (Szelényi, 2008: 170). Russia’s economy, having recovered from the lost decade of the 1990s where GDP fell by 50 per cent, has had its market institutions developed and become more entrenched. The commandeering heights of its political economy are contested by a neopatrimonial elite and business ‘oligarchs’ – remnants of the nomenklatura of the state socialist regime. Contrastingly, Eastern European countries such as Poland and Hungary have continued to adopt formal market institutions that are in many respects more liberal than those of the United States and the United Kingdom. The engine behind economic growth has moved from initial massive foreign investment to one propelled by a developing domestic bourgeoisie that partly comprises a large contingent of former state managers.

Similarly, market transitions in China and Vietnam have also had path-dependent—albeit non-deterministic—effects on configurations of class power. The Chinese political logic of economic reform, which evolved in the 1980s and 1990s, reflected its decentralised fiscal and enterprise structure. Piecemeal economic reforms transformed enterprise managers into enterprise owners while the ‘eat-in-separate-kitchens’ fiscal model meant that provinces maintained a degree of financial autonomy from the centre (Shirk, 1993), resulting in provinces pursuing (successful) developmentalist economic policies in a way largely unseen in Vietnam. China today, as Szelényi (2008) notes, resembles ‘capitalism’ from above, more than it did during the early stages of its transition. Particularly, SOEs have been appropriated by well-placed officials and their clients, all of whom have benefited disproportionately from multinational capital (ibid.: 171). The
privatisation of SOEs further suggests movement towards capitalism, alongside Walder's (1995) observation of the rise of an economic elite separate from the state.

The case of Vietnam is one where its economic policies have appealed to various constituencies within the state rather than conforming to a coherent developmentalist plan. Malesky, Abrami and Zheng (2010) have attributed this to Vietnam's more fragmented and pluralistic political leadership as compared to China's. The main thrust of Vietnamese state policies is securing state control over the commanding heights of the economy, from which a state business class has emerged, with its favourable position within or on the borders of state power enabling it to exploit market opportunities for personal gain (Cheshier, 2010). The development of an independent bourgeoisie is simultaneously suppressed (London, 2009). Formal decentralisation in the 2000–10 decade created similar incentives for province-level developmentalism as in China, but, in the context of a less sophisticated economy and flimsy industrial base, tended to fuel speculative over productive investments, economic redundancy and pernicious forms of corruption (London et al., 2010). In an extended and ultimately costly bout of chaebol dreaming, Vietnamese leaders undertook swift efforts to transform ailing SOEs into dominant businesses and then into chaebols overnight. In pursuit of this goal, state leaders exhibited an unhealthy confidence in their ability to build dynamic, world-beating enterprises while lacking the felicitous conditions of the Korean case, such as national systems of innovation, managerial expertise, infrastructure, technology transfer and capital. The resultant multi-billion-dollar bankruptcies have added significantly to Vietnam's debt load while doing nothing to build the industrial base its leaders envisioned. One key difference in this context is the near complete absence of a private or even quasi-private enterprise sector and the relative absence of forward and backward linkages across various sectors of Vietnam's economy. This situation has yet to change.

Welfare Institutions
Preponderant modes of political and economic integration directly and indirectly determine welfare regimes (Esping-Andersen, 1990) and their attendant social inequalities (Szelényi and Manchin, 1987). Under state socialist regimes, institutional responsibility for welfare lay predominantly within the sphere of the planned economy, with
economic institutions designed to ensure security through administrative and redistributive allocation of capital, full employment and welfare-producing goods. Social inequality arose from unequal relations to bureaucratic-allocative institutions (Szelényi and Manchin, 1987), while households and black markets played secondary roles in welfare allocation, possibly counteracting the former’s effects. Beyond these, access to employment and state-financed social services helped provide for social welfare. However, fiscal malaise followed soon after state socialist economic institutions faltered.

The development and eventual predominance of markets means that market-based inequalities became the major mechanism of stratification and social inequality in market-Leninist regimes. As Szelényi and Manchin (1987) delineated – drawing upon and extending Polanyi’s (1957) distinction among reciprocal, formal and redistributive forms of market co-ordination – the transition to a market-Leninist regime promised to flatten the state socialist opportunity structure by providing greater economic freedoms to those previously subject to administrative exclusion. While the state retains a dominant role in providing many forms of welfare, private (i.e. market-based) provision also occurs, sometimes within the shell of state – nominally ‘public’ – institutions. In the context of markets, both markets and administrative principles operate as levers of inequality. In practical terms, the income and resources flowing through official redistributive and administrative channels represents only a fraction of the financial sums involved. In the pursuit of operational stability, ‘public’-service delivery units make use of a wide array of practices to boost revenues, including a litany of informal charges. In this context, political inequalities associated with party membership remain as mechanisms of social stratification, mediating market-based inequalities, access to services and life chances.

Countries undergoing market transition have faced the problems of (1) the significant time gap of a generation between the collapse of the state socialist welfare regime and recovery of regular economic growth, and (2) the adoption of new formal institutions governing welfare that were strangely more liberal than the most capitalist of welfare states. The resulting minimalist approach to social welfare has been observed across formerly state socialist countries. This combination has proved capable of supporting rapid economic growth, but many essential social services promised (if not delivered or delivered equally)
under state socialism have been subjected to market-based principles, as outlined above. As failing to provide public goods to large segments of the population potentially undermines regime legitimacy, states in China and Vietnam has sought to address tensions through a combination of communist corporatism (extending privileges to those with relations to the state), populist rhetoric and targeted support.

The welfare regimes in China and Vietnam are a particularly interesting angle from which to explore market-Leninism. Within the corroded shell of state socialism, both countries have experienced the commodification of most essential services under the authority of regimes that profess a commitment to achieving 'socialist-oriented' market economies. In both countries, economic development policies and corresponding patterns of production have intensified social inequalities. In both countries the shifting of responsibility for payment onto households has occasioned the development of market-based social inequalities of access to essential services. In both countries, emerging social inequalities have generated pressure on the state to respond with ameliorative policies and programmes of varying magnitudes. And in both countries, leaders have professed a long-term commitment to universalist principles and programmes but the stratification outcomes have a dual and overlapping character: the resilience of Leninist political organisation continues to generate inequalities through the exercise of arbitrary power and the political allocation of economic resources, whereas markets generate their own inequalities.2

China and Vietnam as Instances of Market-Leninism

In China and Vietnam, Leninist parties that have dominated politics in their respective countries for decades have instituted market-based methods of economic accumulation to support political, economic and social imperatives. These specific and consolidated institutional attributes are what distinguish contemporary China and Vietnam from other (including other former socialist) forms of political economy. While the term 'market-Leninism' is not new, my use of the term differs as it sheds light on the consolidated form of political economy

2 Elsewhere I have analysed areas of divergence in these countries' welfare regimes in greater detail (London 2014).

3 The term was coined, it seems, by the New York Times columnist Nicolas Kristof (1993); 'China sees “Market-Leninism” as way to future'. Kristof wrote,
that has evolved under the leadership of communist parties who have developed its institutional and ideological underpinnings over more than thirty years. While its future is indeterminate, construing it as a fifty- or 100-year transitional phase distracts from understanding its properties and significance.

Conceptual Foundations of Market-Leninism

Good social-science concepts summarise essential features of social phenomena. Yet efforts to conceptualise the political economies of China and Vietnam have not resulted in a consensus choice. Analysts have put forward numerous alternatives, but there have been no winners of what Baum and Schevenko (1999) have termed the 'conceptual sweepstakes'. The case made here is that, among alternatives, market-Leninism offers the most concise summary of these political economies' institutional attributes. While concepts are not theories, identifying political economies' core institutional attributes is crucial to their explanation. Market-Leninism meets these conceptual and facilitative aims in ways other prominent typological characterisations do not.

Consider the alternatives. Let us start with the popular but problematic label of ‘market socialism’. China’s Communist Party has described the country’s system as a ‘socialist market economy’ while Vietnam has embraced the label of ‘a market economy with a socialist orientation’. References to market socialism are found throughout the literature (see Chan, Kerkvliet and Unger, 1999; Lin, 1995). ‘If the Chinese and Vietnamese leadership ultimately insist on calling their regime “socialist”, write Kornai and Qian (2009: 22), ‘no one can deny them

‘After Deng Xiaoping, China’s current paramount leader, was purged in 1976, the People’s Daily quoted Mao Zedong as saying that Mr. Deng “knows nothing of Marxism-Leninism.” Mao may have been half-right, for the 89-year-old Mr. Deng has even advised visitors from developing countries not to bother with Marxism. At the same time, Mr. Deng and other Chinese leaders retain a fondness for Leninism, in the sense of highly disciplined one-party rule with centralised decision-making. Their aim, in other words, is Market-Leninism.’ Their account is consistent with the earlier analysis of Zbignew Brzezinski and his (1989) notion of ‘commercial communism’, which views China as an instance of ‘post-communist’ authoritarianism that will similarly be characterised by the fading significance of Marxist-Leninist doctrine (Brzezinski 1989: 254).
their right to do so’. But this still raises the question of what meaning, if any, should be attached to the term ‘market socialist’ or, for that matter, socialism. Kornai and Qian (ibid.: 21) insist that China and Vietnam are not socialist according to standard definitions of Marxism, Walrasian market socialism, Leninism, or social democracy. Leaving social democracy aside, we may consider this argument.

Marx’s definition of socialism entails the elimination of private property and capitalist social relations and brings with it the implication of planning. A situation in which quasi-private ownership and recognisably capitalist social relations are preponderant and in which the market is the chief mode of economic governance is not socialist, at least by Karl Marx’s standards. For Walras, socialism means public ownership, full stop. As for the ‘Leninist’ conception of socialism, Kornai and Qian are referring to ‘classical socialism’—viz. those institutional arrangements that actually prevailed in state socialist countries in the period between communist seizure and consolidation of their power but before things unravelled—its institutional hallmarks are: (1) dictatorship of the party in the name of the proletariat, (2) public ownership and the elimination of private property, (3) the predominance of central planning, and (4) the sacrosanct status of Marxist-Leninist (together with Mao Zedong or Ho Chi Minh) thought. While Kornai and Qian accept that in organisational terms China and Vietnam have maintained an extremely important attribute of the Leninist kind of socialism (Kornai and Qian, 2009: 21), they rightly note that central planning is not the preponderant mode of economic co-ordination.

Kornai and Qian’s claim that the state no longer plays a ‘leading role’ in the two countries is debatable, regardless of one’s normative view of the state in the economy. According to data from 2013, China’s public sector accounts for ‘only’ 30 per cent of total firms but roughly 55 per cent of assets, 45 per cent of revenue and 40 per cent of profits (Scissors, 2016) and, at any rate, it does not include the uncountable legions of firms closely tied to the state. By the Vietnamese state’s own estimates, it accounts for 30 to 40 per cent of GDP, not including innumerable ‘equitised’ firms owned and controlled by members of the Communist Party and their kin. What is clear is that in both countries Leninist ideology has undergone drastic changes. Perhaps most strikingly, communist parties have become ‘friendly’ to the presence of private-property arrangements and indeed often appear ‘pro-capitalist’ in their views and principles. Indeed, some party members have become
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capitalists, as will be discussed further later. ‘Today’s communist parties
in these two countries’, Kornai and Qian (ibid.: 21) conclude, ‘are par-
ties friendly to capitalism disguised by Marxist–Leninist slogans and
by faithful references to the thoughts of Mao and Ho Chi Minh’. They
are a new breed of political-business state (Gomez, 2002) and, by virtue
of their capitalist-hugging tendencies and interests, China and Vietnam
are not Marxist–Leninist in the classical sense.

In political-economy terms, the value of such conceptions as
‘resilient Leninism’ (Chen, 2007), ‘consultative Leninism’ (Baum,
2006; Tsang, 2009) and ‘late Leninism’ (Gallagher, 2004) are uncer-
tain as they are without reference to economy. The same applies to
various ‘post’ formulations, and the literature on China and Viet-
am has no shortage of these, including ‘post-totalitarian commu-
nism’ (Linz, 2000), ‘post-socialism’ (Ho, 2010; Zhang 2008), ‘post-
communism’ (Ding, 1994; Szélényi, 2010), ‘post-Leninism’ (Winckler,
1999: 3; Chen, 2010), post-state capitalism (Witt and Redding, 2014)
and so on. The ‘post’ labels are useful in so far as they highlight the path
dependency of the communist/socialist/Leninist roots of these regimes
but do not positively designate what these political economies’ current
features are.

Most observers are comfortable in characterising China and Viet-
nam as market economies, if hyphenated in some way, but there has
been less agreement on whether the countries ought to be character-
sised as ‘capitalist’. The view trending now is that China (and Viet-
nam) exhibits capitalist or functionally capitalist social relations with
some element of political or state management. Indeed, characterisa-
tions such as ‘managed capitalism’ (Putterman, 2008) and ‘state capi-
talism’ (The Economist, 2012) have the merit of directing attention to
the nexus of politics and economy. Yet the presence of ‘management’ or
of ‘the state’ does not tell us enough about exactly what kind of state
and exactly what kind of management they are. These formulations
provide few hints of the essentially Leninist character and organisa-
tion of that nexus that so pervasively and deeply mediates relations
between politics and economy in both countries.

Why Leninism Still Matters

Leninism here is construed as a set of ideologies and dispositions
that inform governance. While Leninist ideals are rooted in Marxism,
Lenin’s canon and variants of it contain important deviations from Marxism. The ideologies of socialism, socialist internationalism and communist teleology are – whatever their precise meanings at different times – essential to Leninism. Without these deviations, Leninism loses much of its ideological coherence. But a no-less-essential feature of Leninism and Leninist ideology is the indispensable role of the Vanguard Party and its apparatuses of power. Leninism in this sense refers to a set of more or less formal principles and ideologies governing the organisation and activities of communist parties, serving as a central integrative force co-ordinating politics, rightly labelled by Selznick (1951) an ‘organisational weapon to eliminate autonomous social action and achieve a stable totalitarian social order’. No doubt, Leninist ideologies have been used flexibly, in the past as in the present. And the premium on flexibility was raised to new heights with the involution and eventual dismantlement of planned economies.

What, then, might be the significance of Leninism in the wake of state socialism? A first observation is that Leninism today is not a set of dead ideas, but rather a set of historical experiences, institutionalised residues and discourses that retain significance as they inform practices in the present and expectations about the future. One does not have to embrace Leninism to recognise that its presence in China and Vietnam is not necessarily as ossified as its critics claim. There are plenty of people in power in China and Vietnam who continue to take Leninist ideology seriously. Political anthropologists have shown, for example, how dominant agents in China and Vietnam have simultaneously taken advantage of markets and Leninist heritage to consolidate new forms of domination (Nguyen-Vo, 2009; Anagnost, 1997). Recent decisions in China to promote ‘red culture’ or in Vietnam to ‘build socialism’ and ‘criticise and self-criticise’ capture a significant difference between these cases and the accepted ‘Asian developmental states’. As such, they only reinforce the call for an understanding of the historical and contemporary political bases of Leninism.

With reference back to Jayasuriya’s (2005: 384) proposed ‘focus on state transformation, state building and the processes through which new notions of stateness are created’, therefore, I identify as critical the decisions of the Chinese and Vietnamese states to embark on a process of market/capitalist development in a Cold War context, and with the avowed intention that the process should be led not merely by Leninist organisations, but by a Leninist Communist Party that insists upon a
monopoly of power and a hegemonic position intellectually. With this distinction in mind, I return to the definition of 'developmental state' offered by Leftwich (1995): (1) a determined developmental elite; (2) relative autonomy of the state from society; (3) a powerful, competent and insulated bureaucracy; (4) a weak and subordinated civil society; (5) the effective management of non-state economic interests; and (6) repression, legitimacy and performance. I suggest that at a broad level, these six points sufficiently capture the characteristics of the Chinese and Vietnamese regimes to make assimilation of those cases to the model plausible. But, equally important, I suggest that they do so in a critically distinctive manner, arising from the starting point set out above.

Specifically, the market-Leninist variant of developmental state is characterised by (1) a determined Leninist elite, (2) relative autonomy of the monopoly-party-controlled state from society, (3) a powerful bureaucracy subordinated to the monopoly party, (4) a controlled and mobilised civil society, (5) a subordination of non-state economic interests to state economic interests as the engine of accumulation, and (6) maintenance of the monopoly-party state through repression, and its legitimisation through performance, and in particular through defence of sovereignty against a hostile 'West'. In every case, there is a significant inflection that can be traced back to the timing, character and context of the original project. This is fleshed out further below.

However indeterminate the future of Leninism in the Vietnamese and Chinese contexts may be, it cannot be denied that Leninist political institutions remain the distinguishing feature of the two countries’ politics, even as these countries’ economies have marketised. In both countries, Leninist political institutions dominate the political field and play a preponderant role in defining and regulating the relation between state and economy.

The recent analysis of Richard McGregor (2010) has strongly affirmed the Leninist essence of China’s current political economy. Still, the use of term ‘market-Leninism’ has tended to carry theological assumptions and connotations of transience and instability. This tendency emanates from three faulty assumptions.

The first of these is that market-based growth is intrinsically incompatible with Leninism over the long term. This premise is rooted in textbook political economy and Cold War ideology that associate certain types of polity with certain types of economy. Markets go with
liberties, and command economies with tyranny. Or so we are told. But political theorists sought to dispel this myth long ago. Writing in 1966, Barrington Moore questioned this presupposition on historical grounds, as did Samuel Huntington in 1968. More recent history lends further credence to both authors’ view. Indeed, if the so-called ‘East Asian miracle’ taught us anything, it is that one-party rule and market-based strategies of accumulation can generate rapid and sustained economic growth and industrialisation under certain conditions. As the case of Singapore shows us, such regimes can indeed survive over the longue durée.

A second assumption – that the ‘hollowing out’ of Leninist ideology means that Leninist political institutions will collapse – is also suspect. The most fundamental precept of Leninist ideology is that the Communist Party is and will remain indispensable in perpetuity. This aspect of socialism is not trivial. It helps distinguish Leninist regimes from other sorts, yet it also causes confusion for foreign observers. Set against the backdrop of dynamic market economies, socialist rhetoric often rings anachronistic, incoherent and even absurd. But this in no way reduces the force of Leninist institutions, much less nullifies the significance of ideological activities. While the elaborate ideological frameworks that once encompassed every facet of social life in China and Vietnam have faded from view, party operations in both countries are by no means a sideshow. These parties still rule and their ideological activities retain force.

The final assumption is that the coercive capacities of the state will be pushed to a brink and implode. Communist parties in China and Vietnam have proved adept at refashioning the bases of their political rule thus far. Coercive collectivisation has given way to economic liberalism and political repression, of which the latter feature can be succinctly encapsulated in the sentence ‘socialism is whatever we say it is and precisely what it is doesn’t matter’ (Wallerstein and Gao, 2012). Such a combination is attractive not only to those in power, but also to the many millions who have benefited materially from rapid growth. There is freedom in consumption, even if that freedom is often illusory. Inequalities and corruption may present dangers but do not mean that Leninist political institutions will wither in the short-, medium- or long-term future.

Thompson’s (2002) taxonomy of varieties of post-totalitarian regimes in the wake of ‘communism’ furnishes a characterisation
fully consistent with the analysis presented in this chapter. There, he labels China and Vietnam, along with Hungary of the Kádár era and pre-1989 Yugoslavia, as instances of ‘consolidated hybrid’ regimes. Following Thompson, it is entirely reasonable to assert that post-totalitarian regimes constitute a real category distinct from other forms of political economy. It is also likely, as Thompson contends, that sustained economic growth and significant – if uneven – increases in living standards in China and Vietnam may ‘immunise’ these countries from political challenges (ibid.: 92). Yet at some point the prefix ‘post-’ and the label ‘consolidated hybrid regime’ do not tell us enough. China and Vietnam are best understood as consolidated market-Leninist regimes.

Conclusion

In this chapter I have sought to demonstrate that China and Vietnam might be best construed as developmentalist states or, perhaps more problematically, a specific variant of developmental state, with distinctive political institutions bearing specific consequences for the goals, conduct and outcomes of state policies. I have sought to show how attention to the nexus of politics and economy in the Chinese and Vietnamese cases – nationally and at local levels of governance – helps to delineate their distinctiveness as political economies, not only in relation to recognised developmental states but also with respect to varieties of capitalism in Asia.

Werner Bonefeld (2012) reminds us that in any country, an economy and its institutions do not exist independent of politics; capitalism (indeed any form of economy) is ultimately a political practice. For varieties of capitalism to have any meaning, there is a need to specify the political foundations of capitalism, for it is through politics that varieties of capitalism and their distinctive institutions emerge. The political economies of contemporary China and Vietnam are led by long-ruling communist parties who approach economic governance with uncommon developmentalist zeal. While it is fashionable to dismiss the significance of Leninism, it is precisely the combination of Leninism and markets that distinguishes China and Vietnam’s political economies from others in East Asia. The development and character of Leninist political institutions – organisational, ideological and cultural – in a world-political and economic context distinguish China and Vietnam from other varieties of developmentalism.
I have thus argued that China and Vietnam represent two instances of a distinctive form of political economy that is most appropriately understood as market-Leninist. The principal conceptual advantage of market-Leninism is that it captures essential features of these regimes in a way that alternative labels do not. In market-Leninist regimes, market-based economic institutions develop in subordination to Leninist principles of political organization. Party members mediate political and market opportunities, and maintain power through a variety of compliance procedures. A heritage of left-wing political culture and lore remains intact, and is used effectively, if cynically, in the defence of eternal one-party rule. This specific combination of institutional attributes and its attendant patterns of stratification distinguishes market-Leninist regimes from other forms of political economy and from other varieties of developmental states in particular.

Where, then, do contemporary China and Vietnam fit within the historical universe of political economies? I conclude that China and Vietnam are not appropriately construed as developmental states, at least in the conventional sense of that term. More importantly, I have argued that the reified institutional attributes by which developmentalism is defined distracts us from more important aims of understanding how the Chinese and Vietnamese political economies have been socially and politically constituted. The dynamic interplay of markets and Leninist political institutions in these countries, and its attendant effects on welfare, stratification and political consciousness, have generated outcomes absent in other Asian capitalisms.

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