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A story with three endings

Cross your fingers for the one that will work

VIETNAM, on a closer look, is one country. Despite civil war, regional disparities and growing differences of wealth, its national identity is strong. Useful as nationalism was for Vietnam in its recent heroic period, it is going to be less help — particularly in its anti-foreigner guise — in Vietnam's present struggle to overcome poverty and catch up with richer, less backward neighbours.

Vietnam's one power, the Communist Party, looks unbudgeable, but not unchangeable. Despite the name, it has scrapped pure communism and, like China, is pursuing market Leninism: a mixture of capitalist economics and communist politics. In the end this combination cannot work. The question is how and when it will end.

It might be that, at the cost of new isolation for Vietnam and lower living standards for its people, command politics could be saved by restoring command economics. But the market has probably already gone too far to be easily or peacefully abandoned. A second path would be for the Communist Party to risk a popular convulsion by resisting the demands for political change which economic freedom usually brings. The Communist Party would then either crack apart or, more likely, crack down, as Chinese troops did in Tiananmen Square or Burmese ones in the streets of Yangon (Rangoon).

A third, less melancholy, possibility is that Communist rule could evolve, as national and local assemblies got more say, as something resembling a rule of law spread down through courts and the administration, and as the Communist Party grew more representative of Vietnam's young majority, its women and its business people.

So long as enlightened Communists go on winning the argument and the party keeps a nose for public opinion, this path seems the likeliest. Suppler one-party government under laws would not be democracy. But it would be a step towards it, and not unusual for the region. For now, it looks the most desirable of Vietnam's available options — though there is a proviso.

When Vietnam's Communists first embraced the market, all they had to do to make the economy flourish was to step aside. Now they must cherish and foster the market more actively. Do they know how? Building physical infrastructure — roads, power-lines — is something communists understand. But the market infrastructure Vietnam urgently needs — financial intermediaries, a regulatory framework, a competitive environment for enterprises — is something they are still groping towards. For market liberals such as the prime minister, Vo Van Kiet, winning the argument against the economic old guard — or against simple inertia — is not enough. A new offensive is needed to keep market reform on track.

Silence those doubts

The ifs and buts mount up. Pile them on Vietnam's tiny GDP, and it can look as though hopes for Vietnam are all faith and no evidence. True, Vietnam has had over 40 years of war since 1945, counting Cambodia, during most of which north and south were subsidised dependencies. But that historic excuse for penury is weakening all the time.

David Hume, an 18th-century philosopher, urged sceptics to question their doubts as well as their convictions. Economically, most of Vietnam's now-thriving neighbours came from nowhere. Before its economic miracle South Korea in 1960 was scarcely richer than Vietnam. Vietnam's GDP has risen by over 8% a year since 1992 and is expected to go on growing fast. The Vietnamese are well-educated and hard-working. They may baffle Americans and Europeans, but Chinese and Japanese investors take them seriously. Vietnam may have more oil and gas than it lets on. And the country is sitting in the middle of the world's most economically buoyant region. The chances are that by early next century a Vietnam of perhaps 120m people will have grown into a handsome striped dragon.

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