

POINT OF VIEW

Between Hanoi And Havana

By [Jorge Castañeda](#) | NEWSWEEK

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At a recent meeting in Hanoi of a new global outfit called the Emerging Markets Forum, a group that is positioning itself as an emerging-economy, though business-oriented, alternative to Davos, participants were exposed to a fascinating perspective on the Vietnamese experiment. At the meeting—and during this writer's additional week touring the country—officials outlined a combination of rigorous one-party rule in the classic socialist style (including a Ho Chi Minh mausoleum indistinguishable from Mao's and Lenin's, and a completely official, propagandistic press) with freewheeling, swashbuckling, barely regulated market economics. Over the past 15 years, [Vietnam](#) has grown 8 percent annually, and last year saw more than \$18 billion in foreign investment—one of the highest totals in the world as a percentage of GDP.

Such an impressive performance (despite the current specter of rising inflation and slower growth) has led many to view the country as a model for nations now going through what Vietnam went through in the early 1990s after the collapse of the Soviet Union and the end of the Socialist bloc. Example A: [Cuba](#). Though Fidel Castro always regretted that the Vietnamese had become "revisionists" and "capitalist-roaders," it was his younger brother, Raúl, who managed Cuba's tight relations with Vietnam. When he traveled to Hanoi in April 2005 for the 30th anniversary of the fall of Saigon, he was said to be enthusiastic about what he saw. To Raúl Castro, Vietnam has even more appeal than China, because of the enormous difference in size. Many of his Cuban friends and allies would also love to see on the island the same kind of economic reform and strong growth as Vietnam, coupled with a firm grasp on power and stability by the armed forces and the Communist Party.

Alas, even a cursory overview of Vietnam's experience suggests that it would be a difficult if not impossible fit for Cuba. First, Vietnamese society is much more hierarchical, homogeneous and isolated from the rest of the world than Cuba's. Vietnam has fought off five of what it calls imperial intrusions over the centuries—the Mongols, Han Chinese, French, Americans and modern Chinese—thanks to its incredible discipline and self-sacrifice. Cuba is, perhaps endearingly, the opposite: diverse, chaotic, always looking for a way around a problem, and it coexisted with three eras of foreign domination: Spain throughout the 19th century, the United States until 1959 and the Soviet Union through 1989.

Second, private ownership of land, housing, businesses, scooters and cellular phones is widespread in Vietnam. In Cuba it is virtually nonexistent. The Vietnamese seem to have accepted a trade-off: free access to property,

consumer goods and relative prosperity—but no access to freedoms of any sort. Some Cubans might also agree to this quid pro quo, but many might not, which is why over the past two years Raúl has not dared to take any serious steps to legalize private property. If he did so, he fears, he might well lose control of the entire succession process. He just recently offered urban dwellers the chance to return to the countryside and receive land to till for 10 years, but they may not own, sell, rent or mortgage it. Cubans with full ownership of homes, small businesses, land or generalized access to communications might well decide to speak endlessly with other Cubans, and sell their private property to other Cubans: the ones living across the Florida Straits.

This, of course, is the third reason Cuba will never be Vietnam—and it is not a minor one. Vietnam has a population of 86 million; there are 2 million Vietnamese nationals living abroad, including many, but not all, in the United States. Many more are scattered all over the world. Some want to return, some don't; some are allowed to purchase property in their former homeland, some are not. But they do not figure significantly in the country's economic, political or international equation. Conversely, there are about 1.5 million exiled Cubans, almost all of them in Miami, a few hundred kilometers away from Havana. They represent nearly 15 percent of the total Cuban population of 11 million, and have remarkably close ties with family back home, despite half a century of travel, remittance and communications restrictions.

They will never have the satisfaction of overthrowing Fidel Castro, but they might well be able to buy a sizable chunk of his island if given the chance. The Castros probably can't continue to deny the right to own property forever, and once they open the door, attempts to prevent Cubans from selling to expats in Miami (or to persuade expats not to buy) are likely to fail. So if Cuba tries to go Vietnam's way, reforming the economy in order to hold on to political power, it may well end up in the worst of all worlds: without a national market economy, and without a democratic political system.

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