The Influence of Communism on Ethical Decision Making

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Previous studies have shown that communism follows different patterns in different countries around the world. China and Vietnam, where officials have jettisoned or abandoned many of the original basic tenets of communism, have been the world's two fastest growing economies over the past two decades. This paper focuses on the Communist Vietnam where in comparison to China, minimal research has been conducted. This paper explores how communist party values support ethical decision making. The hypotheses are presented in a propositional format as a first step in the development of a theory of the influence of communism on ethical decision making because the link between them is rarely explored. Relevant literature along with suggestions and implications for research are presented.

Keywords: Vietnam; communism; ethical decision making; business ethics; communism

Introduction

Ethical decision-making and socially responsible behaviors are becoming more important today than ever before as it often leads to more satisfied and productive employees who enjoy a better quality of life [1]. As such, this
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paper explores how communist party values may support Vietnamese in their ethical decision making. The hypotheses are proposed here as a first step in the development of a theory of the influence of communism on ethical decision making.

The gradual shift of economic power from the West to Asia and to China more recently presents a new and distinctive challenge to Western domination over global development discourse [2]. China and Vietnam have discarded many of the original basic tenets of communism [3] and they have been the world’s two fastest growing economies over the past two decades [4]. Moreover, by late 2008, amazon.com’s ranking of book sales revealed that the book of communist theory, Marx’s Capital had become a best seller. There is renewed interest in communism in both theory and practice [3].

Communist China was not only showing the rest of the world how a country could have impressively and continuously high economic growth rate but also was using some of the results of this growth to invest in western countries, including USA [3]. China is the largest socialist country and world’s second largest economy behind the United States [5]. The Chinese model might be increasingly attractive even in the worst global economic crisis since October 1929. China rapidly growing influences the rest of the world. China has a hybrid system and its own name in Chinese as ‘Zhongguo - the Middle Country’ [3]. Also, Chinese culture differs from that of the Western countries. Chinese culture has mainly been conceptualized as Confucianism, collectivism, and communist ideology [6]. The Chinese Communist Party’s (CCP) ideology, namely, Marxism–Leninism, Maoism, Deng Xiaoping Theory, and the theory of Three Represents, is a major source of influence in Chinese organizations, shaping management practices throughout the country. Communist ideals constitute a moral character, including: (a) commitment to abiding by the law and to avoid corrupt practices, (b) positive attitude toward the Chinese Communist Party and willingness to follow party dictates even when they conflict with one’s own personal views, and (c) positive attitude toward party political workshops held during working hours. China’s case indicates that communism, an institution or ideology, has moderated the Confucian influence on Chinese leadership.

The focus of this article is Communist Vietnam where in comparison to China, minimal research has been conducted. Vietnam is
generally grouped among other “post-socialist” or “post-communist” countries [7-11].

As the sole representative of the Vietnamese government, the Vietnamese Communist Party (VCP) is in a position to create and control its state-authored Vietnamese culture [12]. The VCP uses its power and Vietnamese culture as an expedient resource to assist in resistance to outside influence and preserving Vietnamese ideologies and principles and institutions governing routine social life. Communism has served the VCP with an ideology that placates dominant Party and state interests while retaining a concentration of power within the state [13]. Unlike other political parties, the VCP is today arguably as strong as ever in the national culture, and it has and continues to enjoy broad legitimacy across large segments of society.

There are lots of studies investigating the impact of national culture on ethical decision making. Culture has both a direct and indirect impact on ethical decision making [14]. National culture influences an individual’s intention to behave ethically [15, 16, 17...]. It is an important determinant of ethical decision making. Different cultural backgrounds may affect individuals’ ethical decision making [18].

In the case of Vietnam, we propose that communist values are a significant variables influencing Vietnamese ethical decision making.

The influence of communism does not appear to have been explored and thus the purpose of this paper is to propose a framework which links communism with business ethics in order to get a better understanding of how communism influences ethical decision making. The first section of the paper reviews prior research on definition of communism and Asian communism. In the second section, the Vietnamese Communist Party is reviewed in the role of creating and preserving “unique Vietnamese culture”. The third section develops hypotheses about the link between Vietnamese Communist Party values and business ethics. The research propositions have been developed on a judgmental basis but rooted in the personal experiences and observations of the authors.

**Communism defined**

Is an individual’s perception of business ethics a function of communism? To answer this question, it becomes readily apparent that we must first
define communism. It is important to discuss this upfront before reviewing the literature although it is not easy to define communism in simple terms. With the emergence of mixed economies in most countries around the globe, there is little agreement as to what communism is in the modern era [19]. Webster’s New College Dictionary defines communism as a social system often characterized by the common ownership of the means of production and sharing of labor and products. Graeber [20] defines communism as any relationship that operates on the principle of from each according to their abilities, and to each person according to his/her needs. Based on concept of belief, Chen [11] points out that communism require a more general commitment to a socialist ideology that favours social equality, cosmopolitanism, and scientific-technological progress. It refers to a specific commitment to Marxist-Leninist ideology as articulated in Soviet or East European regimes.

Communism originated from Carl Marx and was further developed by Vladimir Lenin after the Russian Revolution. One function of the Communist Party is to socialize the population in various ways [3], And this includes control of the education system, control of the mass media and direct communication with the citizenry during election campaigns. In countries such as China, the Communist Party has played major roles in the shaping of each country’s national culture [21]. The Chinese government’s policy indicates clearly the desire to cultivate a Marxist ideology and communist ethics in its youth. A ruling party’s ideology and accompanying rhetoric can have a major impact on citizens’ perceptions. Chinese people are able to accept communism as a guiding force in their lives. In communist countries, it is believed that individuals who have been indoctrinated in communist ideology are less likely to behave unethically.

Based on the above discussion, we propose that individuals who have experienced communism and have been heavily indoctrinated in its moral philosophy may behave more ethically.

Communism in Asia

Communism in Asia is not a new phenomenon. Its earliest beginnings extend back into the late nineteenth century, when a handful of young Asian intellectuals first came into contact with Marxism. The initial Communist Parties were established much later, but even this development took place
nearly a half century ago. Asian communist countries demonstrated a different pattern of transition characterized by gradual, experimental, phased and partial reforms as compared to former communist countries in Russia and Eastern Europe that were illustrative of neoclassical “big bang” or radical approach [22].

There are highly significant differences between the European and Asian Communism [23]. During 1989, Communism collapsed in South Asia’s Afghanistan, Germany and the rest of Eastern Europe. However, in Asia (China, Vietnam, Lao) communism seem to have succeed. Communism in Asia is still in power at this moment.

Business ethics, communist and Vietnamese culture

With a population of about 90.5 million, Vietnam is the 13th most populous country in the world [24]. Vietnam represents a collectivist and oriental culture [25, 26]. The individual is seen at a lower level than the collective group (the family, school or company). Strict guidelines are designed to protect the reputation of the group. Vietnam has been dominated by ruling elites, initially colonial forces, followed by the monarchy, which was succeeded by the Socialist and current Communist Party leaders. Wright [27] concludes that banks in Vietnam operate mainly on the strength of relationships.

Vietnam has no state religion [28]. However, there are three major religions which have a profound impact on Vietnamese behaviours, namely Confucianism, Taoism and Animism [29]. In 2003, Vietnamese religious communities had about 20 million people of different religions [30]. Most Vietnamese Buddhists belong to the Mahayana branch. The Theravada branch exists in Vietnamese ethnic communities living in the Mekong Delta region [28].

Business Ethics in Vietnam

Business ethics is a relatively new issue in Vietnam, and it began emerging after market-economy reforms, when Vietnam started to join in the internationalization and globalization process [24].

Previously, in the centralized planned economy [31, 32], all activities were conducted by the Government under the Communist Party’s
leadership. Most assets were state owned. Most employees were working for the State. They followed the higher authority’s direction. Managers had little power to play their leadership role. They were only instruments of State policy [33]. The discipline and salary system were simple and unified. It is easy to recognize the subordinate–superior relationship in organizations and the strict bureaucratic and hierarchical management system in society [34]. The paternalistic approach in management continues to play an important role in various governmental, public and private corporate organizations. ‘One of the distinctive features in the Vietnamese society is their indirect speech, resulting from the importance of saving face’ [34, p.3]. People try to avoid ambiguous situations by setting up formal rules, and rejecting deviant behaviours.

Along with the economic reform and open-door policy and joining the World Trade Organization, the Vietnamese cultural-socio-economic environment has undergone some significant changes. It respectively leads to a transformation in ideology and a sense of value. The move towards a market-oriented economy from a command economy and Confucian cultural philosophy has resulted in the mixture between collectivism and individualism [35]. For instance, Vietnamese employees lean towards individualism through a stronger emphasis on personal performance-based rewards rather than being rewarded for loyalty and group performance [36, 37]. The context of Vietnam is linked to modernization, advance technology and the influx of western management. This has led to an adaptation to western values and behaviors which are often considered as having more freedom and more publicity than in other Asian cultures. Under pressure of globalization, the Vietnamese mass media mentions business ethics quite frequently, but the understanding of the issue is still very vague, no official definition of business ethics has been offered.

Vietnamese Communist Party

Vietnam is a long lasting social communist country where one single Communist Party was established more than 80 years ago. Vietnam has a formal structure of a tripartite state with legislative, executive and juridical branches but with significant involvement of the VCP as a real decision making power. Vietnamese Communist Party memberships account for 3% of the population [38]. They are in key positions in all government agencies:
The National Assembly, Ministries, and Supreme Court. The Party’s Central Committee with a current representation of 160 members who are high-ranking leaders in the government system is a forum for strategic decision making.

The Vietnamese Communist Party has a monopoly of power, a tremendous control over society and a strong impact on the public administration system [39, 40]. The political system is ruled only by this one single party – the rule of the Vietnamese Communist Party [41, 42]. ‘Politobureaus and the Central Committee, which centre on the General Secretary of the party, have all of the ultimate power of decision because a single party commands the hierarchy of authority in all legislative, judicial, and governmental aspects’ [43, p. 9]. Communism has strict laws and enforcement according to the Party’s charter. The party organizations play leadership roles in all state activities to implement party policies [38, 44].

Citizens belong to mass organizations appropriate to their status such as the quasi-governmental Vietnam Fatherland Front, the Vietnam General Confederation of Trade Unions or Ho Chi Minh Communist Youth League. Party members leading such organizations educate and mobilize the masses through regular study sessions to implement party policies [45].

During the period of the centrally planned economy, the VCP directly controlled all state governance activities. After that, the transition into a market based economy decreased the role of Party and gave more power to the Government and the legislative institution [46]. However, those bodies are far from autonomous since almost all of the state leaders are Communist Party members. The Party’s Central Commission for Organization and Personnel appoints the Government’s senior personnel management and the National Assembly instead of the Prime Minister and National Assembly. Due to the high level of involvement of the Party in top personnel the state helps Party member government officials to comply completely with the Party’s principles.

The Party’s ideology and mind-set play a crucial role in shaping public opinion and social issue [38, 47]. The Communist Party of Vietnam has adopted Marxism-Leninism and Ho Chi Minh Ideology. The spirit of communism is “for the people, from the people and of the people” [48]. Communist Party members are recognized as high-ranking members who play exemplary roles in their daily work, and when faced with major issues [49]. They often place the Party’s interest above personal interest; the Party’s
interests are supreme. For Communist Party members, communist ideologies play an important role and are strong determinants of an individual’s values.

Communism seems to have become a very powerful force in the life of Vietnamese. It is apparent that communism has become a very significant variable in attempting to understand the psychology of Vietnamese. This suggests that communism influences the understanding and explanation of the behavior of Vietnamese. Hence, being a member of the Communist Party would have a positive impact on ethical perceptions and ethical behaviour.

Vietnamese culture

This section first describes how the VCP has established the Vietnamese culture and then explores why it differs from other national cultures. Vietnamese religions also have been analysed as a distinctively different from other cultures. Yúdice [10, p4] indicates that “the notion of culture as a resource entails its management”.

Firstly, the VCP introduced market socialism in the late 1980s. It is clear that the Party desires an additional layer of cultural and economic supervision during the period of rapid changing economy. Gainsborough [50] reported that “the (market) reforms have increased the economic decision-making responsibilities of local governments” (p. 2), leading to a stronger local governance decision making. While the VCP creates national economic, political, and cultural dictums, it is up to local governments to make sure that national cultural ideology is woven into the fabric of local policy and their constituents’ lives on an everyday, mundane basis [12].

Secondly, Government continues to give Vietnam’s state-owned organizations preferential treatment for accessing real estate, exempting tax or restricting private competition [50]. Unlike other neoliberal state governments, the VCP still controls the national marketplace in order to protect its economic interests, and developing profitable industries by tagging them with a label of “cultural importance”. The VCP’s cultural narratives have been constructed over time [51-55]. In the “Đổi mới” (renovation) era, the VCP still frames national culture on the basis of “Vietnameseness” (as opposed to “foreignness”) by creating a state-wide
tension between foreign cultural interlocutors and the enduring strength of a state-authored Vietnamese culture [12].

The presentation of the VCP’s Vietnamese culture is important and associated with market reform policies. The VCP has created an economy in which the cultural discourses of equitability, caution, and community play a role in drawing attention away from the state’s predatory economic actions, actions which create solvency for state-owned enterprises and challenge private, non-state businesses [12].

Vietnamese culture is almost unique and different than other Asian socialist countries including China. It is because the VCP keeps control power during reform process. ‘The nature of the Party in Vietnam may differ from the conventional stereotype of iron control’ [46]. The VCP “maintained its rule through a system of checks and balances operating around the principle of consensus” [56, p.16].

One other main difference between the Vietnamese culture and others is in terms of managing religions. In most communist countries, religions and religious activities were strongly discouraged, closely monitored or even formally banned in Albania in 1967 [3, 57]. However, in Vietnam, religious institutions are recognized and co-opted for nation-building and state-affirming purposes. Communist Party policies respect the people’s right to freedom of beliefs and religions, clearly state rights and duties of religious individuals and religious organizations [57]. Furthermore, Vietnamese religions and beliefs can be seen as a strong indication of the ideological orientation of the VCP. Nowadays, political leaders usually praise Vietnamese religious organizations for its achievements and contribution to the development of the whole economy.

Like Maoism in China, Ho Chi Minh ideology symbolized the nature of Vietnam’s modern cultural identity. Ho Chi Minh, a creative Marxist ideologist and humanist, is an exemplary modern communist of wisdom and intellect. Profoundly and completely believing in socialism and communism, Ho Chi Minh ideology reaches epochal heights. With his understanding of the Vietnamese people’s lives and destiny, he devoted his life to the salvation and development of his nation and people. Ho Chi Minh’s ideology is a result of the creative application and development of Marxism-Leninism in the conditions of Vietnam. Ho Chi Minh’s ideology is in close association with socialism which was developed from a practical viewpoint on development and renovation [58]. That is reason at its 7th National
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Congress (6-1991) the Vietnamese Community Party affirmed to take Marxism-Leninism and Ho Chi Minh thought as the ideological foundation and lodestar for its action [59].

Hypothesis development

Business ethics is "an application of general ethical principles to actual practical problems in the area of business" [60, p. 266]. Trevino et al [61] described behavioural ethics as concerned with the explanation of individual behaviour that is subjected to, or judged according to, the generally accepted moral norms of behavior and that occurs in the context of larger social prescriptions. Ethical decision making is a process by which individuals use their moral base to determine whether certain issues are right or wrong. Differences in ethical decision making means that underlying value structures differ [62].

As stated above, ethical decision making is influenced by national culture. National culture influences an individuals' intention to behave ethically [15-17]. Vietnamese culture is created and influenced by the Vietnamese Communist Party which helped the economy grow sustainability over the past few decades. Based on the aforementioned discussion and the apparent gap in the literature, we propose that communist values affect ethical decision making. Individuals with a high commitment to communism tend to recognize the ethical issues or problems more so than their counterparts. Based on the previous discussion, our predictions are proposed as follows:

**Proposition 1:** Individuals with a high commitment to communism tend to recognize the ethical issues or problems more so than their counterparts.

**Proposition 2:** Communist party members tend to behave more ethically than others.

Theoretical and managerial contributions

In this study, the authors reviewed communism in relation to ethical decision making. The authors believe that commitment to communism
significantly influences ethical decision making in communist countries. This article attempted to fill the gap in ethics literature by examining the link between communism and ethical decision making.

The findings of such studies can be incorporated in ethics training. With the increasing roles of communist countries in the global economy, individuals may increase their perceptions to ethical behaviour and enable them to anticipate the actions in future by learning communist ethics.

Following this analysis, empirical research now needs to be carried out to assess to what the extent communism affects ethical decision making. While much work lies ahead, this paper is offered as an initial contribution towards a theory of communist influence on business ethics.

**Conclusion**

Previous studies on communism and ethical decision making are patchy. Researchers try to make progress in contributing to the knowledge base of communist ethics in particular. This article contributes towards the development of business ethics norms and literature in Asia which we believe will continue to acquire an even greater importance in the coming decades.

**References**


