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Background Brief:

Vietnam's Anti-Corruption Campaign A Decade On

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We are preparing a series of reports on Vietnam's anti-corruption campaign on its tenth anniversary. We request your assessment of the following issues:

Q1. What is your observation about the anti-corruption campaign of the Communist Party of Vietnam (CPV) during the past 10 years, especially under General Secretary Nguyen Phu Trong's watch?

ANSWER: In late June, Vietnam held a national conference in Hanoi to review the campaign against corruption over the last ten years. According to a report by the Central Committee for Internal Affairs more than 2,700 party organisations and 168,000 party members have been disciplined over the last decade, including 7,390 party members charged with corruption. Of this number 137 were senior officials and 33 were members and former members of the party Central Committee.

While these numbers may sound impressive they do not enable us to conclude that the anti-corruption campaign has been a success. There are two reasons why we cannot reach an evaluation on the success or failure of the anti-corruption campaign. First, we have no way of knowing how extensive corruption is in Vietnam. It is like asking how long is a piece of string? Some analysts have characterised recent arrests in COVID-related scandals as the tip of the iceberg. Second, as the COVID-related scandals demonstrate, after nine years of anti-corruption efforts senior officials were not deterred in 2021 from acting corruptly.

General Secretary Trong is famous for declaring that there would be "no forbidden zone, no exceptions" in the struggle against corruption. An overview of the past ten years proves him correct. The anti-corruption campaign has spread in breadth and depth. Steering Committees have been set up in all of Vietnam's sixty-three provinces and five municipalities. And the victims of the anti-corruption campaign come from an ever expanding number of ministries and agencies most recently including health, foreign affairs, Hanoi people's committee, state securities commission, Ho Chi Minh City stock exchange, joint stock companies, retired coast guard officials, etc.

Q2. In China, Xi Jinping's anti-corruption campaign has been transformed into an exercise of power-consolidation for his office. Evidence is that he has been in power for almost 10 years. Do you see the same pattern in Vietnam with the General Secretary of the CPV - Nguyen Phu Trong?

ANSWER: Vietnam's case does not parallel that of Xi Jinping's China. General Secretary Trong, who groomed Tran Quoc Vuong as his successor, was expected to retire at the twelfth national congress. However, when Trong's protégé failed to get an exemption for the retirement age and therefore was unqualified to remain on the Politburo, Trong was given an exception to party rules setting a two-term limit on the same office and was re-elected for an unprecedented third term.

After Xi was re-elected state president for the second time, the rules were changed so that he could stand for a third term. It is highly unlikely that Secretary General Trong will be able to use his leadership of the anti-corruption campaign to gain a fourth term in office.

Q3. In Vietnam, Trong's anti-corruption campaign is believed that it is always convenient to accuse political rivals of being corrupt, and of course to eliminate them (for example: the former prime minister Nguyen Tan Dung). And moreover, the campaign will increase Trong's leverage to impose political loyalty and compliance upon Party officials in the future. What is your opinion?

ANSWER: In the years following Nguyen Tan Dung's retirement at the twelfth national party congress in 2016 it appeared that cronies who benefitted from his lax rule were the targets of the anti-corruption campaign. But with hindsight it appears that the anti-corruption campaign was casting a wider net and not aimed just at Dung's supporters. It should be recalled that Dung's son was elected to the Central Committee at the thirteenth congress.

Secretary General Trong's flagship initiative has been his party-building campaign of which the anti-corruption campaign is one part. He has revised party rules and regulations and produced a list of nineteen things party members should not do. Trong is motivated to reform party procedures to weed out incompetent and corrupt cadres not build a personal power base.

It should be noted that Trong did not try to merge permanently the posts of party General Secretary and state President after Tran Dai Quang's death. In other words, Trong's party-building campaign will be his legacy.

Q4. Many studies show that corruption is a part of the one-party system like Vietnam in which there is a lack of the rule of law, civil society and democracy. A one-party system has a monopoly of power and discretionary powers. Thus, it is not feasible that the CPV - the most powerful body - can run an anti-corruption campaign. What is your comment?

ANSWER: Corruption emerged as a serious problem as Vietnam jettisoned its socialist system of central planning to create what is called today a socialist market economy. Reform of Vietnam's economic system led to the privatisation of state-owned enterprises, the influx of foreign investment, and the creation of large general corporations. While the economic system changed, Vietnam's political system remained a one-party state. Vietnam lacks the checks and balances necessary to identify and curb corruption such as an independent press, police and judiciary, and a vibrant civil society. While progress has been made since the early 1990s to modernise the legislative system and create a "law governed state," party committees at all levels

and all institutions rule the roost. This is clear from the number of party committees disciplined for failing to take action against corrupt cadres under their supervision.

Q5. Interest groups influence public policy in its favour usually by lobbying members of the government. This disproportionate and opaque interest group influence may lead to administrative corruption. Is this also a case in Vietnam?

ANSWER: This is an understudied area as far as Vietnam is concerned. What is the difference between individuals and groups that “give” and seek something in return (xin cho)? And what is the difference between “rent seekers” and interest groups (nhóm lợi ích)?

It is clear in Vietnam’s case that local leaders often hold dual positions such as Secretary of the Ho Chi Minh City party Committee as well as chairman of the Southern Sea Food Corporation. There is abundant evidence that business interests pursue a “xin cho” approach to dealing with government officials. However, the academic literature is unclear whether bribery is functional or dysfunctional to economic growth.

In sum, bribery is pervasive in Vietnam and is factored into the business calculations of private enterprises dealing with government officials. Despite Vietnam’s efforts to reduce corruption, Vietnam languishes in eighty-seventh position of 180 countries surveyed for corruption by Transparency International in 2021.

Q6. As you describe, Trong is as tough as nails in terms of restoring the CPV’s moral authority. He’s willing to reform the party and send his peers to prison for greater goals. Why is there still a paradox that current officials don’t seem to fear the “blazing furnace” enough to go clean? What is the root cause of corruption in Vietnam and why, to some extent, has Trong failed to put his peers in order?

ANSWER: General Secretary Trong groomed Tran Quoc Vuong as his successor. Vuong strongly supported Trong’s anti-corruption campaign as his road to higher office. Vuong failed to get support from the Central Committee because provincial representatives voted against him fearing Vuong’s commitment to the anti-corruption campaign would destabilize politics at the provincial level. In today’s Vietnam provinces are still likened to “independent kingdoms”.

It should be noted that many cases of corruption date back several years and have only been prosecuted recently. Other party officials continue to engage in corrupt practices because they feel the profits to be made outweigh the costs and because they believe they have support of higher ups in the party hierarchy that will protect them and their networks, particularly if these higher-ups are involved in corruption themselves.

The root cause of corruption is the lack of effective independent checks and balances on senior officials. If they have support from higher ups, they feel they are untouchable.

Anti-corruption is a work in progress. It is a continual struggle to root out and punish corrupt officials. The incentives to engage in corruption can be lowered but not eliminated entirely. As long as Vietnam remains a one-party system the anti-corruption campaign will always be based on political considerations rather than the

rule of law. In sum, corruption exists in Vietnam because Vietnam is a system of rule by law rather than a rule of law.

Q7. People expected that Trong would punish Dung's allies, but you said that the anti-corruption was casting wider net. Is it fair to say Trong does not use his anti-corruption campaign as a tool to eliminate his political rivals? Do you really think he has good will and intention on cleansing Vietnam of corrupt officials?

ANSWER: In 2012, Trong succeeded in gaining support from the Central Committee to transfer responsibility for the anti-corruption campaign from the Prime Minister to the Central Steering Committee on Corruption Prevention and Control. The reason for this is that the anti-corruption campaign under Nguyen Tan Dung was lacklustre. When Trong took control there was very little distinction between corrupt officials who supported Prime Minister Dung because they benefitted and other corrupt officials who benefitted from the lack of strict enforcement.

Nguyen Phu Trong's entire career is been shaped by his experience in party-building. There is no evidence he is personally corrupt. He expects party members to have high moral and ethical standards. That is why he has revised party rules, regulations and directives to press home his anti-corruption campaign. Trong is among a group of higher-level officials who view corruption as the greatest threat to the legitimacy of the CPV.

Q8. In 2015, what is the reason that Trong prevailed over Dung and gained a second term as general secretary and then an unprecedented third term?

ANSWER: There are two parts to this answer. First, Trong prevailed over Dung because he revised party rules that made it impossible for Dung to nominate himself for higher office from the floor among delegates to the twelfth national party congress. Dung had to accept the list of candidates approved by the outgoing Central Committee.

Second, Trong's chosen successor, Tran Quoc Vuong, was rejected by the fifteenth plenum of the Central Committee in November 2015. This set off intense negotiations between the party wing and the government wing of the CPV to find a replacement. A grand compromise was reached. Trong would be given an exemption and allowed a third term as party leader. Prime Minister Nguyen Xuan Phuc would be elevated to the office of state President.

Q9. Do you think during Dung's tenure, the government wing was more powerful that he could deploy his people to provincial levels – independent kingdoms as you described? As a result, separatism emerged in the government wing, police wing, and military wing causing a threat to the CPV and Trong's ideology? Is it the reason why Trong punished generals, senior police officers, ministers... harshly?

ANSWER: During Nguyen Tan Dung's tenure the Office of the Prime Minister, including advisors to the Prime Minister, became more powerful than the party in terms of policy making, budget and human resources. Prior to *doi moi*, the party Central Committee had many central commissions that paralleled the ministries under the Council of Ministers. Over time these were reduced in number. The Prime Minister's power expanded over the state bureaucracy and to the provinces because of his control over their budgets. The CPV lost the ability to exercise effective supervision and control.

Prime Minister Dung was a “Vietnam first” politician (I used that expression before Trump came to power in the U.S.). Dung let General Corporations expand well beyond their core interests. Anything that turned a profit was welcome. Dung exerted little supervision and networks developed that pursued their own interests not the national interest. The corruption scandals involving Vinsahin and Vinalines are examples. The military was always independent through its own all-army party system. The Ministry of Public Security was virtually untouchable.

After Dung retired, General Secretary Trong used his party-building and anti-corruption campaigns to claw back power to the CPV. He shifted control of the Anti-Corruption Committee to the party’s Central Steering Committee on Corruption Prevention and Control and then moved methodologically to dismantle corrupt networks that operated without firm party supervision and control. For example, he removed Politburo member Nguyen Van Binh as head of the Central Economic Commission to assert greater control over economic policy.

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