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## **Background Briefing:**

### **Vietnam's Anti-Corruption Campaign**

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**December 22, 2017**

We request your assessment about the recent arrest and prosecution of Dinh La Thang.

Q1. Were you surprised by this new development?

ANSWER: The arrest of former Politburo member Dinh La Thang is surprising because it is unprecedented. He was guilty of ineffective administrative oversight of corrupt officials for whom he had responsibility as CEO of PetroVietnam. If we look at the disciplinary cases of other members of the Politburo we can see that three - Nguyen Ha Phan, Tran Xuan Bach, and Le Hong Anh – were dismissed and Trung Tan Sang was reprimanded. None were subsequently arrested and prosecuted. Japan's *Nikkei Review* misleadingly gave the example of Hoang Van Hoan. Hoan committed treason against Vietnam and was sentenced to death in absentia. The arrest of Thang indicates that the party leadership views failure to exercise proper supervision when in office as a serious offense.

Q2. Some analysts argue that the cases related to Thang and Trinh Xuan Thanh show that Secretary General Nguyen Phu Trong is wielding his iron fist like never before. Do you agree?

ANSWER: The two cases – Dinh La Thang and Trinh Xuan Thanh – are unprecedented because of the actions taken against both individuals. They are an indication that the party leadership and the party Secretary General take large scale corruption seriously and are going after those directly involved such as Thanh and those who failed to exercise proper supervision, such as Thang. We will have to wait to see what sort of penalties these two individuals will have to pay.

Q3. Some analysts argue that Nguyen Phu Trong is targeting those who were close to former Prime Minister Nguyen Tan Dung, and that the corruption crackdown is politically motivated. Do you agree?

ANSWER: It is clear during the ten-year period when Nguyen Tan Dung was prime minister that there was massive corruption that caused the state great financial losses and affected Vietnam's reputation abroad. It is also clear that massive corruption in the millions of dollars alone would justify taking action against those directly involved. It is my assessment that legal and economic reasons were the prime motivations.

Q4. Secretary General Trong's anti-corruption drive, as demonstrated by the Thang and Thanh cases, seems to resonate with what is going on in China. It is not surprising that Vietnam is copying, as some argue, its northern neighbor?

ANSWER: Vietnam and China are socialist countries that are developing rapidly and opening to the world economy. To a certain extent they share similarities and the emergence of corruption may be a feature of their development model and the lack of effective regulatory bodies. It would be surprising if Vietnam's leaders did not study Xi Jinping's anti-corruption campaign to determine what lessons can be learned. However, Vietnam has always been careful to adapt foreign lessons to the particular circumstances of their own country. In the 1950s, for example, Vietnam developed agricultural producers' cooperatives (hợp tác xã) but did not follow China in creating communes. The biggest difference between China and Vietnam regarding the anti-corruption campaign is that Xi Jinping has accumulated unprecedented power as party General Secretary and state president. Vietnam has a collective leadership under the party Secretary General.

Suggested citation: Carlyle A. Thayer, "Vietnam's Anti-Corruption Campaign," *Thayer Consultancy Background Brief*, December 22, 2017. All background briefs are posted on Scribd.com (search for Thayer). To remove yourself from the mailing list type, UNSUBSCRIBE in the Subject heading and hit the Reply key.

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