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Graft genie well and truly out of the bottle; Kickback scandal could hijack political showpiece

David Marsh in Hanoi

While the Vietnamese Communist Party's five-yearly congress unfolds this week with its customary pomp and rhetoric, a new term is on the lips of millions of ordinary citizens: PMU18.

It stands for Project Management Unit 18, the transport ministry department at the epicentre of a major state corruption scandal that has threatened to hijack the country's most important political event.

Even apolitical young Vietnamese now nod knowingly at mention of the term. Called the worst scandal to hit post-war Vietnam, the PMU18 case has dominated the state-controlled media for weeks. A search on the internet for the once-obscure agency's acronym now garners 258,000 hits.

Even a pre-congress press conference arranged by the party last week was dominated by the subject as domestic reporters repeatedly brought it up.

"I think PMU18 has gone beyond what the party expected," said one foreign diplomat. "It must have an impact on the congress itself."

How did such a controversy erupt at such an inopportune time for Vietnam's ruling party? And what does it mean for the country's widely hailed successes in climbing out of poverty? PMU18 hit the newspapers in January with allegations that its director, Bui Tien Dung, had gambled US\$2.4 million of state funds on football matches in just two months.

Since then the case has mushroomed. The big-ticket construction agency, responsible for a reported US\$2 billion in roads and other public projects, was alleged to have engaged in a wide range of kickbacks and graft that may extend to other government agencies. PMU18 gets some of its funding from foreign aid, and donors are also demanding answers.

Earlier this month it finally forced the resignation of transport minister Dao Dinh Binh, also a member of the Communist Party's powerful central committee, and investigations into the matter are continuing.

The scope of the scandal has startled many Vietnamese, but the general problem of corruption in Vietnamese society is anything but a secret.

People are accustomed to paying small bribes to traffic police, doctors, licensing officers and many other front-line civil servants. In a foreign-assisted survey last year, more than half of surveyed state officials across several branches of government said their supervisors engaged in corruption.

Vietnam was ranked 102nd of 146 countries in Transparency International's most recent Corruption Perceptions Index.

"With the uncovering of [PMU18] it seems like corruption is getting worse, but it has been prevalent in Vietnam for long time," said Vo Khanh Vinh, a law professor at Hanoi's Institute of State and Law.

What's happening with PMU18, he said, is that Vietnam's economic development is now making it "strong enough to carry out" long-standing laws against corruption.

Mr Vinh stressed that the media's unusually aggressive role in uncovering the case would not have been possible without the co-operation of well-placed party officials.

Under Vietnam's secretive power structure, it may never be clear how much of the unveiling of PMU18 may have been orchestrated by the party itself. But one foreign diplomat said he would be "astounded" if the apparent surge in press freedoms were to continue.

"It's difficult to put the genie back in the bottle as it were, but they can do it," he said ■