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COMMENTARY

Vice in Vietnam

 By **CARLYLE A. THAYER**
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A major corruption scandal in Vietnam took center stage at this month's carefully choreographed 10th Party Congress in Hanoi. Even the government publicly professed concern. In his opening address to the delegates, Secretary General Nong Duc Manh said widespread graft is "one of the major risks that threaten the survival of our regime." Still, Vietnam's leaders don't seem to realize that they can't get to grips with the problem without addressing its source: Their one-party rule.


The significance of the latest scandal goes far beyond the amount involved -- namely, more than \$7 million embezzled by top officials in a division of the Ministry of Transport and Communications known as Project Management Unit 18 (PMU 18). This was no run-of-the-mill corruption ring, which is probably why the Vietnamese media was given the rare freedom to report the revelations. The money was stolen largely from the World Bank and Japan, which in turn, were funded by domestic taxpayers. Theft like that may make foreign donors think twice before committing further funds. Even more important was the extremely high-level nature of the officials implicated.

Vietnamese press reports reveal a group of well-connected party officials whose corruption ring boasted tentacles throughout Vietnam. Among those implicated are outside contractors, provincial officials and fixers who provided bribes to state-audit agents, police and court officials. The ring also reportedly extended upward from the transport ministry to other more powerful institutions, including the Ministry of Public Security and the Government Office, another high-level ministerial body.

Already, the minister of transport and his deputy have been forced to resign. But in a particularly embarrassing twist for the leadership, two of the senior officials implicated in the corruption ring had been endorsed by the Central Committee as candidates for "election" to this powerful party body. After the scandal broke, their nominations were quickly revoked before the April 18 opening of the 10th Party Congress, at which the new Central Committee was chosen.

That alone was enough to cast a shadow over a Congress the Party had hoped would shine the spotlight on the country's impressive economic performance. Like their Chinese counterparts, Vietnam's Communists have long since abandoned ideology in favor of rapid economic growth as the key to their survival. It's worked, so far. Over the past five years, Vietnam's GDP has grown just under 8% annually. Vietnam has also begun to attract record amounts of foreign direct investment. Last weekend's visit by Microsoft founder Bill Gates offered further evidence that the

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country is beginning to be taken seriously as an emerging economic powerhouse.

But all these achievements have been swept aside for the moment by the PMU 18 scandal. In one recent revelation, it emerged last week, just as the Congress was getting underway, that the son-in-law of Mr. Manh, the Party's secretary general, had worked for PMU 18. However there was no indication that he was involved in the corruption ring. The timing of this revelation, coupled with the unprecedented play being given to PMU 18 revelations in the normally tightly controlled Vietnamese media, suggests that some in the Party are using the scandal to try to undermine the current leadership.

That would be par for the course in Vietnam, where anti-corruption campaigns have long been used as a political football, so hindering any serious attempt to get to grips with the problem. For those leaders seeking another term in office, taking a tough public stance against corruption serves to bolster their public image. Other leaders have jumped on the anti-corruption bandwagon to advance their careers and to hobble their opponents. Rumors have repeatedly been circulated before previous Party Congresses implicating the families of several senior Communists in corruption scandals.

The Party's track record gives no grounds for optimism that the current drive against corruption will be any more successful than its previous attempts. After all, the Party first identified corruption as one of the four major dangers confronting its rule at a Party conference in 1994. But 12 years and two Party Congresses later, high-level corruption remains as entrenched as ever.

Simply dealing with individual cases as they arise will not solve the problem. Large-scale corruption in Vietnam centers on patronage networks of high-ranking party officials, their families and in laws. Generally, these networks remain outside the law. When excesses are discovered, they are dealt with by the party behind closed doors. For example, 12 members of the current Central Committee have been disciplined by the party for their involvement in corruption. But few of them have been formally charged and tried in court. Even when they were, the cases received only cursory mentions in the state-controlled media, in stark contrast to the blitz of publicity that followed the PMU 18 revelations.

Changing the Vietnam Communist Party, which rejects the separation of powers and relies on arbitrary one-party rule, is crucial. A tiny unelected leadership controls the executive, legislature and judiciary. These bodies do not operate independently from the party and can only act when high-level leaders give the go-ahead, making the exposure of corruption a highly politicized and arbitrary affair. The only way effectively to address entrenched corruption is to create autonomous institutions independent of the party that can investigate, prosecute, adjudicate and punish corrupt officials no matter what their rank. The press also needs to be free to report on corruption without fear or favor.

These reforms would require Vietnam's Communists to give up their monopoly on the instruments of power, something today's leaders remain unwilling to contemplate. While continuing corruption may be a threat to the party's grip on power, tackling it properly would pose an even bigger threat.

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