Countries at the Crossroads 2012: Vietnam

Introduction

Vietnam, once a Stalinist state, has since the collapse of the Soviet bloc undergone a series of economic reforms including the suspension of central planning, decollectivization of agriculture, removal of restrictions on private trade and enterprises, and promotion of foreign trade and Western investment. These reforms were not a calculated turn toward democracy, however, but rather were cautious experiments in the face of a near-collapsed economy and a society mired in poverty and exhaustion after decades of warfare.

By gradually removing the economic barriers of the earlier model, the reforms have brought significant economic growth and reduced poverty substantially. Vietnam remains poorer than most Southeast Asian countries, though gaps with its neighbors have narrowed. Two decades after reforms began, Vietnam is deeply integrated into the global economy, primarily as a provider of inexpensive labor that is not protected by independent unions or robust regulations. Integration into the global economy has helped reduce the state’s control over culture, as evidenced in the revival of mainstream religions and the spread of consumerism.

The legacies of Stalinism remain deeply entrenched, however. The ruling Vietnamese Communist Party (VCP) still claims to adhere to Marxism-Leninism and rejects any meaningful reform. The structure of the one-party, totalitarian state is essentially the same despite superficial modifications to align laws and institutions more closely with international norms. Law is used as a tool of administration, but VCP officials are above the law. The government retains control over land and ownership of enterprises in all major sectors of the economy. This control enables officials to profit from market reforms. Over time, the VCP has morphed from a revolutionary Leninist party into a huge patronage network through which central and local officials share power and privileges. Although economic growth initially increased the regime’s legitimacy, in recent years growth has slowed markedly and inflation has soared to double digits, in part because of the global financial crisis and in part due to wasteful state spending and poor macroeconomic management. The recent trends have led to declining living standards for most Vietnamese citizens. Popular anger directed at the state’s predatory practices of extorting private enterprises, seizing land from farmers, and forcing workers to accept low wages and poor working conditions is now widespread and deep.

As Vietnamese society has opened to information and contact from the outside world, new political challenges to the party-state have emerged. Farmers’ protests and workers’ strikes are now common, and are often joined by urban citizens angry with police corruption and brutality and intellectuals fed up with restrictions on their freedom. This presents a strategic dilemma for the party-state: while it has recently bolstered its security forces, the use of brute force to suppress dissent raises the possibility of Western economic sanctions. However, many party leaders, for whom memories of Gorbachev’s political reforms on the Soviet Union are still fresh, are reticent to introduce political reform. There is thus considerable disagreement within the party’s leadership over how to cope with rising social unrest.

Domestic problems are compounded by foreign relations. Vietnam has greatly expanded relations with the West, but the VCP wishes to maintain a close relationship with China because of their shared ideology and similar political systems. Vietnam’s relationship with the U.S. remains guarded and tense, especially when American officials have criticized Vietnam’s poor
human rights record. At the same time, China has since 2005 aggressively advanced its claims over disputed territories in the South China Sea. Vietnamese fishermen are now regularly harassed and sometimes killed by Chinese patrol ships. As of 2012, the VCP is under heavy popular pressure to move away from China and closer to the West, which would expose the country to Western pressure for political reforms. This remains a deeply divisive issue for the party’s leadership.

Accountability and Public Voice

Vietnam’s political system is modeled after the Soviet system. The VCP dominates the core of the state; its members occupy practically all leadership positions in various state organs, from the central government to village governments, from the National Assembly (NA) to Village People’s Councils, and from the armed forces to state-owned enterprises. Important personnel and policy decisions are made in party meetings. The VCP’s absolute domination over the political system is written into the constitution—political organizations independent from the VCP are not permitted and expression of support for a multi-party system is legally a crime against the state.

The party is assisted by national mass organizations including the Vietnam Women’s Union, Vietnam General Federation of Labor, Farmer’s Union, and Ho Chi Minh Communist Youth League, whose chief functions are to mobilize their constituencies to support party policy. All of these organizations were created by the VCP and their officials appointed by the party. The party’s rule over culture, intellectual life, and society overall is exerted through the state-owned media; party organizations in all schools and colleges; national associations of writers, artists, and scientists; and neighborhood party organizations. There are special police departments to monitor and enforce cultural control over writers, journalists, scholars, and even students studying abroad.

With a membership of 3 million, the VCP is organized as a centralized hierarchy dominated by the 14-member Politburo. In theory, the VCP operates according to the Leninist principle of “democratic centralism” but in reality power is concentrated at the top. The Politburo convenes the 175-member Central Committee twice every year to discuss major policy and personnel issues, and organizes a national party congress every five years to “elect” a new Central Committee. (In principle the Central Committee is to be elected democratically by the party congress, but in practice most new members have been selected in advance by the Politburo with inputs from the outgoing Central Committee). At the 11th national congress in January 2011, 175 candidates out of 218 were elected to the Central Committee.¹ The ratio of candidates to seats in this congress increased by 20 percent compared to the 10th congress in 2007 (174 candidates for 160 positions). A few incumbents were not reelected despite being nominated by the outgoing Central Committee or by Congress members. The party claimed these cases as evidence of greater party democracy,² but they were likely instead a result of intense rivalry among various patronage networks within the top leadership.³

The Politburo divides the top jobs in the state among themselves, including the State President, Prime Minister, NA Chairman, Ministers of Defense, Public Security, and the first Deputy Prime Minister. The Politburo is assisted by special party commissions in the areas of organization, intelligence, business and finance, foreign affairs, military affairs, ideology-culture, mass mobilization, and inspection. These commissions, which employ thousands of bureaucrats, oversee the state ministries and supervise secret businesses to earn income for the party coffers. One of the largest businesses owned by the central party is An Phu Corporation that makes
money in upscale real estate and in the export/import of rice, coffee and steel. (Local party organizations own businesses too: an example is Ho Chi Minh City Party’s Saigon Petro, which owns all the retail gasoline outlets in the city and which is one of the largest companies in this largest city of Vietnam). A party resolution in 2007 ordered the transfer of all these businesses to government control but this appeared to be a tactic to deal with the rules of the World Trade Organization that Vietnam joined in 2006 than coming from Party’s willingness to let them go.

There are popularly elected institutions in Vietnam, including the 500-member National Assembly (NA) and the provincial, district, and village People’s Councils, but these are primarily mechanisms for legitimizing the communist dictatorship. The NA is elected every five years with universal and equal suffrage. The Constitution requires citizens to vote as elections are a means for the government to showcase symbolic support from its people. A failure to vote could result in denial of certain government services such as local government’s certification of residence required for job application. This regularly generates voter turnout rates of more than 99 percent. The right to vote itself is not meaningful, however, because of the carefully managed electoral process that guarantees, with few exceptions, that only VCP-supported candidates are elected. The nomination of candidates is designed to ensure not only the submission of the NA to the VCP, but also the representation of certain socio-political groups (women, ethnic minorities, youth, military, non-party individuals, etc.) in the assembly.

NA elections were held in April 2011 to elect 500 members from 827 candidates. Turnout was 99.51 percent. The ratio of candidates per seat was 1.65, slightly below that of the previous election (1.7). Among 15 self-nominated candidates, four businesspeople were elected. This was a big increase compared to the previous election, when only one self-nominated candidate was elected, but the percentage of self-nominated members in the new assembly is only 0.8 percent. The number of non-VCP candidates elected was 42, accounting for 8.4 percent of NA members, a slight decrease relative to the previous assembly. It is important to note, however, that the VCP itself nominated almost all of the non-VCP candidates, so their victories do not represent failure on the part of the VCP.

Because voters cannot abstain from voting and the government controls the list of candidates, the right to vote is effectively reduced to the right to reject some VCP candidates. In the 2011 election, 15 of 182 central candidates were not elected, including seven incumbents and one chair of an NA committee. Locally 306,068 members of People’s Councils at all levels were to be elected out of 472,528 candidates. Although there were more candidates than seats, not all positions were filled because of voters’ rejection, and the number of unfilled seats increased at lower levels: eight at the provincial level, 47 at the district level, and 2,962 at the village level (these unfilled seats were filled by by-elections within 20 days). This is modest evidence of voters exercising power in a system that prevents them from fully exercising their political choices.

The NA has three legislative functions. First, there are full-time deputies working in nine legislative committees, which review draft laws submitted by the government. The number of deputies working full-time on legislation is projected to increase from 29 percent during 2007-2011 to 33 percent during 2011-2016. With more staff time devoted to legislation, draft laws submitted by government bureaucracies are subjected to greater scrutiny. However, the bureaucracies have far greater resources at their disposal than the NA to draft laws. For example, the NA’s economic committee has about 86 staff members, while a single ministry such as the Ministry of Planning and Investment commands 300 staff, the General Department of Statistics, and two research institutes.
The NA’s second legislative function is participation in televised sessions during which deputies question cabinet members on policy. This allows deputies to publicly raise issues of constituent concern and potentially pressure cabinet ministers in front of millions of television viewers. In most cases, the mechanism is more symbolic than substantive, given short time limits and the ease with which ministers can evade difficult questions. The case involving the bankruptcy of Vinashin, the state shipbuilding corporation, revealed such limits. Despite the loss of billions of dollars due to corruption and lack of government oversight, televised NA calls for investigation failed to force any ministers to accept responsibility. In response to public outcries, top management of the corporation was brought to trial and received jail sentences, but no higher officials were punished.

The third legislative function of the NA is approval of laws, budgets, and major investment projects proposed by the government. While debates prior to voting are sometimes intense, only rarely has the NA rejected a government proposal. One example of such a vote involved a high-speed rail project, in which the NA’s rejection was possible because of disagreement within the Politburo. In other similarly controversial cases, such as the bauxite mining projects, the majority of NA deputies expressed disapproval but most eventually voted to approve after being ordered to do so by the Politburo. Party members, who account for 90 percent of NA deputies, are required to be loyal first to the party platform, party constitution, party resolutions, and to state laws last. Public expression of disagreement with party policies by a high-ranking member almost certainly results in severe punishment, including being expelled from the party and possible life-time house arrest.

Roughly 90 percent of NA deputies are VCP members and under the absolute control of the Politburo, and the NA should be viewed more as an extended central committee of the party than as a popularly representative institution. The NA’s increasing role in the system enables laws and policies to be made in a more institutionalized manner with the participation of a broader group of actors, but the NA is not a check to the VCP’s power. The Vinashin case, for which Prime Minister Nguyen Tan Dung bore the chief responsibility but escaped unharmed, indicates that he has accumulated far more power than his predecessors ever had. The only check to his power appears to come from his Politburo rival, State President Truong Tan Sang.

Civil society has grown rapidly in Vietnam in the last five years but still does not function as a check on state power. The state has relaxed its control over expressly apolitical nonprofit organizations, resulting in their recent boom. According to a 2008 Asia Foundation-funded survey of 79 such organizations, most focused on projects for poverty reduction, community development, environmental protection, and agricultural, forest, and aquaculture management. The survey concluded that, “the activities of most NGOs lacked character, well-defined functions, and clear impact on society. Their visions, strategies, and future orientations remained vague.” Although most organizations expressed interests in influencing policy, few were able to do so in practice and their participation in the policymaking process was limited to the commune level. More recent reports are not available, but the situation is unlikely to have changed for these groups.

For individuals and groups that seek to influence policy at the national level, recent years have witnessed more hostile attempts at crackdown by the government. The national environment for civic group participation and monitoring suffered a serious setback in July 2009 when Prime Minister Dung issued Decree no. 97, which restricted the allowed activities for private organizations engaging in scientific and technical research. The decree also prohibited those organizations from making public their assessment of public policy. In response to this
decrees, the Institute for Development Studies, Vietnam’s only private think tank, was forced to dissolve. Academic conferences on such topics as Vietnam’s sovereignty over the Spratlys and women’s experiences during the war were abruptly ordered to cancel, or disbanded by police while going on.\textsuperscript{22}

As with civil society groups, control over the media is one of the main pillars of the communist dictatorship. Control is exerted not by censorship but by three other means. The first means is through ownership of mass media and appointment of editors. Only an official organization can own a newspaper or publish/broadcast mass-media materials; no private owners are allowed. Editors must be VCP members who receive salaries and benefits as ranking state bureaucrats. They must participate in regular party meetings and are accountable to their superiors not only professionally but also politically. The second means of control is through regular guidance and on-the-spot interventions. Officials from the Party Central Commission on Propaganda and Education hold weekly meetings with editors of major media groups to lecture them on what to report and how to frame certain events. In addition, commission officials scour the media every day and make direct phone calls to editors and journalists to issue warnings or to order the immediate removal of online content deemed politically incorrect. The third means of control is through the cancellation of professional credentials, closing of newspapers, and firing and prosecution of editors and journalists. This means is rarely needed simply because the party-state bureaucracy is effective in filtering out individuals with weak loyalty to the VCP at early stages in their careers. Still, some courageous editors and journalists have dared to push the envelope. In April 2009, the magazine \textit{Du Lich} (Tourism) was closed for three months for publishing an article critical of China, and its editor was fired.\textsuperscript{23}

Vietnam’s number of internet users continues to increase to about 27.6 percent of the population by 2011 compared to about 25 percent three years before. To keep up with the situation, the government established a new department within the Ministry of Information and Communication in 2009 to control the internet, and issued a decree in January 2010 aimed to bring online media under the same control imposed on traditional media.\textsuperscript{24} This decree placed many political restrictions on media content with fines of up to $2,000 for violations. It offered protection only to “registered journalists.” To avoid government pressure, Yahoo Vietnam closed down its Yahoo! 360 service in 2009 that had been highly popular to bloggers.\textsuperscript{25} In May 2010, police general Vu Hai Trieu boasted in a closed-door meeting of journalists that the police had hacked into and destroyed 300 websites and blogs presumably with anti-government content.\textsuperscript{26} Bloggers critical of the government continue to be harassed and arrested. The Committee to Protect Journalists ranked Vietnam in 2011 as the world’s 6\textsuperscript{th} worst nation for bloggers and 5\textsuperscript{th} worst jailer of journalists.\textsuperscript{27} By the end of 2011, nine journalists were in jail.

\textbf{Civil Liberties}

According to the law, Vietnamese enjoy adequate human rights protection. In practice they do not, however, particularly with respect to state terror. Police brutality in Vietnam is both systematic and widespread.\textsuperscript{28} The local press reported 19 cases of police brutality in 2010, 15 of which led to suspicious deaths in police custody. Most victims committed only minor offenses, including the failure to wear a helmet. In the majority of cases the police attempted to cover them up and offered compensation to victims’ families for settlement. In two recent cases, online publicity and a riot by families of victims led to investigations and prosecutions of those
responsible. In the case involving Mr. Trinh Xuan Tung, the victim’s family and friends used the internet effectively to create an online public outcry, forcing the government to expedite the investigation. In the case of Mr. Nguyen Van Khuong, a riot involving hundreds of Bac Giang residents to protest the killing also played an important role in the government’s willingness to bring the culprit to trial. A police colonel involved in the first case received a 4-year prison sentence, and a police lieutenant was sentenced to seven years in prison in the second case. Both sentences were light in comparison to the crimes committed.

The police behave with a similar disrespect to the law when dealing with activists considered dangerous to the regime. In this task they have increasingly relied on local militias and hired thugs. Their aim is to harass activists to the point that they give up. Harassment ranges from creating inconveniences, such as throwing feces into the houses of activists and cutting their phone lines, to more heavy-handed tactics such as making threatening phone calls, threatening their families, friends, and employers, summoning them for questioning over weeks or months, and sending thugs to beat them up. An example is the dissident writer Tran Khai Thanh Thuy and her husband, who were beaten up by hired thugs at their house and arrested by the police in October 2009. Thuy was then sentenced to three and a half years in prison for “assault” despite the fact that she was the one who was actually assaulted. She was later released in June 2011. Professor Nguyen Hue Chi, who launched a popular website to protest the government’s bauxite mining project, was summoned for questioning by the police every day for several weeks. Police also broke into the houses of other activists such as lawyer Le Tran Luat and blogger Ta Phong Tan to take them into custody for questioning. In the summer of 2011, the police violently cracked down on peaceful anti-China demonstrations, beating and briefly detaining many activists.

Long-term detention without trial, including house arrests and labor camps, has long been used by the Vietnamese government to punish its opponents. Ordinance 44 allows the authorities to place under house arrest or send to “reeducation camps” or “rehabilitation centers” anyone deemed threatening to national security. One of the best known cases of detention without trial involves blogger Nguyen Van Hai, who was first sentenced to prison for two and a half years on the fabricated charge of tax evasion. After his term ended in late 2010, Hai was denied release without any reasons. For more than a year his family was denied visits, leading to rumors that he had died in police custody. Among anti-China protesters, the authorities singled out Bui Thi Minh Hang and abducted her and sent her to a “Center for the Recovery of Dignity” in late 2011. That camp is one of more than a hundred centers throughout Vietnam that keep tens of thousands of drug addicts and prostitutes. Most residents in these camps, according to a recent Human Rights Watch study, are detained against their will for at least two years, denied normal legal safeguards granted to ordinary criminals, forced to work for wages well below the minimum wage, and routinely beaten up or subjected to other harsh forms of punishment.

Little is known about Vietnam’s prison system. According to Human Rights Watch, the use of dark cells, shackling, and transfers to remote prisons far away from families are common measures of punishment. Sick prisoners do not always receive adequate medical care nor are families informed of their illness, sometimes resulting in deaths. Two recent cases involved 74-year-old political prisoner Nguyen Van Trai, who died in prison in July 2011 near the end of his 15-year term, and 68-year-old Truong Van Suong, also a political prisoner who had spent more than 33 years in prison. Mr. Suong had been temporarily released for medical treatment in 2010 but was sent back to prison a year later despite still suffering from serious heart conditions. He died in September 2011, less than a month after his return to prison.

COUNTRIES AT THE CROSSROADS
Vietnam has made some advances in protecting women and children. In the 2009 Gender Equality Index, the country was ranked in the top third of all countries (31 out of 102), and in the middle (6 out of 13) among its neighbors in the East Asia and Pacific region.\textsuperscript{40} There remain many problems such as gender imbalance, human trafficking, and domestic violence. While the government has banned sex selection at birth since 2006, the sex ratio at birth continues to increase from 106 male births per 100 female births in 2000 to 112 in 2008.\textsuperscript{41}

The trafficking of women and children for sexual and other forms of servitude is a concern, with more than 4,000 cases identified by the authorities between 2004 and 2009.\textsuperscript{42} With help from international donors, the government promulgated a law against human trafficking in 2011. The law was backed by a $13.5 million five-year national plan to combat human trafficking. Unfortunately the law does not deal with the marriage industry that each year matches thousands of (often poor and rural) Vietnamese women with foreign men in Singapore, Malaysia, and South Korea.\textsuperscript{43} These marriages sometimes lead to domestic abuse and even death of the women involved. The situation does not seem to have improved despite some government efforts to counter illegal matchmaking activities.

A recent UN study showed that one in three ever-married women had suffered physical or sexual violence at the hands of their husbands, and 9 percent were currently experiencing some form of violence.\textsuperscript{44} More than half of those abused suffered injuries multiple times. Almost one in four surveyed women who had children below 15 years old reported that their children had been physically abused by their husbands. Under current law, a criminal case of child abuse can only be filed if the child suffers injuries on more than 11 percent of his or her body.\textsuperscript{45} Until 2010, Vietnam still did not officially recognize social work as a profession. However, attitudes are beginning to shift toward greater social support networks. A new government plan, approved in 2010, aims at revamping social protection laws, setting up counseling centers, and training 60,000 social workers by 2020.

The treatment of ethnic minorities has in some cases deteriorated over the last three years. The relationship between the state and certain ethnic groups such as the Khmer Krom in southern Vietnam, the Dega Montagnards in the central region, and the Hmong in the central and northern regions, remains tense. According to recent reports by the Unrepresented Nations and Peoples and by the Human Rights Watch, the government continues to refuse to acknowledge the status of indigenous people of these groups and impose severe restrictions on religious practices and on freedom of information and assembly.\textsuperscript{46} In 2011, the government intensified pressure on Dega religious groups by using special police units to conduct sweeping operations to capture, detain, and interrogate suspected religious leaders and activists.\textsuperscript{47} More than 70 Montagnards were reportedly arrested in 2010. In May 2011, thousands of Hmong gathered in Muong Nhe district (near Vietnam’s northern border with Laos) for days, reportedly demanding an independent Hmong kingdom.\textsuperscript{48} The military was sent in to quell the protest, leading to unknown number of arrests and deaths.

Religious freedom in Vietnam has improved considerably over the last two decades, but tension has increased since 2009 between the government and Catholics, Protestants, and Buddhists. Several incidents of large-scale protests involving Catholic communities have occurred since 2009.\textsuperscript{49} In July 2009, the police charged and attacked several hundred Catholics gathering at the Tam Toa Church in north-central Vietnam to demand the return of the church to the diocese. A subsequent protest in Vinh was brutally suppressed by the police, with two priests suffering critical injuries. In January 2010, local authorities attempted to remove a crucifix in the cemetery of the Dong Chiem Church near Hanoi and violently clashed with local parishioners. A
similar event occurred in Con Dau near Danang in July 2010, where local government wanted to expropriate the parish cemetery against the wishes of parishioners. In this incident, police attacks caused one death and dozens of detentions. In late 2009, the local government in Lam Dong forcibly evicted 400 monks of the Lang Mai group from their temples after tense confrontation over several months. In all the above clashes, the police and local governments have relied on large numbers of hired thugs to avoid the appearance of religious suppression.

Labor strikes have increased sharply in Vietnam over the last three years. In the first 11 months of 2011, there were 827 strikes, compared to 422 in 2010 and 218 in 2009. This rise is likely to have been caused by the two-digit inflation rates since 2008. It is estimated that the Vietnamese currency lost nearly half of its value between 2007 and 2011. Foreign invested enterprises frequently pay workers the minimum wage, which is barely enough for subsistence. Inflation has raised prices of basic commodities, creating severe hardship for those at the bottom of society. While the law allows workers to strike, they are required to follow extremely cumbersome procedures, including unsuccessful resolution by two levels of mediators, a favorable court decision that fails to generate management’s compliance, the collection of signatures from more than 50 percent of the workers in the factory, and the approval of the Party committee if it exists. This explains why all strikes that have occurred were spontaneous and illegal.

Although strikes have mostly been settled peacefully, violence may be on the rise as evidenced in a case in Hanoi in June 2011 when a security guard drove a truck into striking workers, causing one death and six seriously injured. The Politburo has recently approved certain measures to improve labor relations, including establishing more state-sponsored unions in foreign invested enterprises and forming unions in large special processing zones. Autonomous unions at the enterprise level are strictly prohibited, and three activists who tried to organize strikes received long prison sentences in October 2011.

Rule of Law

Since 1991 the government has implemented many broad reforms of the judiciary system to better align it with international norms and a market economy. The most recent reform was launched in 2005 focused on revamping the system to give judges greater independence from local governments and to clarify the functions of various judicial institutions. Even in this reform, Vietnamese leaders still reject what they call the “bourgeois” concept of separation of powers. Rather, they want to have an efficient “division of labor” among the executive, legislative, and judiciary within a unified state under the VCP’s political control. The party’s resolutions and directives are a kind of superlaw that binds on all party members in most aspects of their lives, which stands above the ordinary code of law. Judges are accountable first to party committees, which have the authority to appoint or remove them.

Legal professions are relatively new in Vietnam, and the country suffers from the perennial lack of qualified judges, judiciary staff, and lawyers. Hundreds of new judges are needed every year because the number of cases increases by 15-20 percent annually and low salaries fail to attract qualified applicants. The percentage of adjudicated cases by the courts increased from 85 percent in 2006 to 93 percent in 2009 because of judicial reform. The reforms have not had any significant impact on corruption, which has long been known to be prevalent in the system.
The role of lawyers has increased, although they participated in less than 20,000 out of 274,000 cases brought to trial in 2011. Even when involved, lawyers’ impact is limited because judicial practice is still to assume defendants are guilty. In practice, the institutional power of the police and the prosecutors dwarfs that of defense lawyers, despite the law saying otherwise. For example, the law requires lawyers to be involved from the beginning of a case, but in practice this requires police permission, and the police often do not give permission until after they have concluded their investigations and achieved a consensus with the prosecutor and the judge about how to handle the case.

Due process is frequently violated even in high-profile cases. In the cases of Le Cong Dinh, Tran Huynh Duy Thuc, Nguyen Tien Trung, and Tran Anh Kim, who were all accused for crimes against the state, the accused were videotaped reading statements of forced confession. This was then broadcast on national television as evidence of their “crimes” before the trial. In another political case that received close international attention, the prosecutor violated the law by refusing to provide the defense team of the defendant Cu Huy Ha Vu with his indictment. When Vu’s lawyer protested, he was expelled from the court by the judge.

In Vietnam’s political system, the military and public security forces share power with and are fully integrated in the VCP and in all levels of government. The line between military and civilian is generally blurred. Like the VCP, the military and security also own businesses which are outside of public oversight. The police in Vietnam are increasingly becoming a state within a state. Police generals now occupy two seats in the Politburo, two provincial party chiefs, and the positions of Supreme Court Chief Justice and head of the State Committee on Religious Affairs. It is estimated that the public security apparatus employs every one out of six working Vietnamese.

During nearly four decades of socialism, the VCP carried out several campaigns that killed landlords, imprisoned “capitalists,” and expropriated their property. Farmers were coerced into turning their land to state cooperatives. Since reform, the government has encouraged more efficient use of land, but the cumbersome and opaque property rights system is a serious obstacle to that goal and has generated widespread violent unrest. The state owns all land and issues land use rights certificates to individuals and enterprises for 20 and 50 years, respectively. As the economy grows and the price of land soars, local governments, state-owned enterprises, and individuals with political connections have colluded to grab lands from farmers and urban residents, to sell or rent to foreign investors and land speculators. Legally, taking land from users requires compensation but compensation is often very low compared to the real value of the land. The court system almost always takes the side of local governments, while central authorities are often too deeply complicit in the deals to act as an effective check on those abuses. Protests over land have become increasingly violent, with protesters refusing to back down and sometimes being killed by public security apparatus. In April 2012, thousands of armed police were mobilized to evict hundreds of farmers from their land for a luxurious housing project in Hung Yen province. Videos posted on YouTube showed guns were fired and several people were severely beaten.

Anticorruption and Transparency

Vietnam is regularly ranked among the most corrupt countries in Asia. In 2011 Transparency International ranked Vietnam 116th out of 178 countries by its corruption perception index.
According to a recent survey from the Political and Economic Risk Consultancy (PERC), in Asia only Cambodia, Indonesia, the Philippines, and India were more corrupt. Vietnam’s current anticorruption efforts rely primarily on steering committees led by party secretaries at all levels, but these committees have been ineffective simply because party officials are deeply involved in state affairs and are frequently corrupt themselves. What these committees have done is primarily distributing anticorruption information and collecting information about (already discovered) corruption cases. At the same time, the party has not seriously adopted transparency measures recommended by international donors. Officials in certain positions are required to disclose their wealth but this information is classified. The national budget is only partially public with huge areas off-limits, such as those associated with secret businesses belonging to the VCP, the military, and the police.

Despite many laws and regulations such as the Law on Tendering passed in 2005, corruption is rampant in state procurement contracts, especially in the area of construction. One of the common techniques of circumventing the law is to divide the projects into small portions that would not require competitive bidding. Collusion to raise the cost of a project is another favorite technique. Although party leaders have frequently called for more effective anticorruption measures, only cases involving middle-ranking officials or below are seriously investigated. In some cases, investigations are encouraged by external ramifications. For example, in the case involving Huynh Ngoc Si, the director of Ho Chi Minh City’s Transportation and Public Works Department who demanded a Japanese consulting firm to pay 10 percent of the contract value for two projects, the VCP began the investigation only after the Japanese government suspended all development aid to Vietnam.

One of the main causes of pervasive corruption in Vietnam is that officials have too much power without any effective checks or monitoring mechanisms. The party-state dominates society to an extent unmatched by any other political systems. Citizens with grievances have little recourse because powerful bureaucrats are almost always supported by the courts. Through the systematic means of media control discussed above, the Vietnamese government today still controls information much more effectively than its counterparts in Cambodia and Indonesia, which means its relative rank may not reflect the true extent of corruption. For example, far less is known about the “red princelings” in Vietnam than, say, about the relatives of Prime Minister Hun Sen or the associates of Philippine president Gloria Aroyo. The culture of secrecy is in fact deeply entrenched throughout the system. Founded as a secret revolutionary party, the VCP still operates like one in many respects. Policy debates are allowed only in party meetings behind closed doors, but members are required to speak the party line once decisions have been made. Government officials frequently put the “classified” stamp on any information they want to withhold from the public. Biographies of top party leaders and their families are considered state secrets. So are investment projects and zoning plans. Citizens do not have the right to seek information from the government.

Another cause of corruption in Vietnam is the vast opportunities for corruption in a political system closely bound with the economic sphere. While embarking on market reform, the party-state wants to keep the state sector as the backbone of the economy ostensibly to protect its socialist character. Toward this goal, state enterprises that account for about 35 percent of GDP receive a large share of public investment and enjoy privileged access to land and bank loans at deeply discounted rates. Without close public scrutiny, enterprise officials are free to squander state assets and sell or rent access to land to private sector actors for huge profits. The illegally acquired profits are then used partly to bribe their superiors in the Party in
return for protection. Vietnamese policy analysts had for years pointed out the problems with the shipbuilding conglomerate Vinashin, yet the government continued to channel investment into the company and even helped it raise nearly a billion dollars in the international bonds market. The conglomerate did not focus on shipbuilding but used the funds to speculate on land and venture into banking and services, leading to its downfall. This is not an isolated case but a common phenomenon in the state sector.

The great opportunities for graft in the public sector have created a market for public office. The market exists not only for political appointments within the party hierarchy but also for technical and clerical positions in the state bureaucracy. For the latter positions civil service examinations have been institutionalized as part of the hiring process. In reality, most employees are hired by personal connections or by offering bribes, not by passing those exams. The normal bribe in return for a starting technical position for a new college graduate is at least $5,000. Because the position offers only a salary of about $200 a month, it is easy to see why corruption is pervasive in everyday contact between citizens and state personnel, from public school teachers to hospital nurses to traffic police. Major forms of corruption in education include admissions into top schools, after-school lessons, and school transfers. In health care, the main problem comes from inadequate supply of services in centrally managed hospitals and the low salaries of medical staff. The corruption involving traffic police is the most serious of all. Recent journalist reports revealed that “blatant extortion” by traffic police was found at most guard points along half the length of National Route 1 that runs through Vietnam.

While the government appears to encourage journalists and others to expose corruption, there are clear limits beyond which whistleblowers are vulnerable to revenge by those exposed. Journalist Hoang Khuong, who exposed the corrupt traffic police described in the preceding paragraph was recently arrested on an alleged technical violation of the law in framing the policemen receiving bribes. Oftentimes big corruption cases are exposed not by whistleblowers but by a patronage faction which wants to take on its rival. In these cases, the strength of a faction determines the outcome. The Chief Inspector of the Ministry of Public Security, Major General Tran Van Thanh, launched a campaign to expose the corruption involving the powerful Danang Party Secretary Nguyen Ba Thanh but he himself ended up being prosecuted in late 2009.
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Recommendations

- Public ownership of land as stipulated in Article 17 of the current constitution and in Article 5 in the Land Law should be either abolished or amended in the upcoming agenda to revise the constitution and the Land Law. Returning ownership of land to farmers is advisable. A heavy tax should be imposed on profits from land transactions to prevent land speculation.

- Full and public disclosure of property and wealth should be required of all officials and their immediate family members. In the long term, full transparency should be made the key strategy to combat corruption.

- The State Capital Investment Corporation should be reorganized as an autonomous business and empowered to oversee the activities of all state enterprises. Independent and public auditing of all state enterprises should be implemented.

- Police officers urgently need training in human rights. The use of local militias and hired thugs for law enforcement should be immediately banned.

- Restrictions on media and online communication should be removed and imprisoned journalists and bloggers be released immediately. Police departments overseeing culture should be disbanded. Decree no. 97 should be abolished and freedom of academic and policy research respected.

COUNTRIES AT THE CROSSROADS

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