EASTASIAFORUM

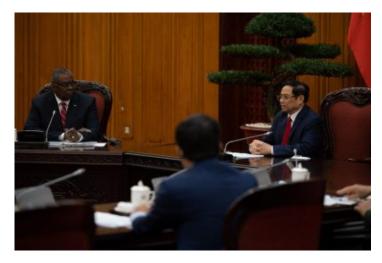
Economics, Politics and Public Policy in East Asia and the Pacific

Vietnam's path forward on COVID-19 and corruption

25 January 2022

Author: David Brown, California

COVID-19 broke loose in Vietnam in June 2021, a year after most of East Asia. Until June, countermeasures and aggressive contact tracing had held the pandemic at bay and allowed the economy to keep growing. Perhaps those successes produced a false sense of security. Vietnam had almost no vaccine in inventory, which forced it to implement a draconian lockdown in Ho Chi Minh City and surrounding provinces while it negotiated urgently for supplies.



By September, doses were plentiful and the regime, spooked by signs that some manufacturing orders were being rerouted away from Vietnam, declared that the nation would 'live with COVID-19'. Hanoi's gamble seems to have paid off. After contracting sharply in the third quarter of 2021, the Vietnamese economy revived in the fourth. For the whole year, the nation posted GDP growth of 2.6 per cent and now seems poised to return in 2022 to its accustomed 6 per cent plus annual growth rate.

The year began with the Communist Party of Vietnam's (CPV) <u>13th Congress</u> in late January — the ceremonial end to months of intra-party politicking aimed at renewing the leadership and reconfirming party doctrine. In the months before the congress, it became apparent that General Secretary Nguyen Phu Trong's favourite had no chance of winning the CPV Central Committee's approval.

Rather than yield party leadership to Nguyen Xuan Phuc, then prime minister, Trong manipulated internal rules to effect his own re-election for a third five-year term and install another 'party faction' figure, Pham Minh Chinh, as prime minister. Phuc and another 'government faction' standout, Vuong Dinh Hue, were relegated to the relatively powerless posts of State President and National Assembly leader.

Trong is now 78 years old and intent on cementing his legacy. Since 2016, he's made history as a relentless <u>foe</u> <u>of corruption</u>. In 2021, he oversaw the sacking of the Hanoi party chief for forgery and money laundering, prosecutions of individuals linked to the former Ho Chi Minh City party boss and a purge of senior coast guard officers.

Trong also seeks to rid the CPV of 'self-evolution' — the idea that the Party might lead Vietnam to more inclusive decision-making and broader participation in government by non-Party-affiliated groups. But he's running short on time — poor health may force the General Secretary to step down before his term is up in

The regime continues to cleanse Vietnam's public space of citizens it perceives as troublemakers. Journalist Pham Doan Trang, sentenced in December to nine years in prison, was one of many convicted in 2021 of 'conducting propaganda against the state'. In parallel, harsh sentences meted out to farmers accused of mounting an insurrection put land rights activists on notice that resistance to expropriations is futile.

In December, after exposes that made headlines abroad, Facebook vowed to cease enabling regime efforts to suppress online criticism by Vietnamese bloggers. Hanoi has in the past brought foreign social media to heel simply by squeezing their local advertising revenues.

Now that the leaders of the once robust 'democracy movement' are in jail or exile, it's hard to see why the regime doesn't ease up. Prime Minister Chinh in particular seems to have been stung by criticism of the regime's record on political liberties. He told reporters several times that human rights in Vietnam are not as imagined in the West. The party-state's job, he said, is ensuring that the nation's citizens are comfortable and happy, secure in the knowledge that the nation's politics are under good management and that none are left behind in times of crisis.

During 2021, Vietnam's decades-old 'no foreign alliances' policy was further stressed by the contentious relationship between China, on one hand, and the United States and its Asian allies on the other. When US Secretary of Defense Lloyd Austin and then Vice President Kamala Harris visited Hanoi in July and August respectively, they urged Vietnam to consider a broad-based 'strategic partnership' with the United States. Credible accounts are circulating that Vietnam's top leadership has reached consensus in principle on upgrading ties with the United States but, worried how China will react, they remain hesitant to formalise an agreement.

Two scandals rang out 2021 in Vietnam. One was merely obscene — cell phone photos showed General To Lam, the Minister of Public Security, being fed bites of a gold foil-wrapped beefsteak at a posh London restaurant.

The <u>second scandal</u> centred on Viet A, a hitherto obscure supplier of medical equipment. The company was revealed to have charged disease control centres in several provinces jaw-droppingly high prices for COVID-19 test kits — something impossible without under-the-table payments and collusion throughout the supply chain. It was the sort of thing that periodically sows doubt in the integrity of Vietnam's 'socialist market economy'. As 2022 begins, the CPV's powerful Anti-Corruption Steering Committee and police units are probing the evidently lucrative involvement of high officials in the Ministry of Health and Science and Technology.

For Vietnam, 2022 looks for the most part like a return to robust export-led growth, unrelenting CPV effort to maintain control of public discourse, and a continued worried eye on US-China tension. General Secretary Trong's uncertain health is a wild card; close observers of CPV politics say that just in case, Chinh, Phuc and Hue are again canvassing for votes in the party's central committee.

David Brown is a former US diplomat with extensive experience in Southeast Asia and particularly Vietnam.

This article is part of an <u>EAF special feature series</u> on 2021 in review and the year ahead.