

Vietnam: The Purge

John McCarthy AO

Vietnam is undergoing what may prove to be the most widespread and public purge of senior figures in its ruling Communist party since the French left in 1954.

On 5 January, two of four deputy prime ministers, Pham Binh Minh and Vu Duc Dam resigned from Government, the Central Committee of the Party and its Politburo. The reason given was vicarious responsibility for two scandals linked to management of the Covid crisis.

Minh, a former foreign minister who had oversight for foreign affairs, accepted blame for the corrupt acts of Foreign ministry officials, including the Ambassador to Japan, in taking bribes related to places on aircraft returning to Vietnam.

Dam, who had oversight of health matters, was held responsible for a scandal related to the sale and distribution of Covid test kits

In recent weeks, the Foreign Minister was also censured and a large number of officials have been arrested or questioned.

The issue took on deeper resonance when immediately after Minh and Dam went, rumours began to circulate in Hanoi that the President (and number 2 in the Politburo and former Prime Minister), Nguyen Xuan Phuc, would resign.

Phuc duly did so on 17 January. While the relevant media release cited his “personal desire “to resign, suggestions were floating in Hanoi that family members might be linked to some of those caught up in Covid scandals.

It is now rumoured that the current Prime Minister and number 3 in the politburo, Pham Minh Chinh, will also resign after the current Lunar New Year Holiday (Tet) ends on 27 January.

The resignations/dismissals may reflect actual acts or omissions. It seems a legitimate case against those in the firing line can be based on ministerial responsibility - a relatively new doctrine for Vietnam.

However, the purge also suggests a group in the Politburo largely associated with the party-particularly General-Secretary, Nguyen Phu Trong (number 1 in the politburo) – has prevailed over another broad group represented by those like Phuc and Minh whose reputations have been built around their effective roles in government.

The former group are party men, tending towards the doctrinaire. They are tough on internal security. Trong, in particular, has for several years led with vigour an anti-corruption campaign.

Phuc, Minh and others with administrative and technocratic background have been good for business and effective in dealing with the west.

The question now arises as to who might become President (Acting President Vo Thi Anh Xuan is not a major player).

Trong himself might fill the role if he wants and it if he gains the support of the Party’s Central Committee. He has held both jobs before. But he is 78 and not well.

If Trong does not become President, the two most talked of candidates are Vuong Dinh Hue, (respected President of the National Assembly and number 4 in the Politburo), and To Lam (Minister for Public Security, who is close to Trong).

The person who becomes President has a very good prospect of getting the top job after Trong goes. So, the outcome will an important indication of the flavour of Vietnamese leadership in coming years.

But whoever emerges, the bet has to be that Vietnam's governance will be coloured by the current strong emphasis on the centrality of the party. The anti-corruption campaign will continue with fervour. And the role of those closely associated with internal security is likely to grow in importance.

A second question is the impact of these events on confidence in the economy, including that of foreign investors.

Predictably, the party and government place enormous importance on continued strong growth. According to Vietnamese sources close to the government, the leadership is acutely aware of the impact of recent events on foreign business confidence and is carefully watching foreign reactions.

In particular, an opinion piece in Nikkei Asia on 17 January, suggesting Vietnam's reputation as a stable and competently managed economy was at risk, caused alarm in the Vietnamese system. This reaction was all the more marked because Nikkei has been very supportive of Vietnam's economic management.

A final issue is Vietnam's external posture.

There have been suggestions, particularly in the Western media, that Trong, who as Party General-Secretary has main carriage of relations with other communist parties, retains positive links with China while Phuc and the American educated Minh have been close to the West.

Maybe there is something to this view. Trung was the first leader to visit Xi Jinping after the latter was re-elected Chinese president last October. But there is little to suggest that the recent changes will have much effect on foreign policy. Geopolitical balance is central to Vietnam's world view. It also remains deeply suspicious of China and will continue to need strong economic input from the West if it is to prosper.



John McCarthy AO

John McCarthy AO is currently a Senior Adviser to Asialink, a Senior Adviser to Mitsubishi Materials Corporation, Tokyo, a member of the Board of the Australian India Institute at Melbourne University and Vice-Chancellor's fellow at Melbourne University.