

Thayer Consultancy
ABN # 65 648 097 123



Background Briefing:

Vietnam: Ocean Bank Corruption Trial Verdict

Carlyle A. Thayer

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We are working on a report that follows up on the verdict of the OceanBank trial, expected Friday. We request your input to the following questions:

1. Given that tough sentences, possibly including a death penalty, are expected at the trial, a common question resurfaces: de harsh punishments, even the death penalty, help Vietnam deter grand corruption?

ANSWER: Harsh prison sentences and even the death penalty will only have a marginal impact on curbing grand corruption. Resorting to hard sentences is like a medical booster shot (inoculation), it wears off over time. Grand corruption can only be eliminated by effective measures of governance including audits that are independent of political interference.

2. At a crucial moment when Vietnam's top leadership is trying to exhibit determination to go after a few high-profile individuals to restore public trust, would such strategy work? What do the masses most care about when it comes to corruption?

ANSWER: If Nguyen Xuan Son is executed this will be a powerful message to the general public that the current leadership is serious about its anti-corruption drive. The same message will also be conveyed with life prison sentences. To be effective the anti-corruption campaign must be never ending. There are undoubtedly other corruption scandals waiting to be exposed. However, dealing with a group of corrupt officials does not address Vietnam's system of governance, rule of law and prevailing business culture. The investigators, prosecutors and courts all must be independent of political influence.

The masses encounter everyday low-level corruption in their dealings with government officials, traffic police etc. They would like to see this ended as their first priority. The masses' cynicism about government officials is partly assuaged by high publicity trials of business leaders and bankers. Anti-corruption trials are a two-edged sword. One blade strikes at corruption networks and reassures the public that the top leaders are clean. The other blade cuts away at the legitimacy of the present political system and exposes the leadership's lack of effective oversight or turning a blind eye to corruption.

3. With regard to Vietnam's sweeping corruption crackdown, what is your projection on what is in the offing after the OceanBank trial?

ANSWER: Given the public statements by the Hanoi People's Procuracy of the penalties they are seeking against Nguyen Xuan Son, it would be surprising if he did not face the death penalty. Other top officials have either been given life sentences when multiple charges and penalties are added up or very long jail sentences. Expect more corruption cases to follow with heavy penalties.

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