

DIPLOMAT

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## **President Nguyen Xuan Phuc's Departure: The Vietnamese Communist Party's New Approach to Accountability**

**For the first time, one of Vietnam's top leaders has resigned early amid an ongoing graft scandal linked to the COVID-19 response.**

**By Quynh Le Tran**

In an unprecedented development, the ruling Communist Party of Vietnam (CPV) announced today that President Nguyen Xuan Phuc would be leaving his position immediately. It is the first time a member of the CPV's top leadership, known as the "four pillars," has resigned early.

On January 17, the party's powerful Central Committee held an extraordinary meeting in Hanoi to discuss Phuc's resignation letter. It seems that the president was blamed for violations during his time as prime minister. The official press release said as the prime minister during the 2016-2021 period, Phuc led efforts in the fight against the COVID-19 pandemic.

However, the press release said Phuc was responsible for "letting several officials, including two deputy prime ministers and three ministers, commit violations that caused severe consequences."

In early January, Politburo member and Permanent Deputy Prime Minister Pham Binh Minh, together with another deputy prime minister, Vu Duc Dam, submitted their resignations. In the mean time, at least two former ministers and other official are facing criminal charges for their alleged crimes during the pandemic.

### **Unexpected Development**

The official press release stated, "as he was well aware of his responsibilities, Phuc decided to resign from his positions and retire." Phuc's resignation requires approval from the National Assembly, a rare extraordinary meeting of which will be held this week.

This shake-up raises important questions about the current state of Vietnamese politics and the potential impact of Phuc's resignation on the country's domestic and foreign policies.

Many people were speculating about Phuc's resignation after the two deputy prime ministers who worked under him when he was in charge of the government were dismissed earlier this month. Some observers have pointed to the ongoing Viet A Technology Corporation case as a possible reason. The case has been a major scandal and has implicated many high-ranking officials in the country, including former Health Minister Nguyen Thanh Long and other leading figures who were expelled from the CPV. Over the past year, more and more officials have been caught up in the case; at least 102 people have been arrested so far.

These recent developments seem to indicate a new pattern in which the CPV is holding leaders accountable for their violations while allowing them to resign with grace and honor in order to protect the prestige of the party as a whole.

The fallout from Vietnam's pandemic-related graft scandals came to a head on January 5, when its National Assembly voted to dismiss Pham Binh Minh and Vu Duc Dam as deputy prime ministers. Notably, the pair were allowed to resign – unlike those caught up in last year's rash of sackings, arrests, and prosecutions that swept up senior officials like then Health Minister Nguyen Thanh Long and Vu Hong Nam, the former ambassador to Japan.

### **Officials Encouraged to Resign**

This marks an inflection point in party General Secretary Nguyen Phu Trong's "blazing furnace" anti-corruption campaign. The party is trying to create a so-called "culture of resignation," so that when you are found to have made a mistake or be responsible for a scandal that happened under your watch, you are expected to resign. You don't wait for the party to take action against you.

It is significant that Trong recently said, "The Party Central Committee must have a policy which encourages those who have committed mistakes – if they voluntarily resign and hand over the corrupt payments, they will be lightly handled or even exempted from punishment. It is not good to have all severely punished, or to remove all from office."

The statement represents a significant shift in the CPV's approach. It indicates a recognition that not all officials who have engaged in corrupt practices should be punished severely, and that it may be in the best interest of the party and the country to allow those who willingly come forward to take responsibility for their actions to do so without facing harsh consequences.

This shift in policy demonstrates the CPV's willingness to take a more nuanced approach to addressing corruption within the party. By offering leniency to officials who willingly come forward and take responsibility for their actions, the party is sending a message that it is committed to rooting out corruption, while also acknowledging that not all officials who engage in corrupt practices should be punished equally.

It is important to note that this policy change may be a response to the growing public concern over corruption in Vietnam. While this could create a culture of accountability and more flexibility within the party's personnel mechanism, it is important to note that the vague terms of these departures may have unintended effects, such as less accountability to the public and less transparency about the reasons for the resignations.

### **Implications of Phuc's Resignation**

Nguyen Xuan Phuc, who was born in 1954, served as prime minister from 2016 to 2021. During his time in office, Phuc was responsible for implementing the policies of the CPV and overseeing the government's efforts to promote economic growth and improve the standard of living for Vietnamese citizens. In 2021, Phuc was elected state president.

During his tenures as prime minister and president, Phuc was known for his pro-business policies and his efforts to attract foreign investment to Vietnam. He also supported measures to improve the country's infrastructure, build a modern legal system, and promote a more open and sustainable economy. Phuc's political positions and policies were in line with those of the CPV

and were aimed at maintaining the party's grip on power while also promoting economic development and improving the standard of living for Vietnamese citizens.

Phuc's resignation has significant implications for Vietnamese politics and government. One potential impact is the possibility of a power struggle within the CPV. At time of writing, it is unclear who will replace Phuc as the new president. The first scenario, in which party chief Nguyen Phu Trong temporarily combines the posts of president and general secretary, like Xi Jinping in China, could lead to a consolidation of power within the party. This could potentially lead to more efficient decision making within the CPV, but it could also lead to increased authoritarianism and a lack of checks on the party's power.

The second scenario envisions another Politburo member being promoted to the post of president. This could lead to a potential shift in the balance of power within the CPV; it may also bring new perspectives and ideas to the leadership table. However, this transition could also pose challenges as different factions within the party adjust to the new leadership. Additionally, Phuc's resignation may also lead to a reshuffling of government officials and the formation of new alliances within the party. This could potentially have an impact on the country's stability and the government's ability to effectively govern and make important decisions.

Another potential implication of Phuc's resignation is the impact on Vietnam's foreign policies. Phuc was a well-known leader and had established good relationships with other countries, including the United States and other Western nations. With his departure, the West may be anxious to try to understand the new leadership and its policies.

On the other hand, Vietnam is a one-party state and the government's actions are closely tied to the agenda and priorities of the CPV. Therefore, while Phuc's departure may lead to some uncertainty, it is likely that the country's overall approach to foreign relations is unlikely to change. The CPV will continue to be the main decision maker, and the new president will be expected to follow the party line.

Vietnam's foreign policy has been marked by a consistent focus on maintaining good relations with all countries, balancing its relationships with major powers, and promoting economic development through trade and foreign investment. The United States has been a consistent partner of Vietnam in many fields, trade and investment, security, education, and health. This has been Vietnam's consistent approach over the years, regardless of who holds the top positions.

While Phuc's resignation may lead to some uncertainty and adjustments in the short term, it is likely that the new leadership will continue to adhere to the established foreign policies of the CPV and maintain good relationships with other countries, particularly the U.S., in order to serve the interests of the country and its citizens.

Phuc's resignation comes at a time when Vietnam is facing a number of important economic and social challenges. Despite being one of the best-performing economies in Southeast Asia in 2022, with a GDP growth of more than 8 percent, Vietnam is facing headwinds in the form of a potential global recession and rising costs of living.

The country's economy rebounded in 2022, driven by exports and domestic consumption, but it remains dependent on exports and is vulnerable to changes in global market conditions. With major markets like the U.S. and Europe facing a cost-of-living crisis, and amid uncertainty

due to Russia's invasion of Ukraine and China's reopening, Vietnam's export-dependent economy is facing a number of downside risks.

In this context, Phuc's resignation adds to the uncertainty and unpredictability of the country's economic situation. The appointment of a new president will also be an opportunity to see the direction in which the CPV wants to move the country, and how they plan to address the current challenges and position the country for future growth and development.

Nguyen Phu Trong's anti-corruption campaign has made Vietnamese politics more interesting and unpredictable. This makes it more important to closely monitor the developments in the coming months to understand the full implications of this event for the country's domestic and foreign policies, as well as its political and economic future. As observers, it is a great opportunity to take a more in-depth look at Vietnam's political landscape, and understand the changes and challenges that the country is facing.

**AUTHORS**

**GUEST AUTHOR**

**Quynh Le Tran**

Quynh Le Tran is a London-based journalist, with 20 years of experience working for the BBC World Service.