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Background Brief:

What Are the Fundamental Factors Behind Leadership Change in Vietnam?

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The resignation of President Nguyen Xuan Phuc has captured widespread public attention. We request your analysis of nine major issues with respect to current leadership change in Vietnam.

Q1. How do you judge the process of removing President Phuc, both in the party and state systems? Is it fair, well-orchestrated? Any observed irregularities?

ANSWER: President Phuc achieved high office through two separate processes. First, delegates to the 13th national party congress in 2021 elected him to the new Central Committee and the Central Committee elected him to the Politburo. The Politburo then handed out work assignments and Phuc was nominated as candidate for state President. He was re-elected deputy to the National Assembly in elections held in May 2021/ He was subsequently nominated for and successfully elected as state president.

President Phuc's decision to resign from office was a two-step process and was carried out by the book. Once Phuc lost the confidence of the Politburo he was treated with respect and permitted to resign from his party posts rather than be summarily dismissed. Next, his resignation was conveyed to the National Assembly for its decision.

As at this writing, the National Assembly is in session. It is almost certain that its deputies will vote to accept his resignation.

Q2. The timing of the removal - just several days ahead of the Lunar New Year - was it hasty? What message does the Party want to communicate via the timing of the extraordinary session of the National Assembly?

ANSWER: The timing of President Phuc's dismissal was carried out after the resignations of two deputy prime ministers earlier in the month. It is unclear why this was a piecemeal process when all resignations could have been packaged together. No doubt the timing of Phuc's dismissal prior to Tet, officially on 21 January, was to attract minimum public reaction.

The party is sending a message that its members will be held accountable if they fail to exercise their duties and responsibilities while members of party committees embedded in the state structure of Vietnam's one-party regime.

Q3. What are the political, economic and social implications of Phuc's resignation? Will it undermine or boost public confidence in the anti-graft campaign, given that Phuc was one of two 'exceptions' who were allowed to remain on the Central Committee alongside Nguyen Phu Trong?

ANSWER: The main implications of President Phuc's resignation is that the party will not shirk from exercising its authority over its senior members serving in government and other state posts. Some background is necessary.

During the period when Nguyen Tan Dung was prime minister (2006-16), the government and state bureaucracy arguably grew more influential in daily life than the Vietnam Communist Party. This was due to the growth of Vietnam's economy, increased revenue for the government, and greater central control over the provinces. This expansion weakened the network of party committees embedded in the Cabinet and various ministries and state agencies. The central party apparatus ability to effectively monitor and control the implementation of policy on a daily basis atrophied. Prior to the *đổi mới* era, the Central Committee had numerous sub-committees under its control that oversaw state ministries. This number was greatly reduced thus weakening central party control over the state.

Vietnam's rapid economic growth invariably led to the emergence of corruption networks, some quite extensive (e.g. Vinashin). This prompted General Secretary Nguyen Phu Trong to shift the Central Steering Committee for Anti-Corruption from state to party control. The anti-corruption campaign expanded its focus to include dereliction of duty by party members holding positions of authority on party committees in the state apparatus.

In general terms, when the anti-corruption campaign netted high-ranking officials this was supported by the general public. The recent focus of the anti-corruption campaign on COVID-related scandals especially was welcomed by the public who were outraged at the behaviour of senior officials who profited while they endured severe privations under lockdown.

It is too early to judge the general public's reaction to Phuc's resignation because of the coming Tet holidays. Responses by the elite who post on social media has been critical. How is it that Nguyen Xuan Phuc, who scored so highly on internal party votes of confidence, and who was given an exemption on exceptional grounds to hold the office of state president in 2021, could be dismissed for unspecified "violations and wrongdoings."

Q4. The removal of Phuc is unprecedented in the party's and country's history. Why did Mr Trong and the Politburo have to do this? Were there any other alternatives?

ANSWER: General Secretary Trong has long let it be known that no stone would be unturned in his quest to root out corruption and that high ranking officials would not be shielded from accountability. It can only be speculated that as the COVID-related corruption investigation gained momentum it uncovered connections involving Phuc's family. This raised the question of accountability in light of the dismissal of two deputy prime ministers.

The Politburo had the alternative of issuing a reprimand, a warning, and/or requiring Phuc to undergo a self-criticism before the Politburo.

Q5. How do you judge Mr Phuc in terms of contributions and integrity. Can he be considered 'clean'? What are his biggest legacies?

ANSWER: Nguyen Xuan Phuc has had a stellar career in government service and there is no hint he was corrupt. He served ably as Prime Minister Nguyen Tan Dung's righthand man and as permanent deputy prime minister. It seemed a natural progression that Phuc stepped up to the Office of Prime Minister on the retirement of Dung. Phuc was most effective in overseeing a whole-of-government approach to combatting the COVID-19 pandemic. He only served one term as prime minister before being shunted to state president. As state president Phuc ably represented Vietnam on the world stage. His demise was a shock to Vietnamese as well as the international community.

Q6. Trong is said to model his anti-graft campaign after that of Xi Jinping. But so far Xi has barely struck down any Politburo member except Zhou Yongkang, while Trong sacked one of the highest officials who ranked second in the hierarchy. Does this mean that Trong is more heavy-handed than his Chinese counterpart?

ANSWER: The two anti-corruption campaigns in China and Vietnam were contemporaneous. Vietnam closely follows what the Chinese Communist Party and its leader Xi Jinping do. But it should be born in mind that long before Xi came to office, Trong has been fixated on party-building for his entire career. He earned a PhD in the Soviet Union with a thesis on party-building. He then worked on party-building in various departments of the party journal *Tạp Chí Cộng Sản*.

Trong is definitely motivated to root out corruption. He has proceeded cautiously and deliberately by amending party rules and directives over the course of time. In doing so he has laid the legal basis for his aggressive pursuit of corrupt officials no matter what their rank. The intensity of his recent anti-corruption actions for COVID-related scandals may be explained by strong public outrage.

While Xi Jinping may remain General Secretary and President for life, Trong seems motivated to leave his anti-corruption campaign as his legacy to a cleaner party.

Q7. Any signs of political infighting or factional rivalry in this incident?

ANSWER: Various commentators have argued that factional infighting was the cause of Phuc's demise. These commentators assert that there are pro-China and pro-US factions or ideological versus technocratic factions, a faction of public security officials or "securocrats" and a faction of Trong supporters who are opposed to Phuc.

I prefer to use the terms "party wing" and "government wing" not factions. In other words, party members serving in the party bureaucracy and party members serving in the government have different institutional interests and outlooks. This surfaced when Tran Quoc Vuong, Trong's nominee as his successor, was rejected by the Central Committee on the eve of the 13th party congress. The government wing pushed Phuc to throw his hat into the ring, while the party wing rallied around Trong because of their institutional interests. Phuc lost his bid.

Phuc's dismissal was not due to a power struggle in the party so much as he was a victim of Trong's focus on accountability of senior party officials in carrying out their

duty to monitor and supervise those under their care. The urgency of this matter was shaped by the moral outrage felt by the public over COVID-related scandals.

Q8. In terms of international relations, Mr Phuc has been the face of Vietnam in the international arena. He met former President Trump and President Biden, Chinese President Xi Jinping and a host of other world leaders. How will his removal affect Vietnam's foreign relations? Is Mr Phuc more aligned with Washington or Beijing?

ANSWER: Vietnam's foreign policy framework and orientation has been consistent since the adoption of Resolution No. 13 in May 1988. Vietnam pursues a policy of multilateralizing and diversifying its foreign relations as well as independence and self-reliance by managing seventeen strategic partnerships and additional comprehensive partnerships.

While the conduct of foreign policy is in the hands of the Minister of Foreign Affairs (with oversight by a deputy prime minister), the Politburo sets policy on relations with China and the United States in particular. Vietnam's relations with these two countries will not change because of the resignations of Phuc and Pham Binh Minh (who had oversight of foreign affairs as a junior member of the Politburo and former foreign minister).

Most likely Vietnam's foreign policy will be in a holding pattern until new personnel on the Politburo, Cabinet and the Ministry of Foreign Affairs have time to settle into office.

Q9. Ten years ago, Trong failed in his attempt to discipline the then Prime Minister Nguyen Tan Dung. But now he can remove President Nguyen Xuan Phuc; is this evidence of Trong's unchallenged influence in the party?

ANSWER: The balance has swung in Trong's favour as he has revised and adopted new party rules and directives governing party members. Changes in these rules, for example, prevented Dung from nominating himself after the Central Committee had approved nominees to be put forward at a national party congress.

Trong has modified party rules to include what party members can and cannot do and to include accountability of party officials who serve on party committees within the government. Trong can exercise power so long as he has the majority support of the Politburo and Central Committee. A majority of the Central Committee can overturn a decision by the party general secretary at any time such as the case of Tran Quoc Vuong in November 2020.

The bottom line is that party officials have long acknowledged that corruption is the major challenge to their legitimacy to rule Vietnam. The uncovering of corruption networks has raised the question how did these individuals rise to the positions that they occupied? The focus under Trong has been to identify party members who aided and abetted the rise of corrupt officials or failed to monitor and identify corrupt officials and hold them accountable.

Trong was able to engineer Phuc's resignation because he secured a majority of the 17 members on the Politburo and a majority of the 180 members of the Central Committee. In sum, General Secretary Trong, as *primus inter pares* (first among equals) has the most influence but it is not absolute and can be challenged.

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