**Abstract**

This article offers an introduction to both the state of corruption in Vietnam and how the research community is taking on an active role to support policymaking. It begins by contextualising corruption since *Doi Moi*, explaining that high corruption levels has opened the door to interest groups, and therefore to corruption. The article then discusses the different ways research helps us develop a better understanding of corruption, both through more traditional as well as innovative measurement techniques. The article reviews some of the more important literature on corruption, including its costs, and discusses the different methodologies and approaches employed to study and measure corruption. The article concludes by providing a short overview of how the corruption research community is organised, and then goes on to introducing this *Special Issue*.

The rapid pace of economic growth in Vietnam has resulted in some significant transformations, including a significant rise in corruption. Coming out of a long period of war and economic crisis in the early 1990s, Vietnam entered a period of renovation

known as *Doi Moi* during which policies were dictated by socialistoriented market reforms that sought to shrink an overly bureaucratic system, while fostering growth across various sectors of the economy. Vietnam was touted as the next Asian Tiger. This period was generally characterised by a rapid reduction in poverty levels and fast economic growth, though it was also affected by the Asian Financial Crisis of 1997 and the more recent global economic downturn of 2008.

Overall, *Doi Moi* created a more productive and resilient economy and improved standards of living. There were also downsides to this fast but uneven economic growth, however: foreign capital flowed primarily to urban areas, many lacked access to capital and productive land, productivity across sectors was uneven, environmental degradation worsened, inequalities between the rich and the poor developed, disparities

between urban and rural centers grew, and prominently, public sector corruption flourished [[10](#_bookmark10), [87](#_bookmark87)].

Public anticorruption rhetoric in Vietnam dates back several decades. Shortly after gaining independence from France, Ho Chi Minh warned against stealing public property for private use [[26](#_bookmark26): 42]. Ever since then, leaders of the Communist Party of Vietnam (CPV) the highest political organ in the country have publicly denounced corruption and have sought to address it in a number of ways. The CPV introduced several resolutions mandating specific guidelines and policies. The National Assembly promulgated an AntiCorruption Law in November 2005 (which was subsequently amended in 2007 and 2012), containing measures to prevent, control and detect corrupt behaviors. Vietnam later adopted a National Strategy on AntiCorruption to 2020, which states:

corruption is still taking place in a rampant, serious and complicated fashion in multiple areas, especially in such areas as administration and use of land, construction investments, equitisation [i.e. privatization] of SOEs, management and use of funds, natural resources, mineral resources and State assets. [This leads to] adverse effects in many ways, eroding the confidence of the people in the Communist Partys leadership and the States management, giving rise to potential conflicts of interest, social resistance, and protest, and widening the gap between the rich and the poor1 [[30](#_bookmark30)].

The strategy coincided with the ratification of the United Nations Convention Against Corruption (UNCAC) in 2009. In 2012, the CPV took over control of anticorruption policy by disbanding the Office of the Central Steering Committee on AntiCorruption (OSCAC). In its place, it created the Central Steering Committee on Preventing and Combating Corruption, managed directly by the Politburo, and housed within the Internal Affairs Commission. Some analysts pointed to this as a sign of growing tensions between Government and Party cadres, though the official line would no doubt have it as a sign that corruption was (and still is) an important priority for the CPV. Recently, Vietnam pledged to foster transparency by disclosing assets of public officials, encourage rotation of civil servants and public officials and introduce votes of confidence for top government and party cadres.2

Within this context, this issue of *Crime*, *Law and Social Change* focuses on recent research that examines the costs of corruption in Vietnam. Research, which was funded by the UK Department for International Development, was undertaken by a team of independent researchers in 2014. In addition to building an evidencebase about the causes, drivers and impact of corruption in Vietnam, the objective of this research is to

1 The view that corruption undermines confidence in the Party and the State and that it should be tackled headon is a recurrent feature in official pronouncements. These types of claims were already made by authorities in the 1990s, when a number of corrupt scandals erupted. Nong Duc Manh, Politburo Member and then National Assembly chairman commented around the time of the Tamexco scandal (1996) that corruption eroded confidence in the regime [[22](#_bookmark22): 78], a claim he later reasserted as a General Secretary of the CPV [[5](#_bookmark5)].

2 In 2013, Members of the National Assembly cast their votes of high confidence, confidence or low confidence in top Government officials. Prime Minister Dung came second to President Truong Tan San. Votes of confidence go handinhand with criticism and selfcriticism campaigns for top Party cadres. PM Dung, for example, has admitted he made mistakes in managing the faltering economy [[6](#_bookmark6)]. In January 2015, the CPV Central Committee also conducted a vote of confidence on members of the Politburo, although little details trickled out. encourage public debate, support increased understanding and dialogue on needed anticorruption reforms among all key stakeholders, and discuss the policy implications of the findings.

Using quantitative and qualitative methods, the research finds that, overall, corruption is inimical to growth. It has a negative impact on gross domestic investment and GDP growth, private sector investment, employment and per capita income at the provincial level and undermines firm innovation. Some articles in this issue delve into the motivations for engaging in corruption, by showing that firms bribe because they follow the existing rules of the game and abide by the existing culture of corruption, which includes both extortion by officials and collusion by businesses.

Certainly, there is already a substantial international body of research literature examining the costs and benefits of corruption. Researchers have tried to account for different manifestations of corruption and understand their impact on society, politics and the economy in an effort to devise sound policy interventions. This body of evidence grew rapidly in the early 1990s [[80](#_bookmark80)]. Researchers have also tried quantifying the costs and benefits to the economy of more or less corruption in terms of per capita GDP or GDP growth. This evidencebase on the relationship between economic growth, development and corruption has evolved, sometimes offering contradictory results. However, a metaanalysis conducted by Campos et al. [[11](#_bookmark11)] found that there is little support for suggesting that corruption greases the wheel of economic growth. In Vietnam, however, few rigorous costbenefit studies have been attempted to date.

In this introductory article, we offer an overview of the corruption situation in Vietnam, describing how economic and political changes have produced the high levels of corruption that we see today, despite some attempts by politicians (both from government and the CPV) to address these vulnerabilities. Then, we discuss the current state of research on corruption in Vietnam and describe the extent to which the Vietnamese research community has pursued the analysis of corruption issues. Lastly, we introduce the articles that comprise this issue.

# Growth and corruption in Vietnam

A number of macroeconomic policies and other factors account for the success of Vietnam under *Doi Moi*. In the early 1990s, Vietnamese authorities gradually eased price controls on agricultural goods, allowing farmers to trade their surplus. *Doi Moi* also brought about improvements in property rights, which increased macroeconomic stability [[84](#_bookmark84)]. The devaluation of the Vietnamese dong made exports competitive, as did the lifting of the USled trade embargo. The State allocated financial resources (through subsidies, preferential bank loans, land speculation, etc.) to StateOwned Enterprises (SOE) for technology acquisition and industrialisation. Private investments were formally encouraged and so in time were foreignowned companies. Both foreign direct investment (FDI) and development aid played a key role in developing the economy, the former by funding exportoriented, laborintensive industries, and the latter by financing propoor policies.

In recent times, Vietnams focus has been on developing a modern industrialised policy and ensuring that its economy is well connected to other important markets. This has led it to signing a number of trade agreements,3 and progressively making its way towards middleincome country status according to World Bank criteria [[93](#_bookmark93)]. However, in addition to corruption, a number of significant macroeconomic challenges threaten to arrest the countrys development and economic growth. From a fiscal and monetary point of view, the economic crisis brought a sense of urgency about the importance of curbing inflation, and managing the foreign exchange reserve as well as the depreciation of the Vietnamese Dong. Policies have also focused on reducing government spending and getting rid of bad assets, such as failing SOEs. Other structural problems include the slow development of the private sector, as well as the very low rate of return from capital such as big infrastructure projects.

Since the start of *Doi Moi*, Vietnam initiated a number of policy and legal reforms geared at improving its public administration system. The main focus has been on implementing legal reforms to improve the efficiency of administrative systems and procedures, reduce graft and red tape. 4 There has also been a strong emphasis on decentralisation of powers.5 As Buhmann notes [[8](#_bookmark8)], this has been critical in strengthening governance structures in Vietnam and building the capacity of the National Assembly to exercise its oversight role over the executive branch [[29](#_bookmark29), [32](#_bookmark32), [65](#_bookmark65)]. Civil society has also become progressively tolerated and recognised by the CPV as an external oversight actor advocating for better government[[9](#_bookmark9), [46](#_bookmark46), [89](#_bookmark89)].6

The process of transformation in previous decades has, however, generated important social and political challenges in Vietnam. This includes a growing gap between the rich and the poor and a growing informal sector, increasing user fees in public services like health and education (often at the expense of the poorest), growing cases of land disputes,7 and of course, corruption. In effect, the opening of the economy created significant opportunities for diversification and personal enrichment for a greater number of people by taking down barriers for corruption. Like many other developing countries and transition economies with rapid economic opening and weak economic and policy institutions [[1](#_bookmark1), [88](#_bookmark88)], the incidence of corruption in Vietnam is thought to have increased since *Doi Moi*. 8 This is in part because marketisation, internationalisation and decentralisation created more opportunities for both bribetakers and bribegivers to extract lucrative *rents*. Some of these rents, for example those created with the massive inflow of capital in the form of FDI or those associated