



FREEDOM HOUSE

Countries at the Crossroads 2006

Country Report - Vietnam

Introduction

Vietnam is a contradictory state. It is a one-party Communist state, an authoritarian regime that uses coercion and threats of violence to maintain its monopoly on power. There are no independent media, and many of the constitutionally enshrined rights, such as assembly and freedom of speech, are superceded by Article 2, which places the Vietnam Communist Party above the law. At the same time, the regime enjoys popular legitimacy as the organization that won Vietnamese independence and allows surprisingly high levels of civil society and religious freedom. Economic reforms have moved Vietnam from a centrally planned economy to one predominantly guided by the market, which has created more political space for entrepreneurs, lawyers, and others involved in the commercial sector. While there have been broad political, economic, and legal reforms, the Vietnam Communist Party remains firmly in power and countenances no opposition. Yet, individuals, especially in commercial life, have considerable freedom.

Vietnam was divided in 1954 following the Geneva Accords that saw the end of the French colonial era. After more than two decades of struggle and fighting against the U.S.-backed Republic of Vietnam regime, Vietnam was formally reunified by the Communist-dominated Democratic Republic of Vietnam. The country was renamed the Socialist Republic of Vietnam and immediately began to nationalize the southern economy. Tens of thousands of officers and officials of the RVN regime were sent to reeducation camps, some for up to a decade. The forced collectivization of agriculture in the south, elimination of the south's currency, and inefficiencies of the centrally planned system led to severe economic strains. Shortages and economic dislocations were compounded by Vietnam's occupation of Cambodia from 1979 to 1989.

In 1986, the death of the last of the first generation of leaders allowed for a second generation to assume power. Vietnam embarked on a course of economic reforms known as Doi Moi, or Renovation. While Doi Moi led to macroeconomic stability, more extensive political reforms were halted because of the fall of Communism in Eastern Europe. Vietnamese economic and political reforms stalled in the mid-1990s due to political infighting and ideological debates within the Communist Party but have since regained momentum following the party's ninth congress in 2000 and the election of a new generation of leaders.

Accountability and Public Voice – 1.63

The Socialist Republic of Vietnam (SRV) is a one-party state in which the Vietnam Communist Party (VCP) maintains a monopoly on power. The VCP does enjoy considerable popular support owing to its role in liberating the country from colonial rule, defeating the United States, and reunifying the country in 1976. While the VCP suffered a severe loss of popular legitimacy

in the late 1970s-1980s due to economic mismanagement and political repression, economic reforms begun in 1986 have relegitimized the regime to a considerable degree. The VCP claims to represent the interests of all sectors of Vietnamese society. Its Central Committee—a 150-person body that is the VCP's top decision-making organ—has good provincial representation (over half of its membership) and comprises representatives from other key sectors (central government apparatus, the military, and VCP committees). Yet this is hardly full representation, and the VCP countenances no dissent or opposition to its rule.

The National Assembly (NA) has been transformed from a rubber-stamp parliament into a fairly autonomous legislative body. This was due to the paucity of legal codes in the early 1990s. The transition to a more market-oriented economy necessitated the rapid codification of civil and business laws as well as the rewriting of the penal codes. The United States-Vietnam Bilateral trade agreement of 2000 and Hanoi's subsequent steps to meet the requirements for entry into the World Trade Organization have led to even greater codification and legal transparency. To meet this demand, the NA went from meeting for one brief session a year to rubber-stamping party decisions to acting as a more professional lawmaking body. It now meets biannually and maintains a larger permanent staff. The NA is slowly being transformed into a full-time legislature: currently 25 percent of the members of parliament (MPs) work full time. It is unclear whether the NA will accelerate this process in the near future. Beginning in 2005, it gained the right to draft legislation rather than simply amend or tweak laws drafted by the executive branch; before 2005, the executive drafted 97 percent of all legislation while other Communist Party organs drafted the remainder. Increases in the NA's lawmaking capacity are in line with the VCP general secretary's stated goal in 2000 to transform Vietnam into a "law-governed" society.

On the 2005 docket of the NA was a revision of the Law on Lawmaking. The key change to this law is a provision that will allow increased inputs from the citizenry during the lawmaking process. This is expected to come into force in 2006.

Despite these reforms, the NA is not independent from VCP interference. First, no political parties other than the VCP are allowed to run for office. Although independent candidates are allowed, they cannot organize into coherent opposition parties. Moreover, an arm of the VCP, the Vietnam Fatherland Front, is responsible for vetting all candidates, VCP or otherwise. Candidates must pass a political litmus test and can be disqualified for minor reasons. Currently, only 10 percent of the 498 members are independents; the remainder are Communist Party members. Candidates are not allowed to campaign but instead are given a few public but highly regulated forums in which they can propose their platforms. In the last election, in 2002, an average of 2.3 candidates ran per seat. The Vietnam Fatherland Front is in charge of every stage of the NA electoral process.

Authorities have given increased attention to village/commune-level and provincial-level democratization. In November 1993, the NA passed revisions to the Law on Election of Deputies to People's Councils, which called for greater gender and minority representation in addition to increased numbers of candidates per seat and independent candidates. Nonetheless, the Vietnam Fatherland Front, which oversees subnational elections as well, continues to ensure VCP control over the legislatures. In the April 2004 people's council elections, there were irregularities, including early closure of polls.

While considerable improvements have taken place at all levels of legislative capacity in Vietnam, the NA still acts in the interest of the VCP. While it has increased its oversight of personnel and budgets, as well as of certain large scandal-plagued construction/infrastructure

projects (see "Anticorruption and Transparency"), it has not passed any legislation that compromises the ruling party's interests. Likewise, the Vietnam People's Army is a key political institution whose interests are never challenged. In sum, there is no viable political opposition.

Constitutionally a system of checks and balances exists, but in reality, the VCP's monopoly on power usually does not allow the system to function. For example, while on a number of occasions government or politburo-selected candidates have not been elected to the NA, and the NA has sacked a handful of cabinet-level officials, such actions are still infrequent. The judges in the Supreme People's Court must be confirmed by the NA, and available evidence suggests that all have been. While party membership is not a prerequisite for entrance into the civil service, it is essential for advancement beyond the middle ranks.

Civil society has gained more space in 2003-2005, and in the urban areas of Ho Chi Minh City and Hanoi, civil society organizations have proliferated. This is particularly true in the commercial sector, where chambers of commerce and other business associations have sprung up. These organizations have the most independence, but legal, health, and environmental organizations have more space and freedom to operate as well. Women's organizations have become involved in anti-trafficking efforts and pushing the government to take a more aggressive stance. Foreign nongovernmental organizations (NGOs) operating in Vietnam suggest that they have more space to operate and implement programs that would have been too politically sensitive a few years ago. The Vietnam Bar Association is often called on to review draft legislation. The U.S. government's Star Project, which was originally established to help educate Vietnamese officials on how to implement the Bilateral Trade Agreement signed in 2000, has now become an organization to help with Vietnam's accession into the WTO. This program has developed such a cadre of expertise that according to some U.S. government officials, the VCP now comes to it for help in drafting laws in the economic field. The environment is more receptive for these organizations to raise issues and concerns with the NA and the government. Yet, the playing field is still not level, and the government continues to regulate the growth of civil society through a registration process for all organizations and other legal requirements. Donors are not free of state pressure and are circumscribed in their choice of counterparts and fund recipients.

Perhaps the biggest beneficiaries of more relaxed policies are public health NGOs, which have found much greater political space in the wake of the SARS crisis and the outbreaks of avian flu since 2002. The government quickly organized 1,700 health inspectors and has called on local monitoring teams to report on the spread of infections. Nonetheless, foreign scientists and the WHO have all expressed concern that Vietnam is still not giving them full access to both the country and samples. The threat of avian flu and the central role that Vietnam is playing as the virus mutates cannot be underestimated. The lack of openness and transparency in Vietnam regarding this issue has global implications.

The media have suffered a number of setbacks since October 2003. This is primarily for two reasons. First, the Tenth Party Congress is expected to be held in the second quarter of 2006. Party congresses are seminal events that happen roughly every five years. Historically, the year preceding a congress is marked by concerted state efforts to clamp down on the media and prevent debate over policies from becoming public. A second and related factor is that the VCP is losing its monopoly over the flow of information as internet access and usage proliferates. Current estimates put the number of internet users at roughly six to seven million out of a total population of 87 million (7 to 8 percent of the population).

While freedom of expression is constitutionally enshrined (Article 69), all media remain owned or controlled by the VCP and the government. No independent media organs have been allowed. The few attempts by dissidents to publish independent journals or newspapers have met with harsh and immediate crackdowns by the state. The government uses nebulous and vague security and espionage laws in most prosecutions against journalists; "dissemination of state secrets" is the most common charge. For example, Nguyen Dan Que, who was arrested in March 2003 for publishing Tuong Lai (The Future), was sentenced in March 2004 to 20 years' imprisonment for "abusing democratic rights to jeopardize the interests of the state" and for violating Article 80 of the penal code for "spying."

In December 2003, a former reporter for the communist party's own journal, Tap Chi Cong San, was tried on espionage charges for two incidents: first for submitting written testimony on the human rights situation in Vietnam to the U.S. Congress in July 2002, and second for posting an article on the internet in which he criticized the yet unratified border treaty with China. In May 2004, an intermediate court upheld his seven-year sentence. Other current cyber dissidents under detention are private citizens Nguyen Khac Toan and Dr. Pham Hong Son.

The VCP is very concerned about the power of the internet and the ability of dissidents both to post their views and to form relationships with people overseas, especially ethnic Vietnamese. While few have access at home in Vietnam, the country has an estimated 4,000 to 5,000 internet cafes. The ministry of public security employs a large cyberforce to monitor internet traffic and block certain sites. There are only a few internet service providers (ISPs). In July 2004, the ministry of public security issued Directive 71 to combat "bad and poisonous information" that was being circulated online. Under this directive, the onus for monitoring content was shifted to the owners of internet cafes. Both the failure to monitor and control access to websites deemed offensive to the state and the uploading or downloading of materials that threaten the state will result in the forced closure of the internet cafe. The directive prohibits any use of the internet that would either "infringe on national security" or disseminate undefined "state secrets." According to Amnesty International, "ISPs and individual Internet users are obliged by law to facilitate easy access for security agencies to networks and computers. The Ministry of Culture and Information explicitly encourages individuals and Internet providers to inform on those 'violating rules' on the provision of information." In April 2004, the Ministry of Public Security shut down an unlicensed news website for reprinting a BBC article on ethnic unrest in the Central Highlands. On the other hand, the government also looks to the internet as an instrument of national integration and even reform, with many ministries operating online. The government is making efforts to increase Internet access in rural areas. Thus, control over subversive aspects of the internet is a key concern for the government.

While the government has allowed the press more leeway with regard to reporting on corruption, it still sets limits, especially when the reporting goes against the party's interests. No direct criticism of the VCP or its policies is tolerated. For example, in November 2004, the editor of the online magazine VnExpress, Truong Dinh Anh, was fired by the Ministry of Culture and Information not because of any specific articles that he wrote on official corruption but because he allowed readers to post their comments on a story that the website had posted about the government's purchase of 76 new Mercedeses for the biennial Asia-Europe meeting in Hanoi. More troubling was the case of Nguyen Thi Lan Anh, a reporter for the country's most progressive, and hence highest circulated, newspaper Tuoi Tre. Ms. Anh ran a series of stories about the monopolization of a segment of the pharmaceutical industry by a foreign investor that led to the rapid rise of drug prices. She was indicted on January 5, 2005, and remains under house arrest.

The most important setback in media freedom is the new use of libel laws. In 2004, the government issued a new press law that requires journalists to pay monetary damages to individuals or organizations who have been harmed in some way as a result of their reporting, regardless of whether the reporting was accurate or not. It is unclear whether this new libel provision has been used.

In sum there is no independent media. Although the government does not exercise direct censorship, as all media is government or party-owned and all of the editorial boards must report to the party and state, there is tremendous self-censorship. Perhaps the only bright spot is the artistic freedoms of painters, musicians, and other artists (less true with novelists and poets). Visual artists have considerable latitude and as a result have reached international renown.

Recommendations

- Article 2 of the constitution must be abolished, thereby ending the VCP's role as a "leading force in society."
- Media liberalization and press and internet freedoms must become a priority for the regime. The first steps would be to end internet censorship, abolish the politically motivated use of libel laws, and stop interfering in the editorial rooms of the media organs. The government should stop using nebulous espionage and state secrets laws to prosecute political dissidents.
- The government should implement recent legal provisions that allow the citizenry to comment on draft legislation.
- The Vietnam Fatherland Front must stop interfering in national and local elections and disqualifying independent candidates deemed politically suspect by the regime. More independent candidates at the local and national level should be allowed. The NA must continue to professionalize itself and become a full-time legislature. Moreover, the NA should take advantage of new legal provisions that allow it to draft its own legislation.
- The government must allow for the development of autonomous civil society, including permitting civil society to forge partnerships with foreign counterparts.

Civil Liberties – 3.00

The Socialist Republic of Vietnam (SRV) is a one-party state in which the Vietnam Communist Party (VCP) maintains a monopoly on power. The VCP does enjoy considerable popular support owing to its role in liberating the country from colonial rule, defeating the United States, and reunifying the country in 1976. While the VCP suffered a severe loss of popular legitimacy in the late 1970s-1980s due to economic mismanagement and political repression, economic reforms begun in 1986 have re-legitimized the regime to a considerable degree. The VCP claims to represent the interests of all sectors of Vietnamese society. Its Central Committee—a 150-person body that is the VCP's top decision-making organ—has good provincial representation (over half of its membership) and comprises representatives from other key sectors (central government apparatus, the military, and VCP committees). Yet this is hardly full representation, and the VCP countenances no dissent or opposition to its rule.

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- The government must allow for the development of autonomous civil society, including permitting civil society to forge partnerships with foreign counterparts.

Rule of Law – 2.75

The avowed goal of the country's paramount leader is to transform Vietnam into a "law-governed society." To that end legal codification has increased dramatically in recent years, as well as the technical proficiency of the drafters.

While there have been improvements, the judiciary is still not independent. Judges are appointed by the ministry of justice, in large part for their political loyalty and Communist Party membership. Although the legal training of judges has improved, it is still weak and not a requisite in judicial appointment. There is a serious shortfall in the number of trained legal officials-lawyers, judges, prosecutors, and court officials-and educational standards are inadequate. While judges of the Supreme Judicial Court must be approved by the NA, this has been a pro forma process.

Police often make arrests without court-issued warrants. Once indicted, individuals are presumed guilty under the constitution. The prosecutors are not independent from political interference. Legal proceedings are held swiftly-often trials last little more than a few hours. Most trials are open to the public, with the exception of politically sensitive trials of dissidents or of other national security cases. While defendants are provided legal counsel, the role of the defense lawyer is more or less to plead for a lighter sentence. The 2002 mass trial of Nam Cam, an underworld figure implicated in all sorts of criminal behavior, including drug distribution, prostitution, loan sharking, human trafficking, murder, and corruption of government officials-in which 163 defendants were tried in conjunction with Nam Cam's operations, including many government officials and two VCP Central Committee members-was thought to be a watershed in that the defense lawyers were allowed to call and cross-examine witnesses. Yet, those innovations have not been institutionalized. For example, in early July 2004, Vietnam brought two dissidents-Tran Khue, a retired academic, and Pham Que Duong, a 73-year-old military historian-to trial. The trials were swift, and the defendants had no ability to challenge the prosecution or call witnesses.

According to July 2003 amendments to the legal code, defendants are entitled access to their lawyers from the time of their arrest, but this right is often ignored. The 2003 amendments also outline the investigative period that prosecutors have: three months for less serious offenses-usually for crimes with sentences under three years-up to 16 months for exceptionally serious offenses (including those that would result in sentences from 15 years to life as well as the death penalty). During the investigative period, defendants are almost always incarcerated, though this is credited to their sentence as time served.

There is a growing awareness and more frequent reporting in the state-controlled media that many court rulings were wrong and that innocent people have been incarcerated. Nonetheless, no formal process exists for those wronged to seek redress and compensation; ad hoc processes prevail. In a few instances higher courts have questioned the rulings of the lower courts. In a recent case, the Supreme People's Court unexpectedly reduced the original 13-year sentence given to political dissident Pham Hong Son, who was convicted on espionage charges, to five years. The court found that Pham's crime "was not as serious as found by the intermediate court." This was the first time the Supreme People's Court made such a ruling. In general, as Vietnam is a one-party state, the courts do not rule against the VCP's interests, which sometimes-though not consistently-include anticorruption trials of party members.

Article 2 of the constitution places the VCP-and hence many of its members-above the law. However, this preferred status is slowly being eroded as more and more VCP members, including senior officers, are being prosecuted for corruption. Party position is no longer a protection, thus indicating a growing, though incomplete, acceptance of equality under the law. More important was a linguistic change in the constitution that identified the VCP as the leading political authority rather than the sole authority. While this does not portend a multiparty system, it does recognize the growing role of political independents and nonparty members in policy making.

In 2005, the NA debated the highly contentious issue of compensation for victims who are unjustly accused by state authorities. While citizens have the right to petition the government regarding socioeconomic issues, abuses of power, and the ill effects of laws and decrees, whistle-blowers have no protection. To that end, in 2005 the NA also debated a provision that would codify procedures, rights, and protections regarding the settlement of citizens' complaints and petitions; although it has not become law, support for this bill is gaining in the NA.

Corruption within the judiciary is a growing concern. During the course of investigations in the Nam Cam case, the former vice director of the People's Supreme Procuracy, Pham Si Chien, was arrested. Chien, who had received bribes from Nam Cam, influenced investigations and trials into the underworld leader's empire.

According to the constitution, the Vietnam People's Army (VPA) is bound not just to defend the Vietnamese nation but to protect the Vietnamese Communist Party. Thus, regime survival is equated with national security. The VPA is used to put down peasant and ethnic unrest in the Central Highlands. The police are within the ministry of public security and are routinely used to crush dissent and maintain the regime's monopoly on power. The security forces show little to no respect for human rights. While there is no evidence of police or security force personnel being disciplined or held accountable for abuses of power, many have been dismissed, punished, and tried for corruption.

The issue of private property is complicated. Technically, the state owns all property. In reality, peasants hold long-term titles to their land; what were originally 15-year contracts have been extended to 30 years. This land can be passed between generations. In urban areas, individuals can hold long-term titles to their land, shops, or apartments. The state (at the central and provincial level) does appropriate land, for the most part for national development projects, but some compensation is usually paid.

Very contentious issues persist regarding property rights. First, while the media often depict the unrest in the Central Highlands as a purely ethnic or religious rights issue, it began over land disputes. Beginning in the late 1990s, the Vietnamese government offered titles to land in the minority-dominated regions to ethnic Kinh Vietnamese from the overpopulated delta regions. The provision of titled land and the establishment of coffee plantations precluded the Montagnards from engaging in their traditional swidden (slash and burn) agriculture. When they began to protest the titling of land, the demonstrations quickly grew to include ethnic grievances, tinged with charges of religious persecution. When Vietnamese security forces cracked down in early 2000, several hundred Montagnards fled into Cambodia, where they sought sanctuary.

Second, at the village level, collective land is often appropriated by corrupt party officials or "auctioned" off to family or friends in return for kickbacks. As a result, peasants lose their social safety net, while funds that should be put in the village coffers are embezzled or misdirected. This is the single greatest cause of rural unrest.

Recommendations

- The government should maintain its commitment to transforming Vietnam into a "law-governed society" in which all citizens, regardless of race, gender, or political affiliation, are treated equally under the law. To that end, the government must make meaningful investments in human resource development in its judicial system, including the training of prosecutors, law clerks, and judges, and apply a legal qualifications litmus test to judges rather than a political litmus test.
- The NA should increase its oversight of the judicial sector, especially with regard to judicial corruption, through hearings, investigations, and prosecutions.
- The government must address political elites' abuse of power at the local level, in particular land grabs and appropriation of collective goods.
- The government should establish procedures for people unfairly or wrongly charged in legal proceedings to seek redress and compensation.

Anticorruption and Transparency – 2.61

The independent watchdog Transparency International (TI) consistently rates Vietnam as very corrupt by both global and regional standards. In 2005, TI ranked Vietnam as the 16th most corrupt country in the Asia Pacific (out of 24) and as the 107th out of 159 worldwide. Since the late 1990s, the Vietnamese leadership has identified corruption as the single most important challenge to its legitimacy and continued rule. Anticorruption campaigns have been continual within the party's ranks, but they have been fairly ineffective and led to few prosecutions. Simply put, the VCP is unable to police itself, and without an independent media corruption will continue to dog the regime.

Nevertheless, following the trial of Nam Cam in 2002, the leadership has been able to gain traction in its anticorruption efforts. According to one press account, in October 2005, "One minister, five deputy ministers, 14 provincial chairpersons and deputy chairpersons and hundreds of ministerial department heads and company directors face[d] criminal proceedings."

Beginning in 2004, Vietnam uncovered major corruption cases in four critical sectors of the economy: oil and gas, fisheries, aviation, and trade and industry. In early 2005, La Thi Kim Oanh, the former director of a state company under the ministry of agriculture and rural development, was convicted of embezzling \$4.6 million and causing losses of \$2.2 million. She received the death penalty for her crime. As a result of the scandal, Le Huy Ngoc, minister of agriculture and rural development, was forced to resign after being reprimanded by the prime minister; two of his deputies, Nguyen Thien Luan and Le Quang Ha, were arrested and sentenced to three years in prison for their involvement in the scandal. Two senior officials from the ministry of trade, Mai Van Dau (the deputy minister) and Le Van Thang, were arrested for participation in an export quota allocation scandal in the textile industry. At least two senior members of the state-owned oil firm, PetroVietnam, were arrested in 2005 on charges of corruption that cost the state millions of dollars.

Vietnamese officials have used a number of tools in their counter-corruption efforts. Vietnamese law provides for two main measures for dealing with corruption: criminal punishments, including life imprisonment and the death penalty, and administrative sanctions. The government has given the media more freedom in covering corruption cases as well. In two major trials, Nam Cam (2002-2003) and La Thi Kim Oanh (2003-2004), portions of the trial were broadcast live on national television.

In charge of government corruption cases is the state inspectorate agency (SIA). While the SIA has had some successes, it is under pressure to improve its operations and performance. It is currently reviewing a number of new policies, most important among them a civilian whistleblower statute that would provide legal protections. The SIA is also considering financial rewards for whistle-blowers.

Other proposals include increasing the responsibilities of state managers, especially at key state enterprises; clearly defining prohibited activities for public employees; requiring full economic disclosure for public officials; raising the transparency and democracy of state agencies; and improving coordination among state agencies responsible for anticorruption investigations and prosecutions. None of these proposals has been enacted into anticorruption legislation.

The NA has taken a much more proactive role in anticorruption measures. During the sixth session of the eleventh NA, October to December 2004, deputies passed the Inspection Law to give investigators additional tools. During that same session, the deputies proposed establishing an independent anticorruption committee. The former prime minister, Vo Van Kiet, has publicly endorsed this commission and called for full independence from party and state interference. The NA gave priority to the issue of corruption in 2005. In particular it investigated allegations of mismanagement and embezzlement in the construction of the controversial Dung Quat oil refinery in central Vietnam as well as a highly controversial and much maligned development project for the mountainous hinterland, Program 135.

The NA has gained greater oversight of the national budget; in mid-2005 discussions took place both within the assembly itself as well as in the VCP about investing it with a limited line-item veto power. The NA continues to be the most transparent political institution in the country and

allows the television to air its sessions. The Office of the NA has posted several of its draft bills on the internet for public comment. The assembly has enhanced its oversight capability, investigated government officials for corruption, and sacked cabinet members for corruption and poor performance. Significantly, the government relocated the General Auditor's Office out of the executive branch and placed it in the NA.

Nevertheless, the Vietnamese political and economic system encourages corruption. First, the media are by no means independent and play no watchdog role. Second, although economic reforms have been considerable, the economy is still not governed by the market, and key sectors are highly regulated by the state and/or controlled by state-owned enterprises. While the private sector is now constitutionally recognized and entrepreneurs have legal protections, private businesses still do not compete on a level playing field and have less access than state-owned enterprises to capital, inputs, licenses, and foreign direct investment. Moreover they face limits on the hiring and firing of employees. State-owned enterprises are given almost all government contracts. Third, while the government briefly tried to impose financial disclosure procedures on its public officials starting in 1999, these quickly fell by the wayside. It was only in 2005 that discussions about reinstating these procedures were again raised. Conflicts of interest are not challenged openly. Fourth, whistle-blowers still do not have adequate incentives and protections. Fifth, corruption is highly embedded in all sectors of society. At this point gift-giving has become culturally pervasive. Sixth, there is little governmental transparency. Although budgets and other decisions are becoming more transparent as the NA gains additional oversight powers, there is a long way to go. Many budgets, policies, and issues are still categorized as "state secrets," and hence any investigation into them is a punishable offense.

There has been far less transparency in the economic sector, especially regarding open bidding and effective competition in the awarding of government contracts. Vietnam is consistently ranked by businessmen as one of the most corrupt places to do business in Southeast Asia, and kickbacks and closed tenders are commonplace. Anecdotal evidence suggests that the distribution of foreign development assistance has become more fair, transparent, and accountable. Foreign donors have greater ability to conduct audits and ensure proper end-use. However, corruption in education, in particular entry into tertiary level schools-available to less than 3 percent of the population-remains a systemic problem.

Recommendations

- The government must support the establishment of independent forces to monitor official corruption, including an independent anticorruption commission, a free press, and a stronger state inspectorate agency. The government must pass legislation to protect and reward whistle-blowers.
- The government must continue its efforts to privatize the state-owned sector and dismantle the overly regulated sectors of the economy that give rise to rent-seeking and corruption.
- The NA must have greater oversight over state budgets and have investigative powers into alleged misuse of public funds.

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Notes

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