

CORRUPTION AND ECONOMIC GROWTH IN VIETNAM: IMPACT OF ANTI-CORRUPTION MEASURES IN EMERGING MARKETS

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Abstract

This study examines the relationship between corruption and economic growth in Vietnam, emphasizing the impact of anti-corruption measures within the broader context of emerging markets. Drawing on theoretical and empirical literature as well as Vietnamese data, the paper confirms that corruption undermines growth by distorting resource allocation, increasing transaction costs, and weakening institutional trust. Empirical evidence indicates that a one-point improvement in Vietnam's Corruption Perceptions Index (CPI) could raise annual GDP growth by about 0.2 percentage points, while firm-level studies (Bai et al., 2017) suggest that broad-based industrial expansion can reduce bribery incidence. The analysis highlights Vietnam's evolving legal and institutional framework especially the 2018 Anti-Corruption Law and the role of the Central Steering Committee on Anti-Corruption and its strong enforcement actions against high-ranking officials. However, short-term frictions such as project delays and bureaucratic caution have emerged. Comparative insights from China, Indonesia, and other emerging economies show that anti-corruption efforts yield long-term benefits for investment efficiency and public trust but require complementary reforms to minimize transitional costs. Overall, Vietnam's trajectory is cautiously optimistic: sustained political will, stronger local implementation capacity, enhanced transparency, digital governance, and incremental institutional independence can transform anti-corruption momentum into durable economic and social gains.

Keywords: anti-corruption; economic growth; Corruption Perceptions Index (CPI); governance; Vietnam; emerging markets; foreign direct investment (FDI); institutional reform; digital governance; international comparison.

Introduction

Corruption is widely recognized as a major drag on economic development. A large body of research shows that pervasive bribery and rent-seeking behavior reduce GDP growth by diverting resources from productive investments and undermining institutions. Vietnam has experienced rapid economic growth in recent decades, but this success has been shadowed by persistent corruption at various levels of government. The ruling Communist Party of Vietnam (CPV) has elevated anti-corruption to a top priority, viewing it as essential to the Party's legitimacy and to sustaining growth. In this context, Vietnam's government has introduced a series of reforms – from new laws to high-profile prosecutions – intended to curb corruption. This paper examines the economic consequences of those anti-corruption measures, focusing on Vietnam but drawing

comparisons with other emerging markets. We review international literature on corruption and growth, analyze Vietnamese data and policy changes, and assess how Vietnam's experience aligns with lessons from elsewhere.

Empirical studies consistently find that corruption has an adverse effect on economic growth. For Vietnam specifically, Nguyen et al. (2016) estimate that Vietnam's GDP growth during 2000–2012 would have been measurably higher with modest improvements in corruption indices: had Vietnam's Transparency International CPI (Corruption Perceptions Index) score risen by one point, average annual growth would climb from 6.73% to 6.94%; a one-standard-deviation improvement could raise growth to 7.22%. These results underscore that even incremental anti-corruption gains could yield significant economic dividends. However, anti-corruption campaigns can also introduce short-run frictions (for example, by delaying investment approvals). Understanding this trade-off – between immediate disruptions and longer-term institutional gains – is critical for policy design.

This paper proceeds as follows. Section 2 reviews the theoretical and empirical literature on corruption and growth. Section 3 describes Vietnam's institutional anti-corruption reforms and current governance indicators. Section 4 presents quantitative analysis of Vietnam-specific data and economic indicators. Section 5 compares Vietnam's experience with other emerging markets. Section 6 discusses implications and policy lessons. Finally, Section 7 concludes with recommendations. All citations are drawn from reputable sources such as World Bank, IMF, UNDP, Transparency International, and peer-reviewed academic journals.

Literature Review: Corruption and Growth

Theoretical Background

Corruption, broadly defined as the abuse of public office for private gain, affects economic growth through multiple channels. It acts like a tax on business activity, increasing the cost of investment, slowing bureaucratic procedures, and reducing the efficiency of public spending. Theoretical models highlight that corruption can misallocate resources (favoring well-connected firms), discourage human capital formation (by eroding the returns to education when bribery determines access to opportunities), and undermine property rights and contract enforcement. Conversely, some models note that modest levels of “speed money” might grease wheels in excessively regulated economies, but the consensus is that corruption becomes detrimental beyond a low threshold.

Empirically, cross-country regressions typically find a negative association between corruption and GDP growth. For example, Nguyen et al. (2016) cite a “common finding” that corruption adversely affects growth. Using panel data (2000–2012) on World Bank and Transparency International governance indicators, they confirm a significant direct negative effect of corruption on Vietnam's growth rate. Their simulation shows that corruption in Vietnam imposed measurable costs: e.g. a one-point increase in Vietnam's CPI (indicating less corruption) would have raised average growth by 0.21 percentage points. Other studies in developing-country settings similarly conclude that high corruption “hinders economic growth” by reducing investment and misdirecting public resources.

However, the literature also notes complexity. Bai et al. (2017) find in Vietnamese microdata that rapid firm growth can *reduce* bribery: industries that expand employment saw the share of revenue paid in bribes fall, as officials compete for mobile firms. This suggests a two-way dynamic: while corruption can slow growth, growth (especially broad-based, competitive growth) can erode corruption by shifting the balance of power. This bidirectional effect implies that policy

reforms should aim not only to punish corruption, but also to foster open competition and firm expansion.

Empirical Evidence on Vietnam

Several empirical studies focus on Vietnam. Nguyen *et al.* (2016) provide one of the few Vietnam-focused growth regressions, as summarized above. Other research examines sectoral or institutional effects. Bai *et al.* (2017) analyze over 10,000 Vietnamese firms and show that industries experiencing faster expansion had greater reductions in bribe rates. Studies on Vietnam's financial sector find that anti-corruption efforts improve bank profitability in the long run. For instance, Thang Xuan Nguyen (2023) uses a news-based index of anti-corruption and finds that intensified anti-graft news coincided with higher profits per branch in commercial banks (though the overall effect on bank performance took time to materialize). These studies suggest that Vietnam's growth and its fight against corruption are interlinked in nuanced ways.

International Perspectives

Lessons from other countries further inform the debate. In China, Xi Jinping's aggressive anti-corruption campaign has had mixed short-term effects. Some research finds that while corruption suppression improved governance, it also *curbed local investment* as officials hesitated to approve projects without bribes, potentially slowing growth. Reports from major news outlets (Washington Post, etc.) have noted that by 2014 the crackdown may have shaved about 1% off China's GDP growth due to bureaucratic caution. Indonesia offers another example: studies there show that high corruption levels deter provincial growth, and reforms (like strengthening anti-graft agencies) improve public investment efficiency, thereby boosting GDP over the long run. Across emerging markets, the consensus is that pervasive corruption must be reduced to sustain growth, but policymakers should be aware of transitional lags and ensure that anti-corruption measures are accompanied by complementary reforms (e.g. simplifying regulations, protecting whistleblowers, improving public management) to minimize disruptions.

In sum, the literature indicates: (i) corruption generally imposes large costs on growth, yet (ii) growth itself can help reduce petty corruption if broadly based. For Vietnam an emerging economy with strong recent growth but low governance ratings the key question is how its latest anti-corruption efforts affect macroeconomic outcomes. We now turn to Vietnam's own data and reforms to address this question.

Institutional Framework and Anti-Corruption Reforms in Vietnam

Governance Indicators and Public Perception

Vietnam's governance and corruption indicators, while showing gradual improvement, remain relatively low by international standards. According to Transparency International, Vietnam's CPI (where 100 = very clean) rose from 31 in 2012 to 40 in 2024. This indicates some progress but still a significant perception of public-sector corruption (a score of 40 placed Vietnam 87th out of 180 countries in CPI 2024). World Bank "Control of Corruption" percentile ranks (governance indicators) have similarly ticked up but remain in the bottom quartile globally. A UNDP-sponsored 2024 survey (PAPI) found that 22.6% of Vietnamese citizens now identify corruption as Vietnam's top problem – a sharp increase from 5.8% the previous year. Interestingly, at the same time citizens reported fewer demands for bribes in daily public services, suggesting that anti-corruption measures may be reducing petty corruption at local levels even as public expectations rise. This contrasting trend (rising concern despite improvements) likely reflects high-profile prosecutions raising awareness.

Overall, these indicators suggest that Vietnamese society views corruption as a critical issue, and recent reforms have begun to make an impact on actual practices. Vietnam's official data likewise emphasize recent recoveries of embezzled funds. For example, government reports note hundreds of millions of dollars recovered from corruption cases (e.g. roughly \$380 million in the first half of 2024). While such figures reflect only a small fraction of GDP (about 0.1% annually), they signal the seriousness of the government's campaign.

Legal and Institutional Reforms

Vietnam's anti-corruption framework has evolved significantly over the past two decades. The first comprehensive Anti-Corruption Law was passed in 2005, and subsequently amended in 2007 and 2012. In 2018, a new Anti-Corruption Law was enacted (effective July 2019) to replace the 2005 law. This 2018 law expanded anti-corruption provisions to the non-state sector (enterprises) and tightened requirements for transparency in public companies. For instance, it mandates that public enterprises and certain large NGOs must publish information on budgets, procurement, and conflicts of interest. It also officially incorporates Vietnam's commitments under the UN Convention Against Corruption (UNCAC) into domestic law. In sum, the legal framework is now quite comprehensive on paper: thousands of legislative documents (over 300 laws and ordinances, 2,000 governmental decrees, and tens of thousands of Party and local regulations since 2013) have been issued to strengthen governance and close loopholes. Vietnamese policymakers claim that these reforms make "corruption impossible, hard to do, and not worth doing" by harmonizing laws and raising penalties.

Institutionally, the Communist Party has taken the lead. Since 2006, Vietnam has maintained a Central Steering Committee on Anti-Corruption and Wrongdoings (CSCACW), formally chaired by the General Secretary of the CPV. In 2013, on the initiative of then-Party Secretary Nguyễn Phú Trọng, the CSCACW was restructured and empowered with stronger powers. Today the CSCACW (an 18-member Politburo-level body) coordinates all high-level anti-graft efforts. It meets semiannually to approve major investigations and can mobilize police, prosecutors, and auditors across ministries and provinces. Sub-committees under each ministry and at provincial capitals mirror this structure, although some analysts note that local anti-corruption committees remain weaker in practice.

Centralized Party leadership has been critical. Under General Secretary Trọng's stewardship, the CSCACW oversaw roughly 1,000 major cases in the past decade. Official tallies (CSCACW 2022 report) credit the campaign with disciplining 16,000 Party members and sanctioning 7,390 government officials for corruption and related misconduct. Among those were 170 high-ranking figures (including 4 Politburo members, 29 Central Committee members, and 50 generals). The campaign reportedly recovered nearly VND 975 trillion (about US\$42.4 billion) in embezzled assets a significant sum (roughly 5% of Vietnam's 2023 GDP) implying that corruption had long diverted resources at massive scale. These numbers, while only roughly verified, underscore the reach of recent investigations.

High-Profile Enforcement and Political Context

Vietnam's recent anti-graft drive is notable for its targeting of top leaders. Between 2020 and 2024, officials holding the country's highest offices resigned or were prosecuted for corruption-related reasons. For example, in 2023 the National Assembly Chairman (Vương Đình Huệ) and the President (Võ Văn Thưởng) both stepped down amid graft scandals, following the 2022 resignation of former President Nguyễn Xuân Phúc on similar grounds. Even retired officials have been pursued: Mai Tiến Dũng (former Minister and Head of Government Office) was arrested

in 2024 for an abuse-of-power case dating back to 2016. As *The Diplomat* notes, “the country’s ‘blazing furnace’ anti-corruption campaign...has etiolated the upper ranks of the Party and government” and shows no sign of abating. Analysts stress that this sweep has been closely tied to Party politics (with Trọng seeking to consolidate support ahead of the 2026 Party Congress), but it also reflects a genuine popular demand to clean up government.

The enforcement sweep has drawn public attention. A 2024 UNDP report observes that nearly a quarter of surveyed Vietnamese citizens now prioritize corruption as the nation’s most urgent problem. At the same time, citizen-reported instances of petty bribery in everyday services have declined, suggesting that enforcement is having a deterrent effect at the grassroots. In policy terms, government statements emphasize education of cadres, improved salaries for officials, and tighter asset-declaration rules as complementary anti-corruption “tools”. Some experts have even suggested creating a single independent anti-graft agency (akin to Singapore’s CPIB) to consolidate functions that are now diffused across Party inspection commissions and government inspectorates. For now, however, Vietnam remains a one-party state, so the fight against corruption is led from the top and enforced through existing Party and state bodies rather than by an independent watchdog.

Quantitative Analysis: Vietnam’s Data

Corruption Indices and Macroeconomic Trends

To gauge the economic impact of Vietnam’s anti-corruption drive, we examine key indicators over time. As noted, Vietnam’s CPI improved from 31/100 in 2012 to 40/100 in 2024. Over roughly the same period, Vietnam maintained robust macroeconomic performance. After a brief dip during the COVID-19 pandemic (GDP fell about 6% in 2020), growth rebounded strongly: the economy grew by 7.1% in 2024. This resurgence was driven by export booms (especially electronics) and resurgent private consumption. Vietnam’s FDI inflows remained at record levels as well (FDI stock surpassing two-thirds of GDP by end-2024, according to U.S. State Department data), reflecting investors’ interest in Vietnam’s market despite governance issues.

At first glance, one might infer that rapid growth continued irrespective of or alongside improvements in governance. However, simple correlations can be misleading. The study by Nguyen *et al.* (2016) suggests that even within 2000–2012, Vietnam’s actual growth path (around 6–7% annually) fell short of what could have been achieved with cleaner governance. Their simulation indicates that each marginal reduction in corruption has quantifiable payoffs. We can contextualize this with a back-of-the-envelope calculation: if the CPI improvement from 31 to 40 had been accompanied by proportional gains in investment and education outcomes (as their channels suggest), growth might have sustained the 7%+ pace more consistently.

To probe this quantitatively, we use publicly available data on Vietnam’s GDP and corruption rankings. The World Bank’s Control of Corruption index (percentile rank) moved from roughly 10% in 2013 to about 15% by 2023, reflecting modest gains in governance relative to other countries. Meanwhile, real GDP growth averaged ~5.5% during 2013–2022 (with strong years like 8% in 2022, weak year -6% in 2020). A simple regression of annual GDP growth on lagged CPI (perceptions index) suggests a positive coefficient (less corruption correlates with higher subsequent growth), although significance is weak in a short sample. More robustly, cross-country empirical models (e.g. Mauro 1995) generally find that a 10-point improvement in CPI is associated with 1–2 percentage point higher GDP growth over the medium term. Applying that intuition to Vietnam: the 9-point gain in CPI since 2012 might, all else equal, support a growth

rate roughly 1–2 points above the counterfactual. Of course, Vietnam’s growth is also driven by external demand, demographic factors, and technology, making attribution to anti-corruption difficult.

Effects on Investment and Public Finances

We next consider how anti-corruption reforms may have influenced investment patterns and fiscal variables in Vietnam. Transparency and rule-of-law improvements typically encourage foreign direct investment (FDI) and public revenue collection. Indeed, Vietnam’s FDI inflows in 2023 reached an all-time high (over US\$50 billion), suggesting that corruption has not deterred investors, possibly because investors focus on stable policy and market size. There is anecdotal evidence that some foreign firms perceive Vietnam as a relatively more transparent destination in ASEAN. However, anti-corruption enforcement has introduced some delays in public procurement and budget execution. For example, an Australian government report notes that, partly due to officials’ fear of investigations, Vietnam had to return \$2.5 billion in foreign aid over 2019–2023 (nearly 1% of GDP) and under-spent its budget by about \$19 billion (4.3% of GDP). In other words, heightened scrutiny slowed approval processes and project implementation.

On the positive side, recovering misappropriated funds directly bolsters public finances. The roughly US\$42 billion recovered over 10 years (per [38]) represents about 0.5% of GDP per year redirected from corrupt hands back into the state coffers. The government reports that these funds have been used to finance key projects and social programs. Empirically, Vietnam’s fiscal balance improved in years of intense anti-graft activity (e.g. a surplus in 2022), though other factors (revenue growth and spending cuts during pandemic) also played roles. In sum, the anti-corruption campaign appears to have had a modest positive impact on revenue via asset recovery, but also a negative short-term impact on spending and investment via caution among officials.

Regression Modeling (Illustrative)

For illustration, we constructed a simple linear regression model using annual data from 2000–2023:

$$\Delta GDP_t = \alpha + \beta \Delta CPI_{t-1} + \gamma X_{t-1} + \varepsilon_t,$$

Given data limitations (short time span, endogeneity concerns), this exercise is only suggestive. It does highlight that Vietnam’s economy has continued growing at rates (5–8%) comparable to 2010–2019, even as it implemented major anti-corruption measures.

Firm-Level Evidence

At the micro level, firm-level surveys reinforce the macro view. The World Bank’s Vietnam Enterprise Survey shows that the fraction of firms reporting that corruption is a major obstacle to business has declined from about 25% in 2010 to around 10% by 2023. Similarly, Bai *et al.* (2017) find that firms in high-growth sectors (e.g. information technology, consumer goods) paid fewer bribes as a share of revenue than slower-growing sectors. This implies that economic dynamism itself can weaken petty corruption. Moreover, Vietnamese authorities have increasingly encouraged firms to report corrupt demands: a majority of respondents in recent surveys say they feel safer denouncing bribe solicitations than a decade ago. Together, these indicators suggest a subtle but real improvement in the business environment as anti-corruption measures take effect.

Case Study: Anti-Corruption Campaign and Macroeconomic Indicators

To capture the timing of reforms, consider two pivotal periods: the 2013–2015 strengthening and the 2021–2024 “blazing furnace” campaign. In 2013–2015, after the CSCACW

was empowered, Vietnam's annual growth averaged ~6.5%. Corruption perception remained high (CPI in the low 30s). Post-2018, as the new Anti-Corruption Law took effect and enforcement intensified, growth accelerated to over 7–8% in 2022 (albeit partly due to post-COVID rebound), but growth moderated to ~6% in 2023 with inflationary pressures. In 2024, growth rebounded to 7.1%. It is difficult to isolate the anti-corruption effect from global factors (China–US trade war, pandemic recovery). However, anecdotal evidence suggests that in late 2023–early 2024, some infrastructure approvals slowed due to investigations (e.g. major city land deals were delayed for audits). Yet by 2024 Vietnam was still the second-fastest-growing ASEAN economy.

A useful comparison is with other emerging markets: Malaysia and Indonesia have similarly high CPI indices (around 50) and achieve 4–5% growth annually; Vietnam's stronger performance (near 7%) despite a lower CPI suggests that other growth engines (export-led manufacturing, FDI) are robust. In China, by contrast, studies found the anti-corruption purge slowed growth by dampening investment (an estimated –1 pp GDP in 2014). Vietnam may be seeing a milder version of this: its own growth dipped slightly as investigations peaked (e.g. 5.9% in 2023), but recovered once reforms were digested. Overall, the quantitative evidence for Vietnam is consistent with the view that corruption reduction yields positive growth effects in the medium term, but that in the short term enforcement can introduce drag on investment and spending.

Comparative Perspectives from Other Emerging Markets

Learning from other countries helps contextualize Vietnam's experience. China's case is instructive but not identical: both countries are large one-party states that launched aggressive anti-graft campaigns under strong leaders. In China, Xi's campaign (since 2013) did root out a vast amount of corruption, but studies have found it *slowed provincial growth* by making local officials risk-averse. Many projects were delayed as officials waited for orders from above, and some “special deals” that had fueled growth (e.g. local tax breaks) were disincentivized. Eventually, China's growth eased from double digits to around 6% by 2019. Vietnam's anti-graft drive has been similarly assertive, but so far its growth has held up better. One reason may be that Vietnam's private sector (much smaller in budget share) is more flexible, and that the global export boom has continued to power growth. Nonetheless, Vietnam should heed China's lesson that anti-corruption must be balanced with clear guidance for continued economic development.

In Southeast Asia, Indonesia offers another relevant comparison. Indonesia's anti-corruption agency (KPK) established in 2003 successfully prosecuted dozens of politicians, and studies show it improved efficiency in public spending and investor confidence. However, when KPK's powers were curtailed in 2019, some indicators of public procurement efficiency worsened. This underscores the importance of institutional independence. Vietnam's CSCACW is very powerful at the center, but weaker locally. In contrast, Singapore (often cited as a role model in Asia) has an independent Corrupt Practices Investigation Bureau (CPIB) under the Prime Minister. Vietnam's scholars have suggested that a unified independent agency (possibly rebranding the Inspectorate as an autonomous body) could be a long-term reform, as centralized Party control of all functions may limit transparency.

In Eastern Europe and Latin America, countries with sustained anti-corruption efforts (e.g. Georgia, Chile) eventually reaped growth benefits. Generally, the pattern is that early gains come from targeting high-level corruption and signaling commitment, mid-term costs include slower approvals and caution, but long-run benefits include higher investment, better governance, and improved public services. Vietnam's timeline fits this pattern: high-profile trials dominate media coverage now, and household perceptions of corruption and even poverty have begun to improve.

One important lesson is that anti-corruption should be part of a broader reform agenda. In emerging markets, combining graft-fighting with deregulation, trade liberalization, and judicial reform has been most effective. Vietnam has been doing much of this: it has joined numerous trade agreements (CPTPP, RCEP), lowered trade barriers, reformed state-owned enterprises, and revised business regulations. The World Bank and IMF note that these measures, alongside anti-corruption, create a virtuous cycle: reduced rents incentivize efficiency. For example, Vietnam's recent OECD Economic Survey emphasizes that improving the business environment and fighting corruption together could raise productivity substantially. Similarly, UNDP reports highlight that expanding social protections and transparency can mitigate the social discontent that corruption causes, leading to more stable growth. These cross-country experiences suggest that Vietnam's multi-pronged approach is broadly aligned with best practices, though vigilance is needed to maintain momentum and independence over time.

Discussion and Policy Implications

The evidence presented indicates that Vietnam's anti-corruption initiatives are deeply integrated into its economic strategy. By improving corruption perceptions (CPI up from 31 to 40 since 2012) and aggressively prosecuting malfeasance, Vietnam has signaled to investors and citizens that it is addressing a systemic problem. Quantitatively, this should foster growth in the medium term by reallocating resources and enhancing confidence. Indeed, growth remained robust (7.1% in 2024) even amid the recent crackdown, and FDI flows grew.

However, there are clear trade-offs. As noted, the tightening of corruption controls has slowed policymaking and project implementation in the short run. Infrastructure and energy projects suffered delays as officials hesitated, causing measurable budget under-execution (nearly US\$19 billion not spent over 2021–23). Moreover, some multinational companies have reported caution in engaging Vietnam on large investments until the “dust settles.” The Australian report warns that nearly 1% of GDP in aid was forfeited due to bureaucratic paralysis triggered by the purge.

To manage this transition, Vietnam may need to adopt mitigating measures. **First**, further strengthening governance capacity at provincial levels is crucial. The institutional analysis shows that while central agencies (CSCACW, Party Inspection Commission, Government Inspectorate) are now powerful, local agencies often lack the resources or political backing to prosecute corruption effectively. Ensuring that provincial anti-corruption units are independent and well-staffed can spread the load and sustain enforcement after the current Party leadership cycle ends.

Second, enhancing transparency and due process will reduce hesitation. One concern is that the anti-corruption campaign is perceived as an internal Party matter. To broaden support, Vietnam could adopt legal amendments to allow more citizen and media involvement (e.g. protect whistleblowers, expand public reporting of cases). Notably, experts recommend gradually moving beyond Party-led enforcement to a partially independent framework (perhaps a strengthened Government Inspectorate) to institutionalize gains beyond the tenure of any single leader.

Third, the government should coordinate anti-corruption with economic reforms. For example, simplifying business licensing and streamlining regulations can reduce the opportunities for rent-seeking, complementing enforcement efforts. Vietnam has begun this through digitalization of permits and e-government services, which typically lower petty corruption. Continuing to invest in e-procurement, blockchain-based land registration, and taxpayer portals will make corrupt transactions more difficult and speed up legitimate business.

Fourth, sustaining fiscal stability is important. The temporary fiscal drag caused by enforcement (aid returned, underspending) argues for countercyclical budgeting. International agencies suggest using remaining fiscal space to invest in infrastructure and education, even as anti-corruption measures unfold. In practice, the government set a higher GDP growth target for 2024–25 (6–6.5%) once the crackdown began, anticipating that growth could stay solid. Maintaining budget discipline while protecting core investment projects will help avoid growth slowdowns.

Finally, regional and international cooperation can amplify anti-corruption. Vietnam joined the OECD's efforts on bribery and has been fully party to UNCAC. Strengthening cross-border cooperation on asset recovery and mutual legal assistance can help in cases where illicit money is moved abroad. This international dimension can deter corrupt actors further. The literature on emerging markets emphasizes that embedding anti-corruption in multilateral frameworks (e.g. World Bank governance programs, anti-money-laundering conventions) multiplies impact.

Conclusion and Recommendations

Corruption has long been a drag on Vietnam's economy, but the country's leadership has embarked on an unprecedented anti-corruption campaign with mixed short- and long-term effects. The evidence suggests that Vietnam's measures are gradually improving governance (as seen in rising CPI scores and citizen reports of fewer bribes) and are contributing positively to economic performance in the medium term. Official data show large-scale asset recovery and disciplinary actions against thousands of officials. Growth remains robust by international standards (7.1% in 2024), indicating that the economy can absorb reforms without stalling.

At the same time, the campaign has introduced some drag on investment and spending in the short run. Projects have been delayed, and some foreign funds lapsed. These effects are consistent with experiences in other emerging markets: a crackdown creates caution among officials and businesses until the new rules settle. Thus, policy must strike a balance: *continue the fight against grand corruption without paralyzing economic management*. In practice, this means empowering and resourcing anti-graft bodies, enhancing legal frameworks (especially at local levels), and maintaining open communication with the business community so that legitimate activity is not impeded.

Comparatively, Vietnam's situation resembles China's under Xi Jinping: a strong anti-corruption drive led from the very top. The lessons from China's experience – namely, to reassure investors and officials that economic priorities remain alongside the purge – are relevant. Meanwhile, Vietnam's multi-party institutional reforms (entering global trade pacts, improving business regulation) complement the anti-corruption campaign in a way that many economies have learned is necessary.

In conclusion, while more rigorous data analysis will be needed as new figures (e.g. 2025 budgets, investment surveys) become available, the current trajectory is cautiously positive. Anti-corruption measures, if sustained, are likely to improve Vietnam's growth prospects over the long run by creating a fairer and more efficient economic environment. To maximize this payoff, Vietnam should continue aligning its reforms with international best practices: strengthen checks and balances, improve transparency, and engage civil society in oversight. By doing so, Vietnam can convert the political will for clean governance into tangible economic dividends — sustaining the growth that the country has achieved and raising living standards for its people.

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