

Legal Reforms and Institutional Transformation: An Examination of Vietnam's Anti-Corruption Initiative

Quoc Hung Tran

Ho Chi Minh University of Banking

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Abstract: This study analyzes Vietnam's anti-corruption reforms through the perspective of institutional transformation within a Leninist Party-State context. The "Dot Lo" campaign has created a level of political discipline that has never been seen before. It has gotten rid of high-ranking officials, made the Communist Party of Vietnam (CPV) more legitimate, and improved Vietnam's Corruption Perceptions Index. But there are still structural issues with the legal system. Important legal modifications, such as the Anti-Corruption Law of 2018 and the Penal Code (2015/2017/2025), increased the severity of crimes, made them more visible, and established an economic deterrent model that connected asset restitution to sentence reduction. When it comes to

asset recovery, there is still a significant enforcement gap, particularly with regard to illicit income. This is due to the lack of Non-Conviction-Based (NCB) forfeiture procedures and the political control over the enforcement system. According to the report, rather than establishing independent legal accountability, Vietnam's anti-corruption campaign largely seeks to strengthen political responsibility. It concludes that procedures must be revised in order for reforms to endure. This means things like NCB forfeiture, decentralized transparency, and stronger institutional capacity. These changes will help turn political will into real, long-lasting legal effectiveness.

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Contact: hungtq@hub.edu.vn

I. Introduction

1. *The Context and Significance of Research*

Corruption poses a considerable structural challenge for Vietnam when trying to achieve accelerated economic growth in a single-party ruling system¹. The CPV recognizes corruption as more than a social phenomenon; it is also a substantial threat to its legitimacy and the sustainability of the regime as a whole. Party documents unambiguously indicate that corruption is a dangerous internal enemy that attacks the movement from within and does not need to resort to guns.

The problem has always been made worse by the inherent complexity of the party-state model, which is characterized by a strong relationship between politics and business, a weak rule of law, limited transparency, and a lack of independent accountability¹. In the past, the CPV adopted a more circumspect or lenient stance because of concern that exposing high-level misconduct may erode public confidence. Significant institutional change was necessary due to the scope and complexity of corruption, particularly in public investment, land, and natural resources². This requirement led to two different approaches in Vietnam's fight against corruption: strengthening political discipline and completely overhauling its official legal system.

2. *The “Blazing Furnace” (Dot Lo) Campaign*

In 2016, the mounting threat of corruption prompted General Secretary Nguyen Phu Trong to launch an unprecedented, high-intensity battle. The “Dot Lo” was its well-known name³. Since then, the campaign has garnered international attention due to its dramatic targeting of high-ranking politicians, which resulted in the expulsion of numerous Politburo members, presidents, and National Assembly leaders. This is an instance of the unprecedented use of sanctions⁴.

The campaign's overarching objective is to alter institutional cultures to the point where public employees are unable, unwilling, and afraid to engage in corruption. In order to accomplish this aim, we must go beyond simply punishing individuals and implement significant changes in both behavior and thought processes⁵. In 2023, the Party disciplined 24,162 individuals, a 12% increase over 2022. This demonstrates

¹ Nguyễn, K. G. (2023). Vietnam's anti-corruption campaign: Economic and political impacts. ISEAS-Yusof Ishak Institute.

² Nguyen, T. T., Mai, D. L., & Tran, H. V. (2025). Legal and institutional coherence in Vietnam's anti-corruption efforts: Addressing challenges in the Party-State context. *Asian Politics & Policy*, 16(1), 89-107.

³ CSIS. (2024). Diverging from the Blazing Furnace: Vietnam's Opportunity to Attract More US Investment. Center for Strategic and International Studies. .

⁴ PF. (2024). Vietnam's Anti-Corruption Campaign: CPI and Political Stability. *Prospect Foundation*.

⁵ CSIS. (2024). Diverging from the Blazing Furnace: Vietnam's Opportunity to Attract More US Investment. Center for Strategic and International Studies. .

the strength of the centralized political will supporting this endeavor⁶. Research Questions and Theoretical Gaps

According to Truong, scholarly assessments of the Dot Lo campaign often place it in a narrow binary framework: either as a genuine, revolutionary move towards the rule of law or as a cynical political cleansing meant for internal power consolidation. According to this research, a Leninist party-state's fundamental institutional justification for reform is obscured by such a binary.

This analysis employs the concept of institutional conversion, which maintains that formal legislative reforms are instruments that the ruling CPV repurposes to enhance and modernize traditional systems of centralized Party discipline in order to reinforce the Party-centric governance model without necessarily moving toward an independent legal-rational accountability system⁷.

To support this thesis, this paper looks at three key facets of Vietnam's anti-corruption initiative: (1) the nature and scope of formal legal changes, such as the Anti-Corruption Law 2018 and the Penal Code amendments; (2) the dynamics of institutional enforcement, focusing on political vs legal responsibility and macro-level performance indicators; and (3) a critical evaluation of the system's most significant flaw, the procedural insufficiency in asset recovery.

II. Theoretical Framework: Political Supremacy and Institutional Conversion

1. *Defining Accountability in a Party-State*

The institutional and constitutional framework of a nation with a single dominant party requires that accountability be essentially political rather than merely legal. Article 4 of the 2013 Constitution refers to the CPV as “the leading force of state and society”. As a result, Vietnam lacks an efficient system of checks and balances; senior Party officials and committees continue to have the last say on all significant decisions, which prevents the judiciary, state organs, and media from operating independently⁸.

Since the CPV is the main source of authority in this institutional setting, the effectiveness of anti-corruption initiatives is intrinsically dependent on the political will of the ruling party⁹. According to this structure, political consequences are formalized and enforced through legal proceedings, and high-level corruption charges are ultimately settled through party mechanisms.

⁶ Ibid.

⁷ Truong, Q. D. (2024). The Blazing Furnace and institutional conversion in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

⁸ Nguyen, T. T., Mai, D. L., & Tran, H. V. (2025). Legal and institutional coherence in Vietnam's anti-corruption efforts: Addressing challenges in the Party-State context. Ibid.

⁹ Communist Party of Vietnam (CPV). (2013). Constitution of the Socialist Republic of Vietnam (2013).

2. *Institutional Conversion and Leninist Mechanisms*

The Dot Lo campaign serves as a prime example of institutional conversion as described by Truong¹⁰ where certain disciplinary mechanisms would ordinarily be deployed and/or intensified to meet new systemic phenomena (i.e., financial crime) without a deemed radical change in the governance structure. The research shows the Party's Central Inspection Commission (CIC) plays the role of the “investigator-in-chief” in politically exposed corruption cases. Hence the “primacy of political over legal accountability” remains.

The Party's intensified focus on certain Leninist control mechanisms—which emphasize ideological purification and inner discipline—allows corruption to be tackled while consolidating the Party's inner coordination. In the absence of credible independent legal institutions, the strategy offers a fast and visibly effective solution to restore confidence in the Party's governing capacity¹¹.

3. *Party Mandates and Legal Codification*

The institutional and constitutional framework of a nation with a single dominant party requires that accountability be essentially political rather than merely legal. Article 4 of the 2013 Constitution refers to the CPV as “the leading force of state and society”¹². As a result, Vietnam lacks an efficient system of checks and balances; senior Party officials and committees continue to have the last say on all significant decisions, which prevents the judiciary, state organs, and media from operating independently.

This enormous amount of comprehensive laws attests to the fact that the legislative process is mostly used to carry out pre-existing political objectives, guaranteeing vertical adherence to party directives. The emphasis on “corruption actions... in cadre matters,” which the Politburo first highlighted and handled in 2019, serves as an example. Later, this was explained in Regulation 114-QĐ/TW (2023), which listed common infractions like authority abuse, secret information leakage, promotion bribery, and conflict of interest decisions. This process—from political mandate (Politburo) to explicit legislation enforcement (Government Decree 59/2019/ND-CP) to precise direction (Regulation 114)—confirms that the political imperative of internal purification is the institutional driving force behind the anti-corruption push

III. Vietnam's Formal Legal Architecture: Key Legislative Reforms (2015–2025)

When compared to other Asian nations, Vietnam's anti-corruption legal

¹⁰ Truong, Q. D. (2024). The Blazing Furnace and institutional conversion in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

¹¹ PF. (2024). Vietnam's Anti-Corruption Campaign: CPI and Political Stability. *Prospect Foundation*.

¹² Communist Party of Vietnam (CPV). (2013). Constitution of the Socialist Republic of Vietnam (2013).

framework has been greatly improved over the last ten years, and as a result, many international organizations view it as a comprehensive set of regulations¹³. The Anti-Corruption Law of 2018 and the Penal Code are two significant pieces of legislation that have significantly altered the way criminals are punished, with an emphasis on asset recovery and crime prevention.

1. *The 2018 Anti-Corruption Law: Accountability and Prevention*

The Anti-Corruption Law (AC Law) of 2018 and its implementation rules (Decree 59/2019/ND-CP) mark a significant step toward proactive, preventative governance. Enhancing transparency and publicity, supporting monitoring, checking, inspection, and audit activities in high-risk industries, and promoting non-cash payment methods are just a few of the significant preventive areas where the AC Law improves regulations. Purely punitive responses were often the hallmark of earlier attempts.

Enhancing the monitoring, confirmation, and analysis of cadres' asset and income declarations—particularly those of managers and leaders—is a top objective. Furthermore, the law reinforces mechanisms designed to hold agency and local officials accountable for preventing, detecting, and reducing corruption in their respective fields¹⁴. This structural approach seeks to "bring the law into life" at the sector level by internalizing integrity policies and decentralizing compliance duties, moving beyond abstract legality.

2. *Penal Code (2015/2017) Amendments: Expanding Jurisdiction*

The 2015 Penal Code, as amended in 2017, marks two profound structural changes designed to address grand corruption and fulfill international obligations.

2.1. Extension to the Private Sector

One of the most important changes was broadening the scope of crimes related to corruption, such as embezzlement of property and receiving bribes, to explicitly include the non-state/private sector¹⁵. This reform was an important, if not imperative, response to the growing intricacy of financial crimes that are invariably linked with the state¹⁶. For example, indictments on a number of prominent cases, such as the Van Thinh Phat scandal, evidenced the limitations of the 1999 Penal Code, as the embezzlement provisions were, by and large, inapplicable to the non-state sector in the course of the alleged illegal acts (2012-2017). This resulted in the prosecution of these cases being forced to use peripherally related charges such as

¹³ Nguyen, T. T., Mai, D. L., & Tran, H. V. (2025). Legal and institutional coherence in Vietnam's anti-corruption efforts: Addressing challenges in the Party-State context. *Asian Politics & Policy*, 16(1), 89-107.

¹⁴ Ibid.

¹⁵ Nguyen, T. T. (2018). Notable Changes in the New Penal Code at a Glance. *Vietnam Law Magazine*.

¹⁶ Nguyễn, K. G. (2023). *Vietnam's anti-corruption campaign: Economic and political impacts*. ISEAS-Yusof Ishak Institute.

“violating lending regulations in the activities of credit institutions”¹⁷. The 2015/2017 amendments to the code eliminated this gap in a most comprehensive manner, recognizing the strong political-business nexus and holding the private sector criminally liable for corruption in the abuse of public assets. Fulfilment of UNCAC Obligations.

By enforcing responsibilities under the 2003 UN Convention Against Corruption (UNCAC), to which Vietnam is a party, the Penal Code also brought Vietnamese legislation into compliance with international standards. Articles 364 and 365 of the modifications specifically make it illegal to bribe foreign public officials and workers of public international organizations or to act as an intermediary in bribery¹⁸. This significant action showed a dedication to multilateral cooperation in combating transnational financial crime and expanded Vietnam's anti-corruption jurisdiction beyond national borders.

3. *Sentencing Policy: The Economic Deterrence Model*

There also appears to be a change in the philosophy of sentencing due to the broadening of liability. Rather than focusing on maximum punitive sanctions, the amended law moves towards a more pragmatic model, focusing on economic restitution. The Law Amending the Special Part of the Criminal Code of October 17, 2022, abolishes the death penalty for the crimes of embezzlement and receiving bribes, along with eight other crimes.

The abolition of the death penalty is, however, accompanied by a condition for future lenience (sentence reductions), especially for life prisoners (imposed on or after July 1, 2025). Such prisoners will be eligible for consideration only if they return voluntarily and in full at least three-fourths (75%) of the assets embezzled or bribes received¹⁹. The law provides strong economic disincentives. It is the only law linking the length of a prisoner's sentence to the recovery of state losses. It is an economic disincentive for state losses and prioritizes the economic recovery of the state by a great deal in mega corruption cases. The law confirms that the state is focused on minimizing losses and maximizing the economic return of the anti-corruption campaign. Table 1 provides a synthesis of the legislative changes reflecting this new focus.

Table 1(a): Evolution of Vietnam's Anti-Corruption Legal Framework (2015–2025)

Legal Instrument	Core Provision	Legal & Institutional Significance
Penal Code (2015,	Extension of embezzlement/bribery	Closes significant liability gap;

¹⁷ The Vietnamese. (2025). Inside the Van Thinh Phat Scandal: Truong My Lan's Rise and Fall.

¹⁸ Nguyen, T. T. (2018). Notable Changes in the New Penal Code at a Glance. *Vietnam Law Magazine*.

¹⁹ Baker McKenzie. (2025). Vietnam: Amendments to Vietnam's Penal Code – Key Updates on Corruption-Related Crimes Effective 1 July 2025.

Table 1(b): Evolution of Vietnam's Anti-Corruption Legal Framework (2015–2025)

Legal Instrument	Core Provision	Legal & Institutional Significance
revised 2017)	to non-state sector.	recognizes the politics-business nexus in grand corruption.
Penal Code (2015, revised 2017)	Criminal liability for bribing foreign public officials.	Fulfillment of obligations under the UN Convention Against Corruption (UNCAC).
Penal Code (2025 Amendments)	Life sentence reduction requires 75% asset restitution (for new sentences).	Pragmatic shift towards economic deterrence and prioritizing recovery of state losses.
Anti-Corruption Law (2018)	Strengthened rules on asset/income declaration and accountability of agency heads.	Enhanced preventive focus and bureaucratic responsibility for compliance.

IV. Institutional Dynamics and Performance Assessment

The effectiveness of Vietnam's anti-corruption campaign can be evaluated not only by the strength of its legislation but also by its observable effects on public opinion, governance dynamics, and economic indicators. In all of these areas, the intense political campaign has produced inconsistent but generally favorable outcomes.

1. *Public Perception and Legitimacy*

Because of the notable prominence of the Dot Lo campaign, it has attracted more attention, both internally and externally, regarding the degree and severity of corruption. Given the important role of General Secretary Nguyen Phu Trong, the status of Vietnam in the Corruption Perceptions Index has undergone a significant increase as it improved overall by 10 points from the score prior to 2011 (42) in 2022²⁰. Now, in 2023, the score of 41 is mainly attributed to major corruption cases such as embezzlement in the case of Truong My Lan²¹. With that in mind, the overall pattern indicates a positive outcome of the Party in power. It demonstrates that the political strategy—fast and public punishments on the high-ranking individuals of the system—could lower, to a significant degree, the perception of corruption within the system to the leaders, and even to the international observers.

2. *Economic Governance and Decentralized Corruption*

Evidence indicates that petty bureaucratic corruption is still a systemic problem

²⁰ CSIS. (2024). Diverging from the Blazing Furnace: Vietnam's Opportunity to Attract More US Investment. Center for Strategic and International Studies. .

²¹ PF. (2024). Vietnam's Anti-Corruption Campaign: CPI and Political Stability. *Prospect Foundation*.

that has a significant impact on the private sector and the quality of local governance, even while the centralized campaign targets grand corruption involving high-level officials and significant state losses. A firm-level study indicates that while corruption significantly hinders the growth of Vietnam's private sector, it is less detrimental—or possibly neutral—for growth within State-Owned Enterprises (SOEs). Nguyen & van Dijk²² and Nguyen²³ claim that this reinforces the notion that corruption helps the public sector, leading to unfair competition and hindering the efficient use of resources.

The quality of public governance in each of Vietnam's 24 provinces is also responsible for the significant variations in the perceived degree of corruption²⁴. Metrics like the Provincial Competitiveness Index (PCI), developed in partnership between USAID and the Vietnam Chamber of Commerce and Industry (VCCI), are used to evaluate the quality of local economic governance. Land access, private sector development strategies, and the costs of starting a new business are some of the subjects covered by these measures. These findings indicate that long-term systemic transformation requires focusing on long-term structural improvement in local administrative procedures and regulatory regulations rather than relying just on the political leadership's intermittent participation.

3. *The FDI Paradox: Cleanliness vs. Instability*

Due to the significant political upheaval that surrounded the Dot Lo campaign, including the ouster of a president and the leader of the National Assembly, foreign observers have inevitably expressed concerns about Vietnam's long-term political stability²⁵. However, the economic response creates a paradox: despite these significant political dangers, foreign investors appear to still have faith in Vietnam.

Significantly, registered foreign direct investment (FDI) capital was expected to reach USD 27.72 billion in 2022; actual FDI reached USD 22.4 billion in 2022, a five-year high and a 13.5% rise from the year before. This disparity suggests that foreign investors appreciate the anti-corruption campaign's increased long-term predictability and transparency more than the purges' immediate political risks²⁶. As a result, the campaign effectively communicates the government's commitment to establishing a more equitable and cleaner economic environment, which increases

²² Nguyen, V., & van Dijk, M. (2012). Corruption, growth, and governance: Private vs. state-owned firms in Vietnam. *Journal of Banking & Finance*, 36(2), 643-653.

²³ Nguyễn, K. G. (2023). *Vietnam's anti-corruption campaign: Economic and political impacts*. ISEAS-Yusof Ishak Institute.

²⁴ Nguyen, V., & van Dijk, M. (2012). Corruption, growth, and governance: Private vs. state-owned firms in Vietnam. *Journal of Banking & Finance*, 36(2), 643-653.

²⁵ CSIS. (2024). *Diverging from the Blazing Furnace: Vietnam's Opportunity to Attract More US Investment*. Center for Strategic and International Studies. .

²⁶ Stoneturn. (2023). *Vietnam's Anti-Corruption Drive and Its Economic & Political Impacts*.

market confidence and long-term investment flows²⁷. The quantifiable performance results of the current anti-corruption phase are summarized in Table 2.

Table 2: Metrics of Anti-Corruption Effectiveness and Institutional Performance (2016–2023)

Metric	Observed Trend Since 2016	Institutional Implication
CPI Score (Transparency International)	Substantial overall improvement, peaking at 42 (2022).	Increased international perception of reduced corruption; reinforcement of CPV legitimacy.
Political Discipline (CIC actions)	Unprecedented removal of high-level officials (e.g., President, NA Chairman).	Confirms the intensity and centralization of Party-led political accountability (Dot Lo).
Realized FDI Capital	Highest in five years in 2022 (USD 22.4 billion, 13.5% increase).	Suggests long-term market confidence, despite short-term political instability concerns.
Enforcement focus	Party prioritization of combating corruption in <i>cadre affairs</i> (Politburo Reg. 114).	Explicit shift toward securing internal Party loyalty and purifying the elite structure.

V. The Asset Recovery Deficit: A Critical Enforcement Gap

The most significant procedural flaw is still the actual efficacy in recovering the proceeds of corruption, even though Vietnam's legal system is strong in terms of punishment and its ability to require restitution (such as the 75% asset return criterion for life sentence reduction)²⁸. The failure to turn successful prosecutions into actual budgetary recovery undercuts the Penal Code's goal of establishing an economic deterrence paradigm.

1. *Measuring Ineffectiveness*

In general, asset recovery in Vietnam is considered “still very restricted”. According to reports from criminal justice organizations, there is still a significant gap between the amount of money taken and the assets that are recovered. An analysis of enforcement actions shows that the amounts taken and the assets successfully recovered vary greatly. Data comparing the effectiveness of enforcement authorities, including the Inspectorate, Investigation Agency, and Courts, shows a high degree of success in seizing stolen goods (typically ranging from 73% to 81%). However, the same authorities are far less successful in recovering illicit income; recovery rates for investigative and enforcement agencies

²⁷ Nguyễn, K. G. (2023). *Vietnam's anti-corruption campaign: Economic and political impacts*. ISEAS-Yusof Ishak Institute.

²⁸ Baker McKenzie. (2025). Vietnam: Amendments to Vietnam’s Penal Code – Key Updates on Corruption-Related Crimes Effective 1 July 2025.

may be as low as 20% and 61%, respectively.

This disparity suggests that rather than seizing property that is obviously stolen, the primary procedural problem is discovering and legally executing the forfeiture of illicit wealth acquired indirectly via corruption—which is often laundered or kept in complex financial institutions. The legal systems governing the tracking of illegal wealth have a serious definitional or procedural problem that this difficulty highlights.

2. The Limitation of Criminal Forfeiture

Asset seizure is directly linked to a criminal conviction under the current legal framework, which primarily focuses on criminal forfeiture and demands a high level of proof (beyond a reasonable doubt)^{29,30}. This method doesn't work well for big corruption cases, especially when (1) the legal process takes too long; (2) the defendant dies, leaves the country, or successfully hides assets abroad; or (3) the defendant can't be found guilty because of problems with the evidence³¹.

The inability to compel recovery effectively contradicts the Penal Code's conditional sentence clause, which requires offenders to restore 75% of assets in order to be eligible for reduced penalties³². If the state cannot locate and acquire these assets through effective legal means, the entire deterrent concept may devolve into mere aspiration.

3. The Rationale for Non-Conviction-Based (NCB) Forfeiture

The research and internal assessments frequently point to the lack of specific Non-Conviction Based (NCB) asset forfeiture laws as a major legal gap that lowers recovery rates³³. NCB forfeiture has a pragmatic and procedural justification since it is a civil action brought against the assets or property rather than the individual. A far laxer standard of proof, usually the “balance of probability,” is made possible by this change.

NCB forfeiture is widely recognized as an essential tool for combating corruption and carrying out UNCAC obligations since it enables the state to recover assets gained illegally without a conventional criminal conviction^{34,35}. Helfer et al.³⁶ and

²⁹ Helfer, L., Rose, C., & Brewster, S. (2023). Asset Recovery via Non-Conviction based Forfeiture: Rationale for Regulation and Recommendations for Implementation in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

³⁰ World Bank. (2020). Asset Recovery Handbook: A Guide for Practitioners.

³¹ Helfer, L., Rose, C., & Brewster, S. (2023). Asset Recovery via Non-Conviction based Forfeiture: Rationale for Regulation and Recommendations for Implementation in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

³² Baker McKenzie. (2025). Vietnam: Amendments to Vietnam's Penal Code – Key Updates on Corruption-Related Crimes Effective 1 July 2025.

³³ Helfer, L., Rose, C., & Brewster, S. (2023). Asset Recovery via Non-Conviction based Forfeiture: Rationale for Regulation and Recommendations for Implementation in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

³⁴ Ibid.

³⁵ World Bank. (2020). Asset Recovery Handbook: A Guide for Practitioners.

³⁶ Helfer, L., Rose, C., & Brewster, S. (2023). Asset Recovery via Non-Conviction based Forfeiture: Rationale

Ideas RePEc³⁷ state that incorporating NCB regulations into Vietnam's legal framework is a crucial step in transforming political will into actual fiscal recovery. This will enhance international cooperation in the search for hidden revenues and economic deterrents. This action would offer a practical way to deal with the procedural issues that the poor recovery rate of illicit income indicates. Table 3 summarizes the procedural shortcomings in Vietnam's asset recovery process.

Table 3: The Asset Recovery Deficit and Procedural Failures

Area of Recovery	Procedural Status	Observed Effectiveness / Challenge
Total Asset Recovery	Procedurally dependent on criminal conviction.	Recovery is "very limited"; "huge difference" between money stolen and assets returned.
Confiscation of Stolen Assets	Statutorily mandated and enforced.	High reported effectiveness by Inspectorate/Enforcement agencies (79–81%).
Confiscation of Illegal Income	Procedurally weak or undefined.	Low reported effectiveness by investigation agencies (20–61%).
Non-Conviction Based (NCB) Forfeiture	Legal framework currently lacks specific NCB laws.	Absence is a major legal loophole, hindering recovery when criminal conviction is difficult.

VI. Implementation Difficulties and Institutional Coherence

Vietnam's legal reforms are ultimately ineffective because of structural and cultural problems that make it impossible for the law to be applied consistently and successfully, pointing to a critical gap between institutional capacity and legislative intent.

1. *Constraints on Law Enforcement and Judicial Integrity*

The lack of an independent system of checks and balances means that state judicial and enforcement bodies often lack the autonomy necessary for impartial operation. The efficacy of anti-corruption work is consistently hampered by law enforcement challenges, inadequate coordination among agencies, and persistent issues concerning the independence, objectivity, and impartiality of those responsible for anti-corruption measures (Law Development Review, n.d.).

As a result, anti-corruption legislation may be applied inconsistently or subject to political prioritizing, which has led to scholarly criticism that many current laws are "too generic," "formalistic," and unrelated to real-world situations³⁸. The rule of law

for Regulation and Recommendations for Implementation in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

³⁷ Ideas RePEc. (2025). Legal Reconstruction of Non-Conviction-Based Asset Forfeiture for State Loss Recovery from Corruption Crimes. *Law Development Review*, 18(1).

³⁸ Nguyen, T. T., Mai, D. L., & Tran, H. V. (2025). Legal and institutional coherence in Vietnam's anti-

is hampered by this uneven legal enforcement environment, which also keeps the system from acquiring the technological rigor required to deal with sophisticated financial crimes without depending on sporadic political orders.

2. *Socio-Cultural and Economic Drivers*

The underlying sociocultural and economic factors that support corrupt behavior must be addressed by effective anti-corruption initiatives. According to research, poor anti-corruption legislation and implementation, a lack of accountability and transparency in anti-corruption initiatives, and notable financial disparities among public officials are some of the variables that greatly contribute to the cultural and societal norms associated with corruption in Vietnam's public sector.

According to this reasoning, merely tightening the law is insufficient. Legal reforms must be combined with concurrent structural and economic initiatives to eliminate the underlying incentives for corruption³⁹. These include implementing streamlined, transparent administrative procedures, especially at the municipal level, improving public sector salaries, and creating clearer ethical standards for officials. Despite high-profile purges, corruption will continue if these underlying economic and cultural factors are not addressed.

3. *Constraints on Non-State Stakeholders*

The party-state model places severe limitations on the role of external stakeholders, constraining the ability of civil society organizations (CSOs) and independent media to provide oversight and strengthen governance. A persistent lack of freedom of expression and assembly prevents CSOs from serving as a “crucial intermediary” in monitoring sensitive sectors.

This restriction is particularly relevant in areas prone to corruption risks, such as the green energy transition and disputes over reforestation or land conservation projects, where transparency and equal benefit distribution are critical concerns⁴⁰. By limiting the involvement of independent oversight mechanisms, anti-corruption accountability is maintained as an exclusively internal function of the Party. This reliance on internal discipline limits institutional learning, reduces transparency in policy implementation, and leaves the system vulnerable to elite capture or politically motivated application of sanctions.

corruption efforts: Addressing challenges in the Party-State context. *Asian Politics & Policy*, 16(1), 89-107.

³⁹ Nguyen, T. T., Nguyen, Q. D., & Tran, V. T. (2023). Factors affecting corruption in the public sector in Vietnam. *Journal of Liberty and International Affairs*, 9(2).

⁴⁰ Transparency International. (2020). Vietnam: Corruption and Anti-corruption.

VII. Conclusion

1. *An Overview of the Institutional Conversion*

Due to structural and cultural problems that make it impossible for the law to be enforced consistently and effectively, Vietnam's legal reforms are ultimately unsuccessful, demonstrating a critical gap between institutional competence and legislative goals. An interesting case study of a Leninist party-state adapting to the structural challenges of modern economic expansion is the Dot Lo campaign, which stands in for Vietnam's anti-corruption drive. The nation has effectively updated its statutory instruments by expanding criminal responsibility to the private sector, complying with UNCAC, and putting in place an economic deterrence policy that promotes asset recovery through conditional sentences^{41,42}.

However, the analysis supports the institutional conversion thesis: political accountability (visible purges, restored legitimacy, high CPI) is prioritized over the development of strong, independent legal accountability (judicial autonomy, procedural efficiency) because the enforcement mechanism is still centralized and political, under the leadership of the Central Inspection Commission^{43,44}. Strategically, the drive has successfully communicated a commitment to long-term systemic cleaning, as seen by the success in increasing CPI and drawing realized FDI^{45,46}. However, this political achievement conceals important procedural flaws, most notably the severe asset recovery shortfall, which keeps the legal framework's economic deterrent objectives from being fully achieved.

2. *Bridging the Gap: Policy Recommendations*

To transition Vietnam's anti-corruption drive from a high-intensity political campaign to a durable, legal-rational system, specific policy interventions are necessary to bridge the gap between strong statutes and weak enforcement capacity.

2.1. *The First Suggestion is to Prioritize Procedural Asset Recovery Reform*

Legislative action is required to immediately adopt Non-Conviction Based (NCB) Forfeiture into Vietnamese law⁴⁷. When a criminal conviction is either difficult or delayed, this procedural mechanism—which simply requires a balance of probability

⁴¹ Baker McKenzie. (2025). Vietnam: Amendments to Vietnam's Penal Code – Key Updates on Corruption-Related Crimes Effective 1 July 2025.

⁴² Nguyen, T. T. (2018). Notable Changes in the New Penal Code at a Glance. *Vietnam Law Magazine*.

⁴³ Nguyen, T. T., Mai, D. L., & Tran, H. V. (2025). Legal and institutional coherence in Vietnam's anti-corruption efforts: Addressing challenges in the Party-State context. *Asian Politics & Policy*, 16(1), 89-107.

⁴⁴ Truong, Q. D. (2024). The Blazing Furnace and institutional conversion in Vietnam. *Ibid*.

⁴⁵ PF. (2024). Vietnam's Anti-Corruption Campaign: CPI and Political Stability. *Prospect Foundation*.

⁴⁶ Stoneturn. (2023). Vietnam's Anti-Corruption Drive and Its Economic & Political Impacts.

⁴⁷ Helfer, L., Rose, C., & Brewster, S. (2023). Asset Recovery via Non-Conviction based Forfeiture: Rationale for Regulation and Recommendations for Implementation in Vietnam. *Asian Politics & Policy*, 16(1), 89-107.

standard—would offer a strong, effective weapon to seize illicit money⁴⁸. The most important step in operationalizing the economic deterrent built into the conditional sentence provisions of the Penal Code and maximizing the recovery of significant state losses is the implementation of NCB forfeiture⁴⁹.

2.2. *The Second Suggestion is to Strengthen Technical Legal Autonomy.*

The government should make significant investments to improve the technical capability, coordination, and integrity of state law enforcement agencies, inspectors, and courts while acknowledging the limitations imposed by the Party-State structure (Law Development Review, n.d.). Advanced training in complicated asset tracing and financial forensics should be part of this endeavor. In order to mitigate the persistent criticism that the laws are “formalistic,” the objective is to lessen these agencies' functional reliance on ad hoc political directives and allow them to apply the strengthened legal framework consistently and impartially⁵⁰.

Vietnam's political accountability requirements have clearly increased as a result of the continuous escalation of the “Dot Lo.” The long-term commitment to institutionalizing legal changes that give state legal mechanisms true procedural power—particularly in closing the asset recovery deficit—will, however, determine the true measure of lasting reform. This will ensure that anti-corruption is sustained by the rule of law rather than primarily by centralized political will.

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