

Vietnam's Premier Faces First Confidence Vote: Southeast Asia
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By Bloomberg News

June 10 (Bloomberg) -- Vietnam's lawmakers cast historic confidence votes today to decide the fate of the prime minister and senior leaders, after stumbles that last year prompted the premier to make a public apology to the communist nation. Premier Nguyen Tan Dung, the country's president and 45 other senior officials were scrutinized as the 499-member National Assembly cast secret ballots on their level of confidence in leaders for the first time. The results of the votes, a bid to bring greater accountability to government, will be announced tomorrow.

Vietnam's ruling Communist Party faces growing dissent for not reining in corruption as the economy last year grew at the slowest pace in 13 years. Earlier this year, a group including former government officials distributed an alternative draft constitution calling for "political competition."

"There will be a group of non-party members and independent party members who vote against him, but I don't see him losing," Eddy Malesky, Associate Professor of Political Economy at Duke University who has been studying Vietnam and its politics for 15 years, said of Dung.

Vietnam targets 5.5 percent economic growth this year. That would be its first period of three straight years of growth below 6 percent since 1988, according to International Monetary Fund data. The government is trying to fix a banking sector weighed down with bad debt, which the central bank estimated at 7.8 of outstanding loans at the end of last year, and force state-owned companies to become more efficient.

The benchmark VN Index dropped 0.7 percent today in Ho Chi Minh City. The gauge has surged 28 percent this year, at least 10 percentage points more than any other Southeast Asian benchmark gauge tracked by Bloomberg.

'Two Messages'

Like students taking exams, some delegates covered their ballots with their arms to ensure privacy. They then cast their ballots by dropping them in boxes at the front of the chambers. Nguyen Sinh Hung, the legislature's chairman, told lawmakers to "stay calm" and "take your time" to carefully choose ratings. He acknowledged there are "shortcomings" in the new process and that it would be improved the next time. While Dung, 63, is expected to pass his confidence ballot, there may be enough votes against him and a small number of

senior lawmakers to send a message, said Roberto Herrera-Lim, New York-based Asia Director at the Eurasia Group. Last year, Dung was “steps away” from being pushed out, he added.

“There will be enough negative votes so that it will be seen Dung is under some sort of public admonition,” Herrera-Lim said by phone. “They are trying to send two messages: There is a government reaction to the problems that is credible, and the prime minister is being scolded.”

The confidence vote is a two-step process. Lawmakers vote to rate a leader with “high confidence,” “confidence” or “low confidence,” according to the legislature’s website.

A low confidence outcome from two-thirds of delegates will bring a no-confidence vote either this week or later this year when the legislature next meets, with a majority required for the dismissal of an official. Two consecutive annual ratings of low confidence will also trigger a no-confidence vote.

Dung Apology

Dung faced a call for a confidence vote in the National Assembly in late 2010 for his handling of Vietnam Shipbuilding Industry Group, or Vinashin, the state-run firm that he championed and that almost collapsed under \$4 billion of debt that year. The vote was never held and Dung apologized to the nation in a televised broadcast in October 2012 “for shortcomings and weaknesses of the government” in managing state companies.

Party General Secretary Nguyen Phu Trong also apologized in October last year for “big mistakes” made by the Politburo.

The following month, lawmaker Duong Trung Quoc suggested to Dung in a televised legislative session that he start a “culture of resignation.”

‘Clamp Down’

In January, the party faced the biggest challenge to its power monopoly since the country reunified 37 years ago after the war: Seventy-two intellectuals and former government officials, including many party members, produced an alternative draft constitution which has received nearly 15,000 signatures via an online campaign.

Given such uncertainties National Assembly members will not remove top leaders for fear of creating further instability, Herrera-Lim said.

“If the party splits now in the middle of an economic crisis, things could get worse, even the primacy of the party could be questioned,” he said. “The government would clamp down.”

The Communist Party is looking to amend the constitution to bolster its control of the military and curb political dissent as it shifts to a market-oriented economy. The armed forces owe “absolute loyalty to the homeland, the Party, the State and the people,” the revision says. The current constitution excludes the party and state. The government has cracked down on dissent with two activists given prison sentences last month on subversion charges.

Parliament Voice

National Assembly member Quoc said lawmakers were “excited but also concerned about the polling outcomes because we don’t have enough information for delegates to make judgment on the officials.” “However, the fact that we are making it happen is a good thing,” he said by phone.

The confidence vote gives parliament a voice beyond being a rubber-stamp body, said Jonathan London, assistant professor at the City University of Hong Kong’s Department of Asian and International Studies.

“It is conceivable that substantial changes in Vietnam’s politics could take place within five years, and that is not something I have ever felt comfortable saying before,” he said.

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