


PRIVATE SECTOR CORRUPTION IN VIETNAM: FROM LEGISLATION TO ITS IMPACT ON THE ECONOMY

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ARTICLE INFO	ABSTRACT
<p>Article history:</p>	<p>Purpose: The objective of this study was to analyze Vietnamese legal legislation regarding corruption in the private sector, identify its current shortcomings, and assess its impact on the Vietnamese economy since its adoption in 2018.</p>
<p>Received 28 December 2022</p>	<p>Theoretical framework: There have been many studies to assess corruption in Vietnam in many aspects, including the overview of corruption in Vietnam, the influence of corruption on economic development, and the consequences of corruption. However, there is still much to investigate and learn about the impact of the current provisions on corruption in the private sector on Vietnam’s economy.</p>
<p>Accepted 23 February 2023</p>	<p>Design/methodology/approach: The study uses secondary data from the Provincial Competitiveness Index Report (PCI Vietnam) issued by the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the United States Agency for International Development (USAID). Besides, the article analyzes Vietnam’s Corruption Control Index (CCI), which is assessed annually by the World Bank (WB). At the same time, the authors refer to the data on Vietnam’s GDP and make a comparison with the CC index to clarify the article’s objective. The authors also use a qualitative method by analyzing previous studies to assess the corruption in the private sector in Vietnam, the rules of law concerning private corruption, and its impact on the economy.</p>
<p>Keywords:</p> <p>Private Corruption; Vietnam; Anti-Corruption Law; Impact; Economy.</p>	<p>Findings: Vietnam has had specific legislative achievements in criminalizing private corruption in the 2015 Criminal Law and promulgating anti-corruption provisions in the 2018 Anti-Corruption Law. These regulations had a positive impact on Vietnam’s economy. However, corruption in the private sector in Vietnam is quite severe, especially bribery in business.</p>
	<p>Research, Practical & Social implications: We suggest future research of in-depth analysis of the causes and effects of specific kinds of corruption acts in the private sector.</p>
	<p>Originality/value: The results indicate that the new provisions on corruption in the private sector since it was adopted have positively affected the development of Vietnam’s economy and the fight against corruption.</p>
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CORRUPÇÃO DO SETOR PRIVADO NO VIETNAME: DA LEGISLAÇÃO AO SEU IMPACTO SOBRE A ECONOMIA

RESUMO

Objetivo: O objetivo deste estudo era analisar a legislação legal vietnamita relativa à corrupção no setor privado, identificar suas deficiências atuais e avaliar seu impacto na economia vietnamita desde sua adoção em 2018.

Estrutura teórica: Houve muitos estudos para avaliar a corrupção no Vietnã em muitos aspectos, incluindo a visão geral da corrupção no Vietnã, a influência da corrupção no desenvolvimento econômico, e as conseqüências da corrupção. Entretanto, ainda há muito a investigar e aprender sobre o impacto das atuais disposições sobre corrupção no setor privado na economia do Vietnã.

Design/metodologia/abordagem: O estudo utiliza dados secundários do Relatório do Índice de Competitividade Provincial (PCI Vietnam) emitido pela Câmara de Comércio e Indústria do Vietnã (VCCI) em colaboração com a Agência dos Estados Unidos para o Desenvolvimento Internacional (USAID). Além disso, o artigo analisa o Índice de Controle de Corrupção do Vietnã (CCI), que é avaliado anualmente pelo Banco Mundial (WB). Ao mesmo tempo, os autores se referem aos dados sobre o PIB do Vietnã e fazem uma comparação com o índice CC para esclarecer o objetivo do artigo.

Os autores também utilizam um método qualitativo, analisando estudos anteriores para avaliar a corrupção no setor privado no Vietnã, as regras da lei relativas à corrupção privada, e seu impacto na economia.

Conclusões: O Vietnã teve realizações legislativas específicas na criminalização da corrupção privada na Lei Penal de 2015 e na promulgação de disposições anticorrupção na Lei Anti-Corrupção de 2018. Estas regulamentações tiveram um impacto positivo na economia do Vietnã. Entretanto, a corrupção no setor privado do Vietnã é bastante severa, especialmente o suborno nos negócios.

Pesquisa, implicações práticas e sociais: Sugerimos pesquisas futuras de análise profunda das causas e efeitos de tipos específicos de atos de corrupção no setor privado.

Originalidade/valor: Os resultados indicam que as novas disposições sobre corrupção no setor privado desde sua adoção afetaram positivamente o desenvolvimento da economia do Vietnã e a luta contra a corrupção.

Palavras-chave: Corrupção Privada, Vietnã, Lei Anticorrupção, Impacto, Economia.

CORRUPCIÓN EN EL SECTOR PRIVADO EN VIETNAM: DE LA LEGISLACIÓN A SU IMPACTO EN LA ECONOMÍA

RESUMEN

Propósito: El objetivo de este estudio fue analizar la legislación legal vietnamita relativa a la corrupción en el sector privado, identificar sus deficiencias actuales y evaluar su impacto en la economía vietnamita desde su adopción en 2018.

Marco teórico: Ha habido muchos estudios para evaluar la corrupción en Vietnam en muchos aspectos, incluida la visión general de la corrupción en Vietnam, la influencia de la corrupción en el desarrollo económico y las consecuencias de la corrupción. Sin embargo, aún queda mucho por investigar y aprender sobre el impacto de las disposiciones actuales sobre la corrupción en el sector privado en la economía de Vietnam.

Diseño/metodología/enfoque: El estudio utiliza datos secundarios del Informe sobre el Índice de Competitividad Provincial (PCI Vietnam) publicado por la Cámara de Comercio e Industria de Vietnam (VCCI) en colaboración con la Agencia de Estados Unidos para el Desarrollo Internacional (USAID). Además, el artículo analiza el Índice de Control de la Corrupción (ICC) de Vietnam, que evalúa anualmente el Banco Mundial (BM). Al mismo tiempo, los autores hacen referencia a los datos sobre el PIB de Vietnam y realizan una comparación con el índice CC para aclarar el objetivo del artículo.

Los autores también utilizan un método cualitativo mediante el análisis de estudios previos para evaluar la corrupción en el sector privado en Vietnam, las normas jurídicas relativas a la corrupción privada y su impacto en la economía.

Conclusiones: Vietnam ha tenido logros legislativos específicos al penalizar la corrupción privada en la Ley Penal de 2015 y promulgar disposiciones anticorrupción en la Ley Anticorrupción de 2018. Estas normativas tuvieron un impacto positivo en la economía de Vietnam. Sin embargo, la corrupción en el sector privado en Vietnam es bastante grave, especialmente el soborno en los negocios.

Investigación, implicaciones prácticas y sociales: Sugerimos futuras investigaciones de análisis en profundidad de las causas y efectos de tipos específicos de actos de corrupción en el sector privado.

Originalidad/valor: Los resultados indican que las nuevas disposiciones sobre corrupción en el sector privado desde su adopción han afectado positivamente al desarrollo de la economía de Vietnam y a la lucha contra la corrupción.

Palabras clave: Corrupción privada, Vietnam, Ley anticorrupción, Impacto, Economía.

INTRODUCTION

Vietnam is an emerging economy in Southeast Asia. From the 6th Congress of the Communist Party in 1986, Vietnam launched Doi Moi (reform) policy, focusing on economic reform. Accordingly, Vietnam abandoned the planned economy and opened its economy to create favorable conditions for the private economy and attract foreign investment, develop diversified economic sectors (Riedel & S. Turley, 1999, Hung et al., 2022). The Corruption Perceptions Index (CPI) in Vietnam, therefore, is also improving. If in 2015 Vietnam had 31 points (112/168 countries and territories), then in 2020, CPI reached 39/100 (87/168 countries and territories) (Transparency International, 2015; Transparency International, 2021). Doi Moi's (Reform) policy has led to the rise of the private economy and FDI enterprises. From 2015 to 2020, private enterprises and FDI companies contributed about 29% to Vietnam's total GDP (about 14 trillion per year) (Vietnam General Statistics Office, 2021).

Despite some success in economic development and the fight against corruption, Vietnam has to deal with petty corruption, which thrives when civil servants take advantage of the complexity of administrative procedures for profit. Political elites use the leveling process to turn public property into private property or the uprising of "interest groups" to influence politics and laws for personal gain (Tromme, 2016). With this situation, Vietnam has taken strong measures to prevent corruption, especially after promulgating the Anti-Corruption Law of 2005 and the Anti-Corruption Strategy from 2009 to 2020 (Vietnam Government, 2009). In 2005, Vietnam joined the UNCAC, demonstrating its commitment to fighting corruption in the international arena. In recent years, the Vietnamese Communist Party has begun to expand anti-corruption activities from the public sector to the private sector, implementing the policy of *"gradually expanding anti-corruption activities to the non-state sector"* (Communist Party of Vietnam, 2016).

In 2015, the Penal Code criminalized embezzlement and bribery in the private sector. In 2018, the new law on the fight against corruption set up provisions against corruption in the private sector for the first time. The Vietnamese Communist Party continued to emphasize the importance of combating corruption in the private sector at the 12th Party Congress, which affirmed that "step by step expand liability for anti-corruption and wasteful activities outside the public sector" (Communist Party of Vietnam, 2021). Thus, Vietnam has a specific legal framework for combating corruption in the private sector. However, it is necessary to evaluate the effectiveness of regulations in practice; How was this study carried out to clarify Vietnam's current legal framework regarding private corruption? How does this regulation affect the economy?

LITERATURE REVIEW

Corruption, corruption in the private sector, and its effects in Vietnam are topics of interest to many researchers. There have been many studies to assess corruption in Vietnam in many aspects, as follows:

In his work, Mathieu Tromme (2016) carried out fundamental research on corruption in Vietnam. Accordingly, the post-renovation liberalization period does not mean the state's withdrawal. On the contrary, state officials take advantage of the complexity of administrative procedures to make profits, causing a blossom of "petty corruption". At the same time, political elites take advantage of the equitization of state-owned enterprises to accumulate wealth. In addition, another product of doi moi is the rise of "interest groups" in Vietnam with close links between politicians and businessmen who influence policies and laws for profit. The most decisive influence of interest groups is in the banking and real estate sectors. Vietnam has made great efforts in anti-corruption by joining UNCAC in 2009 and issuing the anti-corruption strategy 2009-2020, perfecting the legal system related to corruption, such as the Criminal Law and the Law on Anti-Corruption. However, those efforts did not seem to have the desired effect, especially since offering a bribe is still rampant (Tromme, 2016).

Nguyen Ngoc Anh, Nguyen Ngoc Minh and Binh Tran-Nam (2016) give scientific evidence on the negative impact of corruption on the economic development economy in Vietnam. By analyzing the growth rate of GDP per capita in Vietnam in the period from 2000 to 2012 concerning the CPI, research has shown that if Vietnam's CPI increases from 2,639 to 3,639, the economy will grow from 6.732% to 6.941%. Similarly, if the level of corruption had decreased by one standard deviation, i.e., the CPI increased from 2.6 to 5.0, Vietnam's economy would have increased by 7.22%. The article has proven the research hypothesis that less corruption will have a positive impact on the Vietnamese economy (Anh et al., 2016).

In her study, Thuy-Tien T. Vo (2015) outlines the causes and consequences of corruption. The author mentioned many reasons for corruption, such as a lack of transparency, inadequate policies and laws, a monopoly on power in the provision of public services, and low wages in the public sector. There are many aspects of the consequences of corruption. However, according to the author, the most significant one is the negative impact on economic development and the quality of public welfare. In Vietnam, the author pointed out evidence that when Vietnam opened up its economy, corruption appeared in a new form: collusion between officials and private companies in allocating resources, especially in the field of land. The author has developed many solutions from analyzing Vietnam's corruption case, including policy and legal solutions, which directly affect anti-corruption activities. However, in the

author's opinion, if the awareness of corruption is raised, all measures are meaningful. So, in the long term, equipping education with knowledge about corruption is essential in Vietnam (Tien, 2015).

Gonzalo F. Forgues-Puccio (2013) presents an overview of the impact of corruption on private sector development and research evidence on corruption impeding the market participation of companies and directly affecting the development of private enterprises at all levels. In addition, the private sector may engage in corruption with the public sector as part of/as a partner of corruption in the public sector. Business owners seek out government officials to bribe to secure supply contracts with the state. In this aspect, the private sector acts as an artificial agent of corruption. The report also shows that in countries with low development indicators, corruption is exacerbated by the lack of legal regulation and poor social transparency. Especially foreign companies investing in these countries tend to be more willing to bribe than developed countries.

Maira Martini (2012) studies an overview of corruption and anti-corruption in Vietnam. Based on reports from the World Bank, TI, and VCCI Vietnam, the author briefly introduces the level of corruption, the form of corruption, and the areas with the most severe corruption in Vietnam. At the same time, the paper also provides an overview of Vietnam's legal system, policies, and anti-corruption agencies in Vietnam (Martini, 2012).

The above and other studies have provided an overview of corruption in Vietnam. However, most of them were conducted before Vietnam adopted the new Anti-Corruption Law 2018. So, it is necessary to research private corruption in terms of the impact of regulation on private corruption on the economy. Therefore, the authors conduct this research to fill that cognitive gap.

MATERIAL AND METHODOLOGY

The study uses secondary data from the Provincial Competitiveness Index Report (PCI Vietnam) issued by the Vietnam Chamber of Commerce and Industry (VCCI) in collaboration with the United States Agency for International Development (USAID). Besides, the article analyzes Vietnam's Corruption Control Index (CCI), which is assessed annually by the World Bank (WB). At the same time, the authors refer to the data on Vietnam's GDP and make a comparison with the CC index to a) find the correlation between these two indexes from 2016-2021 (with the timeline of 2018 when Vietnam passed the new regulations on corruption in the private sector) and b) affect of these regulations on economic development.

In addition, the study also uses a qualitative method by analyzing previous studies to assess the corruption in the private sector in Vietnam, the rules of law concerning private corruption, and its impact on the economy.

RESULTS AND DISCUSSION

Results

Vietnam has had specific legislative achievements in criminalizing private corruption in the 2015 Criminal Law and promulgating anti-corruption provisions in the 2018 Anti-Corruption Law.

The corruption in the private sector in Vietnam is quite severe, especially bribery in business. In addition, regulations on anti-corruption in the private sector have positively impacted Vietnam's economy.

Discussion

Corruption has many negative consequences on society. There are, however, two of its most significant consequences: a negative impact on economic growth and a reduction in the quality of public welfare. There is evidence in Vietnam that corruption harms Vietnam's economic development. At the same time, there is also scientific evidence that legal reform tends to have a socio-economic improvement in low- and middle-income countries (such as Vietnam). In that relation, the positive implementation of legal reforms in anti-corruption brings even more benefits. Therefore, when Vietnam has significant changes in regulations on corruption, especially with the adoption of the Anti-Corruption Law of 2018, containing provisions on corruption in the private sector for the first time, it is necessary to assess the impact of these regulations on Vietnam's economic development.

Vietnam's current legal framework on corruption in the private sector

In Vietnam, corruption in the private sector is currently regulated in the Law on Anti-Corruption 2018 (Law no.36/2018/QH14) and the Criminal Law 2015, amended and supplemented in 2017 (Law no.100/2015/QH13). In addition, corruption in the private sector is also mentioned in Decree No. 59/2019/ND-CP, guiding the application of anti-corruption measures in non-state enterprises and organizations.

Definition

There are different approaches to understanding corruption in which the role of the public sector is often emphasized. In this context, corruption could be an exchange between officials and other entities as *"a form of secret social exchange through which those in power (political or administrative) take personal advantage, of one type or another, of the influence they exercise in virtue of their mandate or their function"* (Mény, 1996). However, the most common understanding of corruption is "behavior". Vietnam approaches corruption from this aspect. The 2018 Anti-Corruption Law stipulates that corruption is the act of an office-holder who abuses his/her official capacity for personal gain. From the above definition, there are three characteristics of corruption acts under Vietnamese law:

1. The subject of the act is a office-holder
2. The subject abuses positions and powers to perform acts of corruption
3. The purpose of corruption act is private gain

Acts that are considered corruption in the private sector under Vietnamese law

According to the 2018 Anti-Corruption Law, acts of corruption committed by office holders in non-state organizations include a) Embezzlement, b) Taking bribes, c) Bribing or brokering bribery for taking advantage of one's influence over the operation of the enterprise or organization or for personal gain. These acts also constitute the crimes specified in the Penal Code of Vietnam. In Vietnamese law, acts considered corruption in the private sector are consistent with the scientific view of crime in this field, including bribery and embezzlement. Embezzlement is an abuse of position or power to appropriate property under one's management. At the same time, bribery is the offering, promising, giving, accepting, or soliciting of an advantage as a means of influencing the actions of an individual holding a public power or legal duty that are illegal, unethical, or a breach of trust. Bribery is the most common in the private sector (Luo, 2005). Concerning the public sector, bribery is also known as the response or payment of an enterprise to individuals with positions and powers to create beneficial influence for them. In addition, bribes are "facilitation payments" to speed up the processing of business affairs, which creates a bias in the allocation of resources (CENSOGOR, 2017). However, according to the provisions of the Criminal Law of Vietnam, bribery is not limited to the private-public sector but also includes those acts between enterprises in the private sector. It means Vietnamese law has a relatively broad approach to defining bribery when there is evidence that corruption can occur between enterprises (Argandoña, 2005).

Impact of anti-corruption regulations in the private sector on Vietnam's economy

In this section, the authors focus on clarifying two issues (1) the current situation of private corruption (in relation to the public sector and within the private sector) in Vietnam; (2) the impact of private corruption regulations on Vietnam's economy. To achieve the first objective, the authors use data from the provincial competitiveness index report of VCCI to assess the current corruption situation in the private sector. The paper focuses on bribery according to some assessment frameworks of CPI Vietnam. In addition, to clarify the picture of private corruption in Vietnam, the authors analyze corruption cases in which there is collusion between private companies and officials to gain more profit. To clarify the second objective, the authors use data from Vietnam's corruption control index (CC) and GDP over the years; by comparing these two indicators, we can see a part of the impact of private corruption regulation on Vietnam's economy (positive or negative).

The current situation of Vietnam's private corruption

The Provincial Competitiveness Index is an annual survey of private enterprises and FDI conducted by VCCI in collaboration with USAID. Annual survey to assess the convenience and friendliness of the business environment and localities' efforts to improve the business environment for private enterprises (PCI, 2022). CPI Vietnam has ten evaluation criteria, some directly related to bribery. Typically, enterprises bribe state officials to speed up administrative procedures to gain an advantage in bidding and land procedures. In this part, the authors have filtered out the criteria most directly related to corruption in the private sector. These criteria reflect the corruption experience of private and FDI enterprises in Vietnam. See Tables 1 and 2.

Table 1: Some criteria related to bribery of private enterprises*

Years	Number of Firms	Common to pay informal charges	Over 10 percent of income for informal charge	Rent-seeking phenomenon is popular in handling administrative procedures	Offering bribes to solicit favorable judgment is common	Paying Informal charges in carrying out land procedures	Paying a "commission" is essential to improve chances of winning the contract
2016	10.037	66.04%	9.09%	58.54%	41%	-	-
2017	8.292	59.3%	9.8%	60.8%	31.6%	32%	54.9%
2018	8.681	54.8%	7.1%	58.2%	28.8%	30.8%	48.4%
2019	8.773	53.6%	7.5%	54.1%	21.6%	36%	41.2%
2020	8.633	44.9%	5.4%	54.1%	23%	32%	40.0%
2021	8.036	41.4%	4.1%	57.4%	21.4%	29.4%	20.9%

*This table lists only some of the criteria that are directly related to bribery. The data given is the median % of the data according to the calculation method of CPI Vietnam.

Source: CPI Vietnam 2016-2021

Table 2: Criteria for controlling corruption as assessed by FDI enterprises*

Years	Number of Firms	Regulations used to claim informal charges	Paid informal charges to inspectors	Bribe during Customs procedures	Bribes were a deterrent to using Courts	Bribe during Land Procedures	Service delivered after bribe payment
2016	1.500	49.7%	45.8%	56.4%	18.7%	22.6%	45.3%
2017	1.500	44.6%	44.9%	53.0%	18.9%	17.5%	50.3%
2018	1.500	36.5%	39.9%	44.4%	14.3%	6.8%	49%
2019	1.500	33.7%	32.5%	42.5%	14.9%	10%	44.5%
2020	1.500	34.7%	25.4%	37.2%	17.2%	10.3%	39.1%
2021	1.200	-	25.4%	38.9%	18.2%	21.1%	60.4%

* CPI Vietnam's corruption control criteria focus on informal costs directly related to bribery. The data given is the median % of the data according to the calculation method of CPI Vietnam.

Source: CPI Vietnam 2016-2021

It has been proved in the world and Vietnam that reducing corruption will positively impact economic development (Dang, 2016). A complete and transparent legal framework is the best tool to fight corruption (Tanzi, 1998). Assessing whether the Vietnam legal framework is complete or not is possible through an analysis of the current state of corruption. Since 2005 Vietnam has started to take action to improve the legal framework against corruption. International observers consider Vietnam to have a well-developed legal system (United Nations High Commissioner for Refugees, 2010). However, there are still doubts about its practical effectiveness (Martini, 2012), especially regarding new private-sector corruption regulations. To make clear these doubts, the authors, therefore, analyze the experience of corruption of non-state domestic and FDI enterprises.

From tables 1 and 2, the general trend of corruption in the private sector (concerning the public sector, mainly bribery) tends to decrease yearly. By 2021, the business community had an upbeat assessment of the effectiveness of the anti-corruption work when some measurement indicators of corruption (informal charges) had significantly improved (VCCI, USAID, 2021). The proportion of private domestic enterprises that must pay informal charges decreased from 66.04% in 2016 to 41.4% in 2021, for FDI enterprises to decrease from 49.7% (2016) to 34.7% (2020). These statistical numbers show the effectiveness of the fight against corruption in Vietnam because the informal charges burden of private enterprises from 2014 to 2016 has not changed much compared to 2006 (VCCI, USAID, 2016). In particular, the measurement indicators have decreased sharply since 2018 (the year of the promulgation of regulations on private corruption).

However, corruption in some areas has yet to improve. In the justice field, resolving disputes in court is not the first choice of private businesses when the indicators show that offering bribes to solicit favorable judgment is common. For domestic private enterprises, this

criterion decreased from 28.8% (2018) to 21.6% (2019) and increased to 23% in 2020, then decreased to 21.9% in 2021. Meanwhile, this criterion in FDI enterprises continuously increased from 2018 - 2021.

Analyzing two criteria, "*Rent-seeking phenomenon is popular in handling administrative procedures*" in Table 1 and "*Regulations used to claim informal charges*" in Table 2, we found that they tend to increase in two years, 2019-2020. It means state officials actively ask for "informal charges" when handling administrative procedures. Meanwhile, foreign enterprises tend to give bribes for business purposes (Ahmed & Gray, 1997). So far, this fact proves that the private sector is no longer a victim of corruption but can become a factor impacting on the level of corruption (Ufere et al., 2012).

In the 2016 CPI survey, up to 54.6% of FDI enterprises paid bribes during administrative inspections and examinations. 59% of these FDI enterprises believe bribery is standard practice and offered bribes without being asked. The prevalence of these activities indicates that FDI enterprises are turning from victims to agents of corruption. Bribery has become so common that the two parties do not need to exchange words (VCCI & USAID, 2016).

Bribery in business in Vietnam is not only related to "small corruption" to speed up administrative procedures (day-to-day corruption), inspection, examination, or "direct avoidance of legal regulations" (Anechiarico & Jacobs, 1996) but it also involves "grand corruption" in procurement. From 2017 to 2020, the percentage of enterprises that think "commissioning is necessary to win the bid" dropped from 54.9% (2017) to 40.0% (2020). However, the number is still high and proves that "paying commissions" in business is still viral in Vietnam. A recent case related to "grand corruption" in procurement that shook Vietnamese society was Viet A company. The director of this company spent nearly 800 billion VND (35 million USD) to win the bid to supply Covid-19 test kits to provincial CDCs (Du, 2022). Then, together with officials, they raised the price to make a profit of nearly 4 trillion VND (about 161 million USD) (Vietnam News, 2021). In this case, there was collusion between officials and enterprises and among enterprises themselves to make personal gains (Vna, 2022).

In addition to bribery in the private sector, corrupt behavior would include embezzlement. From 2015 when the Penal Code criminalized this act in the private sector, according to the author's survey on the Supreme Court's judgment publication website, there were 39 cases of embezzlement. See table 3.

Table 3: Statistics of embezzlement cases in the private sector from 2016 to 2021

Number of cases	Number of accusers	Victims are FDI enterprises	Victims are private enterprise	The minimum amount appropriated	The maximum amount appropriated
39	70	03	36	133.02 USD	279537.21 USD

Source: congbobanan.toaan.gov.vn

It is evident from table 3 that the crime of embezzlement in the private sector prosecuted does occur but is not as severe and complex as bribery. The number of cases and property appropriation is much smaller than bribery. The crime of embezzlement mainly focused on retail businesses (18/39 cases) with the acts of taking advantage of sales positions, store managers, and storekeepers to appropriate property.

In short, corruption in the private sector in Vietnam, according to the survey data from CPI 2016-2021, tends to decrease. Bribery is the most common practice of corruption in the private sector in Vietnam, which is consistent with previous scientific evidence. In the private sector, bribery appears in the form of "Petty Corruption", and "Grand Corruption". The crime of embezzlement within the private sector also occurs, but the nature, extent, and scale are smaller than the act of bribery.

Impact of anti-corruption regulations in the private sector on Vietnam's economy:

To make clear the impact of anti-corruption regulations in the private sector on Vietnam's economy, the authors analyze the relationship between corruption and economic development.

There are multiple studies on the relationship between corruption and economic development. Although there are controversies regarding whether corruption positively or negatively affects economic development, most studies show that corruption negatively affects economic development. For example, through a dataset consisting of 460 estimates from 41 different econometric studies, Nauro F. Campos has shown that corruption causes harm to economic development (Campos et al., 2010). In Vietnam, studies argued that reducing corruption leads to economic growth. Studies conducted on a national or regional scale (Dang, 2016) proved the hypothesis that corruption negatively affects economic development. Corruption is no longer a problem within the public sector because the private sector is currently engaged in corruption. The relationship between the public and private sectors could be described as a "communicating vessel" (UNDP, 2020). Thus, the influence of private corruption

regulation on economic development can be assessed indirectly through Vietnam's annual CC index.

In the opposite direction, there is a question of whether economic development reduces corruption, while in low-income countries, corruption is often more severe than in high-income countries. The impact of economic development on corruption is that economic development can reduce corruption (Treisman, 2000). There is also scientific evidence in Vietnam that economic development reduces corruption (Bai et al., 2013). Accordingly, through Vietnam's annual GDP, we could assess the effect of private corruption regulation on economic development in Vietnam. The authors use the CC index because it relates directly to private (business) corruption. On that basis, the authors compare CC and GDP indexes with the reference point of 2018 (the year of promulgating regulations on private corruption). See Table 4.

Table 4: Comparison of GDP and CC

Years Criteria	2016	2017	2018	2019	2020	2021
Control of Corruption index score ⁴	-0.46	-0.60	-0.49	-0.52	-0.35	- 0.29
Real GDP per capita ⁵	2,726.0	2,886.6	3,063.8	3,250.6	3,316.0	3,373.1

Source: The World Bank, Transparency International.

Table 4 shows that Vietnam's GDP index has increased over the years. Based on the authors' mentioned theoretical basis, the approach of the GDP's influence on corruption shows that controlling corruption in Vietnam has had positive signs. Thus, regulating private corruption has positively impacted Vietnam's control of corruption because, as the author mentioned, legal reforms positively affect anti-corruption. In the opposite direction from CC to GDP, Vietnam's CC increased gradually from 2016 to 2021. It means that the control of corruption has a positive change and is consistent with the assessment based on GDP. However, in 2019, while Vietnam's CC index decreased, GDP increased.

Consequently, there are questions about the indicators of corruption and economic development. For example, in economics, some authors argue that the causal relationship between corruption and economic development still has some points that need to make clear, like an inverse cause-and-effect relationship between these two factors (Aidt, 2009). Moreover, most corruption measures are based on experts' opinions, which may contain ideological bias, creating corruption rankings that are only partially objective (Razafindrakoto & Roubaud,

2010). Besides, the factors that are not relevant to the relationship between corruption and economic development may be motivated by disclosure bias (Ravallion, 2001). Although there are still many opinions around this issue, there is a proven fact that corruption occurs in low-income countries where legal systems are incomplete and ineffective in practice.

Moreover, we could assess the impact of private corruption on the economy through its consequences. Corruption in the private sector affects the entire supply chain, distorts markets, increases business costs, and weakens business competition (United Nations, 2013, Al-rubaye, 2022). Corruption in the private sector affects the economy in three aspects. Firstly, it makes business unfair since enterprises that give bribes will have a competitive advantage over others that do not (Jeffrey, 2014). Secondly, private corruption increases costs, but the low quality of products or services directly affects consumers (Krista, 2018). Finally, private corruption negatively affects the environment and human rights (Marie & Zinnbauer, 2014). Therefore, reducing corruption will create positive effects on economic development.

From the above evidence, the authors conclude that the regulation of private corruption has positively impacted Vietnam's economic development.

CONCLUSION

Corruption has been a problem that receives the attention of Vietnamese society. Over the years, Vietnam's efforts in law reform and decisive handling of corrupt acts have brought specific results. With the anti-corruption expansion to the private sector, the fight against corruption in Vietnam has entered a new phase. This study has clarified the provisions of Vietnamese law on private corruption and its effects on Vietnam's economy. However, this research is not without limitations. The authors do not give concrete answer to the question of the consequence of specific corruption acts (acts of crime) in the private sector and how do these acts affect to the economy. Therefore, suggestions for further studies is to conduct in-depth analysis of the causes and effects of specific corruption acts in the private sector.

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