Vietnam Game Between USA and China

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Abstract

Vietnam tries to respond to changing international situations, while attempting to stay in accordance with its own ambitions. China and the USA, the two superpowers, are the most important partners of Vietnamese strategy, which is determined by these two countries. The most important economic partner and ideologically is China. But both sides have some serious problems to resolve such as maritime disputes. The situation imposes the need to seek counterbalance, a reliable ally who provides protection for its own interests. So Vietnam looks to balance improved relations with China while seeking deeper and multidimensional relations with the USA. The United States offers many advantages that are attractive to Vietnam. Inevitably, economic ties and new projects e.g. TPP, political, cultural and scientific cooperation make up these advantages. However, the United States can only provide support for the Spratly and Paracel Islands’ dispute and improving cooperative measures in the South China Sea with the presence of U.S. naval vessels and dialogue that assists Vietnam defense. Vietnam has again become an element in the American strategy of pivoting to Asia.

Keywords: Vietnam foreign policy, U.S., China, diversification strategy, multipolarisation of partners
In the region of Southeast Asia, a bipolar order of international relations is more and more visible. The United States and China are competing for business, and are exploiting states of this region. Probably, Vietnam is the best example of this American-Chinese “game”. The purpose of the article is to describe Vietnamese interests from the point of view of the American-Chinese rivalry.

The article answers the questions why both sides of the bipolar world are interested in Vietnam, what the international circumstances are behind their policies, and what potential hazards can arise from the choice made by Vietnam. Because the East China Sea dispute is the gravest problem at the moment, the article presents in more detail the position of each side of the China–Vietnam–US triangle.

**Vietnam and Its Historical Experience with Bipolarity**

Vietnam has a great deal of experience with balance of power politics. It’s fair to say that the Cold War played its part in the Indochina Wars. At first, the United States was reluctant, but then finally supported France in its intention of returning to Indochina. At first, Viet Minh and its leader Ho Chi Minh, were treated as a partisan national independence movement. Then the U.S.’ position was neutral but the critical moment was the change of the balance of power in East Asia when the Communist Party of China came to power and the People’s Republic of China was proclaimed. In 1950, both sides of the Cold War conflict declared and acknowledged one of the two Vietnamese governments: The communist administration with Ho Chi Minh as a leader, and the pro-Western one endorsed by the Emperor Bao Dai.

The USSR’s leadership of the communist side in Europe’s Cold War confrontation was not questioned, but in Asia the situation was different. Because China with its Asian specificity had to be the example for those poor and post-colonial states with a predominance of rural populations, and an underdeveloped civil society but with the determination to catch up with a developed Western world.

It was necessary for Vietnam to need the help of European and Asian leaders from the Communist world. Balancing itself between the Chinese and Soviet leaderships throughout the Vietnam War (1965–1975) was a necessity. However, the country benefitted from the two sides, who displayed antagonism toward each other.

If it is possible to speak about victory in the USSR – China confrontation toward Vietnam, the USSR earned a short-lived victory. Vietnam announced it sided with the USSR, and in 1978 gained full membership of the Council for Mutual Economic Assistance (COMECON). Later, Moscow applied the right of veto, after COMECON tried to pass a resolution condemning Vietnam for invading Cambodia. Not only did China withdraw political and economic support from Vietnam,
but it also launched a short war along the Sino-Vietnamese border. This was a lesson for Vietnam.

To sum up: Vietnam after winning the war and the unification of the country made many mistakes. Vietnam could not improve diplomatic relations with China and became dependent on Russia. Furthermore, its neighbor Cambodia, and other ASEAN member countries did not see Vietnam as part of the group. Before long, Vietnam’s entire economy had collapsed and it had squandered the international popularity it had enjoyed after victory over the USA.

However, it was not only internal problems that meant that Vietnam had to adapt. Changes in the international balance of power were happening, including the first signs of decline in the socialist system as well as the successful implementation of Chinese economic reforms. Vietnam’s dependency on only one superpower, which was already in decline, was an enlightening lesson and formed part of a new strategy of foreign policy.

The doi moi reforms, launched at the 6th National Congress of the Communist Party of Vietnam (NCV) in 1986, brought a fundamental change in foreign policy (Edwards V, Anh Phan, 2–3). Reforms included a broad range of internal political projects and, moreover, were adjusted to create a conducive international spirit. The necessity for their implementation was driven further with the final dissolution of the USSR. These reforms primarily concerned the military, economic and demographic potential of Vietnam. The idea of comprehensive security i.e. not only military but also economic, political and diplomatic security began to slowly emerge. The diplomatic strategy, which had to contribute to the realization of this goal, combined both old and new elements. On the one hand, Vietnam expressed solidarity with socialist states and tried to improve its relations with China, but on the other hand, Vietnam tried to improve relations with India as well as various ASEAN member countries and the USA. At the time, China already led with its “Four Modernizations” reform, whose effects proved to be surprisingly good. The Vietnamese, despite still experiencing a tense relationship with China, were interested in the Chinese reforms. Vietnam believed it too could also benefit from these reforms because of its geographical, social and, of course, ideological similarity to China.

The 7th National Congress of the Communist Party of Vietnam, held on 24–27 June 1991, deliberated on the new international situation, with a special focus on the decline of Communism in Central and Eastern Europe countries and the dissolution of the USSR. The fundamental and ideological question was not whether but how to cooperate with the West. The 7th National Congress Document pledged: “Along with the unfavorable international situation, which emerged in June 1991, our party convened the 7th Congress which formulated the tenets of foreign policy: independence, sovereignty, openness, diversification and multilateralist international relations” (The 7th National Congress Document, 147). At the time, such tenets were in the motto:
“Vietnam wants to be a friend of all countries in the world and fights for peace, independence and progress”. The strategy, motivated with the idea of moving on from its dogmatic and entirely ideological planned economy, formed a new essence of foreign policy.

The diplomacy of Vietnam engaging in regional and global processes, looking for compromises and resolving disputes with neighbors, as well as looking after its own interests while remaining open to the world’s economy had a really positive view. Not only is this the opinion of the state but is also the opinion of the remaining ASEAN member countries and of the world powers engaged in Vietnam. Vietnam is a member of the largest, and most significant organizations and regional initiatives: ASEAN (from 1995), ARF, APEC (from 1998), EAS (from the moment of establishment in 2005). Many times, Vietnam has had the honor to host the summits of these organizations.

On the question of cooperation with world powers, it has to be emphasized that Vietnam keeps things in equal perspective when it comes to cooperation with the USA, India, Japan and China. However, when it comes to regional projects, Vietnam, although leaning toward ASEAN member countries, makes sure it is not exclusively in the “hands” of one political sphere of influence. However, it is not always successful, especially when it comes to cooperation with China. The Department of East Asia Studies carried out, as part of an NCN grant, its ‘Quandaries of China’s Domestic and Foreign Development’ report that stated that China and the United States are the most powerful nations in East Asia. The region’s countries are most apprehensive about the continued emergence of the Chinese superpower. Although these nations try ‘to play ball’ with China, they ‘hedge their bets’ with the anticipation of further American support. Vietnam, considering its difficult historical experiences, belongs to this group category.

The Advantages and the Threats of China

China has always determined Vietnam’s relations to other superpowers and to the Southeast Asia region. In the early period of the doi moi reforms, in addition to improving relations with ASEAN member countries, relations with China remained the most important. The overriding goal that was stated in the philosophy of relations with this superpower was to maintain “good proximity, comprehensive cooperation, long-lasting stabilization and a look to the future”. Even though both countries had, on the surface, an ideological closeness and similar political systems, reconciliation was and remains a complex process. Chinese reforms, directed by the Communist Party, with its one-party political system and economic liberalization, were close to the political solutions initiated in Vietnam. Such demeanor legitimized the economic processes in Vietnam, and relations between both Communist
Parties remain close with meetings on a very frequent basis. The rapid growth of China can be and is an attractive model to imitate for developing countries including Vietnam (The Beijing Consensus).

China is Vietnam’s most important trading partner (see the graph below). In 2008, Vietnam and China stated their mutual relations as a “comprehensive strategic cooperative partnership”. By this time, both countries had signed a number of economic understandings that arrange and stabilize mutual economic relations through adequate support.

Vietnam has to look to China due to their bilateral and regional relations. After the 1997 Asian financial crisis, China and ASEAN pooled their relations and worked out a number of instruments that counteracted the rapid financial crises (Chiang Mai Initiative). The initial framework agreement was signed between ASEAN and China with the intention to establish a free trade area among the senior ASEAN members by 2010 and new ASEAN members by 2015 (Tarling 2006, 203–204). The free trade area among ASEAN and China was drawn up after China acceded to the World Trade Organization (WTO) (China joined in 10 December 2001, after 15 years of negotiations). During negotiations security in the Southeast Asia region was an important issue. Beijing promoted the Comprehensive Economic Partnership for East Asia and cooperation within the Southeast Asian Nuclear-Weapon-Free-Zone-Treaty (SEANFWZ).

The rigorous mutual economic relations, an ideological closeness, emphasizes the importance of building a multi-polar world in international relations, and pragmatism on both sides regarding closer relations. It should be remembered, though, that these bilateral relations are affected by the difficult mutual history and distrust

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1 This diagram shows single countries not groups of countries and international organizations e.g. EU or ASEAN.
as well as Vietnamese concerns about Chinese domination. The recent and ongoing territorial disputes in the South China Sea, concerning the whole archipelagos of Spratly and the Paracel Islands, seem to be intractable.

On 30 December 1999, China and Vietnam successfully resolved longstanding disputes over their land border and signed a border agreement. However, this agreement did not concern the demarcation of maritime boundaries. The agreement was ratified by Beijing in 6 July 2000. In 2000, the 50th anniversary of establishing diplomatic relations between the two countries was marked hastening diplomatic missions between the leaders of both sides. From 25 to 29 December 2000, the president of Vietnam, Tran Duc Luong, visited China, resulting in the signing of an important statement concerning development of further mutual relations in the 21st Century (*President Tran Duc Luong visit to China*). The visit also resulted in signing a maritime delimitation agreement with the exemption of free trade zones and the continental shelf in the Gulf of Tonkin and the fishery in the same area. The tension regarding the disputed islands returned periodically. On 2 November 2002, during the meeting a declaration providing a method of peacefully resolving disputes was signed between ten foreign ministers of ASEAN countries and the People’s Republic of China. As a result, the Declaration on the Conduct of Parties in the South China Sea, consisting of 10 paragraphs, was signed and was perceived to ease the tension in this region and to improve political relations (Valencia 2003, 34–37).

The declaration although considered a success did not result in a push to end this conflict.

On 11 October 2011, Nguyen Phu Trong, the General Secretary of the Communist Party of Vietnam, made an official visit to China, resulting in signing an agreement between the two countries on settling maritime territorial disputes (Thayer). Additionally, in 2013, both sides convened a working group to react to incidents that occurred in this disputed region. However, China refused cooperation, until Vietnam suspended its activities to internationalize this territorial dispute and withdrew from organizing international intervention, and engaging the USA and Japan. Vietnam responded to this by carrying out a global diplomatic offensive. The Chinese strategy in the Southeast Asia region is based on the following principles: prevention from the internationalization of the territorial dispute and from the intervention of foreign countries, particularly of the USA; the weakening of ASEAN countries’ cohesion in this matter; using other ongoing territorial disputes in the region so as to weaken the alliances between regional powers and the USA (Lokshyn, 249), was illustrated by China’s pursuit of negotiations on different levels, culminating in an unexpected visit of a 13-member delegation led by Vietnam’s Minister of Defense, General Phung Quang Thanh in October 2014.

The conflicts, provided above, at the same time have had a negative impact on bilateral relations and has radicalized public opinion. Nevertheless, they form
the perception of Vietnam as a country standing and fighting for its interests, skillfully and persistently looking for support either in the region or on the international stage. In the context of our considerations, however, it should be emphasized that China looks for a more refined manner when attempting to reinforce its regional position using its soft power influence of economic, political and cultural instruments. Therefore, many specialists affirm that for a definitive Chinese rebirth, modernization and growth is not necessary to place sovereignty above the archipelagos. “The rebirth of China requires a strategic wisdom and a strategic patience” (Lokshyn 2014, 249).

**What the USA Can Offer to Vietnam?**

As has been said, the biggest problem of the Sino-Vietnamese relations is the territorial dispute in the South China Sea over the archipelagos of the Spratly and Paracel Islands.

The U.S. politics towards the South China Sea is based on the two principal interests. First, is the openness and access policy to the South China Sea basins that cannot be overestimated, considering their strategic and economic aspects. Chinese jurisdiction over this area would markedly reduce access. As has been previously stated, China treats this area as an Exclusive Economic Zone and uses all means to limit third party countries’ economic and military activities in this region (Fravel, 299–303) (https://www.swpberlin.org/fileadmin/contents/products/projekt_papiere/BCAS2012_Taylor_Fravel_web_final_ks.pdf). Activity ensuring a stable and balanced influence and working against creating one hegemonic power that could threaten American interests has always concerned the USA’s geostrategic interests ever since the decline of the British Empire in this region in the 20th Century. But these days, China has begun a hegemonic policy in this region. The USA’s gradual withdrawal from the region after the Vietnam War and during the Cold War when China began to be more influential, resulted in a change in the balance of power in this part of the world. The USA’s activities have attempted to reverse this trend.

Secondly maintaining regional stability means sustainable economic growth. However, this stability faces several threats e.g. Sino-Vietnamese conflict, separatism and other conflicts.

Therefore, the answer to the question, “What can the USA offer Vietnam?” seems obvious – political support in this territorial dispute. The long-lasting normalization process of bilateral relations succeeded until 1995. These relations were gradually strengthened at the ASEAN Summit held in Hanoi, in 2010. At the summit, Secretary of State Hilary Clinton delivered a public statement affirming the USA's support for resolving disputes without coercion, and its opposition to the use or
threat of force by any claimant in favor of facilitating initiatives and confidence building measures. In Vietnam, any aid and political support is met with general approval. The USA offered the internationalization of the maritime dispute over the disputed archipelagos. Although ASEAN members distanced themselves from this recent option, Vietnam considered this call as an opportunity to put China’s actions under the spotlight. As this problem represented a dispute between ASEAN member countries (Hoang Viet, 280), China has strongly protested against the internationalization of this maritime dispute.

It is very clear that Barack Obama’s second administration intensified its Asian Pivot regional strategy, shifting American foreign policy focus from North-East Asia focus to a Southeast Asia one. Professor Lokshyn of the Institute for Far Eastern Studies claims that this means the securing of regional domination to 2020 (Lokshyn, 247). The United States is strengthening old alliance relations with Japan, South Korea and Philippines and establishing relations with other partners such as India, Malaysia, Indonesia, Singapore and Vietnam.

Agreement of cooperation with other countries in the region, including Vietnam, continues to develop. Vietnam considers the United States – the largest maritime power in the Pacific Ocean, as natural allies in the territorial dispute, however, this does not make American rhetoric confrontational. On the contrary, any violent escalation of the current dispute remains at odds with USA interests. Over $5 trillion in trade passes through the sea annually, including more than half of the world’s trade in liquid natural gas and over 33 percent of trade in crude oil (Kurlantzick). Therefore, the USA encourages its strategy by promoting new initiatives to ASEAN and Vietnam. In November 2012, the USA has launched with ASEAN the Expanded Economic Engagement (E3) initiative – a framework for economic cooperation designed to expand trade and investment ties between the United States and ASEAN, broadening market access, increasing efficiency and building greater awareness of business opportunities (Elek). Both sides launched the U.S. – Asia Pacific Comprehensive Partnership for a Sustainable Energy to facilitate access to sources energy power and overcome energy deficit (Lieksiuțina, 53).

Amongst other things, China and Southeast Asian nations have participated in talks about a code of conduct, since September 2013, for vessels operating in the South China Sea. Other cooperative strategies include the promotion of economic and scientific projects in this region, such as programs to codify the marine biodiversity, and encouraging joint China–Vietnam patrols of the two countries’ land border. The most effective U.S. methods are public diplomacy, and scientific and educational cooperation programs. (don’t understand this???) Another standard method of U.S. foreign politics is increasing its military presence. Both sides initiated the annual Defense Policy Dialogue (DPD) (Parameswaran) in 2010. Therefore, as well as encouraging broader diplomatic cooperation the United States encourages cooperative measures, which prevents China from conducting hostile
activities, and demonstrates its commitment to freedom of navigation. The United States has already used a variant of this strategy by sending B-52 bombers through disputed areas claimed by China as its air defense zone without informing China in advance (Kurlantzick). Congress agreed to strengthen Vietnam’s defense capabilities by selling them aircraft and naval vessels.

During the 11th congress of the CPV (2011) significant progress regarding building mutual relations with the US was made, although a close alliance with the U.S. was not envisaged – it seems both impossible and not beneficial for Vietnam when relations with China are considered. This triangle of dependencies between the U.S., Vietnam and China requires a very prudent and balanced approach.

It is clearly visible that in the years 2011–2012 the sides entered a new period of mutual relations, deepened strategic dialogue, and focused on searching new forms of cooperation. This moved the borders of engagement, and took into account new means of facing new challenges and strengthening security.

Until 2013 bilateral meetings were very frequent, but summits between state leaders were rarer. During the first five years of his presidency, despite the fact that the Vietnamese invited President Obama, the American president did not accept the invitation and failed to meet both President Truong Tan Sang and Prime Minister Nguyen Tan Dung. This was because of Vietnam’s human rights record.

However, this policy changed in July 2013, when President Obama met President Sang in Washington. On July 2, 2013, Presidents Obama and Sang initiated a new phase of their countries’ bilateral relationship by announcing a comprehensive partnership (Manyin, 9). It was the first visit by President Sang to the USA. The comprehensive partnership was to deepen mutual relations in nine areas:

1. Political and diplomatic cooperation;
2. Trade and economic ties;
3. Science and technology;
4. Education;
5. Protection of the environment and health;
6. Problems stemming from the past war;
7. Defense and security;
8. Promotion and protection of human rights;
9. Culture, tourism and sport.

The problems of security, sovereignty, modernization of the army, especially in the context of the military and economic superiority of China, were an important element of the discussion during the 12th CPV congress. Among the most serious threats to Vietnam, apart from an underdeveloped economy, was growing concerns in some regions of the country that might lead to destabilization, with the CPV mentioning defense of sovereignty in the South China Sea. (12th Congress of the CPV, 19–20) International issues were only touched on in the official documents of the congress, but discussions before and after the congress as well
as mentioning China in the context of greatest threats clearly contributed to a rapprochement with the U.S. Just as in the case of other countries that have unresolved territorial conflicts with China, Vietnam perceived the modernization of its army with some of the most advanced American technology as a necessity. At the same time conservative and consistent U.S. activities may be attractive and prove to be successful for Vietnam in the long term. Of course, this is not the only American virtue. There are the benefits from economic cooperation, which has developed rapidly after signing a bilateral trade agreement between the countries in 2000, and Vietnam’s accession to the WTO. The USA is Vietnam’s second, most important trading partner and the relationship continues to grow. The United States continued to be Vietnam’s largest export partner with USD 33.47 billion (20.66%) in 2015, with China being Vietnam’s second most important with USD 16.56 billion (10.23%). However, Vietnam only imported about USD 7.7 billion of goods from the USA, while China’s imports were USD 49.4 (29.82%) billion (Vietnam Integrated Trade Solution).

Vietnam is now a member of the new broader integration strategy the Trans-Pacific Partnership (TPP), initiated on 5 October 2015. The TPP, which affects trade agreements among eleven Pacific Rim countries, is seen as comprehensive and of a high standard, with economic and strategic significance for the United States. The negotiation process started in 2005 and involved Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Currently, individual governments will be ratifying the agreement. Through the TPP, the participating countries seek to liberalize trade and investment and establish new rules and discipline in the region beyond those that already exist in the WTO (Fergusson, McMinimy, Williams). The United States has existing FTAs with six of the eleven TPP partners. Vietnam stands out among the TPP countries as it does not have any U.S. FTAs. China is not a signatory of the TPP, and others argue the treaty could serve as a counterweight to the Chinese economic powerhouse and political influence in the region.

The U.S. offer can be seen as advantageous to Vietnam, however, this does not mean it is accepted without any criticism. Vietnam shies away from a unipolar world consensual with Western values with Vietnamese leaders delivering public statements that endorse diplomatic relations based on bipolarity. Furthermore, post-war wounds are still felt in the shape of criticism of American imperialism.

**Summary**

Vietnam’s political equality and balancing the influences of the most important powers is full of contrasts. Vietnam tries to respond to the changing international situation, while trying to pursue its own ambitions. China and the USA, the two
superpowers, are the most important partners of Vietnamese strategy which is
determined by both of these countries. The most important economic partner
and ideological ally is China. This has, in most part, been the case including Vi-"et-
nam’s post-war struggles for independence. However, this cooperation is in some
danger as fear of China’s economic domination in the region, and what Vietnam
fears the most, the country’s overreliance on China. However, another serious
problem is a lack of political will for resolving maritime disputes. The situation
requires Vietnam to seek a reliable ally who provides protection for its own inter-
est. Vietnam looks to avoid provoking China as it very well remembers the brief
conflict between the two countries in 1979. The Sino-Vietnamese relations seem
to be the primary efficacy influencing Vietnamese relations and scope with other
powers, including the USA. So Vietnam improves relations with China while
pursuing deeper and multidimensional relations with the USA. The United States
has many qualities that are attractive to Vietnam such as economic ties, new
projects, and political as well as cultural and scientific cooperation. However,
the United States can only provide support in the Spratly and Paracel Islands
dispute by improving cooperative measures in the South China Sea, the presence
of U.S. naval vessels and the dialogue mechanisms that pushes Vietnam’s ambi-
tions in defense.

The Permanent Court of Arbitration in Haga offers hope for solving the dis-
pute. On 12 July 2016 the court rejected China’s claims of sovereignty of islands
in the East China Sea. Chinese President Xi Jinping did not accept the decision,
but Vietnam strongly supported it. This decision could give the government of
Vietnam more leverage in their disputes with Beijing. This isn’t a simple task, es-
pecially in the South–East Asia region. China is ASEAN’s biggest business partner
and ASEAN is third for China. ASEAN is one of more important destinations for
Chinese investment, and the new Silk Route is seen as important for the region’s
development.

The American position can be summed up with part of John Kerry’s statement
on the matter in September 2016 which emphasizes the value of the United States
in relations with Vietnam:

The second security issue of concern is prompted by competing territorial and mari-
time claims in the South China Sea. If countries put their trust in diplomacy and accept
the rulings of international courts to settle these claims, the South China Sea problem can
be solved peacefully. But if countries choose, instead, to be aggressive in taking unilateral
steps outside the norms of international behavior and in creating new military infrastruc-
ture in disputed areas, then tensions may continue to rise in a way that benefits no one
and increases the possibility of confrontation, conflict.

As I have said many times, the United States does not take a position on the merits of any
individual claim, but we have made clear our insistence on freedom of navigation and
aviation; and because we have argued repeatedly that differences ought to be resolved in accordance with the rule of law, we do recognize properly rendered legal judgments by properly recognized institutions that have multilateral definition and support (Secretary Kerry: Remarks on the Trans-Pacific Partnership)

Vietnam has again become an element in American strategy in its pivot to Asia. The USA is an essential trade partner and Hanoi’s backup for realizing political goals. At least as can be seen from the above text, the USA sees the resolution of the ongoing East China Sea disputes as a priority. Vietnam must tread carefully in this bipolar game that involves the USA and China.

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