

Section: Overview

Coping with untenable demands

Vietnam and its relations with China

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Only two decades ago Vietnam was among the poorest countries in Asia. Reeling from decades of war and subject to a punishing US-Sino trade embargo, the country remained largely isolated from world trade and suffered intermittent food shortages. Thanks to market-reforms and two decades of economic growth, Vietnam is today a rapidly globalizing lower middle-income country governed by a state intent on sustaining economic growth, industrialization, and improving living standards through a development strategy premised on independence, self-styled institutional modernization, and access to foreign markets. To realize its long-term development aims, Vietnam's leaders face numerous domestic challenges, most of which stem from deficiencies in the country's governing institutions. Beyond these, Vietnam faces significant external challenges, particularly those stemming from the increasingly aggressive behavior of the country's colossal neighbor and leading trading partner, the People's Republic of China.

In early May, the tense equilibrium that has characterized relations between Hanoi and Beijing for decades was thrown violently off kilter when Beijing decided to press forward with attempts to enforce its illegitimate claims over vast areas of maritime Southeast Asia. In the two months that followed relations between the two countries descended to lows not seen in decades. More recently tensions have eased. Yet barring unforeseen breakthroughs, relations between Hanoi and Beijing remain fragile, to put it mildly.

No country in the world has as much experience coping with an expansionist China. For Vietnam in particular, there is a perpetual need to keep relations on an even keel to the extent that is possible. Yet relations between the two countries, which have been strained in the best of times, face major difficulties, as Beijing's determination to dominate the region have forced Hanoi to rethink its entire strategic outlook. To grasp Vietnam's new strategic predicament, it will first be useful to review what has changed in Vietnam's relations with China, particularly since May.

Making sense of oil rig 981 and its aftermath

Beijing's decision to place China National Offshore Oil Corporation's giant Haiyan 981 oil rig in Vietnam's exclusive economic zone was a political move intended to change the status quo. This action was accompanied by a steady combination of coercion and propaganda and promises of even more provocative actions. Beijing's arrogance, belligerence, and shortsightedness impressed the world while profoundly damaging its relations with Hanoi.

Not surprisingly, Beijing's behavior produced wide outrage across Vietnam and severely aggravated regional tensions, needlessly jeopardizing East Asia's prosperity and social order. In the immediate aftermath of the oil rig's placement, elements of Vietnam's Communist Party who imagined an alliance with China quickly lost their credibility, while tensions and

debates within the party as to how to respond boiled vigorously but saw no resolution. The riots that took place in May in three Vietnamese provinces were for Hanoi a self-inflicted wound, even as the precise causes of the rioting remain unclear to this day.

While Beijing has long signaled its expansionist designs, it did not and does not yet appear to grasp its full ramifications, particularly with respect to its relations with Vietnam and their broader strategic significance. Outlandish claims from Beijing that it has been bullied only resonate within the echo chamber of Beijing's political scene, as do claims that China has never invaded another country in modern times. Indeed, outrage in Vietnam about Beijing's behavior stems principally from the PLA's deadly and illegal seizure of the Paracel Islands in 1974, its 1979 military invasion that left perhaps 100,000 dead, and its massacre of Vietnamese sailors in the Spratly's, in 1988. Since 1988, Beijing's creeping territorial claims and conduct have resulted in scores of deaths and illegal detentions of Vietnamese fishermen.

It's not everyday that the leading ideological journal of the Communist Party of Vietnam publishes an article online entitled "The Need for American Intervention". Yet this is precisely what occurred on 10 June. And while the said article was removed within days of its online release, the fact that such an article could be written by Party stalwarts was and is indicative of the sheer scope of changes in Vietnam's strategic outlook; changes fueled and fanned by the untenable demands of Beijing's aggressive posture. By July it was evident Hanoi was indeed prepared to take a new approach.

Until recently, Hanoi has followed its own path in relations with Beijing and has tended to avoid the perception or reality of coordination (let alone alliance) with other interested states. Indeed, Vietnam's communist leadership has since 1990 retained a close if deeply contradictory relationship with Beijing, balancing awkwardly the need to conciliate and appease with the need for independence. Unlike the Philippines, Vietnam's political establishment has elements that have imagined China to be an ally. Yet one of the principal effects of China's new assertiveness has been to bring Manila and Hanoi closer to embracing a common principle: that Beijing's regional sovereignty claims must be subjected to a legal test. Acting alone, both Manila and Hanoi face formidable challenges in dealing with Beijing. Yet joint action by the countries is entirely reasonable and should be welcomed.

The "China Question"

Still, the difficulties Hanoi faces are far more complex. For Hanoi's relationship with Beijing inextricably overlaps with Vietnam's domestic politics and questions about the country's long-term direction and strategic outlook. While China and Vietnam both feature Leninist political regimes, Vietnam's particular brand of market-Leninism is ripe for change. Indeed, Beijing's actions are forcing all Vietnamese to ask profound questions about the country's future and to imagine a Vietnam embracing real reforms; reforms that would bolster domestic legitimacy and economic performance while garnering the country international respect and true independence from China.

Responding to present challenges, some prominent figures in Vietnam's politburo (such as Prime Minister Nguyen Tan Dung) have spoken forcefully in opposition to Beijing's coercive expansionism. Whereas others (such as the Communist Party's number two figure, Phung

Quang Thanh) have perhaps for diplomatic reasons emphasized the ‘mostly wonderful’ state of relations between the two Parties and two countries. Over two months, differing and often muted responses by Vietnam’s political elite have generated considerable unease in the Vietnamese street, which remains alarmed by the prospects for armed conflict but determined to defend national integrity by all necessary means.

Yet after two months of obvious internal fragmentation, Vietnam’s leadership is today displaying a united front on the “China Question”, warning the Vietnamese public that while Vietnam will pursue peace, the people must prepare for the worst. Whether this new united-front reflects genuine consensus in Vietnam’s politburo is unknowable. Be that as it may, the sheer fact that Hanoi’s leading figures are broadly in tune suggests some common ground has been reached, a development some have credited to tough-talking Yang Jiechi’s recent visit to Hanoi.

Equally important, and more strikingly, have been recent efforts to forge deeper ties with Manila, evidenced by bilateral talks this week in Hanoi; a week in which the appearance of US surveillance aircraft over maritime areas near Vietnam has been warmly welcomed. We are truly in uncharted waters.

Hanoi in particular faces momentous decisions. As China is Vietnam’s largest trading partner, a rising military power, and permanent neighbor, Hanoi naturally desires to keep relations with Beijing on as even a keel as possible. Yet Beijing’s outsized claims and steady stream of bad behavior make doing so increasingly untenable. Interestingly, many (though not all) politically engaged Vietnamese accept the notion that a worsening of relations with Beijing would actually be beneficial to Vietnam. According to this line of thinking, while a clear break with China would certainly present challenges, it would effectively necessitate the kinds of reforms that Vietnam is assumed to need to escape its perceived internal malaise.

Still, if relations with Beijing were to worsen, Hanoi’s ability to gather international support would for the moment appear to face familiar constraints, including its repressive posture in domestic politics and mistrust among some political elite of alliances with countries outside the Chinese and Russian orbits. (In this context, David Brown’s suggestion that ‘Finlandization’ of Vietnam might be a sensible path has certain appeal, particularly if one recalls Finland’s transparent political system and strong record on human rights.)

Paths forward

Nearly three months have passed since Beijing launched new efforts to enforce its illegitimate claims over vast areas of maritime Southeast Asia. What paths should Vietnam pursue? In one recent proposal, Vu Quang Viet and I have suggested Hanoi take three concrete steps moving forward: First, Hanoi should seek a judgment from an arbitration tribunal under the UN Convention on the Law of the Sea that no natural features in dispute are entitled to exclusive economic zones or continental shelves. This would mean that even those islands in the Paracels under Beijing’s de facto control would be entitled only to 12 nautical mile territorial seas, and that the placement of its drilling rig would be illegal.

Second, while initiating its own case, Vietnam should seek to join the Philippines’ case against China, which among other things challenges the validity of the “nine-(now ten-) dashed line” that demarcates virtually the entire Southeast Asian Sea as China’s territory and

Beijing's claim that several features in the Spratly's are habitable. Third, Hanoi should prioritize early resolution of all outstanding disputes with the Philippines and Malaysia and enter into agreements with other claimants in ASEAN. These steps toward resolving the disputes through international norms would play well at home and regionally (excepting Beijing, of course). By early July, Hanoi began publically signaling its readiness to take legal action.

Yet Hanoi's signaling of this intent, combined with noisy protests from other countries, and several other factors have for the moment obviated the need for immediate legal action. For on the 15th of July Beijing removed the 981 rig, and since public talk among Vietnamese officials of bringing immediate legal action has swiftly faded.

Since 15 July, relations between Hanoi and Beijing have calmed. Yet the longer-term problems remain uncertain at best and are in any case deeply disconcerting. While some suspect a secret quid-pro-quo agreement was reached (promise not to take it to arbitration and we will withdrawal the rig, for now), others suspect Beijing's real intent was to influence deliberations of Vietnam's politburo, which was scheduled to meet late this month. Regardless of the real causes, tensions between Beijing and Hanoi have dissipated, at least for now.

As for the longer term, there are many more questions than answers. Hanoi is understandably taking an extremely cautious approach. One interpretation is that doing so is a wise approach to be taken in the context of an asymmetric conflict. Another is that Hanoi's slowness is a symptom of lingering disunity in Ba Dinh Square. Hanoi's decision to send a senior politburo member to the US for talks (instead of its younger Prime Minister) is a reflection of the complexities of Vietnamese politics, an analysis of which is necessary to make any sense of the country's unconventional and at times incoherent approach to foreign policy. In the meantime, Hanoi is likely to continue efforts to rapidly upgrade its military preparedness

Regional security

Since the 1990s Hanoi has habitually deferred to Beijing. The challenge Vietnam and the entire region face today is to promote a regional security framework grounded in binding norms and based on principles of respect and cooperation. Vietnam is a coastal nation. Its prosperity and security depend on a stable regional environment. While Vietnam's domestic challenges may not be ignored, the country's ability to navigate regional instability is of critical importance.

In the short term and in the long term, Hanoi must and is working to stabilize its relations with Beijing, while also cultivating its ties with other regional and world powers, including Japan, Korea, and the United States. Yet in both the short term and the long term, this is an exceedingly difficult challenge.

On the one hand is the perceived need to avoid antagonizing Beijing and the real need to keep relations with Beijing on an even keel. On the other is Hanoi's need for friends (it has no real friends now). Arguably the biggest obstacles Hanoi faces stem from its self-defeating conservative impulses and consequent inability to undertake the kinds of reforms that would produce the international support it requires strengthening its hand with Beijing.

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