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US-Vietnam Relations: A Scorecard

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Carlyle A. Thayer, Professor of Politics at the Australian Defence Force Academy in Canberra, notes that the US-Vietnam relationship has evolved from one preoccupied with legacy issues from the Vietnam War to one anchored in economic relations, political accommodation, and military-to-military ties. “According to Secretary Clinton, all the fundamentals are in place for the United States to take its relations with Vietnam ‘to the next level of engagement, cooperation, friendship, and partnership.’”

On the occasion of the fifteenth anniversary of the normalization of diplomatic relations, Secretary of State Hillary Clinton declared in Hanoi that the United States considers Vietnam “not only important on its own merits, but as part of a strategy aimed at enhancing American engagement in the Asia Pacific, and in particular Southeast Asia.” According to Secretary Clinton, all the fundamentals are in place for the United States to take its relations with Vietnam “to the next level of engagement, cooperation, friendship, and partnership.”

Fifteen years ago, bilateral relations were weighed down by unsettled issues arising from the Vietnam War: full accounting for American Prisoners of War/Missing in Action (POW/MIA), Vietnamese refugees, and Vietnam’s demand that the United States address “the wounds of war” and stop its support for anticommunist exiles seeking to overthrow the Hanoi government. These legacy issues still persist today but are no longer the centerpiece of the bilateral relationship. The United States accepts that Vietnam is doing its best in providing complete accounting of the MIAs. Nevertheless, the POW/MIA issue still remains one of the US government’s highest priorities with Vietnam. In reciprocation for Vietnamese assistance in addressing the MIA issue, the United States has made cooperation in health the cornerstone of its assistance program to Vietnam and directs three-quarters of its funding to addressing HIV/AIDS and pandemic influenza.

Vietnam has pressed for reciprocity in addressing legacy issues and in recent years has asked the United States for assistance in dealing with Agent Orange hot spots. Congress has appropriated funds to assist with dioxin removal and to provide healthcare facilities in Danang where Agent Orange was once stored. Secretary Clinton promised in Hanoi “to increase our cooperation and make even greater progress together” to deal with the legacy of Agent Orange.

Economics took center stage in 2000 with the signing of a Bilateral Trade Agreement, followed by a Trade and Investment Agreement in 2007. Two-way trade jumped from US\$450 million in 1995 to US\$12.9 billion in 2009. Obama Administration officials support Vietnam’s efforts to seek full participation in the Trans-Pacific Partnership to expand free trade. American companies have invested US\$9.8 billion in Vietnam, placing the United States sixth on Vietnam’s investment ladder. Economic relations also include a Bilateral Air Transport Agreement (2003, amended in 2008) and a Bilateral Maritime Agreement (2007). Over two hundred memoranda of understanding have been signed between universities in both countries.

Political relations have steadily improved since 2000 when Bill Clinton became the first American president to visit Hanoi. In 2006 and 2007, the US and Vietnamese presidents exchanged reciprocal visits. A major turning point occurred in June 2008



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when Prime Minister Nguyen Tan Dung visited Washington. In a joint statement, the United States declared its respect for the territorial integrity of Vietnam and its opposition to the use of force to overthrow the Hanoi government, thus addressing Vietnamese concerns noted above.

Prime Minister Dung returned to Washington in April 2010 to attend President Barack Obama’s Nuclear Security Summit. In April, the two countries signed a memorandum of understanding on cooperation in nuclear power including access to reliable sources of nuclear fuel. This agreement reportedly will open the door for Bechtel and General Electric to sell nuclear reactors to Vietnam.

Military-to-military relations developed slowly after 1995 because Vietnam was concerned that defense relations might outstrip economic ties. In 2000, the United States and Vietnam initiated defense ministers’ visits, on a reciprocal basis, every three years. In 2008, the two countries inaugurated their first Policy, Defense and Security Dialogue to consult on regional security and strategic issues, and in August 2010 they held their first Defense Dialogue. The latter meeting focused on bilateral issues such as MIA accounting, unexploded wartime ordnance, Agent Orange, and areas for future cooperation.

Military relations stepped up noticeably in 2009, seemingly in response to Chinese assertiveness in the South China Sea. Vietnamese military officials visited an aircraft carrier operating in the South China Sea. Vietnam agreed to repair US Military Sealift Command vessels. On the fifteenth anniversary of normalization, Vietnam’s deputy ambassador visited the USS *George W. H. Bush* in Norfolk, Virginia, while half a world away Vietnamese local government and military officials flew out to the USS *George Washington* in waters off the central coast of Vietnam. At the same time, the United States and Vietnam conducted their first naval engagement activities.

While there is definitely new momentum in the relationship, there are constraints and potential difficulties in the path ahead. The first concern is what Secretary Clinton described as “profound differences” over human rights and political freedom. Human rights remain the main point of contention in bilateral relations. US officials have made clear that arms sales to Vietnam are not possible until the human rights situation improves.

The second constraint arises from conservative elements in Vietnam who still view the United States with suspicion. They not only characterize religious freedom, human rights, and democracy as tools to undermine Vietnam’s socialist regime, but argue that educational exchanges are part of the “plot of peaceful evolution.” These conservatives oppose the current trajectory in defense relations because of the potential friction it may cause in relations with China.

A third constraint lies in different expectations regarding economic reforms. Vietnam is frustrated by what it considers to be politically motivated trade barriers such as antidumping and antisubsidy taxes on Vietnamese goods as well as US pressures to equitize state-owned enterprises. The United States has offered technical assistance in trade and investment matters and would like to encourage good governance. But many obstacles stand in the way. Corruption is rampant and affects all sectors. Vietnamese government decision-making lacks transparency, such as the recent imposition of price controls. These constraints must be addressed if bilateral relations are to proceed smoothly to a higher level of broad-based cooperation. Four issues need resolution: the easing of restrictions on access to the Internet, the conclusion of a bilateral investment treaty, approval for an increase in staff working at the US embassy in Hanoi, and raising educational cooperation to permit American universities to operate in Vietnam.

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