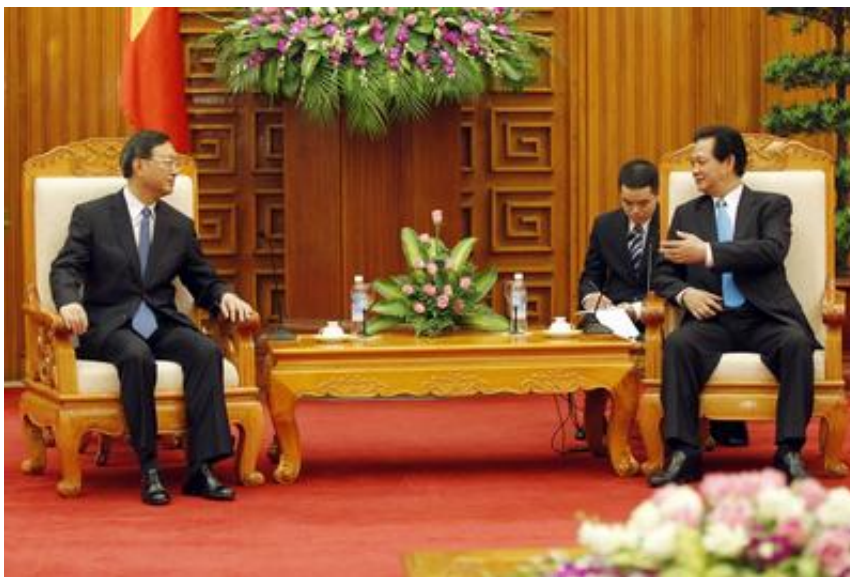


Vietnam's precarious strategic balancing act

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Since overcoming years of isolation in the late 1990s, Vietnam has pursued an 'omnidirectional' foreign policy. In 2001, Vietnam began establishing a network of [flexibly defined](#) ^[1] partnerships: these include 'comprehensive' (enhanced bilateral diplomatic and economic relations), 'strategic' and 'cooperative strategic' (the highest level of cooperation based on long-term relations).



In 2013, an [exceptionally fruitful](#) ^[2] year for Vietnamese diplomacy, Hanoi established six new partnerships, including one with the US. Even though it was only a comprehensive partnership — [one rung down from](#) ^[3] 'strategic' — it was significant for Vietnam–US relations.

The Vietnam–US partnership indicated an ongoing commitment to existing cooperation in trade, education and development. For Vietnam, it was beneficial to be included in the Trans-Pacific Partnership (TPP). A partnership with the US also positively contributed to Vietnam's hedging strategy against China, while opening the door to further strengthen ties with the US. For Washington, a new partner with strong strategic assets in Southeast Asia was a significant component in its balancing strategy.

Hanoi's expansion and diversification of its foreign relations in 2013 can also be seen as a form of preventive diplomacy. Hanoi had been fearful that disputes on the South China Sea would escalate.

The Hai Yang Shi You 981 (HYSY 981) oil rig crisis has shown that these fears were well founded.

Conflicting territorial interests continue to challenge the ‘good’ relationship that Hanoi has with Beijing. The four principles of ‘good comrades, good neighbours, good friends and good partners’, which have been the foundation of Vietnam–China relations, are being undermined by the lack of resolution over the South China Sea dispute. Multiple attempts to resolve tensions with China — including party-to-party talks, dialogue between defence ministers and a maritime hotline — have been ineffective.

Not even the ‘three noes’ of Vietnamese defence policy — no military alliance, no foreign military presence on Vietnamese territory and no relationship with one country to be used against a third country — have put China at ease.

China is one of Vietnam’s two cooperative strategic partners, alongside Russia. This had given Vietnam a false sense of security in its positive relations with China, as well as the illusion of support from Russia. Moscow did not back Vietnam in the HYSY 981 crisis. Instead it has signed a [30 year gas deal](#) ^[4] with Beijing worth US\$400 billion. Many would see such events as a failure of the Vietnamese partnerships system. The vague and thin content of these partnerships is often first to be blamed.

But economic and political state interests are the main reasons why no state would risk their relationship with China for Vietnam. Only those states that are trying to counter-balance China or already have relatively poor relations with China are willing to support Vietnam — namely the US, Japan and the Philippines. In revising partnership strategies, Hanoi should try to take advantage of shared interests. The US emerges as a natural alternative for Vietnam in this equation. Yet the US has reservations about cosyng up to Vietnam — Hanoi’s poor human rights record is a source of discord. While internal political transformation is necessary for a strong partnership with the US, it is not going to be easy or fast.

For Japan, Vietnam plays an important role in revising Japan’s right to [collective self-defence](#) ^[5] as well as counter-balancing China. The dispute between Japan and China over the Senkaku/Diaoyu Islands makes Tokyo extra-vigilant towards Beijing.

The Philippines is also keen to develop closer ties with Hanoi due to shared interests in the South China Sea. The Philippines was a forerunner in launching a legal case against Chinese maritime unilateral actions.

Meanwhile, Beijing has warned Vietnam that further escalating the HYSY 981 oil rig issue will have economic repercussions. China has already withdrawn workers, frozen investments and even stopped state-owned enterprises from [bidding for projects in Vietnam](#) ^[6].

Before the deployment of HYSY 981, Vietnam thought it could [balance its relations](#) ^[7] with China and the US. For example, Vietnam has been keen to participate in both US- and China-led regional economic initiatives, namely the [TPP](#) ^[8] and the [Regional Comprehensive Economic Partnership](#) ^[9].

But unskilful management of the current crisis on the [South China Sea](#) ^[10] might leave Vietnam between a rock and a hard place — it may be difficult for Vietnam (due to domestic political

considerations and limited support from Washington) to get any closer to the US despite deteriorating relations with China. In order to avoid this scenario, Vietnam needs to nimbly adjust to the latest developments, which indicate that China no longer intends to subscribe to the 'good neighbour' policy. Still, reorienting foreign, defence and economic strategies must begin with reaching an internal consensus.

As long as the indecisiveness of its leadership continues, Vietnam will find itself with increasingly limited choices — which may cause it to fall, once more, into a state of relative isolation.

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[1] flexibly defined: http://www.eastwestcenter.org/sites/default/files/private/apb253_1.pdf

[2] exceptionally fruitful:

http://www.iseas.edu.sg/documents/publication/ISEAS%20Perspective%202014_04%20-%20Bumper%20Harvest%20in%202013%20for%20Vietnamese%20Diplomacy2.pdf

[3] one rung down from:

<http://english.vietnamnet.vn/fms/special-reports/81006/why-are-vietnam-us-not-strategic-partners-.html>

[4] 30 year gas deal:

<http://www.theguardian.com/world/2014/may/21/russia-30-year-400bn-gas-deal-china>

[5] collective self-defence:

<http://thediplomat.com/2014/06/vietnams-role-in-japans-southeast-asia-strategy/>

[6] bidding for projects in Vietnam:

<http://www.scmp.com/news/china/article/1528221/state-firms-barred-vietnam-contract-bids>

[7] balance its relations:

<http://www.eastasiaforum.org/2013/10/12/vietnams-foreign-policy-tightrope/>

[8] TPP: <http://www.eastasiaforum.org/2009/11/23/the-trans-pacific-partnership/>

[9] Regional Comprehensive Economic Partnership:

<http://www.eastasiaforum.org/2012/11/28/will-rcep-compete-with-the-tpp/>

[10] South China Sea:

<http://www.eastasiaforum.org/2014/06/07/vietnams-deft-diplomatic-footwork-on-the-south-china-sea/>