

2015

Sino-American interactions in Southeast Asia 1991-2015: Implications for Vietnam

THI HAI YEN NGUYEN
University of Wollongong

Follow this and additional works at: <https://ro.uow.edu.au/theses>

University of Wollongong

Copyright Warning

You may print or download ONE copy of this document for the purpose of your own research or study. The University does not authorise you to copy, communicate or otherwise make available electronically to any other person any copyright material contained on this site.

You are reminded of the following: This work is copyright. Apart from any use permitted under the Copyright Act 1968, no part of this work may be reproduced by any process, nor may any other exclusive right be exercised, without the permission of the author. Copyright owners are entitled to take legal action against persons who infringe their copyright. A reproduction of material that is protected by copyright may be a copyright infringement. A court may impose penalties and award damages in relation to offences and infringements relating to copyright material.

Higher penalties may apply, and higher damages may be awarded, for offences and infringements involving the conversion of material into digital or electronic form.

Unless otherwise indicated, the views expressed in this thesis are those of the author and do not necessarily represent the views of the University of Wollongong.

Recommended Citation

NGUYEN, THI HAI YEN, Sino-American interactions in Southeast Asia 1991-2015: Implications for Vietnam, Doctor of Philosophy thesis, Faculty of Law, Humanities and the Arts, University of Wollongong, 2015. <https://ro.uow.edu.au/theses/4719>



Faculty of Law, Humanities and the Arts

**SINO-AMERICAN INTERACTIONS IN SOUTHEAST ASIA 1991-2015:
IMPLICATIONS FOR VIETNAM**

THI HAI YEN NGUYEN

**This thesis is presented as part of the requirements for the
award of the Degree of
Doctor of Philosophy
of the University of Wollongong**

OCTOBER 2015

CERTIFICATION

I, Thi Hai Yen Nguyen, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy, at the University of Wollongong, is wholly my own work unless otherwise referred or acknowledged. The document has not been submitted for qualifications at any other academic institution.

ABSTRACT

This thesis investigates the cooperation and competition between a global power (the United States) and a regional power (China) in Southeast Asia from 1991 to 2015. The research explores the interests of the US and China, focusing on how collective benefits can be maximised so as to meet the national interests of Vietnam. By means of an empirical analysis of American, Chinese and Vietnamese foreign policy through extensive interviews with ASEAN politicians and diplomats, this thesis argues that, contrary to some accounts, Vietnam is not forging closer ties to the US to counter-balance the rise of China. Rather, the thesis argues that Vietnam has adopted a steady policy of power balancing. This is in accordance with recent Vietnamese foreign policy, which is based on diversity and multilateralism.

While there are numerous and wide-ranging discussions within the Vietnamese government about the impact of the Sino-American relationship on the country, they are largely based on internal sources of information. This thesis brings new perspectives from Southeast Asian politicians, diplomats and scholars in the region. The dissertation presents, for the first time in English, an analysis of regional voices from Southeast Asia and Vietnam that consider the impact of Sino-American interactions in the post-Cold War period to 2015, as well as giving recommendations for the region and Vietnam into the future.

ACKNOWLEDGEMENTS

I would like to acknowledge my sincere gratitude to my supervisors Dr Charles Hawksley and Dr Jason Lim from the Faculty of Law, Humanities and the Arts at the University of Wollongong (UOW) for their endless support during my candidature. With his valuable knowledge on international relations and social sciences, Dr Hawksley gave me great advice on the structure, methodology, focus and arguments of the thesis. With the experiences in research on Asian history as an honorary member of the China Studies Centre, University of Sydney and as China Book Review Editor of the *Asian Studies Review*, Dr Lim gave me much guidance on Chinese and Southeast Asian studies. Without their intellectual supervision, I would have not been able to complete my PhD program.

I am sincerely grateful to Project Management Board 165 and the Office of the Project 165 of the Organisation Department, Central Executive Committee, the Communist Party of Vietnam, for granting me a scholarship to study at UOW. The staffs of the Office of Project 165 were very helpful in guiding me through the procedures of the program and for the funds to study abroad. I owe my gratitude to UOW for granting me the International Postgraduate Tuition Award (IPTA). My special thanks also go to the Faculty of Law, Humanities and the Arts for fieldwork and conference funding during my PhD candidature. I would also like to thank the West East Institute in the United States for giving me the opportunity to present my research paper at the WEI International Asian Academic Conference about “China’s Economic Interests in Southeast Asia in the Post-Cold War Era and Its Implications for the Region” from 18-21 May 2014 in Bali, Indonesia.

My special thanks go to the following divisions of the National Assembly of the Socialist Republic of Vietnam: the Office of the National Assembly (ONA), the Foreign Affairs Committee, and the Foreign Affairs Department. As a staff member of the ONA, they gave me great support and time to study overseas during the past 3.5 years. In this regard, I would particularly like to express my heartfelt thanks to the former Chairman of the ONA, the Hon. Dr Tran Dinh Dan, and the current Vice-Chairman of the ONA, the Hon. Mr Vu Van Phong, for their valuable support during my application for my overseas studies. My gratitude also goes to the Hon. A/Prof Le Minh Thong (Vice-Chairman of the Law Committee of the National Assembly),

and the Hon. Messrs Vu Hai Ha, Ngo Duc Manh, Nguyen Manh Tien and Ha Huy Thong (Vice-Chairmen of the Foreign Affairs Committee of the National Assembly) for facilitating my PhD candidature in Australia and for helping with my data collection in Hanoi.

I would also like to express my sincere thanks to the Hon. Mr Le Luong Minh, Secretary-General of the ASEAN Secretariat in Jakarta, for his valuable advice on the implications for ASEAN stability and sustainable development from Sino-American interactions in Southeast Asia. Other Southeast Asian interviewees from the ASEAN Political and Security Community Department, ASEAN Secretariat deserve special mention for their valuable advice to me on the data collection for this study. They are the Hon. Mr Termsak Chalermpanupap, Director of the Political and Security Directorate, and Dr Mely Caballero Anthony, Director of External Relations Directorate. My sincere gratitude also goes to the ASEAN Secretariat colleagues and staff for their kind support with data collection about Southeast Asian politics in Jakarta.

This thesis would not have been possible without the support of 28 interviewees that provided me with useful information as part of my data collection. I am indebted to H.E. Dr H. Marzuki Alie, the 14th Speaker of the Indonesian House of Representatives for his valuable information from interview, his kind support all through my PhD program in Australia and his assistance in broadening my academic network with Indonesian researchers on Southeast Asian studies. They are: the Hon. Mr Pitono Purnomo, former Ambassador of Extraordinary and Plenipotentiary of the Republic of Indonesia to Vietnam and then the Director General of the Policy Analysis and Development Agency, Ministry of Foreign Affairs; the Hon. Mr Rizal Sukma, Executive Director of the Centre for Strategic and International Studies (CSIS); the Hon. Prof. Bantarto Bandoro, the Post Graduate School of Defence Strategy, Indonesian Defence University; the Hon. Dr Siswo Pramono, Director of the Centre of Policy Analysis and Development for Asia Pacific and Africa Regions, Ministry of Foreign Affairs; the Hon. Prof. Ikrar Nusa Bhakti, Research Professor at the Research Centre for Political Studies, Indonesia Institute of Science; the Hon. Dr Hariyadi Wirawan from the Department of International Politics, University of Indonesia.

I would also like to express my sincere thanks to Emeritus Professor Carlyle A. Thayer from the University of New South Wales for assisting me with his

materials on South China Sea (East Sea). I must also record my thanks to Prof. Do Tien Sam, whom I met in December 2012 when he was the Director of the Institute for Chinese Studies at the Vietnam Academy of Social Sciences. He helped me understand fully Vietnamese foreign policy towards China. I am also grateful to A/Prof. Nguyen Tat Giap, Vice-President of the Ho Chi Minh National Academy of Politics and Administration, for supplying useful academic materials. My special gratitude also goes to A/Prof. Dr Nguyen Thai Yen Huong, the Vice-President of the Diplomatic Academy of the Vietnam Ministry of Foreign Affairs, and Dr Do Son Hai, the Head of International Politics and Vietnamese Diplomacy at the Diplomatic Academy of Vietnam for their constant support through my academic journey. Other directors from the Vietnam Ministry of Foreign Affairs who deserve special thanks are Dr Hoang Anh Tuan, the Director General of the Institute for Foreign Policy and Strategic Studies, Diplomatic Academy of Vietnam; A/Prof. Ta Minh Tuan and Dr Ha Anh Tuan from the Diplomatic Academy of Vietnam; Dr Vu Le Thai Hoang, Deputy Director General of the Policy Planning Department; Mr Le Hai Binh, the Deputy Director General of Policy Planning Department; Mr Lai Thai Binh, Assistant Director General, American Research Division, Americas Department; and Mr Nguyen Duc Thang, the Minister Counsellor, Vietnam Permanent Mission to ASEAN in Jakarta, Indonesia.

I also owe numerous other debts of gratitude to those who helped me during my PhD program. I would like to thank the administrative staff of the Faculty of Law, Humanities and the Arts (LHA) for their support and assistance. My particular thank goes to the Research Team, particularly to Kirsty Greatz and Robert Beretov, administration officers for their constant support during my candidature.

I owe my deepest thanks to my family, my husband Pham Ngoc Lam and my son Pham Ngoc Khoi Nguyen, for their understanding, great support and encouragement. They gave me the endless passion to explore the academic world and strength to complete this study.

TABLE OF CONTENTS

CERTIFICATION	i
ABSTRACT.....	ii
ACKNOWLEDGEMENTS	iii
TABLE OF CONTENTS	vi
ACRONYMS	ix
INDEX.....	ixi
 CHAPTER 1. INTRODUCTION	 13
1.1 Introduction.....	13
1.2 Thesis Question.....	18
1.3 Literature Review.....	26
1.3.1 Vietnamese Foreign Policy	27
1.3.2 China-US Relations.....	31
1.3.3 Vietnam's Relations with China and the US.....	38
1.3.4 Key Concepts in International Relations Theory.....	40
1.4 Methodology	44
1.5 Structure of the Study	48
 CHAPTER 2. CHINA'S STRATEGIES TOWARDS SOUTHEAST ASIA	 52
2.1 The New World Order after the Cold War.....	52
2.1.1 Global Trends and the Rise of China in the New World Order.....	52
2.1.2 The Regional Situation after the Cold War.....	58
2.2 China's Strategic Interests in Southeast Asia.....	62
2.2.1 Political Interests.....	62
2.2.2 Economic Interests.....	69
2.2.3 Security Interests.....	73
2.3 China's Strategies towards Southeast Asia.....	76
2.3.1 Political Strategies.....	76
2.3.2 Economic Strategies.....	80
2.3.3 Security Affairs	81
2.4 Implications for Southeast Asia in general and Vietnam in particular	83
2.4.1 Implications for Southeast Asia	83
2.4.2 Implications for Vietnam	88
 CHAPTER 3. US STRATEGY TOWARDS SOUTHEAST ASIA	 95
3.1 Transformation of the New World Order.....	95
3.1.1 Overview of US Hegemony after the Cold War	95
3.1.2 Overview of US Involvement in Southeast Asia after the Cold War	99
3.2 US Interests in Southeast Asia	103
3.2.1 Economic Interests.....	103
3.2.2 Political Interests.....	107

3.2.3	Security Interests	110
3.3	US Strategies towards Southeast Asia	114
3.3.1	From 1991 to 2000	114
3.3.2	From 2001 to 2008	116
3.3.3	From 2009 onwards	117
3.4	Implications for Southeast Asia	121
3.4.1	For Southeast Asia in General.....	121
3.4.2	For Vietnam in Particular.....	125
CHAPTER 4. SINO-AMERICAN INTERACTIONS IN SOUTHEAST ASIA IN THE POST COLD WAR ERA		130
4.1	The Basis of Sino-American Interactions	130
4.1.1	Global and Regional Factors in Sino-American Interactions	130
4.1.2	Background to Sino-American Relations:	132
4.1.3	Theoretical Basis of Sino-American Relations	134
4.1.4	Practical Basis of Sino-American Relations:	137
4.2	Sino-American relations in Southeast Asia in the Post-Cold War Era	139
4.2.1	The Sino-American's Competition in Southeast Asian Affairs.....	142
4.2.2	Sino-American Cooperation in Southeast Asian Affairs	150
4.3	The Development of Post-Cold War Sino-American Relations in Southeast Asia	159
4.3.1	Sino-American Relations in Southeast Asia from 1989-2000	159
4.3.2	Sino-American Interactions in Southeast Asia (2001-2008)	163
4.3.3	The Sino-American Relations in Southeast Asia since 2008 upwards	165
4.4	Implications for Southeast Asia	167
4.4.1	Impacts	167
4.4.2	Recommendations	169
CHAPTER 5. CHARACTERISTICS OF TRIANGULAR VIETNAM, CHINA, AND THE US RELATIONSHIP		171
5.1	Basis of the Triangular Vietnam, China and the US Relationship.....	171
5.1.1.	Theoretical Basis of the Triangular Relations.....	171
5.1.2	Practical Basis of the Triangular Relations.....	173
5.1.3	The Position of Vietnam in the Triangular Relations	176
5.1.4	The Effects of Sitting between a Regional Power and a Global Superpower	179
5.2	Context of the Triangular Vietnam, China and the US Relationship.....	181
5.2.1	International Situation.....	181
5.2.2	Domestic Situation of Vietnam in the early Post-Cold War Era	185
5.2.3	Vietnam's China Policy 1991-2001	188
5.2.4	Vietnam's US Policy 1991-2001	190
5.3	Characteristics of the Triangular Vietnam, China and America Relationship	192
5.3.1	Security Characteristics.....	192
5.3.2	Socio-Economic Characteristics	197

5.3.3 Human Rights and Democracy	201
5.4 Vietnam between the US and China over the South China Sea Territorial Disputes from 1991 to 2001	203
CHAPTER 6. THE VIETNAM-CHINA-US RELATIONSHIP SINCE 2001.....	206
6.1 Background to Triangular Relations in the 21 st century	206
6.1.1 The New Global and Regional Situation after 9/11	206
6.1.2 Domestic Situation of Vietnam in the New Century	209
6.2 Development of the Triangular Vietnam, China and the US Relationship....	212
6.2.1 Fluctuations in Sino-Vietnamese Relations	212
6.2.2 Vietnam's China Foreign Policy in the New Century	213
6.2.3 The Vietnam - US Rapprochement.....	216
6.2.4 Vietnam's US Policy in the New Century	220
6.3 Vietnam between China and the US since 2001 to 2015	222
6.3.1 Security Affairs	222
6.3.2 Socio-economic Affairs	226
6.3.3 Cultural Affairs	229
6.4 Vietnam in the South China Sea Territorial Disputes 2001-2015	230
CHAPTER 7: IMPLICATIONS FOR SOUTHEAST ASIA AND VIETNAM.....	234
7.1 Implications for Southeast Asia	234
7.1.1 Advantages and Disadvantages.....	234
7.1.2 Direct and Indirect Impacts.....	237
7.1.3 Short term and Long term Impacts.....	240
7.1.4 Implications.....	243
7.2 Implications for Vietnam	245
7.2.1 Advantages and Disadvantages.....	246
7.2.2 Short-term and Long-term Impacts.....	248
7.2.3 Direct and Indirect Impacts.....	251
7.2.4 Implications.....	253
CHAPTER 8. CONCLUSION.....	264
BIBLIOGRAPHY	272
LIST OF INTERVIEWEES.....	305

ACRONYMS

ACFTA	ASEAN-China Free Trade Area
ADVANCE	ASEAN Development Vision to Advance National Cooperation and Economic Integration
ADMM+	ASEAN Defence Ministers' Meeting Plus
AFTA	ASEAN Free Trade Area
AMM	ASEAN Ministerial Meeting
APEC	Asia Pacific Economic Cooperation
APT	ASEAN plus Three
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meeting
BRICS	Brazil, Russia, India, China and South Africa
BFA	Boao Forum for Asia
BTA	Bilateral Trade Agreement
CAFTA	China-ASEAN Free Trade Agreement
CCP	Chinese Communist Party
CNOOC	China National Offshore Oil Corporation
COC	Code of Conduct
CPV	Communist Party of Vietnam
CSIS	Centre for Strategic and International Studies
DOC	Declaration on the Conduct
E3	Expanded Economic Engagement
EAC	East Asia Community
EAEC	East Asia Economic Community
EAMF	Enlarged ASEAN Maritime Forum
EAS	East Asia Summit
EEZ	Exclusive Economic Zone
EU	European Union
FDI	Foreign Direct Investment
FPDA	Five Power Defence Arrangements
FTA	Free Trade Area
GATT	General Agreement on Tariff and Trade
GDP	Gross Domestic Product
GFC	Global Financial Crisis
GNP	Gross National Product
IAEA	International Atomic Energy Agency
IMF	International Monetary Fund
MFN	Most Favoured Nation
NAM	Non-Aligned Movement
NATO	North Atlantic Treaty Organisation
NSC	New Security Concept

ODA	Official Development Aid
PLA	People's Liberation Army
PLAN	People's Liberation Army Navy
PMC	Post Ministerial Conference
PPP	Price Purchasing Parity
PMC	Post Ministerial Conference
PRC	People's Republic of China
RAS	Russian Academy of Science
RCEP	Regional Comprehensive Partnership
ReCAAP	Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia
ROC	Republic of China
QDR	Quadrennial Defence Review
SDR	Special Drawing Rights
SEA	Southeast Asia
SEATO	Southeast Asia Treaty Organisation
SLOCs	Sea Lanes of Communications
SOM	Senior Official Meeting
SCO	Shanghai Cooperation Organisation
TAC	Treaty of Amity and Cooperation
TTP	Trans-Pacific Partnership
UN	United Nations Organisations
UNCLOS	UN Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
UNTAC	United Nations Transitional Authority in Cambodia
US	United States of America
USCC	U.S.-China Economic and Security Review Commission
USD	US dollar
WIPs	World Investment Prospects Survey
WMD	Weapons of Mass Destruction
WTC	World Trade Centre
WTO	World Trade Organisation
ZOPFAN	Zone of Peace, Freedom and Neutrality

INDEX
LIST OF COUNTRIES
WHICH MAINTAINS STRATEGIC AND COMPREHENSIVE
PARTNERSHIP WITH THE SOCIALIST REPUBLIC OF VIETNAM
(as of 20 October 2015)

No	Name	Date of agreement
I.	Comprehensive Strategic Cooperative Partner	
1.	People's Republic of China	1 June 2008
II	Comprehensive Strategic Partner	
1.	Russian Federation	27 July 2012
III	Strategic Partners	
1.	Federal Republic of Germany	11 October 2011
2.	Republic of France	25 September 2013
3.	Republic of India	6 July 2007
4.	Republic of Indonesia	27 June 2013
5.	Republic of Italy	21 January 2013
6.	Republic of Korea	21 October 2009
7.	Malaysia	8 August 2015
8.	Japan ¹	19 October 2006
9.	Republic of Singapore	11 September 2013
10.	Kingdom of Spain	16 December 2009
11.	Kingdom of Thailand	26 June 2013
12.	United Kingdom of Great Britain and Northern Ireland	8 September 2010
13.	Kingdom of the Netherlands ²	16 June 2014
IV.	Comprehensive Partners	
1.	Republic of South Africa	24 November 2004

¹ Up graded to Extensive Strategic Partner in March/2014.

² Strategic Partner in particular fields: Climate change response and water management, agriculture, energy and marine-based economic activities, including logistics and shipbuilding.

2.	Republic of Chile	27 May 2007
3.	Federative Republic of Brazil	29 May 2007
4.	The Bolivarian Republic of Venezuela	31 May 2007
5.	Australia	9 September 2009
6.	New Zealand	10 September 2009
7.	Argentine Republic	16 April 2010
8.	Ukraine	26 March 2011
9.	United States of America	25 July 2013
10.	Kingdom of Denmark	19 September 2013

CHAPTER 1. INTRODUCTION

1.1 Introduction

This thesis explores Sino-American interactions in Southeast Asia from 1991 to 2015 and its implications for Vietnam. This 24-year time frame begins with the significant starting point of 1991 when Vietnam ended its international isolation imposed by the international community after Vietnam's intervention in Cambodia (late 1978 - September 1989). In that year Vietnam normalised relations with China in 1991, and in 1995 with the United States of America (US). The year 2015 is selected as the end point, due to its importance in Vietnam's relations with the US and China. The year 2015 marks the 20th anniversary of the normalisation of Vietnam-US diplomatic ties (11/7/1995 - 11/7/2015) and the 65th anniversary of the establishment of Vietnam-China diplomatic ties (18/1/1950 - 18/1/2015). Thus, the year 2015 brings the thesis up to the present day, making it a contemporary study in the research field of international relations.

Since the mid-20th Century, the study of the developing relations between China and the US in international relations has been of great interest to scholars because of their important roles in world politics. While the US is the current global superpower with its comprehensive economic, military and political strength, China has increasingly been considered as a new giant in Asia with different strategic interests in various parts of the world. Within this period of transformation in global politics from the "new world order," the Sino-American relationship has been of enormous importance to the national interests of many states. One particular area that has attracted both American and Chinese interest is Southeast Asia, due to its significant geographic, economic and political position. The US, the largest developed country, is trying to maintain the status of a current superpower while China, the biggest developing state, is drawing global attention for its potential power. Some scholars argue it is inevitable that there will be a strategic competition between Washington and Beijing.¹ The implications of Sino-American interests in a

¹Chen, O., 'The US' Political Challenges on China's National Security in the 21st Century's First Decade', *Asian Social Science*, 7(6), 2011, pp.103-109 at 108.

particular region like Southeast Asia for the last two decades have become a matter of concern for the Association of Southeast Asian Nations (ASEAN).

In an era when the centre of gravity of the world is shifting from the west to the east, Southeast Asia is located in an area that will be of strategic significance for China and the US in the next twenty to fifty years. Geographically, Southeast Asia possesses a huge wealth of natural resources, including oil and other energy, which are vital substances for the economic development of China and the US.² China needs oil from a diversity of sources, including Southeast Asia, due to its economic ascension. According to Karen Ward, a senior global economist from HSBC Bank, the world may have no more than half a century of oil left at the present consumption rates. One tremendous pressure is from China, where growth trends may see as many as one billion more cars on the road by mid-century.³ According to Womack, China's energy needs are estimated to grow by more than 50% by 2020. As a result, China will have to import a large portion of its oil needs, and it is diversifying the oil supply source. Vietnam is now China's sixth largest oil supplier, with 5.6% of the total in 2002.⁴ Meanwhile, as the world's naval power, the US has benefited from the free and safe navigation of Southeast Asian sea-lanes, through which passes one-third of the global trade and 66% of the world's oil and natural gas.⁵

Southeast Asia is situated on an important sea transportation route, with international sea-lanes including the Malacca Straits, Sunda Straits and the South China Sea. A high-ranking Indonesian political official⁶ claimed that approximately 50,000 vessels per year pass through the Malacca Straits connecting the Indian and Pacific Oceans. Every day, vessels carrying around 11 million barrels of oil from the Middle East to East Asia sail through these sea-lanes. Moreover, Southeast Asia has a population of approximately 600 million people, with a growing middle class in a

² Interview Dr Rizal Sukma, Director of Centre for Strategic and International Studies (CSIS), Jakarta, Indonesia, 12 June 2012.

³ Rudolf, J.C., 'Less than 50 Years of Oil Left, HSBC Warns', 30 March 2011. Available at <http://green.blogs.nytimes.com/2011/03/30/less-than-50-years-of-oil-left-hsbc-warns/>? (Date of visit 7 July 2015)

⁴ Womack, B., *China and Vietnam: The Politics of Asymmetry*, Cambridge University Press, p. 49

⁵ Koh, T., 'The United States and Southeast Asia', pp. 35-54 at 40.

⁶ H.E. Dr. Marzuki Alie, SE, MM, the 14th Speaker of the House of Representatives of the Republic of Indonesia

dynamic commercial area. It is a potential market for products from both the US and China. In terms of security, the Malacca Straits makes Southeast Asia an important region, as controlling this strait means taking control of a shipping route of the global economy.⁷

In terms of politics, Southeast Asian states, and to a lesser extent ASEAN itself, play important roles in debates and practices of regional security, democracy and human rights. There are also a number of potential flashpoints from border disputes, both maritime and land, particularly in the South China Sea with disputes over the Spratly Islands and the Paracel Islands. For these reasons, the Asia-Pacific is considered to be one of the most dynamic regions in the world.⁸ Consequently, Southeast Asia is an important factor in the strategic foreign policy of China and the US.

China borders Central Asia, Northeast Asia, South Asia and Southeast Asia, but Southeast Asia is historically linked to China and shares favourable characteristics with China in culture, history and religion. Chinese communities are also a typical presence in this region, especially in the business and commercial classes of Singapore, Indonesia, Malaysia, Thailand and the Philippines. The overseas Chinese occupy a place of significance in Southeast Asian economies and they play a crucial bridging role between Mainland China and the region. According to the Director General of the Institute for Foreign Policy and Strategic Studies, Diplomatic Academy, Ministry of Foreign Affairs of the S.R Vietnam, Dr. Hoang Anh Tuan, China regards Southeast Asia as a significant area within which it can develop its influence. Within Southeast Asia it is thought that if China can control its relations with countries in the region, it can create the conditions to broaden its influence at a global level. The way China aims to use Southeast Asia is even compared with the Monroe Doctrine, under which the US sees its neighbouring Latin American and Caribbean states as coming under an American “sphere of influence.” Similarly, Southeast Asia may be regarded as an area under China’s “sphere of

⁷ Information in this paragraph is taken from the interview with H.E. Dr. Marzuki Alie, Jakarta, Indonesia, 12 June 2012.

⁸ Feng, H., ‘ASEAN’s relations with Big Powers’, in Samuel C.Y. Ku (eds), *Southeast Asia in the new century: An Asian Perspectives*, Center for Southeast Asia Studies, National Sun Yat-Sen University, Kaohsiung, Taiwan, p.214.

influence.” China has aimed to enhance bilateral relations with Southeast Asia to portray itself as a peace-loving great power in order to enhance its prestige in the international arena. It was a much-needed boost after the Tiananmen Square massacre of 1989.⁹ It is therefore important for China to cultivate favourable perceptions in its relationship with Southeast Asia.

For the US, Southeast Asia is a significant region because of its location at the intersection of two of the world’s most heavily travelled sea-lanes—the east-west route links the Indian and Pacific Oceans, while the north-south route connects Australia and New Zealand to Northeast Asia. These sea-lanes are vital for US forces stationed from the Western Pacific to the Indian Ocean and the Persian Gulf. Maintaining freedom of navigation of these waterways is regarded as a top US strategic objective.¹⁰ As a result, the US returned to the region in the first decade of the 21st century when Southeast Asia was considered a “second front” in the US-led global war on terror. During the George W. Bush Administration, the US had planned for increased engagement with Southeast Asia. However, it was only under President Barack Obama that a comprehensive “return to Southeast Asia” policy was realised.¹¹

Among the countries in the region, Vietnam is of particular interest to both China and the US, due to its special strategic location and its relations with these two powers over different periods in history. This thesis explores the dynamics of this developing regional complexity for Vietnam, concentrating on the opportunities and challenges posed. Geographically, Vietnam lies on the Indochina peninsula by the Pacific Ocean: to its north is the border with China, to the east is the “East Sea” (“South China Sea”), to the west is Laos and to the southwest is Cambodia. With a long coastline of 3,260 km, and occupying half of the islands in the Spratly group,

⁹ Interview Dr. Hoang Anh Tuan, Director General of the Institute for Foreign Policy and Strategic Studies, Diplomatic Academy, Ministry of Foreign Affairs of the S.R Vietnam, Hanoi, Vietnam, 13 February 2012.

¹⁰ Sokolsky, R., Rabasa, A. and Neu, C.R., *The Role of Southeast Asia in US Strategy towards China*, RAND Corporation, Santa Monica, 2001.

¹¹ Hung, M.T & Liu, T.T.T., ‘US Foreign Policy in Southeast Asia Under the Obama Administration: Explaining US Return to Asia and Its Strategic Implications’, *USAK Yearbook*, 5, 2012, pp. 195-225 at 195.

Vietnam is the closest state to the centre of maritime routes through the South China Sea.¹²

With its location at the centre of the region, Vietnam is in the most geographically advantageous position as the gateway to China and Southeast Asia. After Indonesia and the Philippines, Vietnam has the third largest population in ASEAN with 90.388 million people in 2013.¹³ After joining ASEAN in 1995, Vietnam has become an active member, holding significant prestige and an influential position in this association. Economically, Vietnam has experienced impressive growth and development. It has a very stable political system and a foreign policy defined by the motto: “Vietnam is a trustworthy partner and a responsible member of the world community.”¹⁴ This foreign policy reflects Vietnam’s shift from international economic integration into overall international integration.

Moreover, Vietnam borders the South China Sea and has the potential to benefit from the pace of development in a significant part of the Asia-Pacific, the most dynamic economically developed region of the world. This is an advantage for Vietnam in attracting Foreign Direct Investment (FDI) flows. As a result of its stability, growth and position, Vietnam has become the darling of foreign investors. Thus, Vietnam forms part of the strategic policy framework towards Southeast Asia of both the US and China. These states’ competitiveness against each other drives their policies toward Vietnam. With its crucial geographical, economic and political location, Vietnam is caught in the relationship of the global and regional powers.¹⁵ Consequently, Vietnam has been a victim of geo-political interests and suffered successive wars during its drive towards reunification in 1975. It was in the front line between the former USSR and the US during the Cold War, and it is now positioned between the current superpower (the US) and a potential emerging power (China).

¹²Those territories are disputed so they are known by different names. For example, what is called “South China Sea” is called “East Sea” in Vietnam and “West Philippines Sea” in the Philippines.

¹³<http://www.worldpopulationstatistics.com/vietnam-population-2013> (Date of visit 23 December 2014).

¹⁴Interview 3, Southeast Asian official, 14 February 2012.

¹⁵Nguyen Hong Thach., *VN between China & the United States (1950-1995)*, PhD Thesis, UNSW, 2001, p. 1.

Vietnam's national interest and self-interest must operate alongside practical approaches to both powers; this is a pragmatic step in its foreign policy. This thesis investigates how Vietnam has sought to secure national benefits for its national stability, which will contribute to peace, stability, prosperity and development of Southeast Asia as the region moves towards a single community. Since 1991, Vietnam has been able to engage with the two powers. The ties between the communist parties of China and Vietnam seem cordial with the finalization of the land border arrangement at the end of 1999, and the ratification of a Tonkin Gulf Demarcation in December 2000.¹⁶ The author aims to explore beneath that surface of Sino-Vietnamese bilateral relationship.

However, more recent negotiations demonstrate a relatively complicated approach to the territorial disputes of the Paracel and Spratly Islands, as well as the discussions over other continental shelf claims in the South China Sea and the Gulf of Tonkin. With the US, the year 1995 opened a new page in bilateral relations with the normalization of diplomatic ties. Increased US-Vietnam military cooperation and a considerably warm US-Vietnam bilateral relationship in the past decade has caught China's attention as Washington aims to remind Southeast Asia, and Beijing, of its useful power balancing role in the region.¹⁷ Therefore, competition between two leading powers in Southeast Asia in the post-Cold War period has made this a period of importance for diplomatic analysis.

1.2 Thesis Question

The thesis will explore the relations between Vietnam, China and the US and attempts to answer a specific question: Does Vietnam move closer to the US more than China in the course of its development after normalizing bilateral ties with both powers? So as to address the central question, the author aims to analyse the following issues:

1. What is Vietnam's position in China's foreign policy?
2. What is Vietnam's position in US foreign policy?

¹⁶ For details see Yuan, *China-ASEAN Relations* (2006), p. 33.

¹⁷ Grinter, L.E., 'China, the United States, and Mainland Southeast Asia: Opportunities and the Limits of Power', *Contemporary Southeast Asia*, 28(3), 2006, pp. 447-465 at pp. 452-453.

3. How do China and the US interact with Southeast Asia in the post-Cold war era?
4. How do China and the US interact with Vietnam, and what is the Vietnamese response?
5. What are the implications for Vietnam from the interests of US and China in Southeast Asia?
6. How can Vietnam benefit from sitting between a global power and a regional power?

These questions are raised in the context that the US has signalled a return to the Asia Pacific as its new diplomatic strategy. This policy was stated by US President Barack Obama in a speech to Australia's Parliament on 17 November 2011 that "Let there be no doubt: in the Asia-Pacific in the 21st century, the United States of America is all in" and it is a "deliberate and strategic decision" that is "here to stay."¹⁸ This commitment has both positive and negative impacts for Vietnam, as a strategic country located next to China.

In this context, the central argument of this thesis is that Vietnam is not moving closer to the US than to China since its diplomatic normalization with the two great powers. There is more harm for Vietnam if it chooses to ally itself with the US to counter the rise of China. This is because China is eternally close in proximity as Vietnam's large northern neighbour, while the US is forever geographically distant. The Vietnamese are those who understand China more than any other country in the world, due to their traditional connection during the one thousand years of Chinese domination in the past. The Vietnamese have a traditional saying that "distant water will not quench a fire nearby" (Nước xa không cứu được lửa gần) which means the same in Chinese (远水救不了近火, literally "water from far away could not put out a close-by fire"). The Vietnamese also have another saying that "better a neighbour nearby than a brother far away" (Bán anh em xa mua láng giềng gần). Vietnam balances its foreign policy direction with both major powers, China and the US.

¹⁸ Barack Obama, Remarks to the Australian Parliament, Parliament House, Canberra, Australia, 17 November 2011, <https://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament> (Date of visit 7 July 2015)

One scholar, Frederick Z. Brown, is of the view that Vietnam is shifting towards the US to gain more leverage with China.¹⁹ According to Brown, the rapprochement between Vietnam and the US has been “step-by-step” and “reciprocal.”²⁰ According to Brown, the rapprochement was developed gradually from the normalization of diplomatic relations in 1995 to the signing of a Bilateral Trade Agreement (BTA) in 2001, and further enhanced by Vietnam’s entrance into the World Trade Organisation (WTO) in 2007. Most notably, the landmark of rapprochement was noted at the 2008 visit of Vietnamese Prime Minister Nguyen Tan Dung to Washington, when President Bush spoke about the positive development of the growing US-Vietnam friendship with more bilateral trust and commitment to support the national sovereignty, security and territorial integrity of Vietnam.²¹ The message from Bush reassured Dung that the US did not support anti-communist Vietnamese exiles in the US in their effort to overthrow Vietnam’s current socialist government.

Another advocate who has claimed Vietnam is attempting to be closer to the US to restrain the aggressiveness of China is William Choong, a noted contributor to the *Straits Times* and currently the Shangri-La Dialogue Senior Fellow for Asia-Pacific Security at the International Institute for Strategic Studies (Asia) in Singapore. Choong has argued that Vietnam sought to “repair and build relations with the US as a strategic insurance against China” by granting permission for American naval ships to visit its ports, and by hosting the official visit of the US Secretary of Defence Leon Panetta.²²

However, this thesis argues that the claim that Vietnam is getting closer to the US is a one-sided and superficial view. Such a viewpoint is subjective and looks only at the outside appearance without analysing the matter with any great depth. Adopting an insider’s perspective, this thesis argues that the rapprochement between

¹⁹ Brown, F.Z., ‘Rapprochement between Vietnam and the United States’, *Contemporary Southeast Asia*, 32(3), 2010, pp. 317-342

²⁰ Ibid, p. 318.

²¹ Brown, F.Z., ‘Rapprochement between Vietnam and the United States’, p. 333.

²² Choong, W., ‘Vietnam’s Sino-US Dilemma’, *The Straits Times*, 31 August 2012, <http://www.nationmultimedia.com/opinion/Vietnams-Sino-US-dilemma-30189403.html> (Date of visit 7 January 2015).

Vietnam and the US does not come at the expense of China. The current rapprochement in bilateral relations between Vietnam and the US has been a dynamic development in the geopolitical atmosphere of Southeast Asia. The Vietnamese officials' visit to *USS George Washington*, a nuclear super-carrier, in May 2014 is a symbolic example of an improving Vietnam-US security cooperation. However, the closer cooperation in various sectors between Vietnam and the US does not mean an overt enthusiasm to be an ally of the US. Vietnam still pursues the "three nos" defence policy²³, which prevents Vietnam from forming a defence alliance with a third party. Moreover, there are negotiations between the US and Vietnam on the former providing nuclear fuel and technology, without the usual constraints on enriching uranium to prevent proliferation. Vietnamese officials, however, insisted that US-Vietnam cooperation would not have an adverse effect on neighbouring states.²⁴

Yet, according to Carl Thayer and Evelyn Goh, Vietnam has to be cautious about its military cooperation with the US in a way not to provoke China. Beijing's hostile reaction to Hanoi's granting of naval basing rights to the Soviet Union in the 1970s, and the general history of conflict with China, means that Hanoi has to be cautious:

In 2010, even while it sought US authority to pressure China over the South China Sea disputes, Hanoi maintained close strategic ties and even deference to Beijing. The Vietnamese Deputy Defence Minister assured China that Vietnam would not form an alliance with another country, allow foreign bases in its territory, or develop relations with another country targeted at a third party.²⁵

²³ No military alliances, no allowing any country to set up military bases on Vietnamese territory and no relying on one country to oppose a third party.

²⁴ Tran, M., 'Vietnam, Unlikely US Ally', *The Guardian*, 1 September 2010, <http://www.theguardian.com/commentisfree/cifamerica/2010/aug/31/vietnam-us-military-china> (Date of visit 6 August 2014)

²⁵ C. Thayer and E. Goh, cited in Graham, E., 'Southeast Asia in the US Rebalance: Perceptions from a Divided Region', *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 35(3), 2013, pp. 305-332 at 316.

Ha Hoang Hop examined whether Vietnam's bilateral relationship with the US would affect its ties with China.²⁶ Ha claimed that "while some leaders in Vietnam may want to use relations with the US as a counterbalance to China, it is most unlikely that Vietnam's comprehensive partnership with the US will negatively affect Vietnam-China relations."

The Director General of the Institute for Foreign Policy and Strategic Studies, Diplomatic Academy, Ministry of Foreign Affairs of the S.R Vietnam, Hoang Anh Tuan, confirms the argument of this thesis that Vietnam is not moving closer to the US than China. This is because the US has the strategy of deepening relations with Southeast Asia due to its own interests in the region. Vietnamese military enhancement with the US is seen as a natural requirement for national defence and a method of enhancing leverage for Vietnam in its interactions with world powers. Thus, Vietnam's military cooperation with the US does not mean that it favours Washington more than Beijing. Rather, Vietnam follows a foreign policy of multilateralism and diversification as an active member of ASEAN.²⁷

Hoang also believed that Vietnam should not get closer to the US at China's expense, or vice versa, since Vietnam benefits from both relationships. Vietnam should seek to advance its own national interests so as to boost its bilateral ties with both China and America.²⁸ In his response to the "Vietnam-US Rapprochement" viewpoint from Frederick Z. Brown, Hoang also argued that the new friendship between Hanoi and Washington should neither be seen as countering the influence of third parties nor internationalising the South China Sea territorial disputes.²⁹ By examining the relations with both the US and China, this research will make policy recommendations for Vietnam on how to make full use of the relationships between the global and regional power to maximize benefits.

²⁶ The following discussion is drawn from Ha Hoang Hop, *More Changes Awaits Vietnam's Political Economy*, Trends in Southeast Asia No. 4, Institute of Southeast Asian Studies, Singapore, 2013, pp. 1-31 at 27

²⁷ Interview Hoang Anh Tuan, 13 February 2012

²⁸ Ibid

²⁹ Hoang Anh Tuan, 'Rapprochement between Vietnam and the United States: A Response', *Contemporary Southeast Asia*, 32(3), 2010, pp. 343-349 at 348.

Similarly, with the close connection in politics, economics and security between Southeast Asia and the US, the region treats the US as a principal power for regional stability. Many countries in ASEAN believe that US troops should be maintained in the Asia-Pacific region for regional security and prosperity and, more importantly, to counterbalance China. Looking from an objective perspective, the relationship between the US and Southeast Asian countries has been considered “rapprochement,” “re-engagement” or “revitalization” because of the commitment to enhance bilateral relations with countries in the region by the Obama Administration.³⁰ According to Simon³¹, despite a severe US economic downturn since 2007 and the prospect of considerable cuts in national defence budget spending to 2020, the Obama Administration is still enhancing its security presence and commitment in Asia and especially towards Southeast Asia. This policy was stated clearly during President Obama’s official visit to Australia in November 2011 when he noted, “Reduction in US defense spending will not, I repeat, will not come at the expense of the Asia-Pacific.”³²

However, it is not in ASEAN’s interest to see heavy American involvement in Southeast Asia again. ASEAN fears the US may take a leading role in ASEAN’s internal affairs, and Southeast Asian states do not desire foreign interference in what they see as their domestic politics. Southeast Asia and China have also improved their relationship after the Cold War, although this relationship still has some limitations. The main barrier is the “China Threat” because Southeast Asia fears the traditional geopolitical influence from Chinese dominance in the region. This threat can be seen through some territorial and maritime disputes between China and some members of ASEAN such as Vietnam, the Philippines, Malaysia and Brunei.

From the relationship of ASEAN with the US and China, it can be seen that Southeast Asia understands China’s ambition for influence in the region, but it also

³⁰ Limaye, S.P., ‘Introduction: America’s Bilateral Relations with Southeast Asia-Constraints and Promise’, *Contemporary Southeast Asia*, 32(3), 2010, pp. 309-316 309.

³¹ Simon, S., ‘US-Southeast Asia Relations: Rebalancing’, *Comparative Connections: A Tri-Annual E-Journal on East Asian Bilateral Relations*, 13(3), 2012, pp. 53-62 at 53.

³² Barack Obama, Remarks to the Australian Parliament, Parliament House, Canberra, Australia, 17 November 2011, <https://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament> (Date of visit 7 July 2015)

wants to take advantage of the American desire to prevent or limit any possible Chinese expansion. ASEAN also wants China and the US to function as a system of checks and balances to maintain regional peace and stability.³³ Above all, by analysing American and Chinese ties with Southeast Asia, this study helps to propose outcomes for the region through a strategy of balancing both powers. From historical experience, it is not to the benefit of Southeast Asia to be allied with one power exclusively. In the context of ASEAN engaging with the US and China, ASEAN is very well aware of the fact that there are two major powers: one is on the rise and the other one is being challenged. Since the formation of ASEAN in 1967, it has always been careful not to be seen as favouring one power over another.³⁴ Consequently, the Southeast Asian nations should have equidistant relationships or equally close relationships with great powers that share the same interest in this region.

From a practical viewpoint, stability and security were not achievable for Southeast Asian countries by allying with some big powers or in a group to oppose some others. Thus, Southeast Asian has been a “Zone of Peace, Freedom and Neutrality” (ZOPFAN) in its relations with the big powers. This principle of balancing big powers will be the region’s aim until 2020.³⁵ This thesis argues that within the strategic competition occurring between two large powers, an appropriate foreign policy for Southeast Asian states is to work towards permanent security, stability and development through harmonization and soft power diplomacy.

Accordingly, this thesis is significant generally as it addresses the question of how to balance both the US with China, the latter being a major issue for Vietnam since the end of the nineteenth century. In the past, Vietnam came under the strong influence of China, the largest and most powerful of its neighbours. While regionally powerful, China experienced political and military pressure from western countries during the 19th and 20th centuries and was forced to open itself to Western influences.

³³Feng, H., ‘ASEAN’s Relations with Big Powers’, in S.C.Y. Ku (ed.), *Southeast Asia in the New Century: An Asian Perspectives*, Center for Southeast Asia Studies, National Sun Yat-Sen University, Kaohsiung, 2002, pp. 214-225.

³⁴ Interview Ms. MelyCaballen Anthony, Director of External Relations, ASEAN Secretariat, Jakarta, Indonesia, 12 April 2012.

³⁵Feng, ‘ASEAN’s relations with Big Powers’, in Samuel C.Y. Ku (eds), *Southeast Asia in the New Century: An Asian Perspectives*, pp. 198-201.

Since China's greater openness and transparency from the 1980s, the question of following China or heading towards the US has perplexed countries in the region, especially after the Cold War, when the US became the global superpower and China emerged as the rising Asian power. This is an objective fact that Southeast Asia and Vietnam are faced with, as the US has special interests in the region by its "Asia-Pacific Strategy" and China is a close neighbouring regional power. Consequently, this research is significant as it studies the impacts of Chinese and American interests in Southeast Asia and Vietnam.

Specifically, this thesis is important for two main reasons: Firstly, for academic institutions, the research provides essential updated references about the nature of the relationship of cooperation and competition between the US and China in Southeast Asia over the past 20 years. This study also provides a means for assessing the impact of Sino-US relations on Southeast Asia and Vietnam in the past, and it aims to identify the approaches adopted by the region and by Vietnam both at present and prescribes an approach for the near future. Secondly, for Vietnamese policymakers, the research will provide useful knowledge about international politics and relations after the Cold War. This work will help policymakers to propose suitable external policies and foreign diplomacy based on diversity and multilateralism. On the basis of this research information, domestic politicians in Vietnam can discover the political acumen and flexibility to avoid being drawn into the rivalries of big powers. Strategically, it assumes that the leadership of Vietnam can seek to balance the rising power of China and avoid military invasion with efforts to create favourable conditions for internal economic modernization.

In the meantime, according to Thayer³⁶, the eighth plenum in mid-2003 resolved to provide the policy rationale for Vietnam to enhance bilateral cooperation with the US. According to this resolution, two ideological concepts are defined: *đối tác* (partners of cooperation) and *đối tượng* (objects of struggle). As a result, on the basis of sound comprehension of each partner or object, the implementation of each specific policy will be carried out. The enhanced bilateral ties with the US can create

³⁶ Thayer, C.A., 'Vietnamese Diplomacy, 1975-2015: From Member of the Socialist Camp to Proactive International Integration', paper presented at the 'International Conference on Vietnam: 40 years of Reunification, Development and Integration (1975-2015)' at Thu Dau Mot University, Binh Duong province, Vietnam, April 25, 2015, pp. 1-27 at pp. 9-10.

more leverage for Vietnam in the relationship with China, but it should be kept at a safe distance. The optimum policy for Vietnam should be to maintain equidistant relations or equally close relations with China and the United States.

Above all, the implications for Vietnam from this thesis has to focus on the advantages of its relationship with the US and China in Southeast Asia that is consistent with preserving national independence, state sovereignty and Vietnam's socialist orientation in line with a policy of multilateralism and diversification as guided by the 11th congress of the Communist Party of Vietnam.³⁷

1.3 Literature Review

Academic research has largely focussed on the Sino-American, Sino-Vietnamese, or American-Vietnamese relationships. There is a 1995 study on "China and South China Sea Disputes" by Valencia. In 1997, "China Rising: Nationalism and Interdependence" by Goodman and Segal was published. In 2004, the Asia Foundation had a study about "America's Role in Asia: American View." In 2007, William W Keller and Thomas G Rawski wrote about "China's Rise and the Balance of Influence in Asia." In 2009, there was a study on "Southeast Asia in the Sino-US Strategic Balance" in the journal *Contemporary Southeast Asia*.³⁸ These are valuable documents from the available collection of literature discussing major powers and their influence in Asia.

However, the triangular relationship between Vietnam, the US and China has been rarely addressed. There exists only a single study so far – "Vietnam between China & the United States (1950-1995)" by Nguyen Hong Thach.³⁹ This study is an empirical analysis about the way for Vietnam to move forward between a regional power and a global superpower. Thus, there is a gap in research about the new

³⁷ Interview 3, Southeast Asian official, 14 February 2012

³⁸ Nguyen Hoang Giap, *Canh tranh chien luoc giua cac nuoc lon o khu vuc Dong Nam A trong hai thap nien dau the ky 21 va tac dong doi voi Vietnam* [Trans: *Strategic Rivalry Among Great Powers in Southeast Asia in the First Two Decades of the 21 Century and its Implications for Vietnam*], Bao cao Tong hop Ket qua nghien cuu De tai khoa hoc cap Bo nam 2011 [Trans: *The General Report of Ministerial Science Research Report, 2011*], ma so B11-03 [Trans: *Volume B11-03*], Hoc vien Chinh tri-Hanh chinh Quoc gia Ho Chi Minh [Trans: *Ho Chi Minh National Academy of Politics and Public Administration*], Hanoi, 2011, pp. 5-6.

³⁹ Nguyen Hong Thach, *Vietnam between China & the United States (1950-1995)*, PhD Thesis, UNSW, 2000

characteristics of Sino-American interactions for Southeast Asia, which has a direct impact on Vietnam.

As the world enters the post-Cold War era from 1991, Sino-American relations also experienced competition and cooperation. When the US and China compete with each other, Vietnam will have increased negative impacts. Adversely, the two powers' bilateral cooperation can help to bring about positive impacts in Vietnam. Also, there is a need for an updated assessment and a dynamic development of applied international relations theory using newer material. As a corollary, the need for a more informative study with a new approach to the current triangular relationship is becoming essential for international and regional studies.

The aims of this study are twofold. The first contribution is providing an updated reference about the nature of the relationship of cooperation and competition between the US and China in Southeast Asia since 1991. The second purpose is to analyse the impact of Sino-American relations in the region on Vietnam by implicating proper approaches for Vietnamese policymakers. These academic suggested external policies are expected to supply Vietnamese strategists with political acumen and flexibility to make Vietnam advance and avoid being drawn into rivalries of big powers based on diversity and multilateralism.

1.3.1. Vietnamese Foreign Policy

While remaining socialist politically, Vietnam has opened itself to capitalist regional and global markets. Vietnam now also plays a more important role in regional affairs and achieves a more active position in the international arena due to its practical foreign policy in the post-Cold War era. Through the seventh (1991), eighth (1996), ninth (2001), tenth (2006) and eleventh (2011) national congresses of the CPV, Vietnam has shown an active foreign policy through regional and international integration in the cause of its national development.

The year 1991 marked an important turning point in Vietnam's foreign policy history with the new foreign strategy launched at the Seventh National Congress, from 24-27 June 1991. Recently, Thayer noted that Vietnam pledged to "diversify and multi-lateralise economic relations with all countries and economic organizations" as "Vietnam wishes to be a friend of all countries in the world

community, and struggle for peace, independence and development.”⁴⁰ In an interview with a political official⁴¹, Vietnam’s foreign policy is one of diversification and multilateralism. “Diversification” means this policy is carried out in every sector from economic, political, security and military spheres, including cooperation between the Communist Party of Vietnam and other Parties in the world. ‘Multilateralism’ means Vietnam wants to broaden external relations with all foreign countries.

This diversified and multi-lateralised strategy has brought about positive results for Vietnam’s foreign policy at this period. In October 1991, the Agreements on a Comprehensive Political Settlement of the Cambodia Conflict was signed by Cambodia and 18 other signatories, including Vietnam, paved the way for Vietnam to improve bilateral relations with regional countries.⁴² The Paris Agreements on the Cambodian peace process was welcomed as a rationale for ending the Cold War that existed since China’s incursion in February 1979. The break-through result of the Cambodia conflict also brought about gestures of goodwill in Sino-Vietnamese and American-Vietnamese bilateral relations.⁴³ This is because in China’s mind-set, Vietnam’s intervention in Cambodia was interpreted as Hanoi’s “pursuance of regional hegemony’ and was regarded by Beijing as the ‘fundamental cause for the deterioration of relations between the two countries.”⁴⁴

As a result, the solution to the Cambodia conflict gave Vietnam the opportunity to improve bilateral relations with great powers and other regional nations. Le Hong Hiep suggested that the most important achievement of Vietnamese diplomacy in the early 1990s is the normalisation of ties with China in 1991, which significantly helped Vietnam out of its international isolation and facilitated Vietnam’s improved

⁴⁰Thayer, C.A., ‘Vietnamese Diplomacy, 1975-2015: From Member of the Socialist Camp to Proactive International Integration’, p. 6.

⁴¹ Interview 3, Southeast Asian official, 14 February 2012.

⁴²Thayer, C.A., ‘Vietnamese Diplomacy, 1975-2015: From Member of the Socialist Camp to Proactive International Integration’, p. 5

⁴³ Pike, D., ‘Vietnam in 1991: The Turning Point’, *Asian Survey*, 32(1), 1992, pp.74-81 at 81.

⁴⁴Mcgregor, C., ‘China, Vietnam and the Cambodian Conflict: Beijing’s End Game Strategy’, *Asian Survey*, 30 (3), 1990, pp. 266-283 at 267

relations with the US and ASEAN.⁴⁵ Nguyen Vu Tung also claimed that the withdrawal of Vietnamese troops from Cambodia in September 1989 and the conclusion of the Paris Peace Accords in October 1991 facilitated Vietnam's normalization of relations with ASEAN.⁴⁶ Accordingly, the multi-directional foreign policy has brought about fruitful results for Vietnam in 1995: its diplomatic normalisation with their former adversary, the US, and its official membership in ASEAN.

In 1996, Vietnam's foreign policy at the Eighth National Party Congress (28 June to 1 July 1996) was slightly adjusted from the wish "Vietnam wishes to be a friend" to the affirmation "Vietnam is a friend" of all countries in the world community. This is a more pragmatic approach in Vietnam's active foreign policy. As Thayer stated, the foreign strategy of the Vietnamese in this congress proved the practical perspectives of policy strategists.⁴⁷ Indeed, this pro-active strategy prepared favourable conditions for Vietnam to integrate further into the world community. Vietnam's participation in ASEAN laid the basis for stronger cooperation with other Asia-Pacific nations. As a result, Vietnam was encouraged by other ASEAN members to join APEC at the Kuala Lumpur Ministerial Meeting in November 1998.⁴⁸

At the Ninth National Party Congress (19-23 April 2001), there was a stronger affirmation in Vietnam's foreign policy. From the desire "Vietnam wishes" stated in the Seventh Congress to the words "Vietnam is a friend" of the Eighth tenure, there are more commitments about the trustworthiness of Vietnam with the reaffirmation that "Vietnam is a friend and a reliable partner to all countries in the world community."⁴⁹ It brought about advantages for Vietnam's economic integration into

⁴⁵Le Hong Hiep, 'Vietnam's Strategic Trajectory: From Internal Development to External Engagement', *Australian Strategic Policy Institute*, 2012, pp. 1-20 at 5

⁴⁶Nguyen Vu Tung, 'Vietnam's Membership of ASEAN: A Constructivist Interpretation', *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 29 (3), 2007, pp. 483-505 at 484-485

⁴⁷Thayer, C.A., 'Vietnamese Diplomacy, 1975-2015: From Member of the Socialist Camp to Proactive International Integration', p.7.

⁴⁸ Fujita, M., 'Vietnam in APEC: Changes in Trade Patterns after the Open Door Policy', *APEC Study Center, Institute of Developing Economies*, pp. 1-43 at 7.

⁴⁹ Interview 3, Southeast Asian official, 14 February 2012

regional and global economies. In 2001, Vietnam was granted normal trade relations on a year-by-year basis with the US. In mid-2003, the CPV Central Committee's eighth plenum resolution called for deepening Vietnam's defence cooperation with the US.⁵⁰

At the Tenth National Party Congress (18-25 April 2006), Vietnam continued its foreign policy of "multi-lateral and diversified relationships while staying proactive in integrating into the world economic community and expanding in international cooperation in other fields."⁵¹ This foreign policy also suggests Vietnam's comprehensive attempt at integration with the wider world. With this approach, a number of multi-lateral diplomatic successes were reached, such as the chairmanship of the Asia-Pacific Economic Cooperation (APEC) summit in 2006, WTO membership in 2007, non-permanent membership on the United National Security Council in 2008-2009, and chairing ASEAN, including hosting the ASEAN Defence Ministers' Meeting Plus (ADMM Plus) in 2010.

The Eleventh National Party Congress (12-19 January 2011) strongly reaffirmed that "Vietnam is a trustworthy partner and a responsible member of the world community" and that "Vietnam is ready to make friends with countries in the international community, for peace, independence and development."⁵² The more specific phraseology demonstrates the progress in Vietnamese foreign policy: from the passive manner of "the wish," to the active fulfilment of the deeds, and then to the pro-active well-prepared strategy to have bilateral cooperation with countries in the world community.

Since then, Vietnam's adoption of multilateralism and diversification in its foreign policy has been advantageous, as the nation has become a strategic partner of a number of countries. Vietnam has set up diplomatic ties with over 181 out of 193 members of the United Nations and has trade ties with nearly 230 out of 255 countries and territories worldwide. The country is today an active member of more than 70 regional and international organisations. To date, Vietnam has established 98

⁵⁰Thayer, C.A., 'Vietnamese Diplomacy, 1975-2015: From Member of the Socialist Camp to Proactive International Integration', pp.9-10.

⁵¹ Thayer, C.A., 'Vietnam: The Tenth Party Congress and After', *Southeast Asian Affairs*, 2007, pp. 381-397 at 390

⁵² Interview 3, Southeast Asian official, 14 February 2012

representative offices in five continents.⁵³ Vietnam has established strategic partnerships with 15 nations including major powers and neighbouring countries, such as Russia in 2001 (then upgraded to comprehensive strategic partnership in 2012), Japan in 2006 (then upgraded to Extensive Strategic Partnership in 2014), India in 2007, China in 2008 (then upgraded to comprehensive strategic partnership in 2009), South Korea and Spain in 2009, the UK in 2010, Germany in 2011, and Italy, France, Thailand, Indonesia and Singapore in 2013 and Malaysia in 2015. Vietnam and the Netherlands became strategic partners in climate change adaptation and water management in 2010. Vietnam has comprehensive partnerships with 4 countries – Australia in 2009, New Zealand in 2010, and Denmark and the US in 2013. For the time being, Vietnam has entered into negotiations to join TPP (Trans-Pacific Partnership) and RCEP (Regional Comprehensive Economic Partnership).

1.3.2. China-US Relations

From 1991 to 1997, the Sino-American relations experienced competition and co-operation. According to Yan, the relationship between the two great powers in this period was described as a “false but nice description of China-US strategic relations” in the “policy of pretending to be friends” or “neither-friend-nor-enemy”, as written in the book titled “Same Bed Different Dreams” previously.⁵⁴

The year 1991 marks a new situation in international relations after the Cold War, when China and the US competed with each other but still acknowledged the necessity of bilateral cooperation. In spite of the contradiction in political ideologies, the two great powers are well aware of each other’s value in maintaining the stability and strategic balance for economic development. According to Chen, the economic relationship between China and the US is more complementary and less competitive than that of China and Japan. Moreover, China and America share more common interests in the maintenance of peace and stability in both Southeast and Northeast Asia. The two great powers also share mutual concerns over international cooperation and collective security issues such as arms control, the prohibition of weapons of mass destruction, crackdowns on drug trafficking, and the environment.

⁵³<http://www.vietnambotschaft.org/vietnams-diplomacy-reaches-new-heights-2> (Date of visit 25 May 2015)

⁵⁴Yan, X.T., ‘The Instability of China-US Relations’, *Chinese Journal of International Politics*, 3(3), 2010, p. 267

Chen supposed few possibilities of worsening bilateral cooperation between China and the US during the Clinton administration.⁵⁵

In the Clinton tenure, re-establishing “strategic dialogue” was a key component of the new policy initiative of a ‘comprehensive engagement’ with China. After no high-ranking visits were exchanged between the two great powers for 10 years, Chinese President Jiang Zemin officially visited the US in November 1997 and US President Clinton reciprocated in July 1998. The Chinese and American governments then agreed to “build towards a constructive, strategic partnership for the 21st century”.⁵⁶

However, the constructive strategic partnership between China and the US could hardly resolve the deeper issues faced by the two powers. Peng⁵⁷ theorized that there are five structural contradictions in Sino-American relations: the difference in ideology between socialism and capitalism, the dissimilarity in culture between the East and the West, the geopolitical competition between the west Pacific Ocean and the Euro-Asian continent, the contradiction over the Taiwan issue, and the potential conflict between a rising power and the existing dominant superpower. Among these differences, the most notable and basic contradiction is the strategic conflict of interest between the US, which favoured a uni-polar system with its domination, and China, which wished to be a major force in a multi-polar world.

As a result, the ‘constructive strategic partnership’ has been criticised inside the US since 1999. According to Sambaugh, in a criticism of President Clinton’s China strategy, the Republican presidential candidate George W. Bush replaced the phrase “strategic partnership” with “strategic competition.” Winston Lord, a former US official under Clinton’s tenure, even considered the strategic partnership to be “erased from the vocabulary of US-China relations.” The clearer description of Sino-American relations in this period could be called “strategic competitors,” but not necessarily “strategic adversaries.” This means that China and America, in spite of

⁵⁵Chen, Q.M., ‘New Approaches in China’s Foreign Policy: The Post-Cold War Era’, *Asian Survey*, 32 (3), 1993, pp. 237-251 at 250.

⁵⁶Sambaugh, D., ‘Sino-American Strategic Relations: From Partners to Competitors’, *Survival*, 42(1), 2000, pp. 97-115 at 98

⁵⁷Peng, Y., ‘Sino-American Relations: New Changes and New Challenges’, *Australian Journal of International Affairs*, 61(1), 2007, pp. 98-113 at 99

their cooperation in limited sectors, will still compete.⁵⁸ According to Yuan, until mid-2005, the ‘China threat’ was discussed in the US and phrases such as ‘China’s Rise,’ ‘a strong China,’ and ‘the world of China’ have replaced ‘China issue,’ ‘a weak China,’ and ‘China of the world.’⁵⁹

Since the global financial crisis of 2008-2009, the complexity of Sino-American relations has continued, which made China-US relations appear friendlier than they actually were. Though American military strength is far stronger than that of China, the US still needed China’s cooperation in international political and economic affairs. Thus, the Sino-American relationship is defined by “cooperation based on competition.”⁶⁰ There are over 60 platforms of dialogue and cooperation between China and the US, including the Strategic Economic Dialogue. The two sides have reached a number of economic consensuses, most notably the “Ten-year Plan of Energy and Environmental Cooperation.”⁶¹

In Southeast Asia, the triangular relationship between the US, China and Southeast Asia reveals a complicated nexus of sophisticated interests between a global hegemon and a regional power. Thanks to these strategic interests, the leaders of both countries have remained committed to a path of constructive engagement together with respective efforts geared toward improving each side’s influence and national interests through various private channels. Thus, in spite of significant differences with strongly competing interests, both powers see the benefit of positive Sino-American engagement without disruptive confrontation with the other.⁶² This shows that balancing the interests of great powers in the region can benefit Southeast Asian nations.

At the regional level, the literature will focus on the academic literature dealing with US-China engagement with ASEAN-centric multilateral institutions,

⁵⁸Sambaugh, D., ‘Sino-American Strategic Relations: From Partners to Competitors’, p. 98-99

⁵⁹ Yuan, P., ‘Sino-American Relations: New Changes and New Challenges’, *Australian Journal of International Affairs*, 61(1), 2007, pp. 98-113 at 101.

⁶⁰Chen, O., ‘The US’ Political Challenges on China’s National Security in the 21st Century’s First Decade’, *Asian Social Science*, 7(6), 2011, pp. 107-108.

⁶¹ Huang, P., Tao, W., Wang, R., Yuan, Z and Zhao, X., ‘China-US Relations, Tending Towards Maturity’, *The International Spectator: Italian Journal of International Affairs*, 44 (2), 2009, pp. 9-16 at 9-10.

⁶² Sutter, ‘The United States and China in Southeast Asia: Conflict or Convergence?’, pp. 44-45.

including ASEAN Plus, the three key regional trading states: the People's Republic of China, Japan and the Republic of South Korea (ASEAN+3); ASEAN Regional Forum (ARF), which is the main forum for discussing security, and the East Asia Community (EAC), which is emerging as a free trade zone. On the basis of the US-China interactions with regional principal mechanisms, different approaches and frameworks launched by China and the US towards the region are investigated.

As a rising dominant power in the region, China has exercised regional multilateral diplomacy since the 1980s. China became a member of Asia Pacific Economic Cooperation (APEC) in 1991 and was a founding member of ARF in 1994. China's intention in these diplomatic moves has been to prevent its neighbours from allying with the US, with respect to the issues encompassing Taiwan. Furthermore, China seeks to diffuse the fear that it is a threat by using multilateral channels through regional institutions in order to consolidate friends and strengthen its role as a leading economic power in the region.⁶³ The "Shanghai Five" of China, Russia, Kazakhstan, Kyrgyzstan and Tajikistan in 1996 expanded into the "Shanghai Cooperation Organisation" (SCO) with the admission of Uzbekistan in 2001.⁶⁴

At the same time, as the global hegemon, the US has made China uneasy and by undertaking recent significant diplomatic initiatives to rebalance towards the Asia Pacific in general, and Southeast Asia in particular. The US supported the establishment of ARF to discuss security.⁶⁵ The Bush Administration (2001-2009) strongly supported APEC. Bush began to use the annual APEC leaders' summit to engage multilateral meetings and also attended ASEAN leaders' meetings from November 2005. At the APEC Summit Meeting in November 2006, Bush urged APEC members to consider forming an Asia-Pacific Free Trade Area.⁶⁶

⁶³Yahuda, M., *The International Politics of the Asia-Pacific*, 2nd and revised edition, Routledge Curzon, London and New York, 2004.

⁶⁴Voice of America, 'History, Goals of the Shanghai Cooperation Organization', 14 June 2011, <http://blogs.voanews.com/breaking-news/2011/06/14/history-goals-of-the-shanghai-cooperation-organization/> (Date of visit 23 December 2014).

⁶⁵Sutter, R., 'The Obama Administration and US Policy in Asia', *Contemporary Southeast Asia*, 31(2), 2009, pp. 189-216 at 210.

⁶⁶Sutter, 'The Obama Administration and US Policy in Asia', pp. 210-211.

The highlight of US multilateral policy towards the Southeast Asian region is the Treaty of Amity and Cooperation (TAC), signed by the US Secretary of State Hillary Clinton at the 16th Annual ARF on 22 July 2009 in Phuket, Thailand. The TAC creates favourable conditions for the US to engage with Southeast Asia in general and ASEAN in particular. On the one hand, the TAC paves the way for the US to join the East Asia Summit and be involved in the East Asia community based on the current “10+6” framework (10 ASEAN members plus China, Japan, South Korea, India, Australia and New Zealand). On the other hand, the TAC also helps American economic recovery by exploring a wider market in East Asia, which is considered to be the world’s fastest growing region in terms of economic growth, and it is likely to overcome the Global Financial Crisis earlier than other parts of the world.

Another initiative that proves the US gave higher priority to engaging with Southeast Asia is President Obama’s big push for a TPP (Trans-Pacific Partnership) in mid-November 2011 during the APEC forum in Hawaii. The TPP is the multilateral free trade agreement that seeks to reduce and finally eliminate trade tariffs among member countries. The bar for joining the TPP is set high, with big differences over tariffs that created a severe challenge to China’s current management systems and mechanisms, which put a fair distance between China and joining TPP.

Zhang examined a number of difficulties for China: the rules of trade in goods, trade in service, investment rules on the border issues; standards unification, environmental protection, labour standards, state-owned enterprise governance, government procurement, intellectual property rights, and electric commerce as well as internet freedom and other related issues.⁶⁷ As a result, the TPP may be difficult for China to join for many years. Later that month, President Obama became the first US President to attend the East Asia Summit (EAS) in Bali, where he stressed the US commitment to ensure the freedom of navigation in the South China Sea and the

⁶⁷Zhang, J., ‘How far away is China from TPP’, 25 November 2013
<http://www.pecc.org/resources/2018-how-far-away-is-china-from-tpp?path> (Date of visit 6 January 2015)

need to settle regional disputes by following international law, including the UN Convention on the Law of the Sea (UNCLOS).⁶⁸

In general, China and the US each gain different benefits in developing bilateral and multilateral ties with Southeast Asian nations. For China, it is a matter of building a good neighbour policy and a regional development strategy to seek common prosperity throughout Southeast Asia in an atmosphere of a “harmonious Asia”. It was reported that the bilateral trade volume between China and ASEAN in 2010 had increased 36 fold in comparison from 1991, the year when formal bilateral relations were established. According to Ma Mingqiang, Secretary of the ASEAN-China Centre, the trade volume of China and ASEAN was US\$267 billion in the first three quarters of 2011. China has now become ASEAN’s largest trade partner while ASEAN is numbered third among China’s trade partners.⁶⁹

For the US, the traditional alliance and close trade ties in current years play an important role in its relationship with Southeast Asian states. The Foreign Trade section of the US Census Bureau notes that Southeast Asia, as an entity, has become a major partner for US trade in goods. Specifically, US trade with Southeast Asia for the last twenty years have tripled from US\$45.9 billion in 1990 to US\$176 billion in 2010.⁷⁰ For Southeast Asian countries, what made the US presence desirable was the size and wealth of the market for ASEAN exports, American technological advancement, and the potential for US investments. Thus, ASEAN warmly welcomed the US back to Southeast Asia so that this region could gain a greater presence against the regional power China. However, the policy of maintaining balance among big powers is the strategy that Southeast Asian nations are seeking.⁷¹

⁶⁸Glaser, B. and Billingsley, B., ‘US-China Relations: US Pivot to Asia leave China off balance’, *Comparative Connections: A Tri-Annual E-Journal on East Asian Bilateral Relations*, 13(3), 2012, pp. 29-42 at 29.

⁶⁹Xinhua, ‘China-ASEAN Trade Increased 36 times In Past Two Decades’, 17 December 2011, http://www.china.org.cn/business/2011-12/17/content_24178504.htm (Date of visit 10 March 2012).

⁷⁰ASEAN Matters for America ‘US-Southeast Asia Trade Triples over Last Two Decades’ <http://aseanmattersforamerica.org/us-southeast-asia-trade-triples-over-last-two-decades/522> (Date of visit 10 March 2012)

⁷¹ Shishun, S., ‘Back to Southeast Asia’, *Beijing Review*, 27 August 2009, http://www.bjreview.com.cn/expert/txt/2009-08/22/content_213431.htm (Date of visit 10 March 2012).

On the basis of the analysis of Sino-American interactions in Southeast Asia, both bilaterally and regionally, this thesis aims to conclude with applicable policies and strategies for Vietnam to maximise its national advantages.

The political and security perspectives show that the national interests of China and the US in Southeast Asia can have positive and negative impacts. The positive impact is that when the two powers are in strategic competition, they need other smaller countries to gain leverage against their competitor. Consequently, both powers need to enhance bilateral ties with countries in the region. The negative impact is when the two powers have too severe a level of competition, forcing countries in the region to decide whether to follow China or the US. At that point, the bilateral relationship of ASEAN with China and the US will be affected. If one country is close to China, this will affect its ties with the US adversely; if one country is close to America, this will affect its ties with China.⁷² Southeast Asian states face significant consequences if there is a situation of growing rivalry between China and America's interests in the region. Rizal Sukma, Director of the Centre for Strategic and International Studies (CSIS) in Jakarta revealed why they are worried:

ASEAN will be polarized because of different national interests. Some countries may be very close to China because of the economic dependence and so on. Some countries are already very clear, they are American allies: the Philippines, Thailand, and Singapore. Then we also have countries that choose to be neutral: Indonesia, Malaysia. The polarization can take place. Once ASEAN is polarized, ASEAN will be less effective. If ASEAN can no longer maintain its strategic centrality, ASEAN will stop centrality. These are the possibilities and challenges of the growing China US rivalry that we face.⁷³

Moreover, it is predicted that if China and the US compete to spread their influence in the region, Southeast Asia can be in "the stage of the war of influence" between the two countries. Countries in Southeast Asia will be divided into two opposing sides, one with the US and the other with China. If this happens, ASEAN will be polarized, resulting in the marginalization of ASEAN's role as one of the pillars of security in East Asia.⁷⁴ Hence, as Pitono Purnomo, former Ambassador of

⁷²Interview Hoang Anh Tuan, Hanoi, Vietnam, 13 February 2012

⁷³ Interview Rizal Sukma, Jakarta, Indonesia, 12 June 2012

⁷⁴ Interview Marzuki Alie, Jakarta, Indonesia, 12 June 2012.

the Republic of Indonesia to Vietnam, notes, Southeast Asian states can gain regional benefits when “China and America are the two great powers and the two major powers in the region, so our policy is we try to encourage them to engage positively in Southeast Asia by complementing each other for the development of the region.”⁷⁵ Therefore, from the implications of Chinese and American interests in the region, Southeast Asia should have appropriate strategies and policies in dealing with these two great powers by making an autonomous region that is not dominated by major powers.

1.3.3 Vietnam’s Relations with China and the US

Vietnam is a country with a long history of continuous fighting and struggling against foreign invaders seeking to disrupt the sovereignty of the nation. Located at a strategically vulnerable, yet important, position in Southeast Asia, Vietnam has attracted the attention of regional powers and global powers in their strategic rivalries. Vietnam places its national benefits as a top priority, so exercising tact in diplomacy regarding its relations with China and the US is necessary for balancing its interests. Tactful diplomacy means making efforts to maximise the positive bilateral relationship with both China and the US on economic and political issues.

First, a stable environment for Vietnam’s national establishment and development can only come once Vietnam is capable of managing its relations with both China and the US. Ang investigated that both historical tradition and geopolitical involvement shaped the nature of tensions between Vietnam and China.⁷⁶ Historically, the Sino-Vietnamese relationship was managed through deference of the tributary system for 10 centuries from 3 B.C. to A.D. 1000. Later on, the combination of external forces and geopolitical interactions among major powers such as China, the Soviet Union and the US has added to the dynamism of relations between the two neighbours. The interplay of these factors can bring about construction or destruction depending on Vietnam’s management of its relations.

⁷⁵ Interview Ambassador PitonoPurnomo, Former Ambassador of the Republic of Indonesia to Vietnam, Director of the Policy Analysis and Development Agency, Ministry of Foreign Affairs, Indonesia Jakarta, Indonesia, 11 June 2012.

⁷⁶ The following discussion is drawn from Ang, C.G., Vietnam-China Relations since the End of the Cold War’, *Asian Survey*, 38(12), 1998, pp. 1122-1141.

Le Hong Hiep⁷⁷ discovered that a strong China is a geopolitical threat to Vietnam's national security because of the geographical proximity and asymmetry of size and power between Vietnam and China. Although Vietnam ranks as the 14th most populous country in the world, its size of population is equivalent to one medium province of China. Vietnam has no choice but to live, in Carlyle Thayer's words, in a "tyranny of geography" with a northern neighbour 29 times larger than itself.

According to the author's interview with Dr. Tuan, the dynamics of Vietnam's relations with its huge northern neighbour has long been a discussion among Vietnamese scholars. The question of bandwagoning, hedging or balancing in bilateral ties with China has remained since the end of the nineteenth century. Some Vietnamese scholars came to recognise that China, a big power in Asia with great influence on Vietnam traditionally, also experienced political and military pressures from western countries during the 19th and 20th centuries; suggesting that following China with blind consistency is not always beneficial. Meanwhile, Vietnam at that time began to be influenced by western nations like France. Thus, the question of following China, balancing with China, or hedging against China, is not a new line of inquiry.⁷⁸

This issue has now become more urgent. However, the choice Vietnam must now consider should not be whether to follow the US, as they have recently returned the region of Southeast Asia, or follow China, as they remain a geographically close, regional neighbour. These two major powers both have great impacts on Vietnam in economic, political and security affairs. Consequently, there should be no question of choosing to leave China to follow America, or conversely, leave America to follow China. Both China and America are important partners of Vietnam. Vietnam's productive relationship with China has created a favourable foundation to create and maintain better bilateral ties with the US. Similarly, Vietnam's advantageous cooperation with the US in economic, political, defence and security affairs has

⁷⁷Le Hong Hiep, 'Vietnam: Under the Weight of China', East Asia Forum, 27 August 2011 <http://www.eastasiaforum.org/2011/08/27/vietnam-under-the-weight-of-china/> (Date of visit 12 June 2015)

⁷⁸ Interview Hoang Anh Tuan, Hanoi, Vietnam, 13 February 2012

created better relations with China. Thus, the relationships between Vietnam, China and the US complement each other.⁷⁹

Second, balancing the relations with both China and the US can help Vietnam protect its national interests and balance major powers interactions. Vietnam should establish the equally close or equally distanced relationship with both powers. Consequently, Vietnam should not choose between the US or China because Vietnam gains benefits from both relationships. Vietnam should advance its own national interests to gain national benefits. From that point of view, to boost bilateral ties with both China and the US should be its objective. Le Hong Hiep shares this view by ascertaining that the best foreign policy for Vietnam is to maintain a balance between China and the US. The improvement in Vietnam's bilateral relations with the US, even in its attempt to counter China's aggression in territorial disputes, should not come at the expense of China.⁸⁰

Finally, Vietnam should do the utmost to prevent being drawn into the China-US strategic rivalry. This means that Vietnam should try to mitigate the negative impacts of the China-US competition while taking advantage of the positive development of China-US cooperation. In short, this thesis is significant in its contribution of analysis of the triangular relations of Vietnam between China and the US since 1991 to the present. It is different from previous studies due to its inclusion of a comprehensive perspective regarding the triangular relationship between a global superpower, a regional developing power, and Vietnam. On the basis of proving the position of Vietnam in the balancing strategy with both China and the US, the thesis argues Vietnam is not moving closer to one power more than the other. Indeed, Hanoi benefits from keeping equally close and equidistant with Beijing and Washington. This balancing strategy is clearly stated in Vietnamese foreign policy of multi-lateralisation and diversification, which continues to work effectively for Vietnam to move forward in the dilemma of manoeuvring between China and the US.

1.3.4 Key Concepts in International Relations Theory

⁷⁹ Interview Hoang Anh Tuan, Hanoi, Vietnam, 13 February 2012

⁸⁰ Le Hong Hiep, 'Vietnam's Strategic Trajectory: From Internal Development to External Engagement', p.8

As a study of diplomacy, a number of key concepts in politics and international relations theory such as national interest, realism, constructivism, balance of power and hedging are employed in this research. Firstly, regarding the concept of “national interest,” this phrase has become significant not only to contemporary global states but also to Vietnam itself. It is common to find that a nation aims to advance its interests to maximise benefits for itself, and realism believes states pursuing self-interest is paramount in international relations.⁸¹ In realism, pursuing national interest is seen to be the obligation and responsibility of individual nations in the global system: to do otherwise is seen as negligent and a betrayal of the basic responsibility of the state to protect its people and territory. This point was made in 1848 by the British Foreign Minister (and later Prime Minister), Lord Palmerston in a speech to parliament, when he noted: “We have no eternal allies and we have no perpetual enemies. Our interests are eternal and perpetual, and those interests it is our duty to follow.”⁸²

Realism is the main theoretical foundation for the thesis. With its emphasis on history “as it is,” realism has been the dominant way of understanding international relations since the beginning of academic studies on world politics. The realist believes there is no authority above that of the state, and that alliances, while useful, are not a guarantee of security. As realists view the world as having no supra-state authority — anarchic, in the sense of no overall government— if a state’s security cannot be taken for granted, states can and do seek to protect themselves. For example, while China was a developing country, it was only a potential threat to the rest of the world. However, when China began to develop, a rising China is seen as an enormous threat to the existing world political system.⁸³ In such circumstances, states will find it reasonable to compete for power and security.⁸⁴ In the case of Vietnam with its history of wars with both the US and China, realism is a helpful approach to analyse Vietnamese foreign relations. Realism however has its

⁸¹ Dunne, T and Schmidt, B.C., ‘Realism’ in J. Baylis and S. Smith (eds), *The Globalization of World Politics: An Introduction to International Relations*, (3rd edition), Oxford University Press, New York, 2001, pp. 162-165.

⁸² Chace, J., ‘The Balance of Power’, *World Policy Journal*, 15(4), 1999, pp. 105-106 at 105.

⁸³ Morgenthau, ‘Realism in International Politics’, pp. 19-21.

⁸⁴ Dunne and Schmidt, ‘Realism’, pp.165-168.

limitations, and alternative approaches allow a more nuanced understanding of motives behind state action.

Social constructivism can be useful in international relations theory as it helps to identify the relationship between the historical evolution of the states, rules and regimes that govern international politics, and the actual behaviour of states in international relations in fashioning the international system. A constructivist can be described as one who sees world politics as an evolving social reality, not as an immovable series of interests based around the state. This is to say, what a nation does in international relations, its interests and structures of operation, are defined by social norms, and ideas, rather than by objective or material conditions.

Hence, for realists, constructivism is proved to be useful for research methodology thanks to its corrective to the assumptions of individual rationalism and materialism, which have been central to definitions of realism for the past few decades.⁸⁵ This can be illustrated by the understanding in constructivism that states should avoid destructive disputes and respect the vital interests of others. Every nation has its own national benefits, however, to live in harmony for development, the constructivist perspective sees that one should respect the other as any national interests without aspirations and values of others can result in ruin to the state and surrounding neighbours.⁸⁶ Gain is not necessarily a zero sum game: because one state's benefit does not mean that another state loses. Using a constructivist approach, the thesis will analyse the individual interests of China and the US in Southeast Asia to find how the region can gain regional profit from the competitive and cooperative relations of these two powers.

The concept of "*balance of power*" is defined as a system "in which the power possessed and exercised by states...is checked and balanced by the power of others."⁸⁷ Balance of power is thus a mechanism for states to prevent each other from dominating. For example, although for the time being the US is a global hegemon, its conduct in foreign policy, from a realist perspective, should still respect the global

⁸⁵Morgenthau, 'Realism in International Politics', pp.19-21.

⁸⁶Barkin, J.S., 'Realist constructivism', *International Studies Review*, 5(3), 2003, pp. 325-342.

⁸⁷Kraehe, E.E., 'A Bipolar Balance of Power', *The American Historical Review*, 97(3), 1992, pp. 705-715 at 709.

and regional balances of power in the international system, especially regionally. This is because in an interdependent world, when every nation has been “globalized” more than ever before, the US is strong enough to discourage aggression in others, but is not so strong that it can practise aggression itself.⁸⁸

This can be illustrated by the US security approaches to Southeast Asia after the Cold War, such as the revitalization of military alliance with the Philippines⁸⁹ and Thailand⁹⁰ as well as the rapprochement with other countries in the region. These alliances can form a balance of relationships with the emergence of the regional power China.

China’s security approaches towards Southeast Asia are to have new adjustments in strategy, such as the enhancement of dialogue in relations with Southeast Asian nations. In the context of territorial disputes with Southeast Asia, this reaction of China is seen to be softer and more flexible, aiming at giving little chances for the US and western countries to interfere in regional disputes. Thus, in the argument of realists, the regional order of Southeast Asia is shaped by the balance of big powers, mostly by the relations of the two biggest powers currently, namely China and the US.

As small and vulnerable states, of significant interest to big powers, Southeast Asia should study the lessons from history with respect to balance of power to guarantee its stability and development. Southeast Asia should develop relations with various powers in the global system to welcome the presence of other big powers in the region for economic and commercial cooperation as well as to maintain equal benefits among big powers for security and military guarantees. To this end, thanks to its scholarly characteristics, the balance of power theory is used to carry out research on this study of the triangular China, US and Vietnam relationship.

Hedging is another approach that is used in the thesis to analyse the implications for Southeast Asian states in the dilemma of sitting among great powers.

⁸⁸Chace, J., ‘The Balance of Power’, *World Policy Journal*, 15(4), 1999, pp.105-106.

⁸⁹The US has a formal treaty with the Philippines.

⁹⁰The U.S.-Thailand "alliance" is based on an exchange of letters between the U.S. Secretary of State (Dean Rusk) and the Thai Foreign Minister (Thanat) extending the security guarantees of the Southeast Asia Collective Security.

Chien-peng Chung explained that the inspiration for ASEAN states to facilitate the practical strategy of hedging (limiting risk) against major powers is the necessity of ensuring economic advantages while controlling security threats. This is a pragmatic response of countries in the region amid the ascension of China's growing economic and military capability, resulting in a greater suspicion of its peaceful rise. Thus, welcoming the US back to Southeast Asia to ensure the strategic balance of power is also adopting a policy of hedging by regional states. The US military presence in Southeast Asia is an essential guarantee for regional economic development.⁹¹

Le Hong Hiep shares the view that together balancing, bandwagoning (alignment with a strong power) and hedging are three strategies adopted by nations in international relations to protect their national interests. Accordingly, the hedging strategy is examined as the rational choice for countries in Southeast Asia in dealing with a more powerful China. However, he also admits that, on the basis of each regional country, the degree of hedging may vary across the spectrum from bandwagoning to balancing. For Vietnam, after long experiences in relations with its northern neighbour, national strategists have come up with the belief that there is no better way for Vietnam to move forward more than through hedging tactics.⁹²

1.4 Methodology

The thesis will adopt a historic-analytical approach and comparison in its study of Chinese and American foreign policy towards Vietnam. First, the historic approach is used to break down the 24 years from 1991 to 2015 into two periods: from 1991 to 2001, and from 2001 to 2015. The ten years frame after the Cold War from 1991 to 2001 is considered the time of reconciliation and unity in the cooperation of Southeast Asian states with one another; Vietnam joined ASEAN in 1995, followed by Laos and Myanmar in 1997, and Cambodia in 1999.

This is also the time when the US is still the dominant global superpower, whereas China has not yet become as influential as it has now. On the contrary, the stage from 2001 to 2015 witnessed the completion of China's "hidden dragon

⁹¹ Chung, C.P., 'Southeast Asia-China Relations: Dialects of "Hedging" and "Counter Hedging"', Nanyang Technological University, Singapore, p. 1

⁹² Le Hong Hiep, 'Vietnam's Hedging Strategy against China since Normalization', *Contemporary Southeast Asia: A Journal of International Strategic Affairs*, 35 (3), 2013, pp. 333-368 at 335-339.

policy,”⁹³ especially after the financial crisis of the US in 2008, when China’s overall economic position rose substantially, with reserves of up to US\$3,000 billion, while the US had large economic problems that required government bailouts of industry and federal agencies.⁹⁴ The first period thus demonstrated US interest in Southeast Asia when there is no potential threat from China, while the latter period shows interactions and relationships of Southeast Asian states with a rising power, China, and a power that is being challenged, the US.

Next, the author aims to use comparative politics to analyse the alterations of American and Chinese foreign policy and interests towards the region. Regarding US strategy with the region, analysis from American history showed that each President, on assuming office, has exercised some actions in foreign policy, which becomes known as a Presidential doctrine and which has characterised his period in office. The first American post-Cold War President, Bill Clinton, shifted US foreign policy focus from Europe to Asia, with the emphasis on the Asia-Pacific and in this Southeast Asia played an important part.⁹⁵

This change was partly to support American national interests in the region, but also to contain the rising expansion of China’s influence, which has been challenging the dominance of the US. Until the first term of President George W. Bush, there still existed the commitment of America administration to the region.⁹⁶ Southeast Asia was a low priority during the Bush administration despite its economic significance to the US as its fifth largest trading partner and the geo-strategic importance of the region’s maritime lines of communication both for the American navy and for the transit of much of Asia’s energy supplies. However, the situation changed fast in the aftermath of 9/11 as Washington viewed the region as a “second front” in its war on terror.⁹⁷

⁹³ Interview V, Southeast Asian official, 6 May 2012

⁹⁴ Ibid.

⁹⁵ Pham Cao Cuong, *US Security Engagement with Southeast Asia during the Clinton and Bush Administration*, PhD Thesis, UNSW, 2009, p. 31.

⁹⁶ Pham Cao Cuong, *US Security Engagement with Southeast Asia during the Clinton and Bush Administration*, p. 188.

⁹⁷ Mauzy, D.K. and Job, B.L., ‘US Policy in Southeast Asia: Limited Re-engagement after Years of Benign Neglect’, *Asian Survey*, 47(4), 2007, pp.622-641 at 629.

In addition to analysis, the originality of this research lies partly in the twenty-eight semi-structured interviews with Southeast Asian diplomats and political officials, who were at the time holding positions in the Parliament or Government of Vietnam, or in ASEAN states. Acting as an expert in the Asia-Pacific Division, Department of Foreign Affairs, Office of the National Assembly of the S.R Vietnam, I was able to contact the regional experts to observe first-hand the discussions on regional security. In my capacity as a researcher, I conducted interviews with high-ranking officials I met through my working relations, and these are a valuable source of policy-oriented empirical examination.

Due to the position of these officials during the time of interview, the thesis data collection follows the formal standard of UOW Ethics Approval to gather information from ten ASEAN diplomats in Jakarta, where the ASEAN Secretariat is situated and eighteen Vietnamese diplomatic officials in Hanoi for the research. A number of such direct interviews can help to create a diversity of views for the objective purpose of the research. The responses and comments of all participants are voice-recorded on audio files (MP3), followed by transcription and translation at the University of Wollongong (UOW). Anonymity is applied for seven interviewees that requested the unidentified contents of answers to the subject matter (see attached in the separated paper to this thesis to protect the identities of anonymous officials). All thesis data collection, including MP3 files are stored in locked cabinets until the conclusion of the project.

The data collected from these interviews provides primary evidence to be integrated into my textual analyses. The flowchart of thesis data collection is as follows:

Request with participants for interviews
(contacted by email)



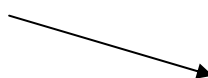
Follow up email to establish location, date and time of interview (with participant information sheet attached)



Reconfirm involvement of participants (by email)



At arranged meeting explain proposed time taken for interview, conditions of storage and use of data, any risks, inconveniences and discomfort, the capacity of participants to withdraw from the research project.



Transcribe interviews from audio files to word files.



Seek feedback from participants on the sections that relate to their words and ideas.



Refine Thesis



Seek additional feedback if necessary.

The data collected from these interviews provides practical evidences of how diplomats and political officers of regional ASEAN states are responding to the China-US balancing act. There are a number of famous individuals in the study of Vietnamese foreign relations, namely former foreign ministers Nguyen Manh Cam, Nguyen Dy Nien, Pham Gia Khiem, Deputy Prime Minister Vu Khoan, former Deputy Foreign Minister Le Cong Phung, Ambassador Luu Van Loi, Deputy Defence Minister Nguyen Chi Vinh that I really wish to interview. However, due to their time constraints, I will use their insights and ideas through their written articles and/or statements made around the time they held office.

These views are supplemented by secondary sources that explore American and Chinese security policy and their interactions with Southeast Asian states. Secondary sources such as articles of newspapers and journals are also used in the thesis. By adopting a critical lens toward the primary source of interviews, party

sources, government documents, texts of high-ranking government official speeches and press interviews together with the secondary literature, this thesis hopes to make a contribution to the study of foreign policy for Vietnam, and in a wider sense for ASEAN.

1.5 Structure of the Study

The introduction, CHAPTER 1, is about the relevant literature, the thesis research question and the methodology. Using international relations theories of realism, constructivism, balance of power and hedging, the literature identifies gaps of research that needs to be addressed. It focuses on three main points: Vietnamese foreign policy, China-US relations and Vietnam's relations with China and the US. The methodology uses a historic-analytical approach and a comparison in a study of Chinese and American foreign policy in Southeast Asia, followed by implications for Vietnam.

CHAPTER 2 analyses the rise of China as an increasing influence in the region, its growing strength in the global economy and impacts on economic development in neighboring states regions. China's military modernization is also analyzed to understand China's ambition to obtain greater influence in Southeast Asia. Based on that context, the role of Southeast Asia in terms of economics, strategy and security for China's power in the region is investigated. China regards this region as vital for its growth and prosperity. This chapter also assesses research on the strategic policy of China towards Southeast Asia on the basis of its significance. Particularly, among countries in the region, Vietnam is of significant importance to China both traditionally and after the Cold War due to its unique location in the neighbor areas of China and buffer geopolitical zone.

CHAPTER 3 analyses the transformation of the new world order into a multi-polar system, in which the US cannot impose its dominant role unilaterally in international relations in spite of its superpower. The new tendency in world politics towards both cooperation and competition in relations among great powers has made the US to adjust its foreign policy to protect its national interests. Amid this alteration, this chapter also assesses research on the strategic policy of the US towards Southeast Asia on the basis of its significance. The chapter focuses on Vietnam's central role in the US "pivot" or "rebalance" to Southeast Asia. This

significant role has brought about both pros and cons for Vietnam in the bilateral ties with its former adversary, the US.

CHAPTER 4 discusses the strategic interaction of the US and China in Southeast Asia. In Washington's perception, in the long term, China will be a challenge for the US both economically and militarily. The emergence of China as a serious threat to US dominance can jeopardize American interests and benefits in Southeast Asia just as the US is making a return to the region. However, for the time being, US-China competition and cooperation still coexists in various fields. The thesis will look into this relationship in terms of security, socio-economic and cultural development as well as the enlargement of influence and power. The South China Sea dispute is also analyzed to examine different benefits and the interests of various parties.

CHAPTER 5 explores the characteristics of the triangular Vietnam, China, US relationship. Due to its geo-strategic location, Vietnam suffers from the effects of sitting between a regional power and a global superpower. When the two powers cooperate, then Vietnam can benefit from the positive impacts of win-win Sino-American relations. When the two powers compete, then Vietnam suffers a dilemma of which side to align with. In the situation that both powers interact with each other in cooperative and competitive relations, Vietnam becomes more vulnerable in the security, socio-economic and human rights characteristics of the triangular relationship between Vietnam, China and the US.

CHAPTER 6 investigates the development of the triangular Vietnam, China, US relationship since 2001 up to present (2015). Vietnam and China entered a new period of cooperation after the normalization of bilateral ties from 1991 to 2008, then suffered a tougher time in the territorial disputes over the South China Sea from 2008 onwards. With the US, bilateral ties started slowly in the period after normalization of diplomatic relations from 1995 to 2008, then witnessed a closer Vietnamese-American military cooperation from 2008 onwards.

The purpose of Vietnam's rapprochement with the US in defense ties is examined to test the hypothesis that Vietnam benefits from increased military capacity and professionalism in national defense. The chapter argues that Vietnam can defend its national independence and sovereignty as well as play a greater role in

contributing to regional security. It also questions the belief that Vietnam wants closer ties with the US as leverage against China. Vietnam is pursuing a more independent and imaginative foreign policy, and a closer Vietnam-US military relationship is only a part of Hanoi's broader strategy of defensive diplomacy with other countries such as Russia, India, Australia and France. The final feature that the chapter explores is the rapprochement between Vietnam and the US, and the chapter argues that this is not a strategy to counter the rise of China in the region, nor is it a response to China's military building up or its assertive sovereignty claim in the South China Sea.

CHAPTER 7 discusses the implications both for regional countries and for Vietnam. It argues that the US aims to seek friendly relations with Vietnam to prevent China's influence in Southeast Asia while China has tried to put pressure on Vietnam to replace the "power gap" after the Soviet Union's collapse reduced the US presence in Southeast Asia. In this context, Vietnam should follow a foreign policy of balancing the strategic rivalry of great powers. However the chapter also asserts that in its external relations, Vietnam should focus on a more imaginative approach than simply great power balancing, and should seek enhancement of relations with regional countries within ASEAN, and use other multilateral forums to gain international support to deal with regional disputes with China. Vietnam's foreign policy makers should engage in a charm offensive, with the main task being protecting national sovereignty, independence and freedom as well as seeking to maintain national benefit.

The conclusion, CHAPTER 8, highlights the position of Southeast Asia in US and China's strategic policy. For the US, despite speculation about its position in the world, retaining primacy at both regional and global level remains a policy goal. Given the huge and enduring power disparities in the world, the increasingly symbiotic nature of power relations in economic terms, and the networked relationship among states, the thesis argues no power can take advantage of the current situation to dramatically upset this status quo. Thus, the US-led balance of power system in the region will endure, and the US-centred liberal order will continue. In this scenario, China will continue to make a re-emergence in a multi-polar system while seeking to avoid conflicts with the US. As long as cooperative relations between Beijing and Washington remains constructive and stable, there will

be no surge of military acquisition and no spike in defence spending that could cause an arms race in the region overall. In this context, this chapter concludes the thesis by recommending Vietnam's foreign policy maintain friendly ties with major powers and stay in harmony with other regional actors. This will be to Vietnam's benefit, and ASEAN states should also follow this policy as much as is possible for their own benefit.

CHAPTER 2. CHINA'S STRATEGIES TOWARDS SOUTHEAST ASIA

This chapter studies Vietnam's position in China's post-Cold War foreign policy, It will assess China's ascension in the new world order and its foreign policy amid global trends and the regional situation in the post-Cold War era. It will focus on China's strategic interests in Southeast Asia and China's strategies towards the region. The main argument of the chapter is that Chinese interests and foreign policy towards Southeast Asia in general and Vietnam in particular are to advance its power and influence in Southeast Asia, leading to significant implications for Vietnam.

2.1 The New World Order after the Cold War

2.1.1 *Global Trends and the Rise of China in the New World Order*

The fall of the most famous symbol of the Cold War, the Berlin Wall, on 10 November 1989 was followed by declarations of independence from many Soviet Republics and the collapse of the Soviet Union on 8 December 1991 historically marks the end of the Cold War. As the danger of superpower confrontation receded, global peace maintained by non-violent means had become a popular trend of international relations. Roberts argued that a major war during this period is now highly unlikely.¹ Arguably, the threat of war has been reduced due to the development of crosscutting cleavages caused by the disappearance of the Soviet-American poles of power in the international system.² However, the post-Cold War peace has not been entirely tranquil, and it is forecasted as an unsteady peace characterised by strategic uncertainty. Simultaneously, there appeared new challenges to peace, namely: the revival of nationalism, religious fundamentalism, and ethno-nationalist disputes in various parts of the world. At the same time, global security was threatened by regional conflicts, the proliferation of weapons of mass destruction and uncertainties surrounding the reform process in the Commonwealth of Independent States (made up of former Soviet Republics) and in other former

¹ Roberts, A., 'International Relations after the Cold War', *International Affairs*, 84(2), 2008, pp. 335-350 at 350.

² Singh, H., 'Prospect for Regional Stability in Southeast Asia in the Post-Cold War era', *Millennium-Journal of International Studies*, 22(2), 1993, pp. 279-300 at 290.

socialist countries.³ As a result, the international trends in the post-Cold War are notably recognized as the mix of both stability and uncertainty.

Politically, the most significant characteristic of global geopolitics in the aftermath of the Cold War is the trend of cooperation and competition, contradiction and harmonization in international relations. Great states tend to adjust their policies towards maintaining long-term stable strategic partnerships. Although serious competition still exists, states make an effort to avoid direct rivalry. They strive to make stability and economic development priorities to advance their national interests. This adjustment aims to strengthen national power to maximise national interests in the international arena.

In terms of national hard power, military power continues to play its traditionally important role. However, in a world of continuing diversity, economic and technological power have become crucial strengths. Hard power used to be the ideal tool in international relations, but influence can also be achieved by methods other than the use of force. So-called “soft power” includes the attraction of national values such as culture, ideology, education that is extended through internal or external policies. In addition to these two normal powers, the post-Cold War era also witnessed the appearance of “smart power,” which is comprised of the combination of both hard and soft power.⁴ As the concept of “national power” becomes less relevant with “hard power,” “soft power” and “smart power” tend to play a more significant role in identifying the relative influence of a nation.

Socio-economically, globalization and international integration is another feature of political reality in the new millennium. In the years of world-interdependence, states face a variety of global issues that cannot be resolved alone such as poverty, environmental pressures, weapons of mass destruction, trans-border diseases, trans-national crimes and terrorism. In this context, the General Agreement on Tariffs and Trade (GATT) became the World Trade Organisation (WTO) in 1995

³ Shuja, S.M., ‘Post-Cold War International Relations: Trends and Portents’, *Contemporary Review*, 2001; 278(1621), pp. 82-86 at 83.

⁴ Nguyen Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ cân bằng quyền lực* [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], Nhà xuất bản Chính trị Quốc gia-Su thật [Trans: National Political Publisher, Truth], Hanoi, 2011, pp. 20-27.

to advance the free trade agenda. WTO is more comprehensive than GATT and has four key objectives: to enforce rules for international trade; to create a forum to negotiate and monitor trade liberalization; to improve trade transparency; and to reduce trade disputes.⁵ Advocates of globalization argue nations all over the world should integrate globally, striving to become WTO members so as to facilitate the development of their own national economies.

Technically, the advancement of digital technology has brought about a significant revolution to every sector of modern society including international relations. The scientific and technological evolution has made knowledge and informatics play a crucial role in global economic affairs, laying the foundation for the knowledge economy. The main lesson from the Cold War is that military rivalry was expensive and it took a great toll on both the US and the Soviet Union, while economic cooperation and competition seems to work effectively for the European Union (EU), North America and East Asia. In this there is a continuing economic trend towards tri-polarity with the EU, North America and East Asia as the major poles since “each of them accounts for approximately one-fourth of the world’s gross national product (GNP).”⁶ Economic power is now pursued at a regional, rather than a national, level.

More importantly, the end of the East-West confrontation left the US with dominant superpower status. After the collapse of the Soviet Union, China was increasingly considered as a new giant both in Asia and the world. China’s rise in the global trading system has been dramatic: “in thinking strategically about modern international affairs, there is no more important challenge than to understand the nature and implications for a rising China.”⁷ From one of the least developed countries in the 1970s, China has made tremendous economic progress to become one of the largest economies in the world by the end of the 20th century. Considering

⁵ Anderson, K., ‘The Future Agenda of the WTO’ in World Trade Organisation Secretariat (ed.), *From GATT to the WTO: The Multilateral Trading System in the New Millennium*, Kluwer Law International, The Hague and London, 2000, p. 8.

⁶ Shuja, S.M., ‘Post-Cold War International Relations: Trends and Portents’, *Contemporary Review*, 278(1621), 2001, pp. 82-86 at 83.

⁷ Scott, D., *China Stands Up: The PRC and The International System*, Routledge, New York, 2007, p. 83.

the traditional elements of national power, China's land area and population have already made it a major power. Historically, it had been a regional power. China has the largest population in the world with over 1.2 billion people in July 2000.⁸ A decade later, China maintained its status as the most populous nation on earth with 1.3 billion, a labour force of 780 million and some 389 million Internet users.⁹ Accordingly, China's largest population has steadily affirmed its strength as a global power.

The rise of China as an economic power is a remarkable feat by any standard. The annual growth rate of the Chinese economy, measured by the Gross Domestic Product (GDP), has been no less than 10% for over three decades. China's GDP in 1978 was reportedly 7% of its GDP in 2007, and with economic output doubling on average every eight years, the structure of the economy has witnessed significant changes. The primary sector of the economy accounted for 70% of employment in 1978 but this was reduced to 40% by 2007.¹⁰ Other statistics demonstrate that China's economic growth rate has been at least 12% per year since the 1990s, fuelled by rising exports and a staggering \$180 billion in foreign investment. According to the Director-General of the Chinese government policy agency, the State Commission for Restructuring the Economic System, Mr Lu Yong Hua:

We believe we can keep our growth rate around 9% per year for the next 15 years.

China's GNP (Gross National Product) will become the first in the world in the next century. It will surpass America's.¹¹

This economic achievement started in 1978 when Deng Xiaoping, the successor to Mao Zedong, introduced free-market reforms that led to three decades of explosive growth rates in the economy under the political control of the Chinese Communist Party.¹² By the 1990s, Deng Xiaoping's Four Modernizations programme made the Chinese economy a "remarkable accomplishment" with an

⁸ Pumphrey, C.W., *The Rise of China in Asia: Security Implications*, Strategic Studies Institute, US Army War College, 2002, p. 2

⁹ World Fact Book 2011 (C.I.A), 'The Rise of China', *New York Times Upfront*, 2011, 14(1), p. 21.

¹⁰ Knight, J. and Ding, S., *China's Remarkable Economic Growth*, Oxford University Press, Oxford, 2012.

¹¹ Bob, D., 'Empire Rises, Fall with Hong Kong Turn Over, China on Track to be Biggest Economic Power', *General Interests Periodicals-United States*, Austin, Tex, US, 1997.

¹² Michael, W., 'The Rise of China', *New York Times Upfront*, 14(1), 2011, p. 21.

annual growth rate of 10%. In the OECD's perception, "in just one decade and a half, China has transformed itself from a dormant, introspective giant into a dynamic powerhouse."¹³ China overtook Japan and became the world's second-biggest economy by the second quarter of 2010, with its GNP of US\$1.337 trillion and GDP of more than US\$4.9 trillion.¹⁴ China has become the world's largest exporter¹⁵ and is projected to have the single largest economy in the world by 2016.¹⁶ Although this growth has slowed down slightly due to the global financial crisis, the overall achievements are still remarkable.¹⁷ More impressively, according to calculations by some American scholars, China's GDP could reach 25% of global GDP in the year 2030, and 40% in the year 2040, becoming the largest world economy.¹⁸

The increased importance of the Chinese economy in the global economic system has resulted in a greater influence for China in the global political arena. China is set to achieve more power on the International Monetary Fund (IMF) governing board, both for the developing world and for itself. China's voting share within the IMF increased from 2.9% to 3.6% in 2006 and then to 3.8% in 2010. Moreover, China has suggested replacing the current dominant currency (USD) with a basket of currencies that represent the value of special drawing rights (SDRs) used within the IMF.¹⁹

¹³ Scott, D., *'China Stands Up: The PRC and The International System'*, Routledge, New York 2007, p. 84.

¹⁴ Bloomberg News, 16 August 2010, 'China overtakes Japan as World's Second Biggest Economy'

¹⁵ 'China becomes World's number 1 Exporter, passing Germany', *The Associated Press*, 10 January 2010 in Travis Nelson and Matthew Carlson, 'Charmed by China? Popular Perceptions of Chinese Influence in Asia', *Japanese Journal of Political Science*, 13(4), 2012, p. 477.

¹⁶ Nelson, T. and Carlson, M., 'Charmed by China? Popular Perceptions of Chinese Influence in Asia', *Japanese Journal of Political Science*, 13(4), 2012, pp. 330-359 at 477.

¹⁷ Nelson, and Carlson, 'Charmed by China? Popular Perceptions of Chinese Influence in Asia', p. 477.

¹⁸ Nguyen Tat Giap, *Chiến lược đại khai phá miền Tây của Trung Quốc giai đoạn 2010-2020* [Trans: "The Chinese Grand Strategy to exploit the Western Region 2010-2020"], in Do Tien Sam and Kurhara Hirohide (eds), *Hợp tác Phát triển: "Hai Hành Lang, Một vành đai Kinh tế" Việt Nam - Trung Quốc trong bối cảnh mới* [Trans: "Cooperation Development: "Two Corridors, One Economic Belt: Vietnam and China in the New Situation"], The Social Science Publisher, Hanoi, 2012, p. 227.

¹⁹ Dittmer, L., 'China's Global Rise', *Americas Quarterly*, 2012, <http://www.americasquarterly.org/China-Global-Rise> (Date of visit 6 January 2015).

China's phenomenal economic expansion has made it an Asian giant with greater ambition. For some countries, this ambition is a threat. Former US Secretary of State Condoleezza Rice argued:

China resents the role of the United States in the Asia-Pacific region. This means that China is not a 'status quo' power but one that would like to alter Asia's balance of power in its own favour. That alone makes it a strategic competitor, not the "strategic partner" the Clinton Administration once called it.²⁰

China's ambitious strategy to further its power in Asia is focused on Southeast Asia. The geo-strategic reality is that China is surrounded by strong and influential nations: Japan and Korea lie in the east and both are protected by the close US alliance; Russia to the north has a formidable military capacity and possesses nuclear arms; to the west lies India, a populous country with nuclear arms and protected from land invasion by the Himalayan mountain range. The only outlet for Chinese ambitions is Southeast Asia. Thus, it is China's intention to become a predominant force in the region by building up close relationships with countries here, so as to place Beijing in the position of leadership and influence while isolating the US from its traditional role in this area. For Southeast Asian states, China is already recognized as the regional dominant superpower, largely due to its effective translation of burgeoning economic clout into political influence.²¹

Finally, China's rapid economic development and growing influence has led it to seek an expansion of its military capability and force projection. While the US continues to be the world's biggest military spender with a defence budget of US\$711 billion in 2011, China has become the second largest spender with an estimated US\$143 billion that year. China has increased its military spending by 170% in real terms since 2002.²² It has also increased defence spending at approximately 12% per year. Although Chinese defence spending is only less than a quarter of the size of the US today, China's generals are ambitious. According to the

²⁰ Rice, C., 'Promoting the National Interests', *Foreign Affairs*, January/February 2000
<http://www.cfr.org/world/campaign-2000-promoting-national-interest/p10456> (Date of visit 14 July 2015)

²¹ Dillon, D. and J. Tkacik Jr., 'China's Quest for Asia', *Policy Review*, Dec 2005/June 2006, 134, pp. 31-33.

²² <http://www.theguardian.com/news/datablog/2012/apr/17/military-spending-countries-list> (Date of visit 7 October 2014)

annual report from the US Congress, China spent as much as US\$139 billion on modernizing its military forces in 2007, more than three times its announced defence budget. That actual figure would overshadow the military budget of Russia, Japan and South Korea combined.²³ Chinese total military spending, including defense and other military items, such as research and development, could be as much as US\$160 billion. The defence expenditure of China is expected to exceed that of the US by 2035, as China is expected to be the world's largest military spender that year.²⁴

However, China's modernization of its People's Liberation Army (PLA) has raised concerns about the future of peace and stability in East Asia. Although Chinese leaders claim China's emerging power is a peaceful rise and its military expansion is only for defensive purposes, the global community is still concerned by what they see as China's unclear motivations. China's military activities have rekindled American interest in the Asia-Pacific region.²⁵ There is no doubt that China maintains the largest standing army in the world. The rise of China is undoubtedly one of the most salient features of international relations in the 21st century. However, whether China's rise will be peaceful is uncertain.

2.1.2 The Regional Situation after the Cold War

In evaluating the regional situation in the Asia-Pacific, it is essential to understand the geographical extent of the area. Southeast Asia is an important part of the Asia-Pacific. The term "Asia-Pacific" emerged in the post-Cold War world and denotes a vaguely defined region that covers around two-thirds of the world's population and more than half of global trade. The meaning of the term varies in different contexts. In a geographic sense, the Asia-Pacific is the part of the world in or near the Western Pacific Ocean, and it typically includes at least East Asia and Southeast Asia, and even Russia in the north of the Pacific. From a Western geo-strategic perspective, the Asia-Pacific after the Cold War is comprised of several groups of nations. One group includes the former and rising great powers of China,

²³ Fred W. Baker III American Forces Press Service, *China Military Expansion Could have Global Implications*, US Department of Defense Information, 3 March 2008.

²⁴ <http://www.economist.com/node/21552193> (Date of visit 14 July 2015); and "China's Military Rise", *the Economist*, 7 April 2012), p.13, (Date of visit 10 November 2012).

²⁵ <http://www.economist.com/node/21552193> (Date of visit 14 July 2015)

Japan and Russia. Another group includes the regionally influential powers such as Australia, India and Indonesia. The Asia-Pacific can also be divided into the five sub-regions of East Asia, Heartland, Offshore Asia and Oceania, South Asia and Southeast Asia.²⁶

Another study considers the Asia-Pacific as a loosely comprised region moving from Pakistan in the west to the Americas in the east, and from Russia in the north to Australia and New Zealand to the south.²⁷ The Asia-Pacific can be understood geo-politically through the Asia-Pacific Economic Cooperation (APEC) inaugurated in Australia in 1989. It comprises 21 members from Southeast Asia, Northeast Asia and the Pacific Rim: Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Philippines, Russia, Singapore, Chinese Taipei, Thailand, The United States and Vietnam.²⁸

The end of the Cold War has shifted the distribution of powers in the Asia-Pacific towards regional multi-polarity and the movement towards alignment. In this regional political landscape, the US plays the role of both global superpower and active player that is still settling on its post-Cold War role. Meanwhile, China and Japan are seeking more influential roles in regional and global politics. From the early 1990s, the two Koreas and Southeast Asian states have started focusing on a sub-regional order.²⁹ Therefore, the Asia-Pacific is not only a region of economic growth, but also a geopolitically strategic area.

Southeast Asia is a crucial part of the Asia-Pacific. Geopolitically, Southeast Asia is often understood through the Association of Southeast Asian Nations (ASEAN), a geopolitical and economic regional organization formed on 8 August 1967. Geographically, Southeast Asia consists of the area to the south of China, east of India, west of New Guinea and north of Australia. It has two geographic sub-

²⁶ Rumley, D., 'The Asia-Pacific Region and the New World Order', *Ekistics*, 422/423, 2003, pp. 321-326 at 322.

²⁷ Young, B., 'Asia-Pacific: the Region of 21st Century', *The Project Manager*, Australian Institute of Project Management, Loyalty Media, 2010.

²⁸ <http://www.apec.org/About-Us/About-APEC/Member-Economies.aspx> (Date of visit 14 July 2015).

²⁹ Simon, "Introduction", p. 190.

regions. Mainland Southeast Asia comprises Cambodia, Laos, Burma (Myanmar), Thailand, Vietnam and Peninsular Malaysia. Maritime Southeast Asia comprises Brunei, East Malaysia, Indonesia, the Philippines, Singapore and East Timor. ASEAN covers a land area of 4.46 million km², but its sea area is three times larger. With a population of approximately 600 million people, ASEAN accounts for 8.8% of the world's population. As a single entity, ASEAN's combined nominal GDP had grown to US\$1.8 trillion by 2010.³⁰ It makes the grouping the ninth largest economy in the world and the third largest in Asia. With rapid growing economies, rising purchasing power and affluent consumers, Southeast Asia's combined GDP exceeded US\$2.2 trillion in 2011.³¹ The size and location of Southeast Asia has been a factor in the struggle between great powers for influence. In the context of the global political change following the fall of the Soviet Union, the US withdrew its forces from Southeast Asia, Japan remilitarized, and China invested heavily in defence. Therefore, Southeast Asia had to face a changing regional hierarchical order. Despite withdrawing its forces, the US has maintained its alliance relationships, strategic cooperation and economic involvement in Southeast Asia. Meanwhile, as a rising regional power, China seems content not to directly challenge the dominant status of the US. At the same time, Japan and other leading Southeast Asian states were successful in establishing cooperative mechanisms to create mutual understanding and regional identity. The result has been cooperation of major powers and the socialization of China within Southeast Asia, bringing about more commitment from the US to the region.³²

This temporary security in Southeast Asia was enhanced because of the regional political system after the Cold War. Writing in 1993, Hari Singh argued that the bipolar international system had a strong impact on Southeast Asia politics and regional conflicts could be significantly reduced due to the absence of a single pole in international politics. However, together with increased security, there would be

³⁰ <http://www.aseanworldheritage.com/p/awh-18-february-2011-update-01.html> (Date of visit September, 8th, 2014)

³¹ ASEAN Investment Report 2012: The Changing FDI Landscape, ASEAN Secretariat, Jakarta, Indonesia, p xvii. Available at <http://www10.iadb.org/intal/intalcdi/PE/2013/12820.pdf> (Date of visit September 25th, 2014)

³² Goh, 'Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Challenges', pp. 113-114.

increased uncertainties that will undermine regional stability.³³ Tensions such as contending forces of economic liberalisation and protectionism, repression and democratisation, nationalism and supranationalism, integration and fragmentation, hegemony and resistance to great power influence are bound to affect the regional politics of Southeast Asia in the post-Cold War world.³⁴ Others domestic conflicts within some Southeast Asian state members including the Philippines (Mindanao), Indonesia (West Papua) and Thailand (Patani) are also the region's most pressing security issues.³⁵

Singh has been largely proved right by history. However, the post-Cold War world threw a new challenge to the region in the shape of the “global War on Terror”. Until the Bush administration, and with the development of Southeast Asia as the “second front” in the “global war on terror,” there is little doubt that Washington had, to some extent, lost interest in ASEAN as a regional bloc, preferring to deal directly with the Philippines and Thailand, in particular.³⁶ The US has also stepped up security relations with former adversary Vietnam by organising “security dialogues” on political and military issues.³⁷ The US and Vietnam held their first annual Political, Security and Defence Dialogue in Hanoi in October 2008. Both countries have also held an annual Defence Policy Dialogue since 2010. These dialogues have enhanced the Vietnamese-American defence relationship. However, Vietnamese Defence Minister Nguyen Chi Vinh has stated the limitations of the cooperation and reiterated the necessity of bilateral trust between top leaders of the two nations:

A better defence relationship should be based on the efficiency of practical cooperation, including overcoming the aftermath of war...Generally speaking, the US

³³ Singh, H., ‘Prospect for Regional Stability in Southeast Asia in the Post-Cold War Era’, *Millennium-Journal of International Studies*, 22(279), 1993, p. 289.

³⁴ Singh, ‘Prospect for Regional Stability in Southeast Asia in the Post-Cold War Era’, p. 298.

³⁵ Dosch, J., ‘Southeast Asia Security and Political Outlook’, *Political Outlook*, p. 8.

³⁶ Dosch, ‘Southeast Asia Security and Political Outlook’, p. 4.

³⁷ Dosch, ‘Southeast Asia Security and Political Outlook’, p. 6.

has offered Vietnam active cooperation in this issue, but it is not enough as the consequences of war are terrible.³⁸

Acharya and Tan have argued that American engagement in Southeast Asia with limitations can be useful for the regional order. If Washington gets involved in regional affairs with its unilateral interests and assertion of power, the US risks coming into conflict with China. However, if the US adopts a measured presence and respects China's growing claims, the situation will be less hostile.³⁹

Southeast Asia has long been considered by China as the "vital region for its own growth and prosperity."⁴⁰ Thus, US presence in the region can challenge China's regional strategy and create a fierce competition between the two major powers. As Carlyle Thayer concluded, Southeast Asian security was affected by Sino-American relations due to the US re-engagement with the region and Chinese assertiveness in the South China Sea. Southeast Asia will continue to be affected by Sino-American rivalry and military competition.⁴¹ The coming of a new world order has brought about major changes in Southeast Asia's political landscape. A bipolar structure has given way to a dynamic multi-polar regional mechanism. Sino-American relations have had a great impact on regional security and development, requiring further detailed analysis about the practical implications for Southeast Asian states.

2.2 China's Strategic Interests in Southeast Asia

2.2.1 Political Interests

China's principal political interest in Southeast Asia is to advance its power in the region, in recognition of its greater regional status. For centuries China has

³⁸ Thayer, C.A., 'Vietnam Gradually Warms Up to US Military', *The Diplomat*, 6 November, 2013. <http://thediplomat.com/2013/11/vietnam-gradually-warms-up-to-us-military/> (Date of visit 14 July 2015)

³⁹ Acharya A. & Tan, S.S., 'Betwixt Balance and Community: America, ASEAN and the security of Southeast Asia', *International Relations of the Asia-Pacific*, 6(1), 2006, pp. 37-59 at pp. 52-53.

⁴⁰ Banlaoi, R.C., 'Southeast Asian Perspectives on the Rise of China: Regional Security After 9/11', *Parameters*, 2003, pp. 98-107 at 103.

⁴¹ Thayer, C.A., 'The United States, China and Southeast Asia', *Southeast Asian Affairs*, 1, 2011, pp. 16-25 at 23.

considered Southeast Asia as its most important gateway to the outside world.⁴² Another perspective is to see Southeast Asia playing a vital role in China's attempt to expand its global influence.⁴³ According to Thayer, China has been developing stronger relationships with Southeast Asian states. Between 1999 and 2000, China signed long-term cooperative framework agreements with all ten ASEAN members. Besides general cooperation, each agreement is different in details. While the six documents mention defence cooperation with Brunei, Laos, Malaysia, the Philippines, Singapore and Thailand, three other agreements with Indonesia, the Philippines and Laos refer to human rights. Three of these agreements with the Philippines, Vietnam and Malaysia specifically address the territorial disputes in the South China Sea.⁴⁴

With the agenda of reinforcing sub-regional cooperation, Chinese Premier Wen Jiabao and Vietnamese Prime Minister Phan Van Khai reached a consensus in 2004 on a new initiative of "two corridors and one ring." The first corridor stretches from Nanning (in the Guangxi Zhuang Autonomous Region) via Lạng Sơn to Hanoi, Hai Phong and Quang Ninh. The second corridor will be from Kunming (in Yunnan province) via Lao Cai to Hanoi, Hai Phong and Quang Ninh.. The one ring is the Beibu Gulf Rim.⁴⁵

China has two economic strategies requiring cooperation with Southeast Asia through ASEAN: the "Great Western Development Strategy," and the "Gulf of Tonkin Economic Belt" in Vietnamese or the "Beibu Gulf Economic Rim" in Chinese. The former covers six southern Chinese provinces (Gansu, Guizhou, Qinghai, Shaanxi, Sichuan and Yunnan) and five autonomous regions (Guangxi, Inner Mongolia, Ningxia, Tibet and Xinjiang) and the municipality of Chongqing.

⁴² Ma, Y., 'Dynamics of Regional Security in the post-cold war era: China and Southeast Asia', Department of Political Science, McGill University, Montreal, Canada, November 1999, p. 6.

⁴³ Interview 6, Southeast Asian official, 7 October 2012.

⁴⁴ Thayer, C.A., 'China's 'New Security Concept and Southeast Asia' in David W. Lovell, ed., *Asia-Pacific Security: Policy Challenges*, Singapore: Institute of Southeast Asian Studies and Canberra: Asia Pacific Press, 2003, pp. 89-107 at pp. 94-95.

⁴⁵ Liu, F., 'Beijing's Regional Strategy and China-ASEAN Economic Integration', *China Brief: A Journal of Analysis and Information*, 8(10), 2008, http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4916&no_cache=1#.VBlaTKN--Uk (Date of visit 8 September 2014)

This region contains 71.4% of Mainland China's area but only 28.8% of its population (as at the end of 2002) and 19.9% of its total economic output (as at 2009).⁴⁶ The second strategy highlights China-ASEAN cooperation as it links Guandong, Hainan and Guangxi provinces with northern and central Vietnam.⁴⁷ These strategies represent a new era in China-Southeast Asian cooperation.

With a new Asian regionalism stimulated by the 2010 China-ASEAN Free Trade Agreement (CAFTA) that binds China and six ASEAN countries, and expanding to all ASEAN members by 2015, China is laying the firm foundation in its relations with its Southeast Asian neighbours. While the CAFTA opens up a bilateral framework for cooperation at the strategic level, the other sub-regional mechanisms facilitate the progress of bilateral cooperation at the grassroots level. Through these frameworks, China aims to convey its peaceful rise and to bring about economic development for its southern provinces and make Kunming a regional operation centre for trade and transport. China's active role in these cooperation projects reveals its strategic vision of strengthening bilateral relations with ASEAN.⁴⁸

According to Thayer, China also views Southeast Asia (and especially the South China Sea) as its traditional sphere of influence and has attempted to engage the region in all spheres of bilateral relations. With its reliance on regional energy sources, China has an interest in enhancing stability and security of regional states, where these resources are exploited and sent through the sea lines of communications (SLOCs).⁴⁹

Between 70 and 80 per cent of the PRC's vital energy imports pass through the Straits of Malacca, the narrow and congested waterway in Southeast Asia.⁵⁰ The

⁴⁶ http://en.wikipedia.org/wiki/China_Western_Development, Date of visit 19 March 2013.

⁴⁷ http://en.wikipedia.org/wiki/Beibu_Gulf_Economic_Rim, Date of visit 19 March 2013.

⁴⁸ Liu, F., 'Beijing's Regional Strategy and China-ASEAN Economic Integration', *China Brief: A Journal of Analysis and Information*, 8(10), 2008. Available at http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4916&no_cache=1#.VBlaTKN--Uk (Date of visit 9 September 2014)

⁴⁹ Thayer, C. A., "China and Southeast Asia: A Shifting Zone of Interaction," in James Clad, Sean M. McDonald and Bruce Vaughn, eds., *The Borderlands of Southeast Asia: Geopolitics, Terrorism, and Globalization*. Center for Strategic Research, Institute of National Strategic Studies. Washington, D.C.: National Defense University Press, 2011, pp. 235-261 at 235

⁵⁰ Storey, 'China's relations with Southeast Asia', p.13

region was where Chinese migrants have settled down for centuries and it can provide China with the space to expand its power and influence. In the sub-continent, India is always a key player, no matter how close the friendship between China and Pakistan. After the Cold War, China's rivalry with India in South Asia brought the former to a strategic partnership with Pakistan. In Central Asia, China has to compete with Russia and a growing American presence. Therefore, China finds it easier to deal with Southeast Asia.⁵¹ Stuart-Fox argues that Southeast Asia, in particular mainland Southeast Asia, is where China can deploy its influence due to a strong US military presence in Korea as long as the division of the peninsula remains, and with a US-Japan alliance in place. Southeast Asia is the only choice for Beijing to cultivate its "sphere of influence."⁵²

In addition, China needs to establish a safe zone in the south or if possible, a "sphere of influence" as a "spring-board" to reach out to the outside world, aiming both to achieve greater international influence and to limit US global hegemony. Thus, ASEAN is always regarded as an "outer shield" with the role of protecting China's western and southern security. Major powers tend to use the surrounding neighbours as the starting point for a national grand strategy. For example, the US succeeded in using Canada and Mexico as strategic grounds, taking advantage of Latin America for strengthening its strategic position.⁵³ Eastern European countries have distanced themselves from Russia after the collapse of the Soviet Union.⁵⁴ Preserving a peaceful and stable atmosphere in Southeast Asia is a long-term requirement for China with its agenda for the "Great Renewal of Chinese Nation."⁵⁵ China is well aware of the crucial significance of ASEAN in implementing major power diplomacy with a "responsible image" to advance its influence in the world.

⁵¹ Baviera, 'China's relations with Southeast Asia: Political Security and Economic Interests', p. 8.

⁵² Stuart-Fox, M., 'Southeast Asia and China: The role of History and Culture in Shaping Future Relations', *Contemporary Southeast Asia*, 26(1), 2004, pp. 116-139 at 117.

⁵³ Interviewee 6, Southeast Asian official, October 2012.

⁵⁴ Ibid

⁵⁵ Nguyen Hoang Giap, 'Canh tranh chien luoc giua cac nuoc lon o khu vuc Dong Nam A trong hai thap nien dau the ky 21 va tac dong doi voi Vietnam' [*Trans: Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam*], p. 58

The South China Sea in particular is regarded as one crucial gateway for an emerging China to carry out its ambition of becoming a sea power and global power to reach the “green ocean.” China considers the South China Sea as the “unique path” that can provide either a major convenience or a great obstacle for China in its expansion. According to Do Minh Cao, the South China Sea is located in an arterial sea traffic route connecting the Pacific with Indian Ocean, Europe and Asia, the Middle East and Asia. Five of the world’s ten biggest commercial sea routes are connected to the South China Sea. The Sea is also regarded as the second busiest international traffic route with 150 to 200 vessels per day passing through it. Half of these vessels weigh more than 5,000 tons, and at least 10% of these vessels weigh more than 30,000 tons. There are 536 seaports in the South China Sea, with two of them, Singapore and Hong Kong, the world’s largest and most modern ports respectively.⁵⁶

Do regards the South China Sea not only as an area of great territorial importance to China, but it is also vital for its plans to be a regional power.⁵⁷ China is blocked to the East by the solid American-Japanese-South Korean alliance, and to the South West by the Indian Ocean, the traditional sphere of India. Without the South China Sea, China’s geo-oceanic advantage will be non-existent, making it solely a continental power. The South China Sea provides a region for China to achieve its ambition of becoming a sea power and exert global influence.

China favours a multilateral approach to cooperate with Southeast Asia through the ASEAN regional mechanism. Baviera claims that, since the 1990s, China has started to evaluate Southeast Asia as a region of strategic value with a unified ASEAN, which is likely to be an ally for China’s ambition of balancing powers in Asia.⁵⁸ As a regional power, China finds that a useful method of countering

⁵⁶ Do Minh Cao, ‘Ý nghĩa Địa Chiến lược của Biển Đông trong những năm thập niên thứ Hai Thế kỷ XXI’ Trans: The geo-strategic value of the South China Sea at the second decades of the 21st Century], *Nghiên cứu Trung Quốc The Chinese Studies Review*], 11(135), 2012, pp.58-60].

⁵⁷ The following discussion is drawn from Do Minh Cao , ‘Ý nghĩa Địa Chiến lược của Biển Đông trong những năm thập niên thứ Hai Thế kỷ XXI’ Trans: The geo-strategic value of the South China Sea at the second decades of the 21st Century], *Nghiên cứu Trung Quốc The Chinese Studies Review*], 11(135), 2012, pp.58-60].

⁵⁸ Baviera, A.S.P., ‘China’s relations with Southeast Asia: Political Security and Economic Interests’, PASCN (Philippine APEC Study Centre Network) Discussion Paper No. 99-17, 1999, p. 8.

US dominance is to accelerate and enhance a multi-polar structure. China expects ASEAN to evolve into one “pole” in a multi-polar system since the organization aims to create a peaceful and neutral region.⁵⁹

ASEAN members are mostly small- to medium-sized countries. If each state acts on its own, its political strength and international leverage are limited. However, since the 1990s, ASEAN has developed into one of the most successful integrated regional associations in the world. If ASEAN succeeds in establishing the ASEAN Community with its three pillars – Political-Security, Economic and Social-Cultural cooperation – by 2015, then it will be possible for ASEAN to form one important geo-political pole in a multi-polar world. Consequently, China, with its rising position as a regional power, will attempt to affirm its role as a major power in this area and attempt to influence ASEAN. This is a reasonable assumption because once China imposes itself on this region it can broaden this greater influence into the international arena.⁶⁰ China values its relationship with ASEAN because the association represents the whole region. China regards ASEAN as a driving engine for other important and related multilateral forums such as the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS). Closer ties with ASEAN are also valuable for China, in helping to limit Taiwan’s international quest for legitimacy since ASEAN supports the One-China policy.⁶¹

It is also in China’s interest to constrain the US and reduce American influence in Southeast Asia. China wants to develop good relations with Southeast Asia through multilateral cooperation in order to project an image of a regional power with no potential threat. This image can help constrain American influence.⁶²

⁵⁹ Ibid.

⁶⁰ Nguyen Hoang Giap, ‘Cạnh tranh Chiến lược giữa các nước lớn ở khu vực Đông Nam Á trong hai thập niên đầu thế kỷ 21 và tác động đối với Việt Nam [Trans: *Strategic Rivalry among great powers in Southeast Asia in the first two decades of the 21st Century and its implications for Vietnam*], Báo cáo Tổng hợp Kết quả Nghiên cứu Đề tài khoa học cấp Bộ năm 2011 [Trans: *The General Report of Ministerial Science Research Report, 2011*], mã số B11-03 [Trans: *Volume B11-03*], Học viện Chính trị- Hành chính Quốc gia Hồ Chí Minh [Trans: *Ho Chi Minh National Academy of Politics and Public Administration*], Hanoi, 2011, pp. 57-58.

⁶¹ Storey, I., ‘China’s relations with Southeast Asia’ in D. Nair and P.O. Lee (eds), *Regional Outlook: Southeast Asia 2008-2009*, Institute of Southeast Asian Studies, Singapore, 2008, pp. 12-14 at 13.

⁶² Bolt, P.J., ‘Contemporary Sino-Southeast Asia Relations’, *China: An International Journal*, 9(2), 2011, pp. 276-295 at 279.

Furthermore, a policy of good cooperation with ASEAN is beneficial for China as the latter intends to ensure that Southeast Asia has a balanced relationship with other major powers in the region, including the US, Japan and Russia.⁶³

Chinese interests in Southeast Asia are not uniform across each regional state. Southeast Asia is not always docile due to the different national interests. Specifically, China's attempts to develop bilateral ties with ten Southeast Asian countries must satisfy each of the ten countries' national interests. This argument can be explored by examining China's relations with several key Southeast Asian countries.

Among Southeast Asian maritime nations, Indonesia is acknowledged as being of great interest to China due to its size, population, strategic location and its traditional policy of non-alignment.⁶⁴ Indonesia's positive features can bring about major advantages for China, especially after Jakarta and Beijing normalized diplomatic relations in August 1990. Maintaining a strong relationship with Indonesia, which is regarded as the *de facto* leader of ASEAN, can help create more leverage for China in international issues. Indonesia's policy of non-alignment is in line with Chinese interest in a Southeast Asia free of the dominance of outside powers. China can also benefit from good bilateral relations with Thailand with the latter's foreign policy of "go with the strength."⁶⁵ Thai diplomats claim that among Southeast Asian nations, they are enjoying the best relations with China in spite of its close security engagement with the US. China is aware that Thailand never takes part in any coalition in opposition to China. Weaker and more vulnerable Southeast Asian states like Laos and Cambodia consider China as more of a protector than a probable threat.

Myanmar also regards China as a peaceful neighbour and Sino-Burmese relations have allowed Chinese trade expansion through to the Bay of Bengal. Bert argues that China has an interest in good bilateral relations with Myanmar because of the latter's geopolitical strategies, arms transfers and response to military logistics

⁶³ Baviera, A.S.P., 'China's relations with Southeast Asia: Political Security and Economic Interests', PASCN (Philippine APEC Study Centre Network) Discussion Paper No. 99-17, 1999, p. 33.

⁶⁴ Baviera, 'China's relations with Southeast Asia: Political Security and Economic Interests', p. 22.

⁶⁵ Bert, W., 'Burma, China and the USA', *Pacific Affairs*, 77(2), 2004, pp. 263-282 at pp. 263-264.

and other communications problems. Myanmar is now a firm political and military ally of China.⁶⁶ Brunei has historic trade links with China and remains influenced by China. Malaysia and Thailand have the friendliest relations with Beijing to date because of closer economic ties with East Asia.⁶⁷

Southeast Asia, despite enjoying effective cooperation with China, is not always docile in its relations with China, especially in the event of conflict between the US and China. For example, Singapore is not willing to be closer to one or other of these two powers. Stuart-Fox believes that Singapore, which has been providing facilities for American warships, is very careful in extending any influence beyond its borders. It is impossible for Singapore to act as China's advance garrison or America's lone bastion. The Philippines is the ASEAN country most in line with American interests. Since the Aquino Administration took office, it has given priority to revitalizing its treaty alliance with the US and both countries signed an Enhanced Defence Cooperation Agreement in 2014. Diplomatic ties between the PRC and the Philippines also lack depth due to the Philippines' closer ties with Taiwan and to the strong influence of Roman Catholicism in the Philippines. Lastly, Vietnam has more than a thousand years of Chinese influence. Arguably, the Vietnamese understand the Chinese better than any other ASEAN state because they share much of the Chinese worldview. The failure of the Soviet model demonstrated to Vietnam that China should be dealt with on its own terms. Vietnam has learned from historical experiences that to be tough and self-reliant can be the best course of action.⁶⁸

2.2.2 *Economic Interests*

China has significant investments in Southeast Asia through bilateral relations and multilateral cooperation, and its persistence in the South China Sea disputes reveals the region's economic attractiveness for China.

Much of China's imported energy is transported through regional sea-lanes and the region has important natural resources that can meet China's future needs. A

⁶⁶ Bert, W., 'Burma, China and the USA', *Pacific Affairs*, 77(2), 2004, pp. 263-282 at pp. 263-264.

⁶⁷ Stuart-Fox, 'Southeast Asia and China: The role of History and Culture in Shaping Future Relations', pp. 133-134.

⁶⁸ Stuart-Fox, 'Southeast Asia and China: The role of History and Culture in Shaping Future Relations', p. 133.

peaceful environment in Southeast Asia is regarded as an important precondition for China's continued economic growth. ASEAN states have enjoyed strong economic growth and it is believed this will bind the area more closely to the Asia-Pacific through ASEAN-led institutions.⁶⁹ Furthermore, China derives economic benefits from cooperation with Southeast Asia at a multilateral level in order to check the interests of its competitors, particularly the US. Khoo et al. argue that the planned establishment of the China-ASEAN Free Trade Area in 2010 was seen as a tool for China to enhance its power over the region and reduce the influence of China's competitors such as Japan, Taiwan and the US. The ASEAN+3 forum (ASEAN, China, Japan and South Korea) attempted to strengthen China-ASEAN relations by excluding the US. In this sense, China's active participation in multilateral mechanisms such as the Treaty of Amity and Cooperation with ASEAN in 2003, the EAS, and the China-ASEAN Free Trade Area from part of China's intentional grand strategy. This tactic is carried out on the basis of "non-threatening trade-focused" approach using "formal and informal mechanisms of interdependence as a de facto strategy to restrain the US."⁷⁰

Additionally, China's main economic engagement with Southeast Asia is related to the ethnic Chinese living in the region. According to Vaughn and Morrison, there are about 30 to 40 million ethnic Chinese residing in Southeast Asia. Most of them are descendants of migrants from the southern Chinese provinces of Guangdong and Fujian. Among Southeast Asian states, Indonesia has the largest Chinese ethnic community with eight million people (3.2% of the total population). Chinese ancestry and the Chinese Lunar New Year were officially recognized in Indonesia in 2003. There are also significant ethnic Chinese populations in other Southeast Asian states – two million in Singapore (about 80% of its population); five million in Malaysia (28% of population); five million in Thailand (10% of population) and two million in Myanmar (3.5% of population).⁷¹ The majority of the

⁶⁹ Bolt, P.J., 'Contemporary Sino-Southeast Asia Relations', *China: An International Journal*, 9(2), 2011, pp. 276-295 at pp. 277-278.

⁷⁰ Vaughn, B. & Morrison, W.M., 'China-Southeast Asia Relations: Trends, Issues and Implications for the United States', CRS Report for Congress, Congressional Research Service, The Library of Congress, 2006, CRS-3.

⁷¹ Vaughn and Morrison, 'China-Southeast Asia Relations: Trends, Issues and Implications for the United States', CRS 6-7.

Chinese community in these Southeast Asian states have played an important role in China's economic interests in the region due to their huge contribution to the regional economy.

From a bilateral viewpoint, China has maintained its economic interests in Southeast Asia through amicable relations with individual states. This is because Southeast Asia, through ASEAN-10, is a diversified group in its relations with China. Three nations of ASEAN-10 that enjoy a higher per capita GDP than China are Singapore, Malaysia and Thailand. Two countries in this group, Indonesia and the Philippines, have a lower per capita GDP than China, but have enjoyed strong growth in domestic industrial and modern service sectors in the past four decades. China has helped Indonesia to build bridges and roads in Surabaya, East Java and in some islands. In the coming years, China is expected to assist Indonesia build a bridge to connect Java and Sumatra. Indonesia also has cooperated with China in military technology in order to reduce its dependence on the US and other Western countries.⁷² Vietnam, Laos and Cambodia have made impressive efforts in GDP growth, and Vietnam has achieved faster economic growth than any other economy in the region.⁷³ China aims to gain a bigger share over Cambodia's natural resources. In exchange for enhancing bilateral relations with Cambodia and boosting the Cambodian economy, China can achieve favourable leverage in its mediation of regional conflicts.⁷⁴ China has built the closest bilateral relationship with Myanmar.⁷⁵ Its economic interests in Myanmar can serve its purpose of economic and military expansion. These policies are likely to help China secure a stronger access to the Andaman Sea and the Indian Ocean.⁷⁶

⁷² Interview Prof. Ikrar Nusa Bhakti, Research Center for Political Studies, Indonesian Institute of Science in Jakarta, Indonesia on 27 November 2012.

⁷³ Booth, A., 'China and Southeast Asia: Political and Economic Interactions', *Journal of Current Southeast Asian Affairs*, 30(2), 2011, p. 3.

⁷⁴ Burgos, S. and Ear, S., 'China's Strategic Interests in Cambodia: Influence and Resources', *Asian Survey*, 50(3), 2010, pp. 615-639 at pp.617-620.

⁷⁵ China has closest bilateral relationship with Myanmar (1991-2011). But Myanmar's reform program and problems with Chinese investment in subsequent years has led to an opening with the United States.

⁷⁶ Bert, W., 'Burma, China and the U.S.A', *Pacific Affairs*, 77(2), 2004, p. 264.

Bert concluded that China's interests in the expansion of roads, railways and other transportation infrastructure is focused not only in Myanmar, but also on parts of its general strategy to improve access to and from Southeast Asia, including Vietnam, Laos and Thailand. A large land zone in the south of Yunnan province called the Golden Peninsula has three routes through Vietnam, Laos and Myanmar. It is expected to create favourable conditions for Chinese commercial penetration into Southeast Asia. Chinese investment in infrastructure in the region comes from not only its intentional strategy, but also from the objective requirement of Chinese economic expansion due to Yunnan province's limited connection with China's coast and the outside world.⁷⁷

Tran argues that China's economic interests in the South China Sea are of vital importance. Several East Asian nations such as Japan, South Korea, Taiwan, Singapore and China have national economies heavily dependent on the maritime route through the South China Sea. The Sea Lanes of Communications (SLOCs) are the lifelines of navigation for the transfer of oil and other natural resources between the Middle East and Southeast Asia. More than 90% of global commercial transportation is carried out through navigation, of which 45% is done through the South China Sea. Furthermore, the volume of oil and gas transferred through this area is 15 times larger than that transferred through the Panama Canal.⁷⁸ Do claims that China controls 29 out of 39 maritime routes, and that 60% of its imports and exports, and 70% of its oil, are transported through the South China Sea annually. The sea routes in this region play a crucial role for China's exportation of its own products, worth US\$31 billion in 2012.⁷⁹

Given its recent assertiveness in the territorial disputes with Southeast Asian neighbours, little further evidence is required to gauge China's interest in the South China Sea. Zhao clarified that Chinese assertiveness is the result of a Chinese energy

⁷⁷ Bert, 'Burma, China and the U.S.A', pp. 266-267.

⁷⁸ Tran Bong, 'Biển Đông: Địa Chiến lược và Tiềm năng kinh tế [Trans: The South China Sea: Geo-Strategic Location and Economic Potential], 29 December 2009, <http://nghiencuubiendong.vn/tong-quan-ve-bien-dong/504-bien-dong-dia-chien-luoc-va-tiem-nang> (Date of visit 6 January 2015).

⁷⁹ Do Minh Cao, 'Ý nghĩa Địa Chiến lược của Biển Đông trong những năm thập niên thứ Hai Thế kỷ XXI' Trans: The geo-strategic value of the South China Sea at the second decades of the 21st Century], *Nghiên cứu Trung Quốc The Chinese Studies Review*, 11(135), 2012, pp.58-60]

security “emergency,” when the Arab Spring in North Africa and the Middle East placed China and its energy strategy at risk of probable constraint and cost increases. As a result, China had to implement new energy diversification tactics, shifting oil and gas development to the ocean, especially to the South China Sea.⁸⁰ China is now an energy superpower gobbling up coal, electricity, oil and other raw materials. In 2003, China consumed more than 40% of the world’s cement output, and was responsible for one-third of the world’s growth in oil consumption and 90% in steel demand.⁸¹ China’s oil importation is set to increase from 6.2 million barrels per day (bpd) in 2004 to 12.7 million bpd in 2020. China’s current domestic problems of pollution caused by coal burning are also adding urgent pressure to explore new alternative energy resources to replace traditional sources.⁸² Therefore, partly because of its future energy needs, China has become the major player in Southeast Asia, especially in the South China Sea.

2.2.3 *Security Interests*

China aims to increase its influence in Southeast Asia through maritime expansion and counter the presence of the US in the region. The Malacca, Sunda, Lombok, Makassar and Ombai-Wetar Straits have turned out to be important for China in its security strategy. Lee⁸³ has argued that these straits were not only significant in terms of economic values but also crucial with regards to security perspectives. The Straits of Malacca is about 500 nautical miles long, 200 miles wide to the north and about 11 miles across at its narrowest point. It provides the shortest passage between the Indian Ocean and the South China Sea. Due to its location, the Straits of Malacca is often viewed as China’s most important waterway to expand Chinese naval power into the Indian Ocean and beyond. People’s Liberation Army

⁸⁰ Zhao, H., ‘The South China Sea Disputes and China-ASEAN Relations’, *Asian Affairs*, 44(1), 2013, pp. 27-43 at 32.

⁸¹ Kim, M.J. & Jones, R.E., ‘China’s Energy Security and the Climate Change Conundrum’, *Natural Resources & Environment*, 19(3), 2005, pp. 3-8 at 3.

⁸² Vaughn, B. and Morrison, W.M., ‘China-Southeast Asia Relations: Trends, Issues and Implications for the United States’, CRS Report for Congress, Congressional Research Service, The Library of Congress, 2006, CRS 19-20.

⁸³ Lee, J.H., ‘China’s Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean’, *Contemporary Southeast Asia*, 24(3), 2002, pp. 549-568 at 560.

(PLA) strategists have a clear objective of controlling this strait so that no other power can impede its movements.⁸⁴

The Sunda Straits, between Sumatra and Java, is the major sea link from the Indian Ocean to the Java Sea, but it is less strategic than the Malacca Straits as it is shallow and incapable of taking the largest shipping. The Lombok Straits, between Bali and Lombok, is a crucial waterway for ships travelling from Malacca to the Indian Ocean. The Makassar Straits, between Kalimantan and Sulawesi, contains a large number of offshore and coastal oil fields. The Ombai Straits lies between the islands of Alor and Timor, while the Wetar Straits divides the northern coast of Timor and the southern coast of Wetar. After the Straits of Gibraltar, the US regards both the Ombai and Wetar Straits as most important for its defence policy.⁸⁵

Lanteigne argues that China's security interest in Southeast Asia, especially the Malacca Straits, is to serve the purpose of expanding the operational space for the People's Liberation Army Navy (PLAN). Although China is an emerging Asian giant, its naval forces are still underdeveloped compared to those of the other powers. Moreover, the PLAN is deficient in large-scale operations far from Chinese waters. Hence, the Chinese find it essential to shift naval capability from "green water," which covers the coastal areas, to "blue water," which allows force projection into deep ocean waters.⁸⁶

China also harbours an ambition for greater security influence in Southeast Asia. The region plays a vital role for China's stability and development due to traditional security concerns and reform-era economic concerns. From a historical perspective, the previous collapse of Chinese dynasties has led to Chinese encirclement or an invasion from the periphery. The PRC remains committed to maintaining a good relationship with Southeast Asia with the view of creating a stable periphery and a good security environment for Chinese economic development.⁸⁷

⁸⁴ Ibid, p. 562.

⁸⁵ Lee, 'China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean', pp. 561-563.

⁸⁶ Lanteigne, M., 'China's Maritime Security and the "Malacca Dilemma"', *Asian Security*, 4(2), 2008, pp. 143-161 at 147.

⁸⁷ Glosny, M.A., 'Heading toward a win-win future? Recent development in China's policy toward Southeast Asia', *Asian Security*, 2(1), 2006, pp. 24-57 at 26.

Maintaining relations with Southeast Asia also helps China to reduce American influence in the region. De Castro advanced this argument by showing China's strategy of creating "unstable power balancing" to undermine America's well-established alliance systems and force deployment in Asia. To carry out this strategy, China introduced a "New Security Concept" (NSC) in 1998, which became a prominent theme in China-Southeast Asia relations by 2008. The NSC presents a model of diplomatic-defence relationships with countries that are neither Chinese allies nor opponents. Since then, China has consistently promoted the usage of this new concept in regional and international security forums such as the Shanghai Cooperation Organization (SCO), ARF or EAS as a push for regional community building. These initiatives are believed to help China to unbalance the influence of the US through multilateral consultation.⁸⁸ China seeks to maintain good relations with each individual Southeast Asian state over energy security.⁸⁹ It considers the South China Sea as a strategic region.⁹⁰ Lee claims that China has to make efforts to enhance its maritime capability so as to exercise greater control over the Sea by safeguarding the sea-lanes from the Middle East to Chinese ports.⁹¹

China's interest in Cambodia is a security issue, as it may need Cambodia as a strategic location to get access to the sea in a response to an escalation of the South China Sea dispute. China has invested around US\$1.2 billion for weapons and other military equipment for Myanmar, in exchange for securing a beneficial future market for its large defence industry. More importantly it will now be able to collect intelligence data on movements through the busy shipping lanes from the Indian Ocean and the Strait of Malacca.⁹²

⁸⁸ De Castro, R.C., 'Clashing American Images of an Emergent China and the 21st Century China-ASEAN Relations: 2001-2008', *International Journal of China Studies*, 2(3), 2011, pp. 601-623 at pp.605-607.

⁸⁹ See also Zhang X., 'Southeast Asia and Energy: Gateway to Stability', http://www.chinasecurity.us/index.php?option=com_content&view=article&id=179&Itemid=8, date of visit 6 April 2012.

⁹⁰ Ott, M., 'Southeast Asia Strategic Landscape', *SAIS Review of International Affairs*, 32(1), 2012, pp. 113-124 at 122.

⁹¹ Lee, 'China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean', p. 552.

⁹² Ibid, p. 554.

2.3 China's Strategies towards Southeast Asia

A historical analysis of Chinese political, economic and security strategies towards Southeast Asia can help understand changes and continuities in Chinese foreign policy. We can divide the post-Cold War era into three main periods: the “new diplomacy” period from 1991 to 2000; the “good neighbour” period from 2001 to 2008; and the current period since 2009 after Hu Jintao came to power.

2.3.1 Political Strategies

In the early 1990s, China commenced a strategy of “new diplomacy” toward its Southeast Asian neighbours. This policy emphasized international cooperation for economic growth with China as a responsible regional power. The main characteristics of the policy were the establishment of more active diplomatic relations, having frequent leadership meetings, placing greater priority on people to people exchanges with an emphasis on “peaceful development”, and on the use of soft power to achieve international goals. This more flexible Chinese diplomatic strategy aimed to assure Southeast Asia that China’s economic and political rise would benefit the region.⁹³

Since China’s new diplomacy was launched, it has carried out a successful diplomatic campaign in Southeast Asia. In August 1990 China re-established diplomatic relations with Indonesia. Two months later, Singapore extended formal diplomatic recognition to China. In 1991, China normalised diplomatic relations with Brunei and Vietnam, completing diplomatic ties with all Southeast Asian states. It opened a new era of fruitful bilateral relations with frequent high-ranking exchange visits. Between 1990 and 1992, there were 110 visits from China to ASEAN countries and 109 from ASEAN states to China. In 1993, the Malaysian Prime Minister, Mahathir Mohammed, brought an entourage of 290 political elites and entrepreneurs in “the most successful foreign visit” to China for a series of business deals worth US\$3.2 billion. The year 1993 was heralded in the Chinese media as “the year of China’s ASEAN diplomacy.”⁹⁴

⁹³ Bolt, P.J., ‘Contemporary Sino-Southeast Asia Relations’, *China: An International Journal*, 9 (2), 2011, pp. 276-295 at pp.278-279.

⁹⁴ Deng, Y., ‘Managing China’s hegemonic ascension: Engagement from Southeast Asia’, *Journal of Strategic Studies*, 21(1), 1998, pp. 21-43 at 23.

Since 1991, China can be considered the primary supporter of Southeast Asia. As part of its commitment to multilateral security cooperation, China has engaged institutionally with Southeast Asia at the regional level through the ARF and ASEAN+3. China joined ARF as an official member for the first time in July 1994 and became a full dialogue partner of ASEAN in July 1996. In December 1997, Chinese President Jiang Zemin attended the unofficial ASEAN+3 Summit in Kuala Lumpur and signed the Joint Declaration on “ASEAN-China Cooperation towards the 21st Century.” On the basis of this meeting, the ASEAN-China Summit has been held annually, creating a useful regional forum for cooperation in mutual concern matters. China also announced its “new security concept” in 1998 with a focus on multilateral security, a precondition for the Declaration on the Conduct of Parties on the South China Sea in 2002.

For long-term strategies, China has made efforts to boost its bilateral security relations with regional states, undertaking high ranking exchanges, conducting joint military exercises, and selling weapons to its neighbours. These active approaches were effective in projecting a more positive image of China to Southeast Asia.⁹⁵ From the early 1990s to the 2000s, Chinese strategy was to gradually reduce any perception of a “China Threat” among Southeast Asian countries. Chinese Vice-President Hu Jintao remarked at the opening ceremony of the Annual Conference of the Boao Forum for Asia (BFA) in 2004:

China is an Asian country. China’s development is closely related to Asia’s prosperity. Persisting in building good-neighbourly relationships and partnerships with the neighbouring countries, we pursue a policy of bringing harmony, security and prosperity to neighbours and dedicate ourselves to strengthening mutual trust and cooperation with the fellow Asian countries, easing up hot spot tensions, and striving to maintain peace and tranquillity in Asia. China’s development cannot be achieved development in isolation of Asia, and Asia’s prosperity also needs China. China will follow a peaceful development path holding the banners of peace, development and cooperation, join the other Asian countries in bringing about Asian rejuvenation, and

⁹⁵ Bolt, P.J., ‘Contemporary Sino-Southeast Asia Relations’, *China: An International Journal*, 9(2), 2011, pp. 276-295 at 280.

making greater contribution to the lofty cause of peace and development in the world”.⁹⁶

With this win-win approach, some Southeast Asian states have shown less hostility towards China. Hu also remarked at the same conference that:

It is China’s sincere wish to cultivate with the fellow Asian countries an overall and close partnership geared to Asian rejuvenation, a partnership that features equality and mutual trust politically, mutual benefit and win-win economically, exchange and emulation culturally, and dialogue and cooperation on the security front.⁹⁷

From 2001 to 2008, the Chinese “Good Neighbour Policy” aimed at “hòa thuận với láng giềng, yên ổn cho láng giềng, giàu có với láng giềng” [Trans: the policy of peace, stability and wealth with neighbours] with the view to achieve “cùng phát triển, cùng an ninh, cùng phồn vinh” [Trans: mutual development, security and wealth] thanks to “khối cộng đồng lợi ích xung quanh Trung Quốc” [Trans: the beneficial community block around China]. China, in this strategy, must promote “đoàn kết bên trong, hữu nghị bên ngoài, mưu cầu cùng thắng” [Trans: internal solidarity, external friendship for win-win relationships with neighbours].⁹⁸

According to Chen, China’s foreign policy is omni-directional; while it wants to improve relations with every country, the priority is a good neighbour strategy with surrounding countries, followed by a more active role in the international community. Chen argues that this policy had its roots from the status of China as an Asian country with limited national strength. In order to go further into the world, China needed to have close cooperation with Western nations such as the US. China’s post-Cold War foreign policies show its determination to create advantages for domestic reform and economic development.⁹⁹

Since 2001, China continued its strategies towards Southeast Asia actively and responsibly by hosting summits and proposing new multilateral mechanisms. Bilateral ties were sealed by a Joint Declaration in December 1997 of “partnership of

⁹⁶ Chinese President Hu Jintao speech, Boao 24 April 2004, <http://www.china.org.cn/english/features/93897.htm> (Date of visit 16 July 2015)

⁹⁷ Chinese President Hu Jintao speech, Boao 24 April 2004, <http://www.china.org.cn/english/features/93897.htm> (Date of visit 16 July 2015)

good neighbourliness and mutual trust towards the 21st Century,” China and ASEAN officially signed the *Joint Declaration on Strategic Partnership for Peace and Prosperity* in October 2003. Following these guidelines, China and ASEAN have since established the dialogue mechanism and multi-level agreements such as ASEAN+1 (ASEAN and China), ASEAN+3, economic and diplomatic consultations at ministerial level, political consultations at high ranking levels, and joint cooperative commissions, which aim at creating close cooperation over regional and international issues. China is the first power to appoint a Resident Ambassador to ASEAN.¹⁰⁰

After Kuala Lumpur was announced as the host of the first EAS to be held in December 2005, China expressed its desire to host the summit in 2006. China also hosted other defence meetings and made positive proposals for regional defence transparency. China arranged reciprocal high-ranking exchange visits to ASEAN countries to show Chinese willingness to invest time, effort and resources to improve bilateral relations with neighbouring countries. These active approaches towards Southeast Asia have allowed ASEAN to gain trust in China and to move from a position of suspicion to an acceptance that China is a responsible and constructive regional power.¹⁰¹

Since 2009, China has become even more influential since the financial crisis in 2008. The negative side of Chinese foreign policy after 2010 is its rising aggressiveness. This is particularly evident in Southeast Asia where some analysts have suggested that China is carving out a “sphere of influence” through a kinder, more nuanced “new” diplomatic approach. China’s stridency is clear due to its assertiveness in the South China Sea territorial disputes. It has conducted an increasing number and range of military exercises. Chinese maritime patrols in the

¹⁰⁰ Nguyen Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], Nhà Xuất bản Chính trị Quốc gia [Trans: National Political Publisher, Truth], Hanoi, 2011, p.261

¹⁰¹ Glosny, ‘Heading toward a Win-Win future? Recent Development in China’s Policy toward Southeast Asia’, p.33.

region and its enhanced military activities in the South China Sea disputes have led to a number of clashes with Filipino and Vietnamese vessels.¹⁰²

2.3.2 *Economic Strategies*

From the early post-Cold War period China has aimed to deepen its economic relations with Southeast Asia as part of China's strategy to develop dynamic economic relations with Japan, South Korea, the US and ASEAN. This has been done to ensure China's continued economic development and to provide comprehensive security. Yong Deng noted that, in the 1990s, China's trade with six Southeast Asian states (excluding Vietnam) had increased at an annual rate of over 20% from US\$6.02 billion in 1990 to US\$13 billion in 1994. It jumped to US\$18.44 billion in 1995 as ASEAN surpassed Taiwan to become China's fifth largest trading partner.¹⁰³

China focused itself on its economic relations with Southeast Asia in order to create favourable conditions for its domestic development. Renato Cruz De Castro notes Beijing's principal goals are to strive for fast economic growth, continuing economic liberation, globalization, social harmonization and political consolidation as well as a modern military capability against Taiwan with a view to enhance regional influence. It does not aim to challenge the US at the global level.¹⁰⁴ Following this strategy, China has played an important role as a driving force to boost regional economic development, an important factor in helping Southeast Asian states maintain high rates of economic development and financial stability, especially after the complications of the 1997-1998 Asian Financial Crisis.

Glosny described China's loans and aid through multilateral channels such as the International Monetary Fund as more than meeting ASEAN countries'

¹⁰² 'Chapter 1: China's Foreign Policy Aggressiveness', The China Story, Australian Centre on China in the World, <http://www.thechinastory.org/yearbooks/yearbook-2012/chapter-1-chinas-foreign-policy-aggressiveness/> (Date of visit 10 September 2014)

¹⁰³ Deng, Y., 'Managing China's hegemonic ascension: Engagement from Southeast Asia', *Journal of Strategic Studies*, 21(1), 1998, pp. 21-43 at 5.

¹⁰⁴ De Castro, R.C., 'Clashing American Images of an Emergent China and the 21st Century China-ASEAN Relations: 2001-2008', *International Journal of China Studies*, 2(3), 2011, pp. 610-623 at p.614

expectations.¹⁰⁵ Similarly, ASEAN also appreciated the Chinese refusal to devalue its currency (*renminbi*), which could have set off another round of competitive devaluations that could do more harm to ASEAN. During this time, China behaved as a “responsible and unselfish power,” and did not seek to take advantage of Southeast Asia’s economic woes. ASEAN Secretary-General Rodolfo Severino commented, “China is really emerging from this smelling good.”¹⁰⁶

In 2009 ASEAN was China’s largest trading partner with trade to the value of US\$178 billion. The China-ASEAN Free Trade Area (CAFTA), inaugurated on 1 January 2010, has now become the world’s third largest free trade area after the EU and the North American Free Trade Area (NAFTA), with the total GDP of member states equivalent to US\$6 billion. It has a total trade volume of US\$4.5 billion and a market of 1.9 billion people living in an area of 13 million square kilometres.¹⁰⁷ For the first eight months of 2010, bilateral trade increased by 47% and ASEAN exports to China increased by 54%.¹⁰⁸ Closer economic integration has clearly worked for China, and has bought it a good deal of political goodwill, although tensions remain.

2.3.3 Security Affairs

The stronger the Chinese are, the more assertive they become in developing security strategies towards Southeast Asia. Hoang Oanh notes that China has recently developed a security of “opportunity” policy to replace that of “assertiveness.” In the

¹⁰⁵ Glosny, M.A., ‘Heading toward a Win-Win future? Recent Development in China’s Policy toward Southeast Asia’, *Asian Security*, 2(1), 2006, pp. 24-57 at 28.

¹⁰⁶ Quoted in Glosny, M.A., ‘Heading toward a Win-Win future? Recent Development in China’s Policy toward Southeast Asia’, p. 28.

¹⁰⁷ Nguyen Thai Yen Huong, Quan hệ Mỹ- Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực [*Trans: The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], p.262

¹⁰⁸ Statistics from ASEAN Statistics, Table 19, at <<http://aseansec.org/stat/Table 19.pdf>> and Table 2, at <<http://aseansec.org/stat/Table 26.pdf>> ; Table 14 and Table 15, *ASEAN Community in Figures*, 2009, at <<http://aseansec.org/publications/ACIF2009.pdf>> [15 March.2011]; and “China-ASEAN Trade Leaps 47%”, *China’s Briefing*, 21 Oct. 2010, at <<http://china-briefing.com/news/2010/10/21/china%E2%80%93asean-trade-leaps-47.html>> [10 May 2011]. See also Liu Yunhua, “ASEAN and China: Managing Competition and Exploring Complementaries”, in *Southeast Asia in the Global Economy*, eds. Helen E.S. Nesadurai and J. Soedradjad Djiwandono (Singapore: S. Rajaratnam School of International Studies and Institute of Southeast Asian Studies, 2009), pp.59-86 in Paul J.Bolt, ‘Contemporary Sino-Southeast Asia Relations’, *China: An International Journal*, 9(2), 2011, p.281

past, China used to be very careful in choosing the opportunities for its security strategies to avoid the risks of facing strong external reaction from overseas.¹⁰⁹ In most of the disputes with its ASEAN neighbours, China made efforts to resolve or reduce tensions to show China's responsible behaviour. In the land disputes with Laos and Vietnam, China showed its willingness to compromise in bilateral agreements with Laos (in 1991) and Vietnam (in 1999) to delineate their common land border.¹¹⁰ In 2000, China and Vietnam agreed on the maritime boundaries and fishery cooperation in the Beibu Gulf. Five years later, China ceased its assertiveness in the South China Sea with the commitment to move towards a signing of the multilateral code of conduct. After several multilateral efforts the *Declaration on the Conduct of Parties in the South China Sea* was signed by concerned parties in November 2002 in Phnom Penh. As noted previously, China has made efforts towards greater military cooperation with Southeast Asia to reduce ASEAN's mistrust, such as military exchanges with Thailand, a close military relationship with Myanmar, and proposed joint military exercises with Vietnam and the Philippines.¹¹¹

In the past few years China has acted differently in security affairs, causing problems for political analysts. Unlike its previous cooperative manner in dealing with Southeast Asia, China since 2009 has carried out a more aggressive security policy towards the region. According to Le Thu Huong,¹¹² the state-owned China National Offshore Oil Corporation (CNOOC) has deployed the HD-981, a deep-sea oil-drilling rig, in the disputed waters south of the Paracel Islands along with another 80 vessels since 2 May 2014. Since the HD-981 was located within Vietnam's Exclusive Economic Zone (EEZ), the deployment of this oil rig led to strong anti-Chinese riots in Vietnam. A demonstration on 7 May 2014 was organised by 20 civil society groups that opposed China's invasion of Vietnamese territory and called on

¹⁰⁹ Hoang Oanh, 'Trung Quốc "Tái Hưng Hăng": Một Phân tích Dựa trên Lý thuyết Viễn Cảnh' Trans: China's Re-Assertiveness: An Analysis based on Prospect Theory', Nghiên cứu Trung Quốc, *Chinese Studies Review*, 10(134), 2012, pp.70-71

¹¹⁰ Glosny, M.A., 'Heading toward a win-win future? Recent development in China's policy toward Southeast Asia', *Asian Security*, 2(1), 2006, pp. 24-57 at pp.37-38

¹¹¹ Glosny, M.A., 'Heading toward a win-win future? Recent development in China's policy toward Southeast Asia', pp.37-38.

¹¹² Le Thu Huong, 'The Anti-Chinese Riots in Vietnam: Responses from the Ground', ISEAS Perspective, Singapore 27 May 2014, pp. 1-8 at 4

measures from the Vietnamese government to deal with the crisis appropriately. More peaceful demonstrations occurred from 11 May to oppose China's presence in the Vietnamese EEZ. The demonstrations were followed by violence in Binh Duong, Dong Nai and Ha Tinh provinces on 13 May 2014.¹¹³ China's assertiveness in the South China Sea territorial disputes has led to rising tension and a revival of old suspicions in Southeast Asia of China's potential threat to the region. Southeast Asian states such as Vietnam and Indonesia remain wary of China's position as an emerging regional power and believe that one day it will impose its dominance on the region.¹¹⁴

2.4 Implications for Southeast Asia in general and Vietnam in particular

2.4.1 Implications for Southeast Asia

Trade between China and ASEAN is now greater than ASEAN trade with the EU or the US.¹¹⁵ Thus, from the perspective of the business sector, China's spectacular economic development can be a leading engine for ASEAN's economic expansion. China's tariff-free market is a huge benefit for ASEAN exporters. Some analysts have even argued that China's increasing economic power can help Southeast Asia to reduce western influence.¹¹⁶ More advantageously, Southeast Asian is beneficial from China's efforts to have win-win cooperation with Southeast Asian nations as Chinese President Xi Jinping stated:

China cannot achieve development in isolation from the world, and the world also needs China for development. China is fully committed to the path of peaceful development, the independent foreign policy of peace and the opening-up strategy for win-win results. A stronger China will add to the force for world peace and the positive energy for friendship, and will present development opportunities to Asia and the

¹¹³ Ibid

¹¹⁴ Interview Rizal Sukma, 12 June 2012.

¹¹⁵ The ten ASEAN countries enjoyed a trade volume of US\$41.6 billion with China in 2011, a 53 percent increase from US\$27.2 billion in 1999 in Vatikiotis, Michael R J, 'Catching the dragon's tail: China and Southeast Asia in the 21st Century', *Contemporary Southeast Asia*, 25(1), 2003, p.66.

¹¹⁶ Bolt, P.J., 'Contemporary Sino-Southeast Asia Relations', *China: An International Journal*, 9(2), 2011, pp. 276-295 at pp.277-282.

world, rather than posing a threat. China will continue to share opportunities for economic and social development with ASEAN, Asia and the world.¹¹⁷

Consequently, Southeast Asia through ASEAN can gain great benefits from the four-point program developed by Chinese President Xi Jinping. This is a favourable condition for the region to boost its economic development and bilateral relations with its giant neighbour. Xi's plan is to increase bilateral trade from US\$326 billion in 2011 to US\$500 billion in 2015, encourage Chinese companies to step up investment in ASEAN, promote transportation on land and sea between China and ASEAN as well as enhancing people to people two-way exchange of 100,000 youth and students over a ten-year period.¹¹⁸

Southeast Asia can also gain great benefits from bilateral relations with China to attract Chinese tourists to the region, the number of which increased sharply to 4.5 million in the year 2008. Even after the Global Financial Crisis led to a regional financial crisis in Southeast Asia, in 2010 Thailand reportedly received 45% more Chinese tourists than in 2009.¹¹⁹

In general, Southeast Asia through ASEAN can seek advantageous benefits from China's interests in the region. However, China's rise is likely to bring about a variety of risks for Southeast Asia. Chinese military modernization and aggressiveness over the territorial disputes in the South China Sea may be seen as threats for the ASEAN region.

China's expanding budget for naval modernization has created concerns for regional stability. Chinese defence transformation can be seen as part of the normal

¹¹⁷ Xi Jinping, Speech by Chinese President Xi Jinping to Indonesian Parliament, Jakarta, Indonesia, 2 October 2013, http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm (Date of visit 24 August 2015)

¹¹⁸ Under this proposal 10,000 Chinese will go to Southeast Asia each year and 10,000 Southeast Asian (normally 1,000 from each of the ten ASEAN countries) would go to China each year in Carlyle A. Thayer, 'Can the Center Hold? ASEAN in the midst of China-United States Strategic Rivalry', Presentation to China in Transition, The Asan China Forum 2012, The Westin Chosun Hotel, Seoul, South Korea, December 11-12, 2012

¹¹⁹ ASEAN tourist statistics are at <<http://www.aseansec.org/Stat/Table29.pdf>> [12 May 2011]. See also "Thailand Eyes Its Share of Chinese Tourists", *Bangkok Post*, 24 Jan. 2011, at <http://www.bangkokpost.com/travel/news/217812/thailand-eyes-its-share-of-evergrowing-number-of-chinese-tourists> [12 May 2011] in Bolt, P.J., 'Contemporary Sino-Southeast Asia Relations', *China: An International Journal*, 9(2), 2011, p.282

process of military modernization, and quite reasonable given Chinese economic expansion. However, the United States, Japan and Australia as well as other regional states have raised concerns that China's military build-up is more than defensive. To some extent, China's development of blue water navy may be viewed as an effort to ensure the security of SLOCs and to protect China's growing global interests.¹²⁰

Most notably, China's growing assertiveness of sovereignty over the South China Sea has become the biggest threat for Southeast Asia in the context of bilateral relations. The territorial disputes in the South China Sea represent the greatest challenge to ASEAN unity and cohesion in its road map towards an ASEAN Community in the year 2015. This unresolved matter not only pits Southeast Asian claimant states against China, but also pits ASEAN as a collective against China.¹²¹ The disputes have divided Southeast Asian states into mainland (Myanmar, Thailand, Laos and Cambodia), littoral (Vietnam, the Philippines, Malaysian and Brunei) and maritime (Singapore, Indonesia and Malaysia) camps on the South China Sea issue. This "security complex" of individual attitudes towards the problem exists while the mainland states have adopted a position of greatest deference towards China, at the same time as the littoral countries carried out a policy of both deference and defiance with a noticeable military component, and the maritime neighbours supported the approaches of deference as well as defiance with a notable focus on diplomatic efforts.¹²²

Historical lessons demonstrate that all superpowers are potential threats to stability because superpowers aim to use power to achieve strategic ends. China is an emerging superpower, so it is reasonable to test whether China will be a threat to

¹²⁰ Thayer, C.A., 'China's Naval Modernization and U.S. Rebalancing: Implications for Stability in the South China Sea', Paper to Panel on Militarization and Its Implications, 4th International Workshop on the South China Sea co-sponsored by the Diplomatic Academy of Vietnam and the Vietnam Lawyer's Association, Ho Chi Minh City, November 18-21, 2012.

¹²¹ Thayer, C.A., 'Deference/Defiance: Southeast Asia, China and the South China Sea', Paper to the workshop, The Deer and The Dragon: Southeast Asia and China in the 21st century, co-sponsored by Southeast Asia Forum, Shorenstein Asia-Pacific Research Center, Stanford University and the China Programme, Institute of Defence and Security Studies, S.Rajaratnam School of International Studies, Nanyang Technological University, Singapore, November 15-16, 2012, p. 35

¹²² Thayer, 'Deference/Defiance: Southeast Asia, China and the South China Sea', p. 36

regional security and stability.¹²³ In the realist's view, China poses a clear and obvious threat to US power and to the region as it aims to expand its influence in the world. The question is, how exactly should ASEAN react or respond to the situation of living next door to an emerging regional power?

In the past, Southeast Asia has traditionally views its northern neighbour at a threat. China's great size and proximity, the longevity of Chinese civilization, the traditional tributary relations with Southeast Asian kingdoms and the presence of wealthy Chinese ethnic communities in Southeast Asia have all contributed to fuel anxieties about the "China Threat." China's recent economic and military development has raised the spectre that China will soon attempt to impose its agenda on the region, and will try to dominate Southeast Asia.¹²⁴ However, in spite of all these potential challenges, China appears to have recently persuaded most of its Southeast Asian neighbours that China does not pose an immediate security threat to the region.¹²⁵ Beijing has dispelled most of the suspicions that the PRC will in the future act as a great superpower and try to dominate the region. ASEAN should however be well-prepared for the possibility that a powerful China may request special privileges that could threaten the autonomy and independence of smaller states.

In the long term, hedging or balancing in harmonization is the most practical strategy for Southeast Asia to deal with Chinese possible domination. This hedging approach aims to establish relations with other large outside powers to counter-balance the Chinese influence. For example, Southeast Asia through ASEAN has built up close linkage with not only the US, but also with Japan, Russia and India, while the Five Power Defence Arrangements (FPDA), which is an agreement covering Malaysia and Singapore, connects the region with the United Kingdom, Australia and New Zealand (through Malaysia and Singapore). This is an appropriate way for Malaysia and Singapore to invite multiple powers, both "great" and

¹²³ Vatikiotis, M.R.J., 'Catching the Dragon's Tail: China and Southeast Asia in the 21st Century', *Contemporary Southeast Asia*, 25(1), 2003, pp. 65-78 at 74.

¹²⁴ Roy, D., 'Southeast Asia and China: Balancing of Bandwagoning?', *Contemporary Southeast Asia*, 27(2), 2005, pp. 305-322 at 308.

¹²⁵ Roy, 'Southeast Asia and China: Balancing of Bandwagoning?', p. 310.

“middle”, to check each other while continuing to play an important role in the region.¹²⁶

Additionally, the policy of engagement should also be used as another effective tool for Southeast Asia to avoid Chinese domination. This strategy involves encouraging China to participate in multilateral organizations, dialogues/forums and agreements to exercise its responsibility as regional power. Consequently, engagement can help to reduce tensions and bring about political convergence in terms of a favourable position towards a China that is connected to the region in partnership relations and which will act in a cooperative “ASEAN way”.¹²⁷ As a result, the most effective response can be to create a win-win solution, not a zero-sum game for ASEAN’s partners in the region, including China, as engagement also appears to be its policy for reducing tensions and building confidence. ASEAN’s policy of engaging all players can help development of the region through having outside powers complement and not compete with each other. This policy is analysed by Evelyn Goh in the concept of “omni-enmeshment”.¹²⁸

Accordingly, Southeast Asian nations find themselves in a disadvantageous situation if they face an unstable multi-polar regional system with major powers competing against each other. In order to hedge against that possibility, ASEAN chooses to neither pick sides nor to exclude any major powers, but to make efforts to include all different powers in the regional affairs. Indeed, according to a seasoned ASEAN political official, it is not ASEAN’s desire to see outside powers compete, as this would be unlikely to produce a general benefit: rather, it is ASEAN’s duty to make efforts to have all powers engaged in Southeast Asia to cooperate with each other to bring benefits to the region.¹²⁹

¹²⁶ Roy, D., ‘Southeast Asia and China: Balancing of Bandwagoning?’, *Contemporary Southeast Asia*, 27(2), 2005, pp. 305-322 at 310.

¹²⁷ Roy, ‘Southeast Asia and China: Balancing of Bandwagoning?’, p. 310.

¹²⁸ The following discussion is drawn from Goh, E., ‘Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies’, *International Security*, 32(3), 2007/08, pp. 113-157 at 121.

¹²⁹ Interview Pitono Purnomo, June 2012.

2.4.2 Implications for Vietnam

Vietnam has a unique position in Chinese foreign policy. In the mindset of the Chinese ruling class, Vietnam used to be considered as the “shield” to protect the Chinese southern border region against foreign invaders that China wanted to subdue. After more than 1,000 years of Chinese rule, Vietnam gained its independence from China in AD 939. During the Ming dynasty, Vietnam was dominated by China again, though briefly, from 1407 to 1428.¹³⁰ According to Thayer, ideology could sometimes bring Vietnamese and Chinese bilateral relations to be as “close as lips and teeth.” The relationship was once praised by Ho Chi Minh as “comrade plus brother,” but on other occasions China considered Vietnam a “little hegemonist” and the “Cuba of the East.”¹³¹

In the author’s interview with a Vietnamese official, he considers Vietnam a unique country in the region, having experienced both positive and negative historical relations with China. After it joined ASEAN in 1995, its role is improving positively. Vietnam has the third largest population in Southeast Asia after Indonesia and the Philippines. Vietnam is taking part in regional matters actively, contributing to ASEAN and in the Asia-Pacific. Thus, if China wants to have good relations with an ASEAN state, it should build up a good relationship with Vietnam. As a result, Vietnam plays an important role in China’s foreign policy.¹³² Its long sea border of 3,444 km has also given Vietnam a strong connection to maritime Southeast Asia.¹³³

Furthermore, Vietnam plays the role of “a buffer zone” in China’s foreign policy. Major powers often feel more secure with neighboring regions as buffers against rival powers. The buffer state’s position is important as it can help one power, encircle or wedge into the territory of another power. Trying to manage neighboring states by cooperating, forcing into obedience or preventing outside

¹³⁰ Vaughn, B. and Morrison, W.M., *China-Southeast Asia Relations: Trends, Issues and Implications for the United States*, CRS Report for Congress, Congressional Research Service, The Library of Congress, 2006, pp. 1-37 at 27

¹³¹ Thayer, C.A., ‘Sino-Vietnamese Relations: The Interplay of Ideology and National Interest’, *Asian Survey*, 34 (6), 1994, pp. 513-528 at 513

¹³² Interview Hoang Anh Tuan, 13 February 2012.

¹³³ Le Thu Huong, *Vietnam: Straddling Southeast Asian’s Divide*, Trends in Southeast Asia, Institute of Southeast Asian Studies, Singapore, 2014, pp. 1-50 at 32.

powers from interfering into regional affairs are options for the regional power.¹³⁴ With its S-line geographical location, Vietnam situates as a bridge for China to go further into Southeast Asia. According to Le, China always considers Vietnam as the gateway to Southeast Asia. Thus, maintaining a good relationship with Vietnam is an assurance of the “good neighborhood” policy that China aims to show its regional partners, and the world, about China’s peaceful rise. Womack described the meaning of Vietnam in China’s foreign policy:

For China, Vietnam has been the southern boundary stone of its grand notions of itself. Vietnam viewed China as the inscrutable northern giant. Even at peace the giant is feared because the fateful decision of war or peace is largely in the giant’s hand.¹³⁵

Among Southeast Asian nations, Vietnam is the one that understands most about Chinese strategic thinking and interests in the region. Vietnam is also the unique country that had wars with the two great powers - China and the US - and the only one that defeated both of them.¹³⁶ Thus, Vietnam in the strategic calculation of both China and the US can be used as the buffer zone to manage the other power. As a close neighbour, Vietnam is affected by the rise of China and its strategic interests in Southeast Asia. Examining the growth of China stems from a pragmatic need to understand this Asian giant, and by doing so to recommend appropriate policy strategies for Vietnam.

If China refrains from the more expansionist aspect of the Đại Hán (Great China) ideology, bilateral relations between Vietnam and China can be positive, as in the motto of “friendly neighbours, both comrades and brothers.” Vietnam can gain positive political and economic benefits from a benign regional power. Vietnam could speak publicly of both countries as “mountains to mountains, rivers to rivers” that share a number of identical features in history and culture, with a long tradition of bilateral relations. Sino-Vietnamese relations should be strengthened under the guideline of sixteen (Vietnamese) “golden words”: “Láng giềng thân thiện, Hợp tác

¹³⁴ Lin, K.D., ‘Good Neighbor or Bad Neighbor? Explaining China’s Neighborhood Policies’, prepared for the 16th Annual North American Taiwan Studies Conference, 2010, pp. 1-20 at 2.

¹³⁵ Le Thu Huong, *Vietnam: Straddling Southeast Asian’s Divide*, Trends in Southeast Asia, p. 12.

¹³⁶ Le Thu Huong, *Vietnam: Straddling Southeast Asian’s Divide*, Trends in Southeast Asia, Institute of Southeast Asian Studies, Singapore, 2014, pp. 1-50 at 33

toàn diện, Ổn định lâu dài, Hướng tới tương lai [Trans: Friendly Neighbourhood, Comprehensive Cooperation, Long-term Stability, Future Orientations]. This relationship can take place within four “goods”: good neighbours, good friends, good comrades and good partners.¹³⁷ The bilateral relations and a comprehensive strategic partnership could also be deepened further on the basis of the two states operating under similar Marxist ideological and economic principles.¹³⁸

China’s peaceful rise could bring about a more influential stance for Vietnam as its closest neighbour because of Vietnam’s geographical location and strategic importance in Southeast Asia and the South China Sea. With its long coastline and a shared mainland frontier with China, Laos and Cambodia, Vietnam could gain from the active involvement of major powers in the region, as well as by playing the role of a connecting bridge between Northeast and Southeast Asia. In addition to its stability and attractive investment environment, the dynamic economic development of Vietnam has created a favourable impression of Vietnam in the calculation of major powers.¹³⁹ Consequently, in the fluid and dynamic developing Southeast Asian region, Vietnam has become a factor to be noted in how any shift in power will affect the region and the interests of all states within it.

China’s spectacular economic rise has created export opportunities for Vietnam. China and Vietnam were initially strategic partners, but this was later upgraded to a comprehensive strategic cooperative partnership in 2008. Both nations have some remarkable achievements in economic cooperation. According to Vietnam’s General Department of Customs, China is still Vietnam’s largest trading partner in 2013, with a total import and export value of US\$50.21 billion, up 22% from the previous year.¹⁴⁰ Vietnam imports machinery, refined oil and steel from China while exporting to China unrefined oil, coal and rubber. Statistics show that

¹³⁷ Do Tien Sam, Báo cáo tổng hợp Đề tài Sự phát triển Chính trị bảo đảm sự trỗi dậy của Trung Quốc giai đoạn 2011-2020 và những vấn đề đặt ra cho Việt Nam [Trans: *General Report of the Project on Political Development of the rise of China period 2011-2020 and implications for Vietnam*], Vietnam Institute of Chinese Studies, Vietnam Academy of Social Science, p. 104

¹³⁸ Ibid, pp. 104-106.

¹³⁹ Ibid, pp. 168-169.

¹⁴⁰ ‘China Top List of Vietnam Trade Partners’, 24 February 2014, <http://vietnamnews.vn/economy/251510/china-tops-list-of-viet-nam-trade-partners.html> (Date of visit 6 October 2014)

the most crucial problem in the bilateral trade relationship is the imbalance in China's favour. Vietnam has a trade deficit with China. From US\$9.1 billion in 2007, it increased to US\$12.6 billion in 2010.¹⁴¹

China's expansion gives Vietnam the opportunity to bring its bilateral trade with China to a more balanced level. Vietnam should take advantage of this. China has now become the world's largest importing market. While a lot of developed economies are still suffering from the global financial crisis, China continues to import goods. The value of China's imports is 10% of the global GDP, a figure equivalent to that of the entire EU. Moreover, the speed of China's economic development over the past three decades has created a growing middle class, which stimulated higher demand. Vietnam is likely to increase its exports to China due to its geographic proximity.¹⁴²

Furthermore, Vietnam can attract substantial FDI from China's interests in the region due to its central position in Southeast Asia. The FDI from China to Vietnam in the first decade of the 21st century increased markedly following the normalisation of diplomatic relations in 1991. There were sharp increases in projects numbers, investment volume and capital registered. By April 2011, there were a total of 790 projects, with investment capital totalling US\$3.7 billion, placing China 14th out of the 92 countries and states that invest in Vietnam.¹⁴³

Nguyen Dinh Liem¹⁴⁴ predicted that in the coming years, Vietnam could enjoy favourable investments from China because of the Chinese government's development strategy towards exports. More investment from China is a reasonable

¹⁴¹ Thayer, C.A., 'Vietnam on the road to Global Integration: Forging Strategic Partnerships Through International Security Cooperation', Presentation to the Opening Plenary Session, Fourth International Vietnam Studies Conference, Vietnam Academy of Social Science and Vietnam National University, Hanoi, November 26-30, 2012

¹⁴² World Bank.2011. East Asia and Pacific Economic Update: Navigating Turbulence Sustaining Growth, 2, 2011, p.10 in "Hop tac Phat trien "Hai hanh lang Mot Vang dai Kinh te": Vietnam-Trung Quoc trong boi canh moi" [Trans: *Cooperative Development "Two Corridors, One economic zone: Vietnam-China in the new situation"*], Do Tien Sam-Prof. Kurihara Hirohide, The Social Science Publisher, Hanoi, 2012

¹⁴³ Nguyen Dinh Liem, Một số vấn đề về Quan hệ Trung-Việt 10 năm đầu Thế kỷ XXI [Trans: Some characteristics in the Relations of Vietnam and China in the beginning ten years of the 21st Century, *Nghien cuu Trung Quoc Chinese Review*], 4 (116), 2011, p. 49

¹⁴⁴ Ibid, pp.50-51.

proposition, as Vietnam has benefits over other markets in the region. According to the World Investment Prospects Survey (WIPs) from 2009 to 2011 conducted by the United Nations Conference on Trade and Development (UNCTAD), Vietnam was assessed to be one of fifteen most attractive economic markets for investment because of its stable political system, good economic growth and rising international stance. Vietnam will figure in the thinking of Chinese investors in Southeast Asia.

On the less positive side, if China develops in the direction of *Đại Hán*, and if it adopts an expansionist ideology in the territorial sense as a major power, then the scenario can be risky, creating many challenges for Vietnam. The negative impacts will worsen the traditional friendship and cooperation between the two communist parties. Domestically, China can cause difficulties for Vietnam by disrupting national unity, dividing the Vietnamese leaders and people. Internationally, China can isolate Vietnam in the regional and international arena. In the past, China has shown that it could do this, especially when Vietnam deployed troops into Cambodia in late December 1978 to remove the Pol Pot regime.¹⁴⁵

According to Do Tien Sam, the rapid rise of China's economy has created more favourable conditions for the "Great China" ideology to exist and develop. While shaping a new order in Southeast Asia, China will point to its economic expansion and military enhancement as proof of its leadership credentials. China is actively expanding into the surrounding region, aiming to use the whole of Southeast Asia, especially countries in the sub-Mekong delta, as the springboard to achieve global influence. Nguyen Manh Hung claimed that the Chinese strategy to increase exploitation of resources could negatively affect the environment of Southeast Asian nations including Vietnam. To carry out this policy, China is likely to move energy-intensive industries that use raw materials, low skilled manual labour and environmental pollution to neighbouring countries in ASEAN and sub-Mekong Delta region.¹⁴⁶

¹⁴⁵ Do Tien Sam, Báo cáo tổng hợp Đề tài Sự phát triển Chính trị bảo đảm sự trỗi dậy của Trung Quốc giai đoạn 2011-2020 và những vấn đề đặt ra cho Việt Nam [*Trans: General Report of the Project on Political Development of the rise of China period 2011-2020 and implications for Vietnam*], Vietnam Institute of Chinese Studies, Vietnam Academy of Social Science, pp. 104-106

¹⁴⁶ Nguyen Manh Hung, 'Một số đặc điểm mới của bối cảnh quốc tế và hàm ý đối với Việt Nam và Quan hệ Việt Nam-Trung Quốc' [*Trans: Some Characteristics of the International Situation and Its Implications for Vietnam and the Vietnam-China Relationship*] in Do Tien Sam and Kurihara

China's aggressive manner against Vietnam in the South China Sea can be seen clearly through evidence found in several incidents caused by Chinese fishing boats in 2011 (Bình Minh 02 cable cutting incident on 26 May and Viking 02 cable damaging incident on 9 June) and the HD 981 affair which lasted from 2 May, when China placed an oil rig in an area claimed by Vietnam, to 16 July 2014, when China withdrew it. These activities are explained as accidents from the Chinese but then again, most of the vessels are well equipped with modern technology designed to exercise sea control. The Chinese explanation of accidents is no longer persuasive. These incidents show that China's assertive attitude in the South China Sea is demonstrated through Chinese vessels disregarding the claims to sovereignty of Vietnam and the Philippines.¹⁴⁷

The bilateral relationship between Vietnam and China is a strategic partnership, steeped in history, and the Vietnamese have always respected the traditional solidarity with the Chinese Communist Party, the state and the people of the PRC. Through historical experience, Vietnam has suffered from seventeen wars in total, fourteen of which were with the giant northern neighbour China.¹⁴⁸ Of these fourteen wars, thirteen wars happened in the feudal period and only one occurred in modern times. The Vietnamese people have not forgotten the great assistance of the Chinese people in the cause of building and defending the nation during wars against the French and the Americans. Similarly, the Vietnamese have not forgotten that they conquered the powerful army from the north after more than one thousand years under Chinese feudal dynasties. The South China Sea territorial dispute is intricate and complicated, and Vietnam considers this a matter that requires patience, calmness, sober judgements and avoidance of hasty decisions. Vietnamese policy in the South China Sea disputes is to refrain from conflict, build trust and cooperation

Hirohide (eds), *Hợp tác Phát triển: "Hai Hành Lang, Một vành đai Kinh tế" Việt Nam – Trung Quốc trong bối cảnh mới* [Trans: Cooperation Development: Two Corridors, One Economic Belt: Vietnam and China in the New Situation], The Social Science Publisher, Hanoi, 2012, pp. 178-189 at pp. 187-188.

¹⁴⁷ Thayer, C.A., "South China Sea: China's Trifecta", *Thayer Consultancy Background Brief*, December 5, 2012 (Available at <https://www.scribd.com/doc/117177361/Thayer-South-China-Sea-China-s-Trifecta> Date of visit 6 October 2014)

¹⁴⁸ Ha Van Ngoan, Deputy Director General of the Central Propaganda Committee, VCP, "The Thematic Report on the South China Sea: Bilateral Relations between Vietnam and China and Maritime Security", Ho Chi Minh City, 25 June 2012, Slide 183

in less sensitive areas, and to establish communication channels, conduct joint military activities and increase the influence of, and adherence to, maritime law. Although Vietnam wishes to be friend to all neighbouring countries, this should not come at the expense of its national interests.¹⁴⁹

Vietnam strongly condemns all acts of aggression, especially the armed solution to resolve tensions in the South China Sea.¹⁵⁰ It is reasonable for Vietnam to defend its claims to sovereignty, and not allow any force for any reason to enter the sea and air space of Vietnam. There are historical grounds to assert Vietnam's claims over disputed islands and Vietnam should maintain its attempts to settle the disputes peacefully in the spirit of the United Nations Convention on the Law of the Sea (UNCLOS) and the basic principles of the United Nations chapters. Arguably, the Vietnamese understand the cost of a war better than its Southeast Asian neighbours, so Vietnam should be patient and firm in its diplomatic initiatives and in the legal attempt to resolve disputes through peaceful negotiation and not resort to war. Vietnam has expressed its willingness to settle the problem calmly and according to the Declaration on the Conduct of Parties in the South China Sea (DOC), and in moving forward to the Code of Conduct in the South China Sea (COC), proposed by ASEAN countries.¹⁵¹

The next chapter will explore the position of Vietnam in US foreign policy. It will examine the basis of American interests and strategies towards Southeast Asia, and the geopolitical importance of Vietnam for the US.

¹⁴⁹ Ha Van Ngoan, Deputy Director General of the Central Propaganda Committee, VCP, "The Thematic Report on the South China Sea: Bilateral Relations between Vietnam and China and Maritime Security", Ho Chi Minh City, 25 June 2012, Slide 182-184

¹⁵⁰ Interview Hon. A/Prof. Dr Le Minh Thong, Vice Chairman of the Law Committee, the National Assembly of the S.R Vietnam in Hanoi, Vietnam, 25 September 2012.

¹⁵¹ Ibid.

CHAPTER 3. US STRATEGY TOWARDS SOUTHEAST ASIA

This chapter will assess the role of the US in international relations. The dominance of the US is declining, as it cannot impose its influence on every part of the globe. With a trend towards cooperation and competition among great powers, the US has had to adjust its security and foreign policy in order to protect its national interests. The Obama Administration announced a strategy of a “pivot” to Asia and stronger re-engagement with Southeast Asia through military co-operation. The main argument of this chapter is that US interests and foreign policy towards Southeast Asia are to engage the rise of China. This will have significant implications for Southeast Asia and especially Vietnam.

3.1 Transformation of the New World Order

3.1.1 Overview of US Hegemony after the Cold War

In the immediate post-Cold War era, the US was the world’s sole superpower. Today, while China has grown in importance, the value of the US economy is still more than double the Chinese economy. The US economy grew by 27% between 1990 and 1998, which was almost double the growth rate in the European Union and three times that of Japan.¹ According to the *Sydney Morning Herald* in January 2000, seven of the world’s top 20 companies are American. On the basis of its economic power, the US continues to dominate the globe’s most influential institutions, including the United Nations (UN), International Monetary Fund (IMF), World Bank and World Trade Organization (WTO).² This influence over the global economy and its international mechanisms has created political and economic leverage for the US. Even China or Russia needs its support to join these institutions. Moreover, with the American economy central to the world economy, US dollars have long been the basic means of global payments in the world market.

¹ Ikenberry in, Capie, D., ‘Between a Hegemon and a Hard Place: the ‘War on Terror’ and Southeast Asian-US Relations’, *The Pacific Review*, 17(2), 2004, pp. 223-248 at 224.

² Hodson, J. ‘Intercourse in Every Direction: America as Global Phenomenon’, *Global Networks 1*, 1(2001), pp. 79-87 at 82.

This reinforced the centrality of American political and financial strength to the system as a whole. Just as Britain once demonstrated with the pound sterling, the US has achieved sufficient global power to have its currency as the central unit of trade due to its superpower position of protecting trade routes, controlling the sources of oil, and storing financial property at the global level.³

The US has the world's largest defence budget with modern well-equipped digital forces. Despite a reduction in the defence budget, however, the US still accounted for 37% of total global military expenditure in 2013. According to the Stockholm International Peace Research Institute SIPRI, the US spent US\$618 billion on its defence in 2013, more than three times the US\$171 billion budget of the second-placed China.⁴ The US remains the only country with the capacity to project its military power to the most remote corners on the planet.⁵

A hallmark of American defence policy in the 21st century is to maintain a decisive advantage over possible rivals. During the Bush Administration, neo-conservatives argued that the US should have the power was to reshape the world, and that the country should take the opportunity to do so in order to prevent the emergence of rivals.⁶ American military power allows it to pursue interventionist and unilateral policies around the world, usually with a degree of support from its allies. However, the US now faces a number of internal and external problems. It is confronted by a growing China, a state that has increased the size of its economy fourfold since 1978. China's economy is likely to equal and then surpass that of the U.S.⁷ According to the combination of assumptions from *The Economist*, China

³ Gowan, P., 'US Hegemony Today', *Monthly Review*, 2003, 55(3), 2003, pp. 30-50 at 40.

⁴ 'Countries Spending the Most on Military', 12 July 2014, <http://www.usatoday.com/story/money/business/2014/07/12/countries-spending-most-on-military/12491639/> (Date of visit 6 October 2014)

⁵ Capie, D., 'Between a Hegemon and a Hard Place: the 'War on Terror' and Southeast Asian-US Relations', *The Pacific Review*, 17(2), 2004, pp. 223-248 at 225.

⁶ See the Project for the New American Century. <http://www.globasearch.ca/the-neocons-project-for-the-new-american-century-american-world-leadership-syria-next-to-pay-the-price/5305447>

⁷ De Santibanes, F., 'An End to the U.S. Hegemony? The Strategic Implications of China's Growing Presence in Latin America', *Comparative Strategy*, 28(1), 2009, pp. 17-36 at 19.

would overtake America as early as 2019.⁸ According to Rachman, China is the world's leading exporter and biggest manufacturer, and now controls over US\$2.5 trillion in foreign reserves.⁹

The US faces mounting challenges to its defence capabilities. Russia can compete with America in strategic nuclear arms. The United Kingdom, France, China, Pakistan, India and North Korea also have the ability to produce nuclear weapons. In terms of homeland security, the attacks in New York and Washington on 11 September 2001 demonstrated America's vulnerability to non-traditional forms of warfare. The engagements in Afghanistan and Iraq were costly and have not resulted in stability in those regions. Layne has argued the ascension of China and India into "great power" status will return them to positions held two centuries ago when China and India produced 30% and 15% respectively of global wealth. By 2025, China is expected to be a first-rank military power, while India, as a member of the Brazil-India-Russia-China-South Africa (BRICS) group, has attempted to bring about a multi-polar international system in which New Delhi will be one pole. Russia, despite its domestic instability, has opposed US domination in the UN Security Council to ensure its own sphere of influence in Eastern Europe.¹⁰

In 2008, Fukuyama claimed that while the US remains the dominant power in the world, the story is not so much about American decline but how the rest of the world has been catching up with the superpower.¹¹ The indebtedness of the US contrasts with large reserves in other countries and economic centres, exposing American economic vulnerability. As mentioned earlier, China held \$2.5 trillion in reserves by 2011. In 2008, Russia had \$550 billion, South Korea \$260 billion and Thailand \$110 billion. Presently, the states of the Gulf Cooperation Council

⁸ 'Chinese and American GDP Forecasts', The Economist, 22 August 2014. Available at <http://www.economist.com/blogs/graphicdetail/2014/08/chinese-and-american-gdp-forecasts> (Date of visit 10 August 2015)

⁹ Rachman, G., 'Think again: American Decline', *Foreign Policy*, 184, 2011, pp.59-63 at 59

¹⁰ Layne, C. 'The Warning of U.S. Hegemony: Myth or Reality' A Review Essay, *International Security*, 34(1), 2009, pp.147-172 at 152.

¹¹ Fukuyama, F. 'Is American ready for a Post-American World', 2008, pp. 42-46 at 42

collectively have around \$300 billion in reserves. Saudi Arabia alone is saving money at the rate of approximately \$15 billion per month from its energy exports.¹²

The American economy is also declining. Its proportion of the global economy is likely to reduce from 28% in 2004 to 27% in 2025 and 26% in 2050. Moreover, the US is facing escalating competition from emerging economies and regional trade associations such as the EU, Japan, China, Russia, India and Brazil.¹³ In *Fortunes'* latest rank of the world's largest companies, only two American firms are in the top ten, namely Walmart and Exxon Mobile, while there are already three Chinese firms on the list – Sinopec, State Grid and China National Petroleum. According to Gideon, American military power has largely been maintained through deficit spending and 'the war in Afghanistan is effectively being paid for with a Chinese credit card.'¹⁴ The US Chairman of the Joint Chiefs of Staff Mike Mullen told business executives on 22 September 2011 that 'I've said many times that I believe the single, biggest threat to our national security is our debt.'¹⁵

American financial power has been unchallenged since the end of World War II, due to the strength of the US dollar. The financial and economic crisis of 2008 plunged the US and the world to the worst downturn since the Great Depression. It also opened up speculation about the waning of American hegemony. Whispers about the end of the "American Empire" had led to concerns about the long-term prospects of the US dollar as the international system's reserve currency. Khanna argues that while globalization was once equated with Americanization, the reality was that global integration could come at the expense of a *Pax Americana*.¹⁶ Should

¹² Fukuyama, 'Is American ready for a Post-American World', p. 42.

¹³ Nguyen Thai Yen Huong., *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: The US-China relationship: Cooperation and Competition looking at the perspective of balance of power], Nha xuất bản Chính trị Quốc gia-Su that [Trans: National Political Publisher, Truth], Hanoi, 2011, p.196

¹⁴ Rachman, G., 'Think again: American Decline', *Foreign Policy*, 184, 2011, pp.59-63 at 61.

¹⁵ Mike Mullen Remarks to the U.S. Business Executives on 22 September 2011. Available at 'Debt is Biggest Threat to National Security, Chairman says', <http://www.defense.gov/news/newsarticle.aspx?id=65432>, Date of visit 16 July 2017.

¹⁶ Layne, C. 'The Warning of U.S. Hegemony: Myth or Reality' A Review Essay, *International Security*, 34(1), 2009, pp. 147-172 at 158.

the value of the US dollar decline, the US will face a major challenge in getting domestic support for any ambitious foreign policy goals.¹⁷

Fukuyama also explores signs of the decline in spreading American values to the rest of the world. Chinese and Indian movies, Korean pop stars and Japanese anime/manga are popular all over Asia. There are also worrying trends in the education sector, especially in the growing reluctance of foreign students to attend American universities due to the obstacles the US has placed on them to study in the country. New magnets for high quality education are competing in the field. Among five destinations in 2012 that hosted nearly one-half of total global students, the United States had 18%, the United Kingdom 11%, France 7%, Australia 6% and Germany 5%.¹⁸

On balance, American military and economic strength is likely to decline. Some emerging states are likely to catch up with the US. A multi-polar structure is likely in the coming decades.¹⁹ At the end of the Cold War, the US enjoyed a brief uni-polar moment, but it should now prepare for a multi-polar system.²⁰

3.1.2 Overview of US Involvement in Southeast Asia after the Cold War

Post-Cold War American involvement in Southeast Asia is generally seen as positive. Most of the ASEAN nations welcome all major powers to the region. In 2011, the former US Secretary of State Hilary Clinton argued that Asia is more eager to welcome US leadership and business now than at any time in history. She observed that the US is the only power with a strong network of close alliances in the region, as it has no territorial ambitions. US cooperation with its allies has helped to preserve regional security for decades, patrol the security of sea lanes, enhance stability and create an environment for development. She went on to say that the US is also the region's major trade and investment partner and a source of innovation

¹⁷ Layne, 'The Warning of U.S. Hegemony: Myth or Reality', pp. 151-154.

¹⁸ 'Global Flow of Tertiary-Level Students', 5 May 2014, <http://www.uis.unesco.org/Education/Pages/international-student-flow-viz.aspx> (Date of visit 6 October 2014).

¹⁹ Yilmaz, M.E., 'The New World Order: An outline of the Post-Cold War Era', *Alternatives: Turkish Journal of International Relations*, 7(4), 2008, pp. 44-58 at 55.

²⁰ Ayerbe, L.F., 'The American Empire in the New Century: Hegemony or Domination', *Journal of Developing Societies*, 2005, 21(301), pp. 301-320 at 306.

that benefits the region. Despite other options being available in the education market, the US still hosts 350,000 Asian students every year. It remains an outspoken advocate of open markets and universal human rights.²¹

Most of these issues resonate with Southeast Asian states. Muzaffar argues that the Philippines and Indonesia have not been the only pro-Washington states in Southeast Asia from 1975 to 1997. From the early 1970s, Singapore began to seek a closer relationship with the US through economic and security cooperation. Brunei is a US informal strategic partner, while Thailand has been a US ally since the mid-1950s. Malaysia is also a friend of the US with a vibrant trade relationship, and in security matters Malaysia has conducted joint military exercises and provided port facilities for US warships.²²

States such as Vietnam, Laos, Cambodia and Myanmar joined ASEAN from 1995 and they have adopted a more careful view of US engagement in the region due to historical factors, such as American military actions from the 1960s and the political orientation of their own governments at the time. Through the 1980s and the early 1990s, Vietnam maintained a lukewarm attitude to the US in spite of its market reforms and initial integration into the global economy. Laos made no attempt to interact with Washington and Cambodia had little interaction with the US. Myanmar also chose not to be a close ally of the US. In a divided region six out of ten ASEAN states appeared to be close to Washington during the early 1990s, while the other four stayed outside the US sphere of influence.²³ Vietnam and the US opted for bilateral diplomatic normalization from 11 July 1995. Vietnam joined ASEAN in 1995, followed by Laos and Myanmar in 1997 and Cambodia in 1999. It ushered in a new period of ASEAN reconciliation and unity. ASEAN has a policy of engaging any power that supports the development of the region.²⁴

²¹ Clinton, H. R., 'American's Pacific Century', *Foreign Policy Magazine*, 11 October 2011. Available at <http://www.state.gov/secretary/20092013clinton/rm/2011/10/175215.htm> (Date of visit 25 August 2015).

²² Muzaffar, C. 'The Relationship between Southeast Asia and the United States: A Contemporary Analysis', *Social Research*, 72(4), 2005, pp. 903-912 at 907.

²³ Muzaffar, 'The Relationship between Southeast Asia and the United States: A Contemporary Analysis', pp. 907-908.

²⁴ Interview Termsak Chalermpanupap, Director of the Political and Security Directorate, ASEAN Secretariat in Jakarta, Indonesia, 12 April 2012.

Accordingly, ASEAN states look to the US to play a role in the Mekong Basin and in the South China Sea. A shared concern about China's rise has contributed to a growing strategic convergence between Vietnam and the US. The high-profile remarks by US Secretary of State Hillary Clinton on the South China Sea were made at the 2010 ARF, when Vietnam held the ASEAN chairmanship:

The Obama Administration is prepared to take the U.S.-Vietnam relationship to the next level on these issues and in new areas of cooperation. We see this relationship not only as 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. We spoke about a range of challenges affecting regional security, including Burma, North Korea, territorial disputes in the South China Sea, and we welcome Vietnam's constructive leadership and its excellent contributions to ASEAN, including its very important role as ASEAN chair.²⁵

This rapprochement has made Hanoi a valuable partner in the US engagement strategy in the region. Not only Vietnam, the three other lower riparian countries of the Mekong River Basin (Cambodia, Laos and Thailand) also saw enhanced US involvement in the Lower Mekong Initiative as a positive development. Myanmar, in spite of its long close relationship with China, now considers the US reengagement as a window of opportunity for this nation to adjust its overall alignment posture.²⁶

Singapore considers the US as "indispensable" for Asia-Pacific security and in 2010 Prime Minister Lee Hsien Loong commented that the US must be a part of the "stable architecture" of the region. The Philippines' Foreign Secretary Albert del Rosario remarked that he welcomed the assurance from Hillary Clinton concerning the US commitment to the region to ensure freedom of navigation, open access to Asia's sea-lanes and respect for international law in the South China Sea. In a meeting with Clinton, before the APEC meeting in Hawaii in November 2011, Vietnam President Truong Tan Sang also declared the US as "a leading strategic

²⁵ Hillary Rodham Clinton, Remarks with Vietnam Deputy Prime Minister and Foreign Minister Pham Gia Khiem, Government Guest House, Hanoi, Vietnam, 22 July 2010. Available at <http://www.state.gov/secretary/20092013clinton/rm/2010/07/145034.htm> (Date of visit 25 August 2015)

²⁶ Kuik, C.C, Idris, N.A and Nor A.R.M. 'The China Factor in the U.S. "Reengagement" With Southeast Asia: Drivers and Limits Covered Hedging', *Asian Politics & Policy*, 4(3), 2012, pp. 315-344 at 323.

partner” and welcomed stronger US cooperation with the Asia-Pacific for peace, stability and development in the region.²⁷

Although the US rebalancing strategy towards Southeast Asia is largely seen as a positive development by regional states, the US no longer has dominance in the region. Tao argues that Southeast Asians experienced mixed feelings towards American presence in the region.²⁸ On the one hand, people fear that the complete withdrawal of the US troops from the region will alter the balance of power, causing instability and insecurity to the region. On the other hand, nationalists in Asian countries desire US troop withdrawal. This explains why the Philippines Senate did not ratify the extension of the US-Philippine military base agreement, causing US troops to withdraw in 1992. A US approach to the Thai government to establish a US logistics base in the Gulf of Thailand was also rejected. Thus, it is doubtful the US can maintain a troop presence in Southeast Asia for long.

US influence over Southeast Asia is also in decline as a result of the Asian Financial Crisis of 1997. Southeast Asian states were dismayed over the slow and inadequate response of the US to the region’s economic problems. Mauzy and Job argued that Washington failed to offer any bilateral bailouts to the hardest-hit states and instead wielded the International Monetary Fund (IMF) to impose a “one size fits all” solution to the region. Asian values were held up as the cause of the crisis, due to their tendency toward non-democratic governance and a lack of transparency.²⁹ Resentment towards the IMF after the crisis resulted in a widespread anti-US sentiment in Southeast Asia.³⁰

The US perceived lack of concern for Southeast Asian states during the crisis was in contrast to that of China. Southeast Asian states are still grateful to China for not devaluing its currency and offering the region bilateral aid and loans with no

²⁷ Kuik, Idris, and Nor, ‘The China Factor in the U.S. “Reengagement” With Southeast Asia: Drivers and Limits Covered Hedging’, p. 337.

²⁸ The following discussion is drawn from Tao, W.Z., ‘US Interests in the Asia-Pacific Region’, *Peace Review*, 11(3), 1999, pp. 423-499 at 425.

²⁹ Mauzy, K.D. and Job B.L., ‘U.S Policy in Southeast Asia: Limited Re-engagement after Years of Benign Neglect’, *Asian Survey*, 47(4), 2007, pp. 622-641 at pp. 625-626.

³⁰ He, K. ‘Institutional Balancing and International Relations Theory: Economic Interdependence and Balance of Power Strategies in Southeast Asia’, *European Journal of International Relations*, 14(3), 289), 2008, pp. 489-518 at 507.

strings attached.³¹ Mauzy and Job note that bilateral relations between Southeast Asia and the US were at their nadir when US President Bill Clinton dismissed the Thai and Malaysian currency crisis as “a few small glitches in the road” at the APEC Summit in November 1997. Through the IMF, the US resisted any effort to seek an “Asian solution” to the general crisis. This inaction of the US caused Southeast Asia to appreciate the more attentive and sympathetic approach to the region’s difficulties by China.

3.2 US Interests in Southeast Asia

3.2.1 Economic Interests

From a geo-strategic perspective, Southeast Asia is situated in an integral part of the Asia-Pacific. It is in an area favourable to the economic interests of the US as an Asia-Pacific power. The previous chapter explained how Southeast Asia’s key strategic value comes from its geographic position as well as its economic development. Apart from the sea-lanes, energy reserves in and around the South China Sea, Indonesia, and Burma give the region added strategic importance.³² This important feature of Southeast Asia has made the US pay attention to the region out of economic interest. In 2011, Hillary Clinton stated that one of the most important tasks of the US over the next decade is to lock in a substantially increased investment including diplomatic, economic and strategic interests in the Asia-Pacific region. Harnessing the growth and dynamism of Asia is a central priority in American economic and strategic interests. Open markets in Asia can supply the US with burgeoning opportunities for investment, trade and gaining access to cutting-edge technology. America’s economic recovery will largely depend on exports, and the operations of the American firms that invest in the vast and growing consumer bases in Asia.³³

³¹ The following discussion is drawn from Mauzy, and Job, ‘U.S Policy in Southeast Asia: Limited Re-engagement after Years of Benign Neglect’, pp. 627-628.

³² Lum, T., Dolven, B., Manyin, M., Martin, M and Vaughn, B. ‘United States Relations with Association of Southeast Asian Nations (ASEAN)’, *Congressional Research Service*, CRS Report for Congress, pp. 1-24 at 6.

³³ Clinton, H. R., ‘American’s Pacific Century’, *Foreign Policy Magazine*, 11 October 2011. Available at <http://www.state.gov/secretary/20092013clinton/rm/2011/10/175215.htm> (Date of visit 25 August 2015).

Southeast Asia is also the region where there appears to be key emerging powers and important partners with whom the US will need to work closely to derive economic benefits. The US is seeking a new and deeper relationship with Indonesia, the world's third largest democracy, the world's most populous Muslim nation and a member of the G-20. Being one of the key drivers of the global economy, it is an important partner of the US and increasingly a central contributor to regional peace and stability. Indonesia's importance is set to increase in the coming years.³⁴ The US and its former adversary, Vietnam, also adopted an Agreement on Comprehensive Partnership in July 2013 to advance ties. According to Auslin, the US found in Vietnam a major shared wariness over China and other strategic interests in Vietnam's long coastline, which may be a future key logistics centre in Vietnam's dynamic and growing economy.³⁵

The US considers Southeast Asia as a region for trading and commercial relations, which will be beneficial to the US economy. Southeast Asia, through the primary multilateral organization ASEAN, has grown into a burgeoning economy. With a population of approximately 620 million and a combined GDP of over US\$2.2 trillion, ASEAN is collectively America's fourth largest export market and fifth largest trading partner.³⁶ Southeast Asia and ASEAN have become a focal point in American reengagement strategy in Asia.³⁷ Few regions of the world can offer US companies as much opportunity as Southeast Asia. With its abundant natural resources, including oil, gas, timber, gold and rubber, and arable land for agriculture, Southeast Asia has emerged as a principal market in the trade and investment strategies of American enterprises. The US is second only to Japan in direct investment in ASEAN. In the near future, Southeast Asia represents a vast potential for US economic growth, competitiveness, jobs opportunities and security

³⁴ Ibid.

³⁵ <http://thediplomat.com/2012/04/why-u-s-should-embrace-vietnam/> (Date of visit 6 July 2015)

³⁶ 'The US-ASEAN Expanded Economic Engagement (E3) Initiative', 9 October 2013, <http://www.state.gov/r/pa/prs/ps/2013/10/215235.htm> (Date of visit 12 September 2014)

³⁷ Kuik, Idris, and Nor, 'The China Factor in the U.S. "Reengagement" With Southeast Asia: Drivers and Limits Converged Hedging', p. 323.

enhancement. Trade with Southeast Asia has already created approximately 800,000 US jobs.³⁸

The US is pursuing its economic interests in the region through the Trans-Pacific Partnership (TPP) which brings together economies from across the Pacific (both developed and developing) into a single trading community with a view to create not just more growth, but “better growth”. The US hopes that the TPP can serve as a benchmark for future agreements, a potential platform for larger regional economic integration and finally a free trade area for the Asia-Pacific.³⁹ The US initiative to create the TPP serves both its economic and its strategic calculations as US President Barack Obama stated:

The TPP will boost our economies, lowering barriers to trade and investments, increasing exports, and creating more jobs for our people...the TPP has the potential to be a model not only for the Asia Pacific but for future trade agreements.⁴⁰

From an economic perspective, the US aims to use the TTP as a new economic mechanism with more commitment and higher binding legal requirements than APEC in commerce, environment, and labour. According to Hoang Anh Tuan, if any country, including China, wanted to have an economic role in the Pacific through the TPP, it will have to acknowledge the influence of the US. Thus, the TPP works effectively as an effective bargaining tool for the US against China.⁴¹ This US-orchestrated scheme has so far involved 12 nations in the Asia-Pacific region, but it will be open to China only when China becomes a market economy. Washington aims to undermine Beijing’s commercial clout in the region because, over the past decades, China has become the largest trading partner of most Asian countries.⁴² Vu argues that the TPP has both economic and strategic meaning for the US and that the

³⁸ ‘Association of Southeast Asian Nations (ASEAN)’, <https://www.uschamber.com/association-southeast-asian-nations-asean> (Date of visit 25 September 2014)

³⁹ Clinton, H. R., ‘American’s Pacific Century’, *Foreign Policy Magazine*, 11 October 2011. Available at <http://www.state.gov/secretary/20092013clinton/rm/2011/10/175215.htm> (Date of visit 25 August 2015)

⁴⁰ ‘The Trans-Pacific Partnership: Building on US Economic and Strategic Partnerships in the Asia-Pacific’, 5 September 2013, <http://www.state.gov/r/pa/pl/2013/214166.htm> (Date of visit 6 October 2014)

⁴¹ Interview Hoang Anh Tuan, 13 February 2012.

⁴² Roberts, J., ‘The US-Vietnam Alliance against China’, 30 July 2013, http://axisoflogic.com/artman/publish/Article_65866.shtml (Date of visit 14 January 2014)

TPP is in fact a new type of Free Trade Area (FTA) but with a “higher standard.” American ambition is to cover all APEC member economies and contribute to global trade liberalization as championed by the US.⁴³

The TPP can also be a calculated US move in the region. Hsieh argues that the US is pursuing twofold goals in its motives to promote the TPP. First, the TPP provides a substitute pathway towards Asian regionalism other than the Beijing-preferred East Asia Economic Community (EAEC) based on the ‘ASEAN +3’ framework, which is likely to exclude the US. Thus, the TPP not only helps the US avoid marginalization from Asian FTA networks, but it also reinforces its leadership in the region. Secondly, the TPP’s comprehensive contents can be set as a benchmark for prospective partners. This paves the way for the US to have any future FTA negotiations based on the TPP process. It elevates TPP standards to meet US trade interests.⁴⁴

Finally, US economic interests in Southeast Asia emerge largely from the significance of the South China Sea. Any conflicts or disputes in the South China Sea would have a direct impact on the US and Japan, two of the world’s largest trading powers.⁴⁵ Therefore, in the pursuit of the freedom of international navigation, the US became involved in the territorial disputes to protect its own economic interests. Wang provides two reasons. First, the Northeast Asian allies of the US (Japan and South Korea) obtain 90 percent of their oil through the South China Sea and the Strait of Malacca. Second, by the end of the 20th century, trans-Pacific trade was twice the value of the Atlantic trade, making the Pacific a region of strategic and economic importance for America.⁴⁶ As a result, the South China Sea is more than just an area of strategic importance to US trading interests. It also creates the

⁴³ Vu Le Thai Hoang, ‘APEC 2011 and the Future of Regional Architecture in Asia Pacific’, *International Studies Review*, No. 24 (June 2011), p. 210 in Vu Le Thai Hoang, ‘Suc manh thong minh va The ky Thai Binh Duong: Nen tang chien luoc doi ngoai cua Chinh quyen My’ (Trans: Smart power and the Asia Pacific Century: the foundation of the US Administration’s foreign policy), *Tapchiconsan (Communist Review)*, 2012, p.27

⁴⁴ Hsieh, P. L., ‘The Roadmap for a Prospective US-ASEAN FTA: Legal and Geopolitical Considerations’, *Journal of World Trade*, 2012, 46(2), pp. 367-396 at 382.

⁴⁵ Rowan, J.P., ‘The US-Japan Security Alliance, ASEAN, and the South China Sea Dispute’, *Asian Survey*, 45(3), 2005, pp. 414-436 at 415.

⁴⁶ Wang, Y.W., ‘Rethinking the South China Sea Issue: A Perspective of Sino-U.S. Relations’, *Pacific Focus*, 21(1), 2006, pp. 105-135 at 110.

opportunity for the US to become involved in the territorial disputes. The disputes give a reason for the US to engage China due to the latter's rising aggressiveness in the South China Sea.

3.2.2 *Political Interests*

After a decade when Southeast Asia was of a low priority in US foreign policy, the region is now central to Washington's plans to define and defend US power in the Asia-Pacific. Perwita noted that the United States' formal accession to the ASEAN Treaty of Amity and Cooperation (TAC) marks a new milestone in US-ASEAN relations.⁴⁷ The US-led global war on terror in the aftermath of 11 September 2001 has caused the US relationship with several ASEAN member states to expand significantly. More common causes were found between Washington and Jakarta, Kuala Lumpur, Singapore and Manila in initiatives to strengthen anti-terrorism measures, such as intelligence sharing, joint surveillance and police training. On the other hand, the renaissance of US-ASEAN relations was enhanced due to a new appreciation in Washington of China's rise in the region.

According to a Vietnamese party official, the US is engaging China with a view to limit Chinese economic and military expansion in Southeast Asia, as this can be a potential threat to American supremacy. While China regards Southeast Asia as the natural theatre of expansion of its political ambitions, and a traditional sphere of influence in the past,⁴⁸ the US views Southeast Asia as a springboard for its East Asia strategy.⁴⁹ It plans to engage China, but will maintain political and security arrangements with its traditional allies in the region.⁵⁰ Washington has enhanced its military-security cooperation with Singapore and Thailand in a "network of security and military relationships" both at the bilateral and multilateral levels.⁵¹ This can

⁴⁷ The following discussion is drawn from Perwita, A.A.B., 'The US Growing Interest in Southeast Asia', July, 20, 2009. Available at <http://www.thejakartapost.com/news/2009/07/30/the-us-growing-interest-southeast-asia.html> (Date of visit September, 24th, 2014)

⁴⁸ Interview Nguyen Hong Thach, Director of the Department on General Political Affairs, the CPV Central Committee's Commission for External Relations in Hanoi, Vietnam, on 21 September 2012.

⁴⁹ Interviewee 6, Southeast Asia Official, 7 October 2012.

⁵⁰ Ibid

⁵¹ U.S. military cooperation with Thailand was curtailed after the May 2014 military coup.

help the US to reassure its commitment with Southeast Asian allies and to engage a rising China without containing it, thus avoiding making China feel threatened.⁵²

ASEAN has also been able to play the role of a convenor and driver of regional cooperative institutions and processes. It has fostered peace and stability in East Asia. Through the ASEAN Dialogue partnerships, the ARF, ASEAN + 3 and the EAS, it has provided a neutral platform for the major powers to meet and promote their economic and security interests in the region. China's growing position in the regional institutions created by ASEAN can affect US economic, political and strategic interests as well as its influence in East Asia, which is why the US moved to join the EAS.⁵³ In October 2011, Hillary Clinton stated the political interests of the US in Southeast Asia:

So the United States has moved to fully engage the region's multilateral institutions, such as the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation (APEC) forum, mindful that our work with regional institutions supplements and does not supplant our bilateral ties. There is a demand from the region that America play an active role in the agenda-setting of these institutions -- and it is in our interests as well that they be effective and responsive. That is why President Obama will participate in the East Asia Summit for the first time in November. To pave the way, the United States has opened a new U.S. Mission to ASEAN in Jakarta and signed the Treaty of Amity and Cooperation with ASEAN.⁵⁴

To maintain its position as the dominant superpower among its traditional allies and closer partners in the Asia-Pacific, and especially East Asia, the US has a strategic interest in maintaining confidence among all East Asian states that it remains a reliable guarantor for universal freedom of navigation.⁵⁵ While the proportion of US trade travelling through these waterways is small, American allies such as Japan, South Korea, Australia, the Philippines and Singapore depend on

⁵² Singh U.B., 'Major Powers and the Security of Southeast Asia', *Strategic Analysis*, 24(2), 2000, pp. 315-342 at 323.

⁵³ Tan, S.C., 'Changing Global Landscape and Enhanced US Engagement with Asia-Challenging and Emerging Trends', *Asia-Pacific Review*, 19(1), 2012, pp. 108-129 at 110.

⁵⁴ Clinton, H. R., 'America's Pacific Century', *Foreign Policy Magazine*, 11 October 2011. Available at <http://www.state.gov/secretary/20092013clinton/rm/2011/10/175215.htm> (Date of visit 25 August 2015)

⁵⁵ Sokolsky R., Rabasa A. and Neu C.R., *The Role of Southeast Asia in U.S Strategy towards China*, RAND Cooperation, Santa Monica, 2001.

Southeast Asian sea-lanes.⁵⁶ Sokolsky, Rabasa and Neu have argued that by helping to ensure the freedom of navigation, the US can provide comfort to regional states and discourage other actors from making efforts to exert influence in ways that are detrimental to regional security.⁵⁷

Furthermore, US bilateral relations with individual Southeast Asian states enhance its influence in the region. The US aims to pursue bilateral initiatives with individual Southeast Asian states to promote democracy, human rights and political stability, foster market-oriented economic reforms, and reduce the effects of organized crime.⁵⁸ The US seeks to play the key role by using human rights and democracy as a leverage against regional governments.⁵⁹ Limaye argues that human rights, democracy and governance are among the contentious issues between Washington and ASEAN member states. Although there are disagreements between the US and individual Southeast Asian countries, US interest in and attention to these matters will not fade. One issue that has near-total consensus among ASEAN members is for the military government of Myanmar to move towards democracy and improved human rights, and the Myanmar government has started introducing political change in response.⁶⁰

Wang argues that if the US can maintain its hegemonic status in the South China Sea, the US is able to cover the South Pacific Region and strengthen the region's alliance with Australia. To the west, the US can extend beyond the Straits of Malacca to enhance its interests in the Indian Ocean and the Persian Gulf. To the north, the US could directly contain China's southward expansion efforts. To the northeast, the US can go beyond the Taiwan Strait to the Japan Sea to strengthen the coastal defence of the Japan Sea. The South China Sea is regarded as the third most important potential hot spot in the Asia Pacific Region after the Korean Peninsula

⁵⁶ Sokolsky, Rabasa and Neu, *The Role of Southeast Asia in U.S Strategy towards China*, pp.11-12.

⁵⁷ Sokolsky, Rabasa and Neu, *The Role of Southeast Asia in U.S Strategy towards China*, p.14.

⁵⁸ 'A National Security Strategy For a New Century', <http://www.fas.org/man/docs/nsspret-1299.html> (Date of visit 1 May 2013)

⁵⁹ Singh U.B., 'Major Powers and the Security of Southeast Asia', *Strategic Analysis*, 24(2), 2000, pp. 315-342 at pp. 318-319.

⁶⁰ Satu, L.P. 'United States-ASEAN Relations on ASEAN's Fortieth Anniversary: A Glass Half Full', *Contemporary Southeast Asia*, 29(3), 2007, pp. 447-464 at 456.

and the Taiwan Strait.⁶¹ The flow of oil from the Middle East across the South China Sea to Japan and South Korea, and most recently the naval aspirations of the PRC, have made the constant American naval presence in Southeast Asia a symbol of Washington's security-oriented view of the region.⁶²

3.2.3 *Security Interests*

In terms of its geo-strategic significance, Southeast Asia has a crucial role in US comprehensive security. Keeping maritime routes near Southeast Asia open is important in order to ensure the US deployment of defence forces in the case of events such as natural disasters.⁶³ Sokolsky, Rabasa and Neu share this viewpoint, showing that, Southeast Asia's strategic location at the intersection of two of the world's most heavily travelled sea-lanes straddles that the east-west route connecting the Indian and Pacific oceans, and the north-south route that links Australia and New Zealand to Northeast Asia. Thus, from a military perspective, these sea-lanes are critical to the movement of US forces from the Western Pacific to the Indian Ocean and the Persian Gulf.⁶⁴

Simon argues that although Southeast Asia has not been defined as an area of vital American concern since the Second Indochina War (1963-1975), its importance is inherent in its location astride the sea lanes between the oil-rich Persian Gulf and the US's Northeast Asian allies, Japan and South Korea. Unlike US deployments in Japan and South Korea, which provide direct deterrence against potential invaders, such as the USSR or North Korea, Southeast Asian military facilities in the Philippines were not primarily intended to defend the host country. Instead, they constituted storage and repair capacities in case of conflicts, and were essential for the US Navy or Air Force to provide the capability to move west to the Indian Ocean or Persian Gulf or north to the sea of Japan. The US could deploy forces from Guam and Okinawa to the Korean peninsula in the event of a conflict. This capability was

⁶¹ Outlook East Weekly [liaowangdongfang zhoukan] January 12, 2004. See at <<http://www.uscc.gov/researchchapters/2004/southchineseamilitary.html>> in Wang, Y. 'Rethinking the South China Sea Issue: A Perspective of Sino-U.S. Relations', *Pacific Focus*, 21(1), 2006, p. 111

⁶² Montesano, M.J. & Quek, S.H. 'The United States in Southeast Asia: Deepening the Rut', Elsevier Limited on behalf of the Foreign Policy Research Institute, 2004, pp. 321-334 at 326.

⁶³ Interviewee 3, Southeast Asia Official, 14 February 2013.

⁶⁴ Sokolsky, Rabasa and Neu, *The Role of Southeast Asia in U.S Strategy towards China*, p.11.

shown in the 1990-1991 Gulf War, when supplies from the Philippines were transferred to the US forces located around Saudi Arabia.⁶⁵

The US has revealed its security interests in its bilateral relations with Southeast Asian nations. Former Secretary of Defence Rumsfeld emphasized the significance of a continuing US role in Asian security in his visits to Singapore, Indonesia and Vietnam in June 2006. US military activities were enhanced in the region, such as naval port visits to Vietnam since 2003, joint exercises with the Philippines, normalization of military ties with Indonesia, cooperation with Thailand in delivering humanitarian aid, and the annual US-Thailand *Cobra Gold Exercises*.⁶⁶ Unlike the military unilateralism of the Bush Administration's first tenure, Secretary Rumsfeld asserted at the Shangri-La Conference of Asia-Pacific Defence Ministers in Singapore:

That in the past five years in terms of defence and security cooperation, the United States has done more things, with more nations, in more constructive ways, than at any time in our history.⁶⁷

Geo-strategic considerations in other Southeast Asian states also affect the security environment. Opium production in Laos, which by 1990 had grown to be the third largest source in the world, made countering narcotics the second highest US priority with Lao PDR, after the matter of Prisoners of War and those Missing in Action from the Second Indochinese War. In 1990, the US allocated US\$8.7 million for a crop substitution program involving hill tribes and capacity building around law enforcement officers. From 1993, opium production decreased remarkably and the US began to shift resources towards drug rehabilitation. The area under opium cultivation fell from 42,000 hectares in 1989 to 1,700 hectares in 2006, a decline of 96%.⁶⁸ Pholsena notes that countering narcotics operations is now the main US

⁶⁵ Simon, S.W., 'U.S Interests in Southeast Asia: The Future Military Presence', *Asian Survey*, 31(7), 1991, pp.662-675 at 662.

⁶⁶ Simon, S.W., 'US-Southeast Asia Relations: US Pushes Security and Trade Interests in Southeast Asia', *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, http://csis.org/files/media/isis/pubs/0602qus_seasia.pdf (Date of visit 24 September, 2014)

⁶⁷ Remarks delivered by Secretary of Defense Donald H. Rumsfeld, Shangri-La Hotel, Singapore, Saturday, 3 June 2006, <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=11> (Date of visit 16 July 2015)

⁶⁸ Thayer, C.A. 'US Rapprochement with Laos and Cambodia', *Contemporary Southeast Asia*, 32(3), 2010, pp. 442-459 at pp. 444-447.

priority in Laos, although the country is considered less a site of a production than the area between Myanmar, Thailand and China.⁶⁹

Strategically, Southeast Asia is considered as the “second front” in the US war on terror, especially in the aftermath of the 9/11 attacks. The arrest in Singapore of Jemmah Islamiyah operatives revealed the existence of an Al-Qaeda-linked terrorist network in Southeast Asia, which was thought to be targeting Western interests. US discoveries from several Southeast Asian countries (Singapore, Indonesia and the Philippines) led to the conclusion of international and regional links between groups advocating political violence. Washington considered Southeast Asia as a “fertile breeding ground for terrorists operations” due to its majority Muslim population, separatist movements, easy trans-national communication, varying levels of regional development and occasionally compromised intelligence, police and military services.⁷⁰

In late January 2002, the Bush Administration deployed 660 US troops to southern Philippines to assist in hostage rescue and counterinsurgency operations. This move was widely seen as the opening of a second front in Washington’s war on terrorism.⁷¹ Stronger bilateral defence ties between the US and Southeast Asian states such as Brunei, Indonesia, Malaysia and Singapore have paved the way for improved security relations between the US and ASEAN. It has enhanced the stabilizing role of the US in the region and strengthened the basis for engagement in multilateral forums, such as the US-ASEAN Joint Declaration for Cooperation to Combat International Terrorism in August 2002.⁷² The multilateral security cooperation through the forums has strengthened American defence interests in Southeast Asia.

⁶⁹ Pholsena, V. ‘US Rapprochement with Laos and Cambodia: A Response’, *Contemporary Southeast Asia*, 32(3), 2010, pp. 460-466 at 461.

⁷⁰ Mauzy D.K. and Job, B.L. ‘U.S Policy in Southeast Asia: Limited Re-engagement after Years of Benign Neglect’, *Asian Survey*, 47(4), 2007, p.629-635

⁷¹ Gershman, J., ‘Is Southeast Asia the Second Front?’, *Foreign Affairs*, July/August 2002, <http://www.foreignaffairs.com/articles/58041/john-gershman/is-southeast-asia-the-second-front> (Date of visit 24 September 2014)

⁷² Boutin, J.D.K. ‘Balancing Act: Competition and Cooperation in US-Asia Pacific Regionalism’, *Japanese Journal of Political Science*, 12(2), 2011, p. 191.

Looking from a long-term perspective, the US engagement with Southeast Asia is also a strategy to enhance American presence and counter China's rising influence. Sutter argued that China's rising position as a regional power has created more influence, and a central role in Asian regional multilateral institutions. He argues that China's rise has worked against US national interests.⁷³ In a realist perspective, the US seeks strategic interests to defend its influence in Southeast Asia, and engage China as a method to defend the superior position it currently holds. The US needs to have close relations with the region to protect US strategic interests in Southeast Asia, to ensure Southeast Asia is a relatively peaceful and stable region, and to not allow any emerging power to dominate the region or make a threat to US interests.⁷⁴

Again, US security interests in Southeast Asia are related to the South China Sea. Yang notes that the South China Sea is not only important to claimant states, but also non-claimant nations including Japan and the US. The US uses the South China Sea as a transit point and operating area for the American Navy and Air Force between military bases in East Asia, the Indian Ocean and the Persian Gulf. It also has strategically critical interests in the safety of navigation and the freedom of SLOCs.⁷⁵ Hillary Clinton stated officially after the 17th ARF Ministerial Meeting in July 2010, when several ASEAN members encouraged the US to make a statement on the South China Sea:

The United States, like every other nation, has national interests in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea. We share these interests with not only ASEAN members and ASEAN Regional Forum participants but with other maritime nations and the broader international community.⁷⁶

⁷³ Sutter, R. 'The Obama Administration and US Policy in Asia', *Contemporary Southeast Asia*, 31(2), 2009, pp. 189-216 at 206.

⁷⁴ Interviewee 2, Southeast Asia Official, 5 February 2013.

⁷⁵ Yang, J. 'Navigating the Volatile South China Sea', *New Zealand International Review*, 36(5), 2011, pp. 2-6 at 3.

⁷⁶ Hillary Rodman Clinton, Secretary of State, Remarks at Press Availability, National Convention Center, Hanoi, 23 July 2010. Available at <http://m.state.gov/md145095.htm> (Date of visit 25 August 2015)

China's recent assertiveness in the territorial disputes of the South China Sea has provided opportunities for the US to "come back" to Asia. At the ASEAN Regional Forum in Hanoi in 2010, the US helped to shape a region-wide effort to protect access and passage to the South China Sea, and to uphold international law in defining territorial claims. Considering it has security, economic and strategic interests in the South China Sea, the US has taken important steps to protect its vital interests in stability and freedom of navigation, and unrestricted commerce, by paving the way for multilateral diplomacy among the claimants of the islands in the South China Sea. The US seeks to ensure that the dispute can be addressed peacefully in accordance with the established rules and international law.⁷⁷

3.3 US Strategies towards Southeast Asia

3.3.1 From 1991 to 2000

In the initial aftermath of the end of the Cold War and the collapse of the Soviet Union, the US seemed to ignore Southeast Asia and paid more attention to solving its domestic problems. In 1991, Simon felt there was little doubt that the demise of the Cold War and domestic effects of a deficit had prompted the US to reduce its deployed air and naval forces in Southeast Asia. The number of US aircraft carriers declined from 14 to 11 by the mid-1990s.⁷⁸ Writing in 2000, Singh argued that US would prefer to reduce its overseas commitments because of internal budgetary issues. Economic constraints have made the US develop an alternative security arrangement in the Asia-Pacific, and to readjust its East Asia strategy to maintain a strategic troop presence of 100,000 personnel in the region.⁷⁹ They were located in bases in Japan and South Korea and naval forces were withdrawn from Clarke Air Base and Subic Bay in the Philippines in November 1992. In the mid-1990s, US interests were not perceived to be under threat. However, in 1998, the US

⁷⁷ Clinton, H. R., 'American's Pacific Century', *Foreign Policy Magazine*, 11 October 2011. Available at <http://www.state.gov/secretary/20092013clinton/rm/2011/10/175215.htm> (Date of visit 25 August 2015)

⁷⁸ Simon, S.W., 'US Interests in Southeast Asia: The Future Military Presence', *Asian Survey*, 31(7), 1991, pp. 662-675 at 671.

⁷⁹ Singh, U.B., 'Major Powers and the Security of Southeast Asia', *Strategic Analysis*, 24(2), 2000, pp. 315-342 at 319.

revived its security engagement with the Philippines after the lease on the bases expired, and it then secured additional facilities at Singapore's Changi naval base.⁸⁰

The US strategy to build up "a new Asia Pacific Community" was created under the Bill Clinton administration from 1993. He said:

Our economic relations depend vitally on our ties with the Asia Pacific region, which is the world's fastest-growing economic region. In November 1993, President Clinton convened the first-ever summit of the leaders of the economies that constitute the Asia-Pacific Economic Cooperation (APEC) forum.⁸¹

Tao notes that President Clinton stated in his *Engagement and Enlargement: Report on U.S National Security Strategy*, submitted to the Congress on 21 July 1994, that with respect to East Asia and the Asia-Pacific:

East Asia is a region of growing importance for the US security and prosperity; nowhere are the strands of our three pronged strategy more intertwined, nor is the need for continued US engagement more evident. Now more than ever, security, open markets and democracy go hand by hand in our approach to this dynamic region".⁸²

Between 1990 and 1992, the Bush Administration drew up plans to reduce American troop numbers in the region. During the first term of the Clinton Administration, the Pentagon devised a new security strategy towards the region to reaffirm US commitment, based on a stable level of 100,000 troops (80,000 in Japan and South Korea and another 20,000-30,000 in the West Pacific).⁸³ In the late 1990s, Nathan observed that the Clinton Doctrine for Asia claimed the US would be an active player in Asia-Pacific growth, stability and prosperity towards the 21st century as it would "remain fully engaged economically, militarily and diplomatically." Such a strategy of engagement was seen as an important way in helping to preserve American access and influence over the region.⁸⁴

⁸⁰ Singh, 'Major Powers and the Security of Southeast Asia', p.319.

⁸¹ A National Security of Engagement and Enlargement, The White House, February 1995, pp. 1-41 at 20, <http://www.au.af.mil/au/awc/awcgate/nss/nss-95.pdf> (Date of visit 16 July 2015)

⁸² Ibid, p. 28

⁸³ Tao, W.Z., 'US. Interests in the Asia-Pacific Region', *Peace Review*, 11(3), 1999, pp.423-499 at pp. 423-425.

⁸⁴ Nathan, K.S., 'ASEAN and the Major Powers: Adjusting to new power realities towards the 21st Century', *Asian Journal of Political Science*, 5(1), 1997, pp. 102-117 at 105.

In Clinton's second term, US strategy towards Southeast Asia was enhanced. He continued to affirm American strategic interests in Southeast Asia, as exemplified by the 1999 national security strategy *Towards the 21st Century* that the US was keen to "develop regional and bilateral security and economic relationship that assists in conflict prevention and resolution and expand US participation in the region's economies." The US continued to maintain its alliance with Thailand and the Philippines, reached security access agreements with Singapore and other ASEAN countries, and encouraged the emergence of a strong and cohesive ASEAN capable of enhancing regional security and prosperity.⁸⁵ The US aimed to maintain the increasingly productive relationship with ASEAN and to enhance the security dialogue under ARF.

Since the Clinton Administration, the US has normalised diplomatic relations with the new ASEAN members of Vietnam, Laos, Cambodia and Myanmar, in addition to maintaining close relations with its old allies in the region. The relationship between Vietnam and the US has gradually improved. In April 1991, the US provided Vietnam with a roadmap for normalization, and then from 1991 to 1993 Vietnam cooperated in implementing the Agreements on a Comprehensive Political Settlement of the Cambodia Conflict. In 1994 President Clinton lifted the trade embargo on Vietnam and finally on 11 July 1995, the normalization of relations was announced officially.⁸⁶

3.3.2 From 2001 to 2008

In the first decade of the 21st century, the US enhanced bilateral ties as it expanded the war on terror into Southeast Asia. The US arranged close cooperation in dealing with terrorists in the Philippines and gave it the status of a Major Non-NATO Ally. Several cooperative operations were carried out, including a remarkable

⁸⁵ Nguyen Hoang Giap, 'Cạnh tranh Chiến lược giữa các nước lớn ở khu vực Đông Nam Á trong hai thập niên đầu thế kỷ 21 và Tác động đối với Việt Nam' [Trans: Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam], *Báo cáo Tổng hợp Kết quả nghiên cứu De tài khoa học cấp Bộ năm 2011* [Trans: The General Report of Ministerial Science Research Report, 2011], ma số B11-03 [Trans: Volume B11-03], Học viện Chính trị-Hành chính Quốc gia Hồ Chí Minh [Trans: Ho Chi Minh National Academy of Politics and Public Administration], Hanoi, 2011, p. 37.

⁸⁶ 'Timeline: US-Vietnam Relations', *Contemporary Southeast Asia*, 32(3), 2010, pp. 351-352.

increase in military supplies to the Philippines. There were joint and prolonged exercises which allowed hundreds of US military personnel to train their Philippine counterparts in dealing with the Abu Sayyaf Group in the south-western islands of the country. Another US ally in Southeast Asia, Thailand, also received increased US military aid under the Bush Administration, while Singapore developed a new security framework agreement with the US for cooperation on counter-terrorism.⁸⁷

During this period, the US supported strengthening ASEAN as a regional institution mostly for countering terrorism. A number of activities were carried out by the US Government to assist Southeast Asia on the second front on terror. In August 2002, the State Department announced the ASEAN Cooperation Plan to strengthen the Secretariat, help with the integration of ASEAN's new members, and combat trans-national challenges such as terrorism, piracy, and the spread of HIV/AIDS. Terrorism has also been a key issue at APEC meetings since 2001.⁸⁸ Since the Bali bombings in October 2002, more than 130 people have been arrested in Indonesia on terrorism charges. The US now has a common interest with a leading Southeast Asia regional player in addressing the threats of terrorism. Through countering terrorism, the US seized the opportunity to deepen relations with Indonesia.⁸⁹

3.3.3 *From 2009 onwards*

The “back to Southeast Asia” approach was stated by US Secretary of State Hillary Clinton at the 16th ARF on 22 July 2009 in Phuket, when the US signed the Treaty of Amity and Cooperation (TAC) with representatives of ASEAN. Clinton affirmed that “the United States is back in Southeast Asia” and acknowledged the US was fully engaged with ASEAN partners on a wide range of challenges. International observers saw the move as a chance for the US to “reoccupy” a sphere of influence that had been neglected during the Bush Presidency.⁹⁰ While Southeast Asia was

⁸⁷ Sutter, R., ‘The Obama Administration and US Policy in Asia’, *Contemporary Southeast Asia*, 31(2), 2009, pp. 189-216 at pp. 208-209.

⁸⁸ Capie, D. ‘Between a Hegemon and a Hard Place: the ‘War on Terror’ and Southeast Asian-US Relations’, *The Pacific Review*, 17(2), 2004, pp. 223-248 at 239.

⁸⁹ <http://2001-2009.state.gov/p/eap/rls/rm/2005/53275.htm> (Date of visit 23 December 2014)

⁹⁰ Shen, S.S., ‘Back to Southeast Asia’, *Beijing Review*, 52(34), 2009, pp. 12-13 at 12.

never totally ignored in US strategic thinking, the US strategy of returning to Asia to reengage Southeast Asia should be understood in a symbolic sense. The Obama Administration's foreign strategy aims to draw attraction to a "new" foreign policy direction.⁹¹

According to Vu Le Thai Hoang, the diplomatic charm offensive by the Obama Administration at the end of 2011 was mostly analysed as the "decisive blow" in his relentless efforts over the past three years and can be encapsulated in two main ideas: Smart Power and the Pacific Century (also known as the US "Pivot" to the Asia-Pacific). The US strategic objective is to enhance its global position through three pillars: economics, strategic security, and American values of democracy and human rights. In this strategy, the US considers the network of bilateral relations as the foundation for its strategic pivot, divided into three groups: treaty allies, such as Japan, South Korea, Australia, the Philippines and Thailand; the emerging upcoming powers like China, India and Indonesia; and the newly prioritized countries, including Vietnam. Thus, Southeast Asia is valued as a sound testing ground for the US to try on its "Smart Power" and "Pivot to Asia-Pacific."⁹²

The US has been committed to enhance its relations with Southeast Asian states since the Obama Administration took office. In spite of proposing some initiatives and improving some particular relations with the region, the Bush Administration approached Asia-Pacific in a relatively restrained manner. With Obama's tenure, especially during the second half of his first term, US relations with the Asia-Pacific have improved.⁹³ Limaye notes that the US declared its commitment to improve relations with ASEAN as an organization and search for opportunities for broader and deeper bilateral ties with specific ASEAN members. The new US strategy also includes "rapprochement," "re-engagement" or "revitalization" with the

⁹¹ Kuik, C.C., Idris, N.A. and Md Nor, A.R., 'The China Factor in the US "Reengagement" With Southeast Asia: Drivers and Limits Converged Hedging', *Asian Politics & Policy*, 4(3), 2012, pp. 315-344 at 320.

⁹² Vu Le Thai Hoang, 'Sức mạnh thông minh và Thế kỷ Thái Bình Dương: Nền tảng Chiến lược Đối ngoại của Chính quyền Mỹ' (Trans: Smart power and the Asia Pacific Century: the foundation of the US Administration's foreign policy), *Tapchicongsan (Communist Review)*, 2012, pp. 1-22, <http://www.tapchicongsan.org.vn/Home/The-gioi-van-de-su-kien/2012/16737/Suc-manh-thong-minh-va-The-ky-Thai-Binh-Duong-nen-tang.aspx> (Date of visit 8 August 2012)

⁹³ Interviewee 2, Southeast Asian Official, 5 February 2013.

newest members of ASEAN, namely Vietnam, Laos, Cambodia and Myanmar. These close relationships mark the progress of US ties with Southeast Asia because of problematic relations with these nations in the past.⁹⁴

Arguably, recent US involvement in Southeast Asia has created more positive than negative effects for the balance of power in the region. American engagement in the region can now draw more attention to Southeast Asia from other major powers, adding strengthened values to the regional institutions and helping to maintain regional stability to resolve issues.⁹⁵ American improvement of bilateral ties with Vietnam has added a fresh dynamic to the political situation in Southeast Asia. The improved features in this relationship can be seen from the signing of the Bilateral Trade Agreement (BTA) in December 2001 and Vietnam's entry into the WTO in January 2007. According to Brown, the US is a leading trading partner of Vietnam, with two-way trade increasing from US\$220 million in 1994 to US\$15.7 billion in 2008.⁹⁶

Improvement in the US-Lao PDR relations also occurred following 9/11 with bilateral counter terrorism cooperation. Thayer argues that when the US declared Southeast Asia to be the second front on terror, Lao PDR became one of the bases that the US needed to cover in its regional counter-terrorism efforts.⁹⁷ With Cambodia, the US reopened its diplomatic mission in Phnom Penh in November 1991, following the political settlement of the Cambodia conflict and the entry of the United Nations Transitional Authority in Cambodia (UNTAC). Since then, the rapprochement in terms of economic, political, military and aid dimensions varied until early 2007, when the US resumed direct foreign assistance. In September 2009, Cambodia and the US amended a bilateral trade agreement to include the provision for the US to support Cambodian economic priorities.⁹⁸

⁹⁴ Limaye, S.P., 'Introduction: America's Bilateral Relations with Southeast Asia - Constraints and Promise', *Contemporary Southeast Asia*, 32(3), 2010, pp. 309-316 at pp. 309-310.

⁹⁵ Interviewee 2, Southeast Asian Official, 5 February 2013.

⁹⁶ Brown, F.Z., 'Rapprochement Between Vietnam and the United States', *Contemporary Southeast Asia*, 32(3), 2010, pp. 317-342 at pp. 317-324.

⁹⁷ Thayer, C.A., 'US Rapprochement with Laos and Cambodia', *Contemporary Southeast Asia*, 32(3), 2010, pp. 442-459 at 445.

⁹⁸ Thayer, 'US Rapprochement with Laos and Cambodia', p.449.

As the main regional organisation, engagement with ASEAN has become a US priority during the Obama Administration. Swielande notes that the US Assistant Secretary of State for Asian Affairs, Kurt Campbell, had stated that the US has been diversifying its strategic and military approach. While keeping its strong commitment with Northeast Asia, the US is going to focus more attention on Southeast Asia. In the past, the US had developed bilateral relations with Southeast Asian countries. However, the Obama Administration considers ASEAN a unified organisation. Since 2009, annual summits have been organized between ASEAN and the US.⁹⁹ The US was the first non-ASEAN country to name a non-resident Ambassador to ASEAN with the appointment of Scot Marciel in 2008, followed by the establishment of a permanent US Mission to ASEAN in 2009 and a dedicated Mission to ASEAN in Jakarta in June 2010.¹⁰⁰

The US is now engaged in Southeast Asia through regional cooperation and active participation in political institutions. Bower examined these trends from a strategic perspective, with both President Obama and Secretary of State Hillary Clinton starting to recognise that strong relations with ASEAN are vital to America's interests in Asia. In 2010, Clinton outlined the core US principles for Asian regional architecture in Honolulu, and Obama signed the protocol of accession to the ASEAN Treaty of Amity and Cooperation, which declared that US interests in Southeast Asia are significant enough for an annual presidential focus.¹⁰¹ Thayer regards these moves as signalling close engagement with ASEAN.¹⁰² The US pledged to attend the annual ARF Ministerial Meetings in Southeast Asia, a departure from the Bush Administration, when Secretary of State Condoleezza Rice attended only two of the four annual meetings.¹⁰³

⁹⁹ De Swielande, T.S., 'The Reassertion of the United States in the Asia-Pacific Region', *Parameters*, 42(1), 2012, pp. 75-89 at 80.

¹⁰⁰ 'US Engagement with ASEAN', <http://asean.usmission.gov/mission/participation.html> (Date of visit 29 September 2014).

¹⁰¹ Bower, E.Z., 'In Asia, the US should look beyond China and India', *The Christian Science Monitor*, 3 May 2010, <http://www.csmonitor.com/Commentary/Opinion/2010/0503/In-Asia-the-US-should-look-beyond-China-and-India> (Date of visit 5 January 2014).

¹⁰² Thayer, 'US Rapprochement with Laos and Cambodia', p. 456.

¹⁰³ Sutter, 'The Obama Administration and US Policy in Asia', p. 205.

With Southeast Asia moving towards regional integration to become an ASEAN community in 2015, the US has expressed its active involvement in this road map since 2009. The US is likely to support Southeast Asia through the ASEAN Development Vision to Advance National Cooperation and Economic Integration (ADVANCE) Program, and it has committed around US\$7 million for activities towards an ASEAN economic community.¹⁰⁴ While not a large amount of money, this is symbolic of the commitment shown towards ASEAN.

Regarding the South China Sea territorial disputes, the Obama Administration has shown more commitment towards addressing the problem. China's assertiveness after 2007 had put pressure on foreign energy companies, including US companies, not to undertake exploration off the Vietnamese coast. At the ASEAN Regional Forum Summit in July 2010, US Secretary of State Clinton indicated Washington's willingness to facilitate tasks on implementing the 2002 ASEAN-China Declaration on the Conduct of Parties in the South China Sea:

The US supports the 2002 ASEAN-China Declaration on the conduct of parties in the South China Sea. We encourage the parties to reach agreement on a full code of conduct. The US is prepared to facilitate initiatives and confidence building measures consistent with the declaration. Because it is in the interest of all claimants and the broader international community for unimpeded commerce to proceed under lawful conditions.¹⁰⁵

3.4 Implications for Southeast Asia

3.4.1 For Southeast Asia in General

Historically, Southeast Asia is a region for a rivalry among major powers. It still needs US engagement to keep all major powers engaged in the region. This is a strategy of ASEAN's diplomacy. Once the US demonstrates its presence in Southeast Asia, then the ambitions of powers like China and Japan can be kept in check. ASEAN has accepted the US as a dialogue partner and an important participant in the annual ministerial meeting with the Foreign Ministers and the ARF.

¹⁰⁴ Limaye, S.P., 'United States-Southeast Asia Relations', *Regional Outlook*, Singapore, 2009/2010, p. 11.

¹⁰⁵ Hillary Rodham Clinton, Remarks at Press Availability, National Convention Center, Hanoi, Vietnam, 23 July 2010, <http://m.state.gov/md145095.htm> (Date of visit 25 August 2015)

Despite ASEAN's rejection of US claims that the values of democracy and human rights are universal, the US is seen as a crucial stabiliser in the region.¹⁰⁶ However, US involvement in Southeast Asia can cause both positive and negative impacts that lead to specific implications for the region.

Positively, the US "back to Southeast Asia strategy" can benefit the region. While the US is still the dominant superpower, its engagement in Southeast Asia can draw the attention of regional powers such as China, Japan, India and Russia. Once there are a number of powers involved in the region, then regional problems can be resolved through balancing as major powers and nations have to work together to discuss solutions. Subsequently, the role of regional multilateral institutions is strengthened in a positive manner.¹⁰⁷

Nehru shares this viewpoint by arguing that the US presence in regional forums, such as APEC and EAS, is potentially to transform them into decision making bodies rather than just "talking shops".¹⁰⁸ Moreover, US engagement in Southeast Asia brings security balance for the region amid the recent aggressiveness of China in the territorial disputes over the South China Sea. From ASEAN's viewpoint, US reengagement in the region is welcomed, as the continued American military presence in Southeast Asia can offer some measure of comfort against China's growing regional clout.¹⁰⁹

In addition, in terms of economic benefits, Southeast Asia can also obtain an advantage from US rapprochement with the region. Nehru claims that even when the US was suffering the effects of the worst economic crisis since the Great Depression in 2011, it was still the world's largest market. The US is still an important final destination for much of the region's exports and a key source of foreign direct investment. The recent ratification of the US-Korea Free Trade Agreement is likely to open the door for a similar free trade agreement with ASEAN, or a broader APEC-

¹⁰⁶ Singh U.B., 'Major Powers and the Security of Southeast Asia', *Strategic Analysis*, 24(2), 2000, pp. 315-342 at pp.317-322.

¹⁰⁷ Interviewee 2, February 2013.

¹⁰⁸ Nehru, V., 'A Hard Choice for Southeast Asia', *The Jakarta Post*, 2 November 2011, <http://www.thejakartapost.com/news/2011/11/01/a-hard-choice-southeast-asia.html> (Date of visit 5 January 2014).

¹⁰⁹ Nehru, 'A Hard Choice for Southeast Asia'.

wide free trade area for the Asia-Pacific, or a concluded TPP agreement.¹¹⁰ The US is still among dominant investors in Southeast Asia and this can be a beneficial factor for the region. According to the figures from the US Department of Commerce in 2008, America had US\$153 billion invested in ASEAN, US\$53 billion in China and US\$14 billion in India.¹¹¹

On the negative side, the US presence in Southeast Asia may pose a difficult dilemma for regional states. When major powers get involved in the region, there will be suspicion among them. The result can be strategic rivalry, arm races or a “rally for allies”, causing concerns both for major powers and other nations when participating in new initiatives or regional mechanisms. Moreover, the US approach to Southeast Asia can trigger action and reaction, escalate tensions or create distrust in the region. By trying to re-engage in the region, the US emphasizes its efforts to prevent the rise of China, and US efforts to embrace Southeast Asian nations can create a perception that the US is encircling China with its allies. This perception will make it harder to reach any settlement of problems faced among countries in the region with China. Conflicts may occur over minor incidents involving Southeast Asian countries, for example, when they try and modernise their military forces.¹¹²

From an economic viewpoint, Southeast Asia is between “a rock and a hard place” due to American involvement in the region, and with the close commercial relationship it holds with China. Nehru investigated the passage of the US Senate’s *Currency Exchange Rate Oversight Reform Act of 2011* designed to punish China for alleged currency manipulation. He found it would hurt Southeast Asian economies more because Southeast Asia’s economy is inextricably linked to China. Furthermore, ASEAN’s ambition to build a free trade area by 2015 and an infrastructure network to facilitate intra-regional trade is supportive of a broader East Asian regionalism, which China plays an integral part.¹¹³

¹¹⁰ Nehru, ‘A Hard Choice for Southeast Asia’.

¹¹¹ Bower, E.Z., ‘In Asia, the US should look beyond China and India’, *The Christian Science Monitor*, 03 May 2010, <http://www.csmonitor.com/Commentary/Opinion/2010/0503/In-Asia-the-US-should-look-beyond-China-and-India> (Date of visit 5 January 2014)

¹¹² Interview Marzuki Alie, June 2012.

¹¹³ Nehru, ‘A Hard Choice for Southeast Asia’.

From a multilateral perspective, it is essential for Southeast Asia to maintain and enhance the relationship with the US amid competition and cooperation between major powers in the region. Nguyen Hoang Giap argues that ASEAN countries still regard the US as an important actor in the region and wish to preserve a good relationship with the global superpower. From ASEAN's perspective, America is not only the dominant world power, but it has particular interests in the region.¹¹⁴ It is practical for ASEAN to engage the US and other major powers in multilateral mechanisms to carry out ASEAN's foreign policy of balancing powers. This strategy helps ASEAN to invite all major powers to the region, taking advantage of the regional interests of great powers while at the same time creating a forum for powers to exchange viewpoints. Giap argues that, together with its balance of powers attitude towards the major powers, ASEAN needs to acknowledge that strengthening multilateral cooperation with all outside partners, especially major powers, requires maximising opportunities for regional economic development and a security guarantee. This was the reason for the creation of regional multilateral forums, such as the ARF from 1994.¹¹⁵

In the chapters that follow, interviews with regional diplomats demonstrate that a method for ASEAN to mitigate negative impacts of US re-engagement in the region is to regularly involve all major powers in a security dialogue in Southeast Asia. This is the way to build up trust and confidence among powers themselves so as to reduce suspicion between each other for more security. For Southeast Asian states, bringing all major powers into regional forums to come and share differing

¹¹⁴ Nguyen Hoang Giap, 'Canh tranh chien luoc giua cac nuoc lon o khu vuc Dong Nam A trong hai thap nien dau the ky XXI vat tac dong doi voi Vietnam' [Trans: Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam], *Bao cao Tong hop Ket qua nghien cuu De tai khoa hoc cap Bo nam 2011* [Trans: The General Report of Ministerial Science Research Report, 2011], ma so B11-03 [Trans: Volume B11-03], Hoc vien Chinh tri-Hanh chinh Quoc gia Ho Chi Minh [Trans: Ho Chi Minh National Acedemy of Politics and Public Administration], Hanoi, 2011, p. 155.

¹¹⁵ Nguyen Hoang Giap, 'Canh tranh chien luoc giua cac nuoc lon o khu vuc Dong Nam A trong hai thap nien dau the ky XXI vat tac dong doi voi Vietnam' [Trans: Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam], pp. 161-164.

viewpoints is also the smart way to gather information from major powers to contribute to regional stability, security and development.¹¹⁶

3.4.2 *For Vietnam in Particular*

US engagement in Southeast Asia has pros and cons for Vietnam. The bilateral ties between Vietnam and the US have been seen as a “rapprochement.” Vietnam can benefit from US re-engagement in Southeast Asia in the political, economic and security sectors. Politically, Vietnam’s geographic location makes it central to US strategy, adding more leverage for Vietnam in the regional and international arena. Huong argues Vietnam’s strategic role is enhanced as it can be used as the “buffer zone or springboard” for both China and America in their strategies towards Southeast Asia.¹¹⁷ For the US, Vietnam was once regarded as the buffer against the spread of communism. It now plays an important role in balancing the ascension of China. Moreover, Vietnam’s stable political system, economic improvement, and rising regional and international prestige have led to Vietnam receiving more attention from the US and China. The US has become the largest export market for Vietnam, while China is the biggest source of its imports. Vietnam has opportunities to further participate in regional multilateral mechanisms, raising its voice and enhancing its role in these forums. With its impressive economic development, larger powers now recognise Vietnam as an important partner.¹¹⁸

At the same time, Hoang claims that for Vietnam, the US has now become one of its most important foreign partners. Vietnam is a strategic partner of the US. With improved bilateral relations between Washington and Hanoi, Vietnam is one of the top priorities for the US in Southeast Asia. New developments in Vietnam-US

¹¹⁶ Interview Prof. Dr Bantarto Bandoro, Senior Lecturer at Indonesian Defense University (IDU), Ministry of Defense, Indonesia on 27 November 2012.

¹¹⁷ The following discussion is drawn from Nguyen Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], pp. 268-274.

¹¹⁸ Nguyen Hoang Giap, ‘Cạnh tranh Chiến lược giữa các nước lớn ở khu vực Đông Nam Á trong hai thập niên đầu thế kỷ 21 và tác động đối với Việt Nam’ [Trans: *Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam*], p.168.

relations provide support for American broader strategies towards Southeast Asia.¹¹⁹ US re-engagement in Southeast Asia and rapprochement with Vietnam can help bring economic benefits to Vietnam. The statement of Secretary of State Clinton during a short visit to Hanoi that the US wished to see a strong and prosperous Vietnam was highly appreciated by the Vietnamese people.¹²⁰ From the normalisation of ties in July 1995 to the signing of the Bilateral Trade Agreement (BTA) in December 2001, and with Vietnam's entrance to the WTO in January 2007, bilateral trade and investment between Vietnam and the US has become the mainstay of the two countries' relationship.¹²¹ Nguyen also points out that the US continues to support Vietnam in its market reforms. Its open door policy and new legislation has created better conditions for American enterprises to operate businesses in Vietnam.¹²² Vietnam's economy benefits from US interests in the region.

In terms of security, American involvement in Southeast Asia is beneficial to Vietnam's regional security to some extent, especially in the current territorial disputes over the South China Sea. With China's assertiveness in claiming its maritime territory, American foreign policy of prevention and deterrence over the South China Sea has, at least, helped to address the dispute through a more balanced approach. US policy in the South China Sea is strongly opposed to the use of force to resolve competing claims as it urges claimants to exercise restraint and avoid destabilizing actions. The US desire is for the maintenance of peace and stability in the South China Sea. The US also considers that maintaining freedom of navigation and all maritime activities is consistent with international law and is in the fundamental interests of the US.¹²³ Although the US pursues its own national interests in its strategies towards the South China Sea, aiming to protect its

¹¹⁹ Hoang Anh Tuan, 'Response to Rapprochement Between Vietnam and the US', *Contemporary Southeast Asia*, 32(3), 2010, pp. 343-349 at 347.

¹²⁰ 'Việt Nam trước cuộc cạnh tranh Mỹ - Trung tại Châu Á', 13 July 2012, <http://toquoc.vn/Sites/vi-vn/details/6/y-kien-binh-luan/109299/viet-nam-truoc-cuoc-can- tranh-chien-luoc-my-trung-tai-chau-a.aspx> (Date of visit 28 May 2013)

¹²¹ Brown, F.Z., 'Rapprochement between Vietnam and the United States', pp. 322-324.

¹²² Nguyen Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], p. 270.

¹²³ Wang, Y.W., 'Rethinking the South China Sea Issue: A Perspective of Sino-U.S. Relations', *Pacific Focus*, 21(1), 2006, pp. 105-135 at 115.

economic, political and security privileges, Vietnam as one claimant in this territorial dispute can benefit from the US approaches by addressing the problem multilaterally under international law.

Negatively, US policy of spreading human rights and democracy can affect Vietnam's domestic political system and social stability. Vatthana argues that Vietnam has made remarkable progress since the early 1990s, emerging from the US embargo and international isolation to establish diplomatic and economic relations with many partners, including international institutions. However, the Vietnamese leaders, in particular those within the conservative elements of the Communist Party of Vietnam (CPV), remain suspicious of US diplomatic and strategic intentions in the region such as "the plot of peaceful evolution."¹²⁴ Vietnam's foreign policy strategies were largely decided by the interplay of the balance of power between conservatives and reformers, along with the leadership style of the General Secretary of the CPV. The reformers prefer a friendlier relationship with Washington as it can help Hanoi have a greater leverage against Beijing.

However, the conservatives consider "peaceful evolution" as a dangerous development.¹²⁵ The phrase "peaceful evolution" was previously used to describe an imperialist strategy of sabotaging socialism by destroying the party from within. Party conservatives today emphasise that a "peaceful evolution" can be understood as a "victory without war" over an existing regime. They argue that the objective of hostile forces (such as the US) in a "peaceful evolution" is to interfere in Vietnam's domestic affairs and eventually remove the leadership of the CPV and end socialism.¹²⁶

The negative impact of US rapprochement with Vietnam raises the likelihood of affecting bilateral relations with Vietnam's neighbour China. Geography and history have jointly made Vietnam into one of the countries that is most sensitive to

¹²⁴ Pholsena, V., 'US Rapprochement with Laos and Cambodia: A Response', *Contemporary Southeast Asia*, 32(3), 2010, pp.460-466 at 461.

¹²⁵ Vuving, A. L., 'Strategy & Evolution of Vietnam's China Policy', *Asian Survey*, 46(6), 2006, pp. 805-824 at 822.

¹²⁶ Le Thanh Long, 'Be Vigilant against New Plots of the "Peaceful Evolution" Strategy', *National Defense Journal*, 8 August 2014. <http://tapchiquptd.vn/en/events-and-comments/be-vigilant-against-new-plots-of-the-peaceful-evolution-strategy/6032.html> (Date of visit 24 September, 2014)

developments in China. Vietnam lies on a China's main route of expansion into Southeast Asia.¹²⁷ China is more of a long-term threat for Vietnam due to both its geographical location and its political orientation. The threat from Beijing is greater for Vietnam than that from Washington because for the US, the sources of tensions are Vietnam's political system, democracy and human rights issues. For China, the matters that Vietnam needs to deal with are more complicated, and concern national territory, land and sovereignty.¹²⁸

In the short term, Vietnam should maximise its positive bilateral relationship with the US in both economic and political issues as the US is Vietnam's largest export market and Vietnam has a huge trade surplus with the US. In tourism, Vietnam receives its largest number of foreign tourists from the US. However, this temporary advantage should not mean that Vietnam neglects China. Vietnam should not choose either the US or China as Vietnam derives benefits from both countries. The relationships Vietnam enjoys with both China and the US complement each other.¹²⁹

In the South China Sea territorial dispute, the different interests of various states, not only China and the US, have made the issue complicated. What Vietnam should do in the long term is a question of national policy. However, Vietnam should do its best to prevent the bilateral relationship between China and America from becoming a rivalry in strategic competition in Southeast Asia, especially in the South China Sea.

Vietnam will not participate in any power competitions between/among major powers. We will not stand on one side to confront another, rather, we only implement our duty, contributing to peace, stability in the region and world on the basis of international law and the UN Charter. We try our utmost to maintain our national self-reliance and independence. This concept is clearly defined in Vietnam's foreign policy. This truth comes from the valuable lessons from our one thousand-year history of building and

¹²⁷ Vuving, 'Strategy & Evolution of Vietnam's China Policy', p. 805.

¹²⁸ Interview 6, Southeast Asia Official, 7 October 2012.

¹²⁹ Interview Hoang Anh Tuan, 13 February, 2012.

defending the country. Maintaining the self-reliance and independence foreign policy ensures sustainable and long-time peace for our nation.¹³⁰

An ASEAN community is beneficial to Vietnam's national interests. ASEAN can assist in dealing with larger issues of security and development, such as the South China Sea territorial dispute. However, progress on such matters is complex.¹³¹ Brown argues ASEAN is crucial for Vietnam as multilateralism approaches, so membership of ASEAN is a powerful weapon.¹³²

In the long term, Vietnam's foreign policy is to make friends with all major powers. It is crucial for Vietnam to stand on its own national interest in its foreign policy. At the same time it is practical for Vietnam to enhance external cooperation to strengthen Vietnam's security, development and prestige in the regional and international arena. Vietnam does need to better address the interests of major powers through international integration. Vietnam also tries to meet the interests of foreign powers to pursue investment overseas. In its relations with China, Vietnam has a large trade deficit and so it must improve its terms of trade. On the other hand, Vietnam has a trade surplus with the US, with an export value of US\$18.64 billion in 2013. Vietnam's imports from the US were valued at US\$5.23 billion, while exports to the US reached US\$23.87 billion.¹³³ To address the balance of trade, Vietnam should enhance financial and credit cooperation with the US.¹³⁴

The next chapter examines the relationship of cooperation and competition between the US and China in Southeast Asia, followed by their implications on Southeast Asia.

¹³⁰ Lieutenant General Nguyen Chi Vinh, interview with VOV reporters during his visit to Washington D.C, <http://en.qdnd.vn/defence-cooperation/vietnam-does-not-participate-in-any-power-competition/352588.html> (Date of visit 7 July 2015)

¹³¹ Interviewee 2, 5 February 2013.

¹³² Brown, 'Rapprochement between Vietnam and the United States', p. 337.

¹³³ 'China tops List of Vietnam Trade Partners', Vietnam News, 24 February 2014, <http://vietnamnews.vn/economy/251510/china-tops-list-of-viet-nam-trade-partners.html> (Date of visit 7 October 2014).

¹³⁴ Interviewee 2, 5 February 2013.

CHAPTER 4. SINO-AMERICAN INTERACTIONS IN SOUTHEAST ASIA IN THE POST COLD WAR ERA

This chapter will examine the basis of Sino-American interactions in Southeast Asia after 1991. Sino-American interactions reflect a rising regional power challenging the global superpower, and the leading creditor against the largest debtor in the world. Understanding the dynamic that exists for these two powers is critical in order to analyse how Southeast Asia (especially Vietnam) should engage with them in the region. This chapter will describe the bilateral relations in terms of cooperation and competition. The main argument of the chapter is that the approach of Southeast Asia to China and the US should not be seen as favouring one side while neglecting the other. It is how ASEAN works to balance the interest of rival powers.

4.1 The Basis of Sino-American Interactions

4.1.1 Global and Regional Factors in Sino-American Interactions

In the post-Cold War era, the US has remained dominant in the international arena despite its relative decline. China, meanwhile, has been regarded as the main challenger to US hegemony with its spectacular economic growth over the past two decades. Peng argues that the rise of China's national power has been impressive and it led to the proliferation of 'China studies' among American think tanks, along with a wave of Chinese language study in America, showing that the US is well aware of a real challenge from China's rise.¹ In 2010, Sharma claimed that if the Obama Administration carried out an uncompromisingly aggressive policy towards Beijing, it would be at a painful economic cost. Owing to fundamental shifts in the global landscape, the US is no longer in a unilateral position to call the shots. A new economic picture has emerged – China has become the US government's largest

¹ Peng, Y., 'Sino-American Relations: New Changes and New Challenges', *Australian Journal of International Affairs*, 61(1), 2007, pp. 98-113 at 105.

foreign creditor while the US has the dubious distinction of being the world's largest debtor.²

China's growth is one of the reasons that led to inter-dependence among powers and other countries in the world in general, and to more dynamic bilateral ties between China and the US. Peng recognised that the US has, over time, altered its strategies and methods towards China, although its tactical goal of changing China stays the same.³ From a strategic view, the US expects to see China as a responsible stakeholder and has shifted its rhetoric accordingly – from an emotional language of “China threat,” it now uses the phrase “China's responsibility,” from “engagement” with China, the US now uses “conditional acceptance.” These alternations demonstrate international integration as the US seeks peaceful coexistence with China.⁴

However, there are other aspects of the relationship that are less peaceful, such as arms races, local conflicts and territorial disputes. These serve to complicate the post-Cold War environment. One Vietnamese official thought that in the coming decades there would be fewer possibilities of a world war, because peace and cooperation remains the mainstay of international relations.⁵ While the world is not engaged in major wars between great powers, invasions of smaller nations continue. There are also likely to be boundary disputes.⁶ As a result, the Sino-American relationship has witnessed competition in addition to cooperation. Peng argued that the increasing significance of Sino-American ties means not only American strategic reliance on China, but also an increase in its strategic suspicions regarding China.⁷ Hung and Liu discovered in the 2001 US Quadrennial Defence Review (QDR) that

² Sharma, S.D., ‘China as the World's Creditor and the United States as the World's Debtor: Implications for Sino-American Relations’, *China Perspectives*, 84, 2010, pp. 100-115 at 103.

³ Peng, ‘Sino-American Relations: New Changes and New Challenges’, pp. 108-109

⁴ Ibid

⁵ Phạm Bình Minh, ‘Cục diện Thế giới, Các Nhân tố tác động và Xu hướng Phát triển’ [Trans: *The global Situation, Impacting Factors and Development Trend*], in *Cục diện Thế giới đến 2020* [Trans: *The global Situation up to 2020*], The National Politics Publisher, Hanoi, 2010, pp. 9-58 at 21

⁶ Ibid.

⁷ Peng, ‘Sino-American Relations: New Changes and New Challenges’, p. 110.

the United States will face a major military challenge from Asia, most notably from China.⁸ The 2001 QDR of the United States clearly claimed:

Although the United States will not face a peer competitor in the near future, the potential exists for regional powers to develop sufficient capabilities to threaten stability in regions critical to US interests. In particular, Asia is gradually emerging as a region susceptible to large-scale military competition.⁹

Global politics has brought about major changes to Sino-American relations, shaping it with specific features of cooperation and competition.

Southeast Asia has a dynamism that has shaped the Sino-American relationship. Nguyen argues that China is the leading engine of economic growth in Asia, and Asian countries have stronger trade relations with China than with the US.¹⁰ China has much to offer to Southeast Asian states, including more convenient conditions than the US due to geographical distance, its network of overseas Chinese who are deeply engaged with business elites of Southeast Asia, and similarities in culture, traditions and customs. Over the past few years, the US had increased diplomatic efforts with other regions, such as the Middle East or South Asia, and this had given China the opportunity to use 'soft power' to broaden and strengthen its influence in Southeast Asia.¹¹ Looking at their current position and strength in the region, Chinese influence is more prominent than American influence. Nguyen argues this trend is likely to continue in the coming years.¹²

4.1.2 Background to Sino-American Relations:

The relationship between China and the US has never been straightforward or transparent. From the beginning there was intense rivalry between both countries.

⁸ Hung, M.T. and Liu, T.T.T., 'US Foreign Policy in Southeast Asia under the Obama Administration: Explaining US Return to Asia and its Strategic Implications', USAK Year Book, 5, 2012, pp. 195-225 at 203..

⁹ Quadrennial Defence Review Report, September 30, 2001, pp. 1-71 at 4. Available at www.defense.gov/pubs/qdr2001.pdf (Date of visit 25 July 2015)

¹⁰ Nguyen Manh Cuong, 'Cục diện Khu vực Châu Á-Thái Bình Dương đến 2020' [Trans: *The Asia-Pacific Situation till 2020*], in Cục diện Khu vực Châu Á-Thái Bình Dương đến 2020 [Trans: *The global Situation up to 2020*], The National Politics Publisher, Hanoi, 2010, pp. 215-234 at 215.

¹¹ Ibid, p. 216.

¹² Ibid, p. 217.

Since the end of the Cold War, US-China relations have become increasingly unstable, which means greater variations in conflictual and cooperative behaviour within short periods of time due to cycles of engagement and friction. This instability reflects a fundamental disjuncture between limited cooperative interests and more common conflictual ones.¹³ Sharing this viewpoint, Nguyen Thai Yen Huong noted that although the establishment of diplomatic relations between China and the US opened a new page in the bilateral relationship between the two powers, it did not mean the end of strain and conflicts. The most important feature in post-Cold War Sino-American relations is that China finds it essential to cooperate with the US at a time when the US is experiencing a relative decline in power and has to adjust its strategies towards China accordingly. The objective cause is rooted in the global political trends of peace and a decrease in arm races.¹⁴

The intense rivalry between China and the US can be seen through a range of strategies they have towards each other including vigilance, antagonism and conflict. The tight cooperation is over security issues, politics, economics, diplomacy and military affairs. In this perspective, Glaser discovered that between 2001 and 2003, relations between Washington and Beijing underwent a spectacular transition in ways that few could think of during the Bush Administration. Global terrorism, the reconstruction efforts in Afghanistan, simmering tensions in South Asia, the Iraqi weapons of mass destruction (WMD) and the North Korea nuclear issue have added a compelling strategic dimension to Sino-American relations. Not since the Cold War have such security issues occupied a central position in the two powers' interactions.¹⁵

US Deputy Assistant Secretary, Thomas J. Christensen, from the US Bureau of East Asian and Pacific Affairs, gave evidence to the House of Representatives Subcommittee on Asia, the Pacific and the Global Environment, Committee of

¹³ Johnston, A.I., 'Stability and Instability in Sino-US Relations: A Response to Yan Xuetong's Superficial Friendship Theory', *Chinese Journal of International Politics*, 4(1), 2011, pp. 5-29 at 8.

¹⁴ Nguyen, Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], Nha xuất bản Chính trị Quốc gia-Su that [Trans: National Political Publisher, Truth], Hanoi, 2011, pp. 55-56.

¹⁵ Glaser, B.S., 'Sino-American Relations: A Work in Progress', *American Foreign Policy Interests*, 25(4), 2003, pp. 417-424 at 417.

Foreign Affairs, on 23 July 2007 that the US-China relationship is candid, constructive and cooperative with a solid foundation and that there has been an improvement in recent years with some key areas of cooperation.¹⁶ Even the most powerful country in the world can face a global problem that it is unable to resolve alone. The US is aware of the fact that, sooner or later, China is going to become a major power and exercise more influence in the international arena. This perception has made Washington feel the risk of restraining Beijing with military confrontation. Consequently, it would be reasonable for the US to attempt comprehensive strategic contacts with China and work together for common solutions.

However, Sino-American relations also suffer from suspicion and differences over several issues, which adds tension to this relationship. Glaser notes that in spite of Jiang Zemin's assurances to US President Bush that China has no ambition to challenge American military presence in the Asia-Pacific and it considers the US as having a stabilizing role in the region, most Americans are still worried about Beijing's long-term ambitions. Meanwhile, the Chinese were suspicious of Bush Administration officials' assertion that China should not be seen as an adversary. The most sensitive issue between the two powers that has not yet been settled is the potentially explosive problem of Taiwan. Beijing continues to object to American interference in the Taiwan issue, such as US arms sales, closer military ties and commitment to Taiwan.¹⁷ The suspicion and differences of opinion between the US and China obstruct cooperation and increases rivalry between the two countries, as evidenced by the enduring scepticism of each other's long-term intentions and persistent differences on sensitive issues.¹⁸

4.1.3 Theoretical Basis of Sino-American Relations

In realist thought, a nation aims to advance its interests so as to maximise its benefits. The US national interest rests on preserving power, while for China, its

¹⁶ Nguyen Van Sanh, *Quan hệ Mỹ-Trung Quốc đến 2020* [The Sino-American Relations till 2020] in Pham Binh Minh (eds), *Cục diện Thế giới đến 2020* [*Trans: The global Situation up to 2020*], The National Politics Publisher, Hanoi, 2010, pp. 336-366.

¹⁷ Glaser, B.S., 'Sino-American Relations beyond September 11', *American Foreign Policy Interests*, 24(3), 2002, pp. 223-229, at 226-227.

¹⁸ Glaser, 'Sino-American Relations beyond September 11', p. 227.

national interest is linked to expanding its influence. However, a US under pressure also understands that it is not in its national interests to pursue rivalry with China. Policies can be adjusted to maximise benefits. Clinton argued that “nations as well as individuals, act for their own benefit, and not for others, unless both interests happen to be assimilated.”¹⁹ While China wishes to advance its emerging power, it is beneficial to cooperate with the US. China’s interest needs to be supported by a peaceful region to focus on its economic development. Nguyen argues that China views the relative decline of the US and Japan as an opportunity for its own rise, replacing Japan as the leading East Asian economy and grasping a leadership role in the region. At the same time, American economic woes have created a perception of waning global strength and have narrowed the capability gap between major powers. As a result, both China and the US find it difficult to maintain a policy of direct rivalry towards each other and, in the near future, China is still likely to accept the existing imbalance of power.²⁰ China and the US have to cooperate with each other, as it benefits each power’s national interests. Realism and balance of power are reasonable tools to explain the theoretical basis for Sino-American interactions.

Different strategic objectives and national ideologies are the main reasons for competition between China and the US. The US-China relationship is a competition between major powers over differences in economics, politics, culture and social values. Yan shows that after Barack Obama became US President, Beijing and Washington officials formulated the concept that the China-US bilateral relationship is the world’s most important relationship because of the level of conflicting interests rather than shared ones.²¹ Shambaugh explained that China and the US have competing worldviews, divergent strategic interests, antithetical political systems, no intelligence sharing and attenuated military relations.²²

¹⁹ Clinton, W.D., *The Two Faces of National Interest*, Louisiana State University Press, Baton Rouge, 1994, p. 12.

²⁰ Nguyen Thai Yen Huong ‘*Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực*’ [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], pp. 118-119.

²¹ Yan, X.T., ‘The Instability of China-US Relations’, *Chinese Journal of International Politics*, 3(3), 2010, pp. 263-292 at 270.

²² Shambaugh, D., ‘Sino-American Strategic Relations: From partners to Competitors’, *Survival*, 42(1), 2000, pp. 97-115 at 99.

Owing to these differences, the concept of “strategic competitors” describes Sino-American ties. Both sides can cooperate in some sectors while having competitive, and sometimes contentious, relations at the core. In East Asia, China and the US are vying for strategic pre-eminence and leadership. While China claims never to seek hegemony or domination over the Asia-Pacific region, it is not comfortable with current US regional security domination or multilateral security. The Chinese military is not inclined to tolerate either an indefinite US military presence or strategic American pre-eminence in the region. Moreover, the contradiction in national ideology also adds to the competitive feature in Sino-American relations. Samuel Huntington sees the “clash of civilizations” as taking place between the advanced industrialized nations of the West and other models of development, including Confucian thought and culture in China. The major differences between the Western and Confucian models can be traced to historical experiences, cultural orientation, and political and social institutions. How US policy addresses these issues will either separate two powerful nations or bring them closer together.²³

These differences in national ideology have led to the pursuance of different objectives between China and the US. On the one hand, the American strategy is to promote American views of human rights and democracy worldwide as universal values. This use of soft power preserves American cultural influence in the world. On the other hand, due to its traditional influence in Asia as the largest and most populous power in the region, China has a stake in preserving Chinese culture and integrity.²⁴ China is the largest socialist country in the world today and, in opposition with American views, looks at human rights as linked to stages of development. This situation causes mutual suspicion.²⁵ China and the US face strategic competition in the regional and global race for national influence and power.

²³ Weidenbaum, M., ‘The Future of Sino-American Relations’, *Orbis*, 43(2), 1999, pp. 223-235 at 233.

²⁴ Nguyen, Thai Yen Huong ‘*Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực*’ [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], pp. 123-124.

²⁵ Tao, W.Z., ‘Sino-American Relations During the George W. Bush Administration’, *American Foreign Policy Interests*, 26(5), 2004, pp. 409-414 at 412.

4.1.4 Practical Basis of Sino-American Relations:

Sino-American relations are also affected by globalization and regional integration. Nations all over the world today face common global issues, such as cyber security, trans-national crime, terrorism, pandemic diseases and climate change. Both China and the US are unlikely to resolve these problems unilaterally. All countries need to coordinate with one another to deal with these global issues.²⁶ Garrett argues that globalization has created a new “strategic independence” among globalizing states because they are becoming more dependent on maintaining, deepening and broadening economic ties with other states in an international system of peace and stability, so that economic relationships can develop. While states that have globalized successfully may become economic and political competitors in the future, it is unlikely they will enter a zero-sum game of strategic competition, as was the case of the US and the Soviet Union during the Cold War. Each state will find that the growth, prosperity and security of other states are crucial to its own security and economic well-being.²⁷

Therefore, China and the US need to cooperate with each other because it is in their national interest and benefit to do so. If China and the US cannot cooperate, then both powers will suffer. When the most powerful nation in the world can cooperate with the world’s most populous country, the result will be greater prosperity and stability throughout the world.²⁸ Since the 1980s, China has been aware of the growing influence of economic interdependence and globalization in world politics. Not until the 1990s did the Chinese accept economic globalization as an irreversible trend, and that China should be adaptive. In a long-term strategy for increased wealth and power, China has integrated further into the world economy. Its bilateral relations with the US play an important role in this process.²⁹

²⁶ Interview Mrs. Le Khuong Thuy, Head of International Studies, Vietnam Institute of American Studies, Vietnam Academy of Social Sciences, 19 September 2012.

²⁷ Garrett, B., ‘Sino-American Relations in the Era of Globalization-A Framework for Analysis’, *Procedia, Social and Behavioral Sciences*, 2(5), 2010, pp. 7249-7267 at 7250.

²⁸ Irish, C.R. and Irish, R.W., ‘Misdirected Ire and Lost Opportunities: The False Crisis in Sino-American Relations’, *Journal of World Trade*, 39(4), 2005, pp. 719-740 at 719.

²⁹ Lu, Y.C., ‘From Confrontation to Accommodation: China’s Policy toward the US in the Post-Cold War Era’, PhD Thesis, George Washington University, 2009, pp. 1-229 at 116.

The Sino-American relationship faces strategic competition because of their rivalry for influence over regional or international areas of concern, where Taiwan, East China Sea (Senkaku Islands) and South China Sea territorial disputes are among the most complicated problems. Tao argues that the Taiwan issue could undermine the whole bilateral relationship between China and the US. It could even lead to war between the two major powers.³⁰ Under the terms of the Taiwan Relations Act, the US Defence Department is obligated to sell weapons of a defensive nature to Taiwan. The United States Pacific Command (USPACOM) is expected to participate in any conflict with China. The Taiwan issue is always a sensitive matter in Sino-American relations. China views the return of Taiwan as a natural process following the handover of Hong Kong in 1997 and Macau in 1999. China does not hide its intention to use armed force if Taiwan declares independence. Meanwhile, Taiwan has exploited the situation to develop and broaden its international space to counter Chinese interests. In spite of objections from China, the Obama Administration approved US\$6.4 billion in arms sales to Taiwan in January 2010.³¹

Apart from Taiwan and the Senkaku Islands, the South China Sea territorial disputes are another area of strategic competition. Wang argued that the South China Sea disputes are likely to be among one of the most serious challenges or troubles between China and the US in the future. In 2002, Chinese Deputy Foreign Minister Li Zhaoxing described Taiwan as “a burden on the back of the U.S for more than half a century.” Conversely, Wang predicted that it is hard to imagine the South China Sea issue will be a burden on the back of the US for the next half century.³² Yee argues that the latest escalation of tensions in the East and South China Seas has drawn renewed attention to the possibility of conflict over the surrounding areas, and both China and the US have made public their intentions. The US Secretary of State Hillary Clinton stated at the ASEAN Foreign Ministers’ Meeting in Hanoi on 20 July 2010 that:

³⁰ Tao, W.Z., ‘Sino-American Relations During the George W. Bush Administration’, *American Foreign Policy Interests*, 26(5), 2004, pp. 409-414 at 412-413.

³¹ Nguyen Thai Yen Huong, ‘*Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực*’ [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], p. 123.

³² Wang, Y.W., ‘Rethinking the South China Sea Issue: A Perspective of the Sino-U.S. Relations’, *Pacific Focus*, 21(1), 2006, pp. 105-135 at 106-107.

The United States, like every nation, has a national interest in freedom of navigation, open access to Asian's maritime commons, and respect for international law in the South China Sea. The United States supports a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion.³³

For its part, China has asserted that the South China Sea is its core interest.³⁴ Thus, Sino-US competition in Southeast Asia is inevitable.

4.2 Sino-American relations in Southeast Asia in the Post-Cold War Era

In order to address their national interests, China and the US have implemented various strategies in Southeast Asia. In an interview with the author, a leading Vietnamese scholar of Chinese studies likened the Sino-American relationship in Southeast Asia as a boat that goes against the current. The relationship is difficult to move quickly, but if it does not move forward, it is likely to move backward. The reason for this conundrum is the lack of mutual strategic trust between China and the US.³⁵ As a result, the China-US relationship in Southeast Asia can benefit both powers and the region when it is in good standing, a win-win solution for all parties. Others employ a different maritime analogy, comparing the China-US long-term stable and cooperative relationship to a steamer sailing through rough seas, where the four elements of mutual trust/respect, institutionalization, transparency and mutual restraints in military build-up are viewed as the ballast that ensures the ship will not capsize when faced with huge storms and monstrous waves. The two sides need to make sure the relationship results in strategic benefits for both nations.³⁶

If, however, the Sino-American relationship develops into rivalry, then it is likely to turn into a zero-sum game for each side. Southeast Asia will be split into supporters of the US and supporters of China. An influential Indonesian

³³ Hillary Rodham Clinton, Remarks at Press Availability, National Convention Center, Hanoi, Vietnam, 23 July 2010, <http://m.state.gov/md145095.htm> (Date of visit 25 August 2015)

³⁴ Yee, A., 'Maritime Territorial Disputes in East Asia: A Comparative Analysis of the South China Sea and the East China Sea', *Journal of Current Chinese Affairs*, 40(2), 2011, pp. 165-193 at 166-167.

³⁵ Interview Prof. Dr. Do Tien Sam, Director of the Institute for Chinese studies, Vietnam Academy of Social Sciences on 19 September 2012.

³⁶ Dunn, L.A. (ed.), *Building Toward a Stable and Cooperative Long-Term U.S.-China Strategic Relationship*, Pacific Forum CSIS, Honolulu, 2012, pp. 1-139 at 21-24.

commentator noted that if this happens, ASEAN would be polarized, resulting in the marginalization of its roles as one of the pillars of architecture of East Asian security.³⁷ Positive relations between China and America can stabilise and improve bilateral relations in Southeast Asia. During an economic downturn, it is essential to create a favourable environment for social stability and economic development. A more cooperative and stable strategic relationship between an established power and a rising power will make it easier to deal with today's global economic, political, security, social and environmental challenges. On the one hand, this positive relationship will in turn benefit both powers in politics, economics and domestic priorities. By contrast, more confrontational and troubled strategic relations are likely to undermine the security and well-being of both powers. Thus, the significance of building a more stable and cooperative Sino-American relationship is well-recognized as important, but a challenge for both China and the US today.³⁸ A Chinese saying sums this up nicely: “*Heze liangli, douze jushang*” (合则两利斗则俱伤) [Trans: “Cooperation brings benefits to both sides, Rivalry results in harm to both sides”]. According to Professor Do Tien Sam, a Vietnamese leading scholar on China, the Sino-American relationship in Southeast Asia in the post-Cold War era is described “*Đấu nhi bất phá*” [“Competition without a break in relations”], meaning competition exists, but has not come to rivalry as it did between the superpowers in the Cold War. Cooperation exists but has not yet resulted in a ‘G2’ (the US and China), although the Americans have proposed this.³⁹

The relationship between China and the US in Southeast Asia also suffers from instability and imbalance. This is because China is still far from being at the same level as the US in terms of its comprehensive strength. Being a global superpower, US foreign policy is framed by the idea that it is a power like none before – an American ‘exceptionalism.’ China watches US behaviour closely and carefully, calculating the impact on its own security and then responds accordingly. This imbalance between the two powers has contributed to instability and

³⁷ Interview Marzuki Alie, June 2012.

³⁸ Dunn, *Building towards a Stable and Cooperative Long-Term US-China Strategic Relationship*, p. 9.

³⁹ Interview Do Tien Sam, 19 September 2012.

unpredictability, to fluctuations and sometimes low points in China-US relations.⁴⁰ Yan argues that instability is an important feature of the China-US relationship and it embodies the superficial nature of that relationship.⁴¹ The fluctuations in Sino-American relations have indeed brought about significant implications for Southeast Asia, which will be addressed in chapter 7.

For Sino-American relations in Southeast Asia, cooperation and competition as both “strategic partner” and “strategic competitor” are in co-existence for purposes of mutual development. There are certain spaces for competition between a rising power and a declining superpower. Simultaneously, when the emerging state has not yet achieved enough conditions to challenge the current hegemon, then cooperation between the two is another bilateral approach. Both sides will find opportunities for cooperation in addition to competition.

From the Chinese perspectives, So and Kim argue that since the end of the Cold War, the nature of the US-China relationship is unclear.⁴² It could be considered an unstable phase of bilateral relations. The reason mostly comes from an uncertain American strategic perception of China. Evidence of this uncertainty can be found in the meetings, dialogues, mediations, and cooperation of the American and Chinese governments on a range of regional and international issues, such as commerce, counter terrorism and non-proliferation of weapons. There is disagreement between the two powers regarding political systems, ideology, human rights, Taiwan, Hong Kong, North Korea, the South China Sea and Tibet. As the weaker partner in the relationship, China has no choice but to manage affairs in two ways: on the one hand, China supports and attends meetings, dialogues, and mediations to develop cooperative relations with the US, and, on the other hand, it is on high alert for American actions, including further westernization, secession of territories from the Chinese state and containment of Chinese power.

⁴⁰ Dunn, *Building towards a Stable and Cooperative Long-Term US-China Strategic Relationship*, p. 20.

⁴¹ Yan, X.T., ‘The Instability of China-US Relations’, *Chinese Journal of International Politics*, 3(3), 2010, pp. 263-292 at 266.

⁴² The following discussion is drawn from So, T.L and Kim, U., *Chien luoc va Chinh sach Ngoai giao cua Trung Quoc* [Trans: Diplomatic Policy and Strategies of China], Nha xuất bản Chính trị Quốc gia-Su that [Trans: The Political and Truth Publisher], Hanoi, 2013, p.375.

4.2.1 *The Sino-American's Competition in Southeast Asian Affairs*

4.2.1.1 In Security and Military affairs

China and the US both consider Southeast Asia as an area of regional competition due to its strategic location in the Asia-Pacific. At the beginning of the post-Cold War era, when the US was forced to withdraw its troops and vacate its bases in the Philippines after the Philippine Congress refused to renew the leases on these bases, China moved to fill the gap in Southeast Asia to influence its southern neighbours. In the 1997 Asian financial crisis, while the US was late in assisting the region, China played a role as the key helper to its southern neighbours to spread its influence. Hung and Liu argued that the rise of China has made the Obama Administration see the need, in 2008, for the US to return to Southeast Asia.⁴³

While the US is making efforts to re-engage Southeast Asia by developing new partnerships with Cambodia, Indonesia, Malaysia and Vietnam, China is losing trust and confidence in the region because of the aggressive pursuits of its own claims in territorial disputes with the Southeast Asian states of Vietnam, the Philippines, Malaysia and Brunei. The more aggressive China is in dealing with its southern neighbours, the more opportunity it brings for America in the region. Cabras argues that the first significant signal of US interests in Asian geopolitical space was the announcement by US President Obama in November 2011 to renew American presence in the Asia-Pacific. The US Marines' presence was rotational and not permanent. It began with small numbers and will build up to 2,500 marines in future years to Darwin in northern Australia, just 500 miles from Indonesia. The US goal is to strengthen its alliances with Japan, South Korea and the Philippines to protect American core interests across Asia. The number of US troops in the Asia-Pacific will be over 80,000 with 2,500 in Australia, 50,000 in Japan and 28,000 in South Korea.⁴⁴

⁴³ Hung, M.T. and Liu, T.T.T., *US Foreign Policy in Southeast Asia under the Obama Administration: Explaining US Return to Asia and its Strategic Implications*, (USAK Year Book), 5, 2012, pp. 195-225 at 209.

⁴⁴ Cabras, M.D. 'China-US Competition to lead Asian Development', *The European Strategist: International Affairs from a European Perspective*, 20/11/2011, <http://www.europeanstrategist.eu/2011/11/china-u-s-zycompetition-to-lead-asian-development/> (Date of visit 20 August 2013).

The issue of the South China Sea effectively demonstrates the competition in security and military affairs between China and the US in Southeast Asia. While China considers the South China Sea as part of its core interests, the US has an interest in freedom of navigation with open access to Asia's maritime routes. While China claims its indisputable sovereignty over islands, reefs and rocks above the sea surface, it also wants the sea area in which they are located, for access to potential natural resources. The US urges all concerned parties to respect international law in the South China Sea. While China is interested in dealing only with other claimant states to resolve the territorial disputes in the sea area, the US looks to ASEAN members, ARF participants and other maritime nations.⁴⁵ Sovereignty over the South China Sea has become a point of competition between the two powers in the region.

Wang explored the traditional balance of power theory and argued that the struggles among great powers are defined by every previous struggle over sovereignty. Regional disputes in modern times to some extent continue the past struggle between colonial powers, and the South China Sea is no exception. Southeast Asia used to be divided by powers such as Britain, France, Portugal, the Netherlands and Spain. Japan today has vital interests in the region with 70% of its oil carried on the sea-lanes through the South China Sea, but the US is currently viewed by ASEAN nations to be the principal deterrent to any outbreak of military hostilities. The US has made it clear to China that it will resist any attempt to interfere with international sea and air navigation rights through the South China Sea.⁴⁶ Meanwhile, China views the South China Sea as an exclusively Chinese sea and claims nearly its entire territory. Chinese Foreign Minister Yang Jiechi claimed:

On the South China Sea, the position of the Chinese Government has been consistent and clear-cut. China has sovereignty over the islands on the South China Sea and their adjacent waters. There is plentiful historical and jurisprudential evidence for that.⁴⁷

⁴⁵ Cabras, 'China-U.S Competition to lead Asian Development'.

⁴⁶ Wang, Y.W., 'Rethinking the South China Sea Issue: A perspective of Sino-US Relations', *Pacific Focus*, 21(1), 2006, pp. 105-135 at 109-110.

⁴⁷ Hillary Rodham Clinton, Remarks with Chinese Foreign Minister Yang Jiechi, Great Hall of the People, Beijing, China, 5 September 2012. Available at <http://www.state.gov/secretary/20092013clinton/rm/2012/09/197343.htm> (Date of visit 26 July 2015)

Emmers notes that among the islands in the territorial disputes between China and its ASEAN neighbours lies the Paracel and Spratly Islands at the centre of competing territorial, economic and strategic interests. If China were to realise its territorial claims, it will be able to extend its jurisdiction to the heart of Southeast Asia. Furthermore, if China can control the maritime communication routes, it could endanger the security interests of the US, Japan and other maritime powers that cross these waters.⁴⁸

Sutter argued that China's harder line in military, diplomacy and other manoeuvres in the South China Sea territorial disputes has tarnished its image in Southeast Asia and raises the spectre of Sino-American military confrontation.⁴⁹ China can, however, give reason to the US to pay more attention to Southeast Asia, to protect its security interests. The US has stepped up its security presence in the region, including port-access arrangements in Southeast Asia and joint military exercises with the Philippines. While China has conducted ever larger naval exercises in the South China Sea in recent years without interference from the US, the American naval presence is designed to reassure regional states. Wang argued that American activities are aimed at setting up a "United Front" against China.⁵⁰

Chinese Foreign Minister Yang Jiechi made remarks about the US goal to contain China by rebalancing its strategy with the region:

Judging from some recent U.S. moves in the region, including the strengthening of military alliance with countries in the region, many people have come to the conclusion that the fundamental role of the strategy is to contain China and to thwart China's development.⁵¹

⁴⁸ Emmers, R. 'The Changing Power Distribution in the South China Sea: Implications for Conflict Management and Avoidance', *Political Science*, 62(2), 2010, pp. 118-131 at 119.

⁴⁹ Sutter, R. 'The United States and China in Southeast Asia: Conflict or Convergence?', in D. Singh (ed.), *Southeast Asian Affairs 2010*, Institute of Southeast Asian Studies, Singapore, 2010, pp. 44-59 at 47.

⁵⁰ Wang, Y.W., 'Rethinking the South China Sea Issue: A perspective of Sino-American Relations', *Pacific Focus*, 21(1), 2006, pp. 105-135 at 115.

⁵¹ Hillary Rodham Clinton, Remarks with Chinese Foreign Minister Yang Jiechi, Great Hall of the People, Beijing, China, 5 September 2012. Available at <http://www.state.gov/secretary/20092013clinton/rm/2012/09/197343.htm> (Date of visit 26 July 2015)

4.2.1.2 Political and Influential Power

In the 1990s, as the US downgraded the strategic importance of Southeast Asia, a new strategic reality has been evolving in Southeast Asia. China's economic rise has taken place against a background of US foreign policy adventurism and its relative economic decline.⁵² China has adopted a 'good neighbour' policy towards its surrounding neighbours through the "five principles of peaceful coexistence" (*heping gongcun wu yuanze* 和平共存五原则) in its policy foundation for shaping a peaceful international environment. China has introduced its "five guidelines of regional cooperation" (*quyuhezuo wuxiangzhidao* 区域合作五项指导) and consensus to set aside problems. China has worked to resolve problems with Southeast Asian states through dialogues and negotiations. There has been an improvement in relations between China and Southeast Asian states. China entered as a consulting partner of the ARF in 1994 and became a dialogue partner the following year.⁵³

China has an economic influence over its southern neighbours. According to Petty, Laos, Cambodia and Myanmar, ASEAN's poorest states, have remained in China's orbit as a result of no-strings loans, desperately needed infrastructure development, military support and investment opportunities from Chinese companies.⁵⁴ Moreover, Beijing has strong economic ties with Singapore and Malaysia, and has been aggressively wooing Thailand, a traditional ally of America. The Director of Chulalongkorn University's Institute of Security and International Studies, Thitinan Pongsudhirak, claims that Southeast Asia has been of geo-strategic value to China for centuries, as China has always had a major influence on the region.⁵⁵ An article in *The Economist* in 2011, the mysteriously named R.G. argued that the government in Beijing has launched a charm offensive in Southeast Asia in

⁵² Majd, M. 'Southeast Asia Between China and the United States', *The New Geopolitics of Southeast Asia*, 2012, pp. 21-35 at 21.

⁵³ Hung, and Liu, 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', p. 101.

⁵⁴ The following discussion is drawn from Petty, M., 'Southeast Asia in A Quandary Over U.S.-China Rivalry', *Reuters*, Bangkok, 8 July 2012. Available at <http://in.reuters.com/article/2012/07/08/china-usa-asean-idINDEE86703B20120708> (Date of visit 25 August 2015)

⁵⁵ Thitinan Pongsudhirak, 'Obama's Southeast Asia Visit: Re-engaging with the Region', <http://www.eastasiaforum.org/2012/11/20/obamas-southeast-asia-visit-re-engaging-with-the-region/> (Date of visit 26 July 2015)

the last decade. By supporting Southeast Asian development through improved infrastructure, such as roads, schools, and hospital buildings, China became the largest trading partner of many countries in the region while the US “only whistled a lonesome single security-obsessed tune.”⁵⁶

Since 2008, the competition between China and the US for political influence in Southeast Asia has become increasingly tense due to conflicts of interest between the two powers. Both powers issued a joint statement at the conclusion of President Obama’s visit to Beijing for the Sino-American summit in November 2009. Both leaders agreed to consider each other’s core interests as extremely important to ensure a steady progress in US-China relations:

The United States and China committed to work together to build a cooperative partnership based on mutual respect and mutual benefit in order to promote the common interests of both countries and to address the 21st century’s opportunities and challenges.⁵⁷

However, early the following year, the US sold arms to Taiwan and President Obama officially received the Dalai Lama, Tibet’s spiritual leader, in the White House, causing anger in Beijing. Moreover, while the US has made efforts to urge all concerned parties in the South China Sea to respect international navigation, China responded that it would not tolerate any interference in the South China Sea. For US analysts, this was the first time China identified the South China Sea as its core interest, along with Tibet, Taiwan and Xinjiang.⁵⁸

Petty explored Washington’s 2012 flurry of engagements with the Philippines, Thailand, Singapore and Vietnam as a potential source of friction with China, especially as tempers flared over the territorial disputes and the rapid Chinese

⁵⁶ R.G., ‘China and America in Southeast Asia: Dance of the Giants’, *The Economist*, 21 November 2011, <http://www.economist.com/blogs/analects/2011/11/china-and-america-south-east-asia> (Date of visit 20 August 2013)

⁵⁷ U.S.-China Joint Statement, The White House, 19 January 2011. Available at <https://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement> (Date of visit 26 July 2015)

⁵⁸ Thayer, C.A. ‘The United States, China and Southeast Asia’, *Southeast Asian Affairs*, 2011, pp. 16-25 at 16-17

military build-up in the South China Sea.⁵⁹ The more tensions that China created in the territorial disputes, the more Southeast Asian states aimed to improve relations with the US, as a natural strategy of balancing powers. However, Southeast Asia is not edging closer to the US as a response to the rise of China. ASEAN's policy is to engage all major powers for regional benefit. Rather, it is a matter of fact that China's aggression has brought about the tendency for Southeast Asian states to improve their relations with the US.

Carr asserts that China's aggressive stance has backfired as it resulted in a series of recent maritime stand-offs with Japan, Vietnam and the Philippines. These escalations have made some Southeast Asian states nervous about China's intentions and they are keen to improve relations with the US. Myanmar and Vietnam have complex bilateral relations with China and they have worked hard to rebuild their relationship with the US.⁶⁰ Since 2010, occasional Chinese pronouncements on the South China Sea territorial disputes have sent Southeast Asian governments "rushing for the shelter of the American umbrella."⁶¹ Thayer has also claimed that the downturn of US relations with China contrasted with an upturn in American ties with Southeast Asia, as the Obama Administration continued to re-engage ASEAN states and developed new partnerships with Cambodia, Indonesia, Malaysia and Vietnam.⁶²

China's military modernization and its increased assertiveness in the South China Sea have prompted Vietnam and other concerned ASEAN members to lobby the US to become more involved. The US responded by raising issues concerning the South China Sea at the 17th ARF meeting in Hanoi in 2010. The US intervention has provoked a hostile response from China and Yang Jiechi, the Chinese Foreign Minister, left the forum angrily. In the 2011 East Asia Summit in Bali, Chinese

⁵⁹ Petty, M. 'Booming Southeast Asia in a quandary over U.S-China Rivalry', Bangkok, Sunday July 8, 2012. Available at <http://www.reuters.com/article/2012/07/08/us-china-usa-asean-idUSBRE86702420120708> (Date of visit 20 August 2013)

⁶⁰ Hille, K. & Bland, B. & Dyer, G. 'US and China vie for influence over Southeast Asia', Asia Pacific, 23 November 2012, <http://www.ft.com/cms/s/0/a0566e9e-3493-11e2-8b86-00144feabdc0.html> (Date of visit 20 August 2013)

⁶¹ R.G. 'China and America in Southeast Asia: Dance of the Giants', *The Economist*, 21 November 2011, 9(18), <http://www.economist.com/blogs/analects/2011/11/china-and-america-south-east-asia> (Date of visit 20 August 2013)

⁶² Thayer, C.A., 'The United States, China and Southeast Asia', *Southeast Asian Affairs*, 1, 2011, pp. 16-25 at 18-20.

Premier Wen Jiabao reiterated that “outside forces should not, under any pretext” be involved in a regional dispute over the South China Sea. According to China, US interference in regional affairs, such as the South China Sea territorial disputes, worsen the issues. In March 2009, the US and China had clashed in the South China Sea as Chinese vessels warned the surveillance ship *USNS Impeccable* of conducting illegal operations and forced it out of the area. This clash proved the geo-strategic significance of the South China Sea to both China and the US.⁶³ China has deployed nuclear attack submarines on Hainan Island, and they are likely to deploy nuclear ballistic submarines to its naval base on that island as well.

4.2.1.3 Commercial and Economic Sectors

Competition between China and the US in the commercial and economic sectors has been an unavoidable feature of Sino-American relations in Southeast Asia. Commerce represents a level of material power that can have a direct impact on the development of the relationship between the two powers. Southeast Asia has recently been of interest to major powers due to its expanding middle class and their growing purchasing power. China has attempted to develop with Southeast Asia a relationship for mutual benefit by funding various infrastructure projects, such as the Singapore-Kunming railway, the Kunming-Bangkok highway and the dredging of the Mekong River for navigation and trade. The growth rate of China-Southeast Asia commerce has been rapid, although in real terms, the size has been moderate relative to overall trade. Bilateral trade between China and ASEAN grew from US\$42 billion in 2001 to US\$231 billion in 2008.⁶⁴ This growth rate is more rapid than Southeast Asia’s trade with the US. China is reportedly going to overtake the US as the largest market for most Southeast Asian countries.

Southeast Asian trade with the US almost doubled between 1992 and 2001, from over US\$66 billion to US\$ 118 billion, generally to the advantage of Southeast Asia. Most of this trade, approximately 80%, takes place with maritime Southeast Asia. Chinese and American trade with Southeast Asia has resulted in their

⁶³ Hsing, S., ‘China and the Territorial Claims in the South China Sea’, *Policy Paper Series*, 2, 2012, pp. 1-8 at 6.

⁶⁴ Wang, Y. and S. Y. Tong, ‘China-ASEAN FTA Changes ASEAN’s Perspectives on China’, *East Asian Policy*, 2(2), 2010, pp. 47-54 at 49.

intensified maritime coexistence in the region.⁶⁵ Bilateral trade between China and ASEAN blossomed after the Asian financial crisis, and Chinese imports from ASEAN increased from US\$12.4 billion in 1997 to US\$154.6 billion in 2010. Chinese exports to ASEAN also increased from US\$12.7 billion in 1997 to US\$138.2 billion in 2010. Although ASEAN is only China's fifth largest trading partner, fifth largest export market and third largest source of imports in 2005, China's trade with ASEAN (US\$202.5 billion) has surpassed trade between the US and ASEAN (US\$171.7 billion) in 2007, making China the largest trading partner of ASEAN.⁶⁶ Accordingly, the Southeast Asian market is very important to the Chinese economy, especially when in competition with the US to exploit the region's potential.

In contrast, the US is ASEAN's fourth largest trading partner behind China, the EU and Japan. The US barely accounts for 10% of ASEAN's total trade. In 2009, ASEAN imports from China contributed to 17% of total trade compared to the US at 12%.⁶⁷ Clearly, China enjoys an advantage in economic competition with the US in Southeast Asia. These advantages have built on China's traditional influence over the Southeast Asia region. China is well on the way to ease regional concerns about any perceived "China Threat," despite its recent aggressive claims in the South China Sea. While the US has not yet been afraid of China's rise, China has been concerned with President Obama's announcement of the achievement of the broad outlines of the Trans-Pacific Partnership (TPP) agreement, an Asia-Pacific regional trade agreement negotiated among the US and eight other partners, including Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore and Vietnam. A viable TPP might exclude China and Russia from a proposed free trade regional area in Asia-Pacific, with a related market of 500 million consumers.⁶⁸

⁶⁵ Suryodipuro, S.R., 'Implications of Sino-American Strategic Competition on Southeast Asia's Post-Cold War Regional Order', MA Thesis, Naval Postgraduate School, California, 2003, pp. 1-121 at 2-62.

⁶⁶ Hung, and Liu, 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', pp. 101-102.

⁶⁷ Ibid, p. 107.

⁶⁸ Cabras, 'China-U.S Competition to lead Asian Development', 2011.

In general, Sino-American competition in Southeast Asian affairs shows the nature of interactions between the most two powerful nations on earth. As a dynamic region in the Asia-Pacific, Southeast Asia has been, and will continue to be, the testing ground for Sino-American relations in the new century because of the impact of China's rise. Competition between Beijing and Washington is inevitable. The American rebalancing strategy towards the Asia-Pacific can be regarded as the very first step toward a clear set of US foreign policies in Southeast Asia that position China as the central concern.⁶⁹

4.2.2 *Sino-American Cooperation in Southeast Asian Affairs*

The new dynamic feature of the regional situation in the post-Cold War era has led to greater Chinese and American cooperation to pursue each power's national interests. In 2011, US President Barack Obama addressed the Australian Parliament and he said:

The United States remains the world's largest and most dynamic economy. But in an interconnected world, we all rise and fall together.... Meanwhile, the United States will continue our effort to build a cooperative relationship with China.⁷⁰

Consequently, as the globe's leading powers, the US and China also found room for bilateral cooperation in addition to a level of competition.⁷¹ From the Chinese perspectives, So and Kim argue that since the 1990s, China has carried out a strategy to establish and develop a "healthy and stable" relationship with the US to stabilize and nurture Sino-American relations.⁷² This is the target that China's third leadership generation adopted from 1989 to 2001. Prior to the official visit of Chinese President Jiang Zemin to the US, the two states disagreed over Most

⁶⁹ Hung, and Liu, 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', p. 107.

⁷⁰ Barack Obama, Remarks to the Australian Parliament, Parliament House, Canberra, Australia, 17 November 2011, <https://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament> (Date of visit 7 July 2015)

⁷¹ Yang, J., 'Promoting China-US Partnership through Mutual Respect and Win-Win Cooperation', Ministry of Foreign Affairs of the Republic of China, 18 March 2012, http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t915511.shtml (Date of visit 5 January 2015)

⁷² The following discussion is drawn from So and Kim, 'Chiến lược và Chính sách Ngoại giao của Trung Quốc' [*Trans: Diplomatic Policy and Strategies of China*], pp.378-381

Favoured Nations trading status (MFN), human rights, Hong Kong, Tibet, Taiwan and even the issue of Chinese participation in the WTO. However, the two countries have made efforts to control bilateral relations so as not to become comprehensively hostile and antagonistic. Despite the difficulties in Sino-American relations, China has made many efforts to develop a “healthy and stable” relationship with the US. Cooperation without rivalry has become the long-term strategy of China towards the US. This tactic has both specific and general characteristics, demonstrating a basic difference between post-Cold War era Sino-American relations and those of the Cold War.

From the American perspective, Sino-American relations have been positive since 2001, but both powers are now building up a more constructive bilateral relationship.⁷³ There have been a number of initiatives by the Obama Administration for US-China cooperation, such as the US-China Strategic and Economic Dialogue, and the Consultation on People-to-People Exchange (CPE). As Chinese Vice Premier Liu claimed:

The CPE together with political mutual trust and business ties are intertwined and reinforcing each other. Since 2010 when the CPE mechanisms was established, China and the United States have held five rounds of consultations and achieved nearly 300 concrete deliverables. I’m happy to see that that people-to-people exchange between our two countries today has expanded to cover more areas, as Vice President Biden said-that the CPE from four major areas add to the first round of the consultation now covers seven areas.⁷⁴

⁷³ Sweeten, A.R., *De cuong bai giang “Quan he My-Trung: Benh hoang tuong, Chinh sach ngan chan va viec binh thuong hoa quan he”* [Trans: The Sino-American Relations: Delirium, Prevention and Normalization of Bilateral Relations] in T.B. Do and N.T. Van (eds), *Quan he Quoc te thoi hien dai: Nhung van de moi dat ra* [Trans: The modern International Relations: Newly appeared issues], Nha xuat ban Chinh tri quoc gia [Trans: The National Political Truth Publisher], Hanoi, 2012, pp. 496-516 at pp. 508-509.

⁷⁴ The U.S.-China Strategic and Economic Dialogue/Consultation on People-to-People Exchange, Remarks, John Kerry, Secretary of State, Joint Opening Session with Vice President Joe Biden, Chinese Vice Premier Liu Yandong, Wang Yang, Secretary of Treasury Jack Lew and Chinese State Councilor Yang Jiechi, Dean Acheson Auditorium, Washington, DC, 23 June 2015. Available at <http://www.state.gov/secretary/remarks/2015/06/244120.htm> (Date of visit 26 July 2015)

4.2.2.1 Security and Military affairs

Both powers have shown clearer co-ordination in security and military affairs in the aftermath of 9/11. While the relationship between China and the US was turbulent between 1991 and 2001, it improved after 2001 during the Bush Administration through economic cooperation and anti-terrorism efforts.⁷⁵ On the basis of interdependence, China and the US have found it necessary to cooperate with each other in security and military affairs in Southeast Asia. Chinese and American military cooperation is focused on three areas – strategic dialogue, reciprocal exchanges in functional areas and arms sales. As of today, there has been more than sixty annual official dialogues between the US and China to discuss strategic and military issues.⁷⁶

The US aims for further engagement in military cooperation with China through confidence building. The US also participates in military exchanges and joint exercises in a bid to engage China as a partner in global defence issues. Through cooperation on humanitarian activities and regional security, the US seeks to have China integrated as a dependable member of the Asia-Pacific community and a more involved member of the world community, following the same principles and norms that the US and its allies follow.⁷⁷ This is the fundamental basis for a close cooperation between China and the US, although it is easier to understand in theory than in practice. When Chinese Foreign Minister Wang Yi spoke with the US Secretary of State John Kerry before their bilateral meeting at the State Department in Washington on 19 September 2013, his statement mentioned a new model of Sino-American relations with no conflict or confrontation, only mutual respect to achieve a win-win outcome. The historical basis for this proposal came from the identification of 15 cases of rising emerging powers, and in 11 of those instances,

⁷⁵ Wenzong, Z., 'How can China, the US and China's Neighbours Interact Positively', CIR's space, 18 June 2013, <http://bbs.chinadaily.com.cn/blog-1057682-10605.html> (Date of visit 20 August 2013).

⁷⁶ Thayer, C.A., "Enhancing Transparency? U.S.- China Military-to-Military Contacts and Strategic Dialogues", Paper to 6th Berlin Conference on Asian Security (BCAS) on The U.S. and China in Regional Security: Implications for Asia and Europe, co-sponsored by Stiftung Wissenschaft und Politik and Konrad Adenauer Stiftung, Berlin, Federal Republic of Germany, June 18-19, 2012, pp.1-25 at 2-4

⁷⁷ 'A New Type of US China Military Relationship', 11 September 2013, <http://www.sino-us.com/34/A-new-type-of-US-China-military-relationship.html> (Date of visit 1 October 2013)

confrontation and war had broken out between the emerging and the established power.⁷⁸

This is also the new proposal of Chinese foreign policy in Sino-American relations, where “cooperation and a win-win approach” is an important result of China’s diplomatic approach and a core result of China’s peaceful development path and new international relations. The phrase “win-win solution” has been mentioned in both the White Paper, *China’s Peaceful Development*, released in 2011 and in Chinese leaders’ statements at international fora about the principle and spirit of “sailing the same boat, cooperation and win-win approach.”⁷⁹

Although China and the US differ greatly in foreign policy, objectives and concepts, the two countries still have broad common interests. Therefore, exploring the avenues for promoting win-win cooperation between the two countries has a practical significance for combining China’s new diplomatic theory with its practice.⁸⁰ As President Obama stated about US-China relations:

Inevitably, there are areas of tension between our two countries, but what I’ve learned over the last four years is both the Chinese people and the American people want a strong, cooperative relationship, and that I think there’s a strong recognition on the path of both President Xi and myself that it is very much of our interest to work together to meet the global challenges that we face.⁸¹

The cooperation of China and the US when approaching Southeast Asian affairs is shown clearly in the strategies of both powers over the South China Sea territorial disputes. Since 2009, China has become more assertive in this sea area through moves like an expansion of its annual unilateral fishing ban in 2009, the continuance of regular maritime security patrols by the Chinese Fisheries

⁷⁸ ‘Can China Win at US Expense?’, 26 September 2013, <http://www.sino-us.com/34/Can-China-win-at-US-expense-.html> (Date of visit 1 October 2013).

⁷⁹ ‘The Potential for China US Win-Win Cooperation- Focusing on the Mutually Beneficially Cooperation in Southeast Asia, South Asia, the Middle East and Latin America’, 2 August 2012, http://www.ciis.org.cn/english/2012-08/02/content_5211672.htm (Date of visit 1 October 2013)

⁸⁰ http://www.ciis.org.cn/english/2012-08/02/content_5211672.htm (Date of visit 1 October 2013)

⁸¹ Remarks by President Obama and President Xi Jinping of the People’s Republic of China Before Bilateral Meeting, Sunnyslands Retreat, Palm Springs, California, 7 June 2013. Available at <https://www.whitehouse.gov/the-press-office/2013/06/07/remarks-president-obama-and-president-xi-jinping-peoples-republic-china-> (Date of visit 26 July 2015)

Administration and State Oceanographic Administration, and through an expansion of scientific activities as well as other naval exercises in the South China Sea. Moreover, China's submission of its "nine-dashed line" claim in the South China Sea to the United Nations Commission on the Limits of the Continental Shelf (UNCLCS) that same year provoked further concerns. Those two incidents in 2009, together with Chinese harassment of US surveillance ships in the South China Sea have heightened American fears about a probable accidental escalation due to Chinese challenges to freedom of navigation. China has not only placed the South China Sea within its core interests, the US also claims to have vital interests in maintaining stability, freedom of navigation and the right to lawful commercial activities in this sea.⁸²

In this situation, when both powers have strategic interests in the South China Sea, it is reasonable that they will experience tensions or competition in achieving their differing national interests. However, together with strategic competition over the territorial disputes in the South China Sea, both China and the US also made efforts to cooperate with each other, as much as possible, for regional stability. Both powers fully understand how costly and devastating a war can be, as well as how harmful a rivalry could be. As a result, there exists room for cooperation between these two powers in resolving this dispute. Since 2010, there is evidence that greater US involvement in the South China Sea issue has successfully persuaded Beijing to reconsider its policy and return to a more accommodating stance.⁸³

After the ARF, Chinese officials ceased referring to the South China Sea as a core interest in meetings with American counterparts. Beijing dispatched Chinese Vice Foreign Minister Zhang Zhijun to key ASEAN capitals to listen to their concerns, and reassured them about China's peaceful intentions. Consequently, by September 2010, the Chinese Ambassador to the Philippines stated that China had

⁸² Glaser, B.S. 'Understanding Recent Developments in US-China-ASEAN Relations: A US Perspective', p. 6, <http://southchinaseastudies.org/en/conferences-and-seminars-/hoi-thao-quoc-te-4/778-understanding-recent-developments-in-us-china-asean-relations-a-us-perspective-by-bonnie-s-glaser> (Date of visit 1 October 2013)

⁸³ Glaser, B.S. 'Understanding Recent Developments in US-China-ASEAN Relations: A US Perspective', p. 9, <http://southchinaseastudies.org/en/conferences-and-seminars-/hoi-thao-quoc-te-4/778-understanding-recent-developments-in-us-china-asean-relations-a-us-perspective-by-bonnie-s-glaser> (Date of visit 1 October 2013). The analysis of in the remainder of this paragraph is taken from this source

initiated discussions at the working level with other parties concerned to draw up a code of conduct and it is open to different formulas and initiatives in preserving peace, prosperity and stability in the region.⁸⁴

Furthermore, at the ASEAN Defence Minister Meeting Plus (ADMM+) in Hanoi in October 2010, Chinese Defence Minister Liang Guanglie responded calmly to US counterpart Robert Gates's reiteration of Hilary Clinton's ARF comments on the South China Sea, opting to use the opportunity to reassure the region that China's military is not challenging or threatening anyone, but is defensive in nature. During his trip to Singapore in November 2010, Chinese Vice President Xi Jinping stated that a "prosperous and stable China does not pose a threat to any country, and it only means more development opportunities for other countries."⁸⁵

4.2.2.2 Politics and influential power

In the modern era of interdependence and integration, both China and the US find cooperation with each other more beneficial than mutual rivalry. The declining power status of the US does not allow it to pursue a hard line policy of rivalry against the Asian giant. Meanwhile, China's rising regional power is not strong enough to challenge US hegemony. As So and Kim explained, while most of the American high ranking political officials, including President George W. Bush and Secretary of State Condoleezza Rice, often stressed that the Sino-American relationship is "complicated and immense," with Chinese leaders recognizing a number of existing disagreements in their bilateral ties, both sides have many mutual concerns. Sino-American relations should be viewed and resolved at a high strategic and comprehensive level.⁸⁶

Other evidence of the relationship can be found in the 8th official meeting of Chinese President Hu Jintao and American President Barack Obama in January

⁸⁴ Ibid

⁸⁵ Chinese Vice President Xi Jinping addresses the reception marking the 20th anniversary of the establishment of diplomatic relations between China and Singapore, Singapore, 15 November 2010. Available at http://news.xinhuanet.com/english2010/china/2010-11/15/c_13607681.htm (Date of visit 26 July 2015)

⁸⁶ So, T.L & Kim, U. 'Chien luoc va Chinh sach Ngoai giao cua Trung Quoc' [*Trans: Diplomatic Policy and Strategies of China*], Nha xuat ban Chinh tri Quoc gia- Su that [*Trans: The Political and Truth Publisher*], Hanoi, 2013, p.381-382.

2011. A second US-China Joint Statement expressed the wish for both countries to establish “cooperative economic partnership of mutual respect and mutual benefits to both countries and to the global economy.”⁸⁷ It reduced the tensions between the two powers and strengthened relations.

Compared to the 2009 Sino-American Joint Declaration, when the two powers wished to develop a “positive, cooperative and comprehensive US-China relationship,”⁸⁸ it is clear that China and the US have achieved remarkable progress in their current commitment.⁸⁹ Consequently, in addition to its strategic competition in the Asia-Pacific, the Sino-American relationship is also characterised by cooperation to benefit each other. In his speech to the Australian Parliament, US President Obama reiterated the importance of Sino-American cooperation with reference to Washington’s recognition of Beijing’s balancing role in the Asia-Pacific:

We’ve seen that China can be a partner, from reducing tensions on the Korean Peninsula preventing proliferation. We’ll seek more opportunities for cooperation with Beijing, including greater communication between our militaries to promote understanding and avoid miscalculation.⁹⁰

Both powers have played down talk of a geostrategic rivalry in Southeast Asia. Instead, they have welcomed each other’s presence and seek to allay fears in ASEAN about the negative effect of their influence in the region.⁹¹ The author argues that due to ASEAN’s balance of power strategy, the two powers can gain more beneficial

⁸⁷ ‘US China Joint Statement’, 19 January 2011, <http://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement> (Date of visit 31 December 2014).

⁸⁸ ‘US China Joint Statement’, 19 January 2011, <http://www.whitehouse.gov/the-press-office/us-china-joint-statement> (Date of visit 31 December 2014).

⁸⁹ Van Cuong, ‘Quan hệ Trung-Mỹ và Cục diện Khu vực Châu Á Thái Bình Dương’, *Nghiên cứu Biển Đông*, [Trans: The Sino-US Relations and the Asia Pacific Situation] 13 December 2011, <http://nghiencuubiendong.vn/quan-h-quc-t/2265-quan-he-trung-my-va-cuc-dien-khu-vuc-chau-a-thai-binh-duong> (Date of visit 1 October 2013).

⁹⁰ Cabras, M.D. ‘China-U.S Competition to lead Asian Development’, *The European Strategist: International Affairs from a European Perspective*, 20/11/2011, <http://www.europeanstrategist.eu/2011/11/china-u-s-competition-to-lead-asian-development/> (Date of visit 20 August 2013).

⁹¹ Petty, M. ‘Booming Southeast Asia in a quandary over U.S-China Rivalry’, 8 July 2012, <http://www.reuters.com/article/2012/07/08/us-china-usa-asean-idUSBRE86702420120708> (Date of visit 20 August 2013).

advantages if they cooperate in a win-win solution, rather than compete for a zero-sum game result. For China, its crucial motivation is to actively participate in regional and international mechanisms organised by ASEAN so as to reduce Southeast Asian neighbours' suspicion of "the China Threat." Clearly, these multilateral fora, especially the cooperation in "10+1," has created room for China and ASEAN to resolve the current impasse over the South China Sea territorial disputes, and to provide a means to engage on potential or newly emerging problems, such as bilateral economic competition. As a result, there is progress in the discussion over the South China Sea and the trust building measures that China applied in ASEAN have increased gradually along with ASEAN's trust of the regional power.⁹² Moreover, China is making efforts to take advantage of ASEAN's belief in many engagements on a number of fronts to ease Southeast Asian states' concerns over Chinese "hegemony."

As Japan was busy with domestic economic recovery and the US with wars in Afghanistan and Iraq, China had seized its chance in Southeast Asia. However, as China has found it impossible to replace the dominant position of the US in the region, its foreign policy has been to avoid rivalry with the US and enhance bilateral cooperation. One tendency in the current Chinese peaceful development strategy is to encourage Southeast Asia and economic partners to participate in economic and political cooperation at the continental level for peace, order and security.⁹³

4.2.2.3 Socio-economic sectors

The Sino-American relationship is particularly complex due to economic interdependence: both sides need each other for the health of their own economies. In Southeast Asia this manifests itself as peaceful economic development and stability enhancement for both the region and the two powers. Sharma argues that China needs the US even more than the US needs China. The US is the world's largest

⁹² So, T.L and Kim, U. 'Chien luoc va Chinh sach Ngoai giao cua Trung Quoc' [*Trans: Diplomatic Policy and Strategies of China*], Nha xuất bản Chính trị Quốc gia- Su that [*Trans: The Political and Truth Publisher*], Hanoi, 2013, p.588

⁹³ So, and Kim, 'Chien luoc va Chinh sach Ngoai giao cua Trung Quoc' [*Trans: Diplomatic Policy and Strategies of China*], pp. 322-323

debtor and China is the world's leading creditor, when the debts become too massive, there are always more risks for the creditor.⁹⁴

There is a popular saying that “if you owe the bank a thousand dollars you worry, but if you owe the bank a million dollars, the bank worries.”⁹⁵ This economic interdependence might define the Sino-American relationship in Southeast Asia in two ways. On the one hand, if Sino-American rivalry escalates, and ASEAN members split into China-deferring and China-defying camps, this could ruin the group's ability to lead. On the other hand, a peaceful balance of power between Beijing and Washington could give ASEAN room to operate independently between the two.⁹⁶

Cooperation between China and the US in Southeast Asia also brings socio-economic benefits for the two powers and the region. Both the US and ASEAN states face a similar dilemma with respect to China: while they have tight economic linkages with Beijing, they still worry about Chinese future intentions as its material power grows together with the increased display of Chinese assertiveness. Both ASEAN and the US believe extreme approaches are not the answer to the problem. Adopting a purely offensive posture prematurely creates a self-fulfilling prophecy that could precipitate another Cold War-like confrontation. In contrast, appeasing China could risk undermining the territorial integrity of ASEAN states and the global standing of American values. Thus, a more nuanced approach involves the “Goldilocks Zone” – neither “too hot” nor “too cold” but “just right.”⁹⁷ Cooperation with Beijing is possible, but confrontation with Beijing is likely on issues that the US takes a firm stand. This is the way to preserve US interests and ideals, while taking into account the needs of American allies.⁹⁸ The current approach of Southeast Asia

⁹⁴ Sharma, S.D. ‘China as the World's Creditor and the United States as the World's Debtor: Implications for Sino-American Relations’, *China Perspectives*, no 2010/4, pp. 100-115 at 108

⁹⁵ Ibid.

⁹⁶ Emmerson, D.K., ‘Challenging ASEAN: the American Pivot in Southeast Asia’, East Asia Forum, 13 January 2013, <http://www.eastasiaforum.org/2013/01/13/challenging-asean-the-american-pivot-in-southeast-asia> (Date of visit 2 October 2013)

⁹⁷ Parameswaran, P. ‘The Power of Balance: Advancing US-ASEAN Relations under the Second Obama Administration’, *The Fletcher Forum of World Affairs*, 37(1), 2013, pp.123-134 at 129

⁹⁸ Parameswaran, ‘The Power of Balance: Advancing US-ASEAN Relations under the Second Obama Administration’, p. 129.

to the US should not be seen as an answer to cope with a rising China. It is ASEAN's way to balance power, although this policy is flexible enough to adjust to different circumstances.

In addition, Sarith argues that if the situation arises when China and the US need each other to achieve a strategic balance of power in Southeast Asia, ASEAN can benefit from the mechanisms of regional cooperation. If the US extends its security umbrella and leads the region economically through multilateral forums, ASEAN nations would likely sign up to US-led multilateral agreements, such as the Trans-Pacific Partnership (TPP) and Expanded Economic Engagement (E3) initiatives, with a view to diversify their export markets and increase US FDI flow into the region. Currently, four members of ASEAN, namely Singapore, Brunei, Malaysia and Vietnam are participating in TPP negotiations. Since the US needs a strategic balance with China, ASEAN can benefit from these initiatives. ASEAN member states, too, need closer strategic relations with the US in order to counter China's influence, especially on the South China Sea territorial disputes.⁹⁹

4.3 The Development of Post-Cold War Sino-American Relations in Southeast Asia

4.3.1 Sino-American Relations in Southeast Asia from 1989-2000

In the first period after the Cold War during the Bush Administration, the Sino-American relationship experienced a level of sensitivity in which both powers carried out a preventive policy towards each other. Saunders has argued that in the aftermath of the 4 June 1989 Tiananmen Square massacre, the US quickly turned to economic sanctions to punish the Chinese government for killing protesters and applying pressure on the Chinese government to remove martial law and improve human rights conditions.¹⁰⁰ Yan Xuotong notes that right after the June 1989 demonstration, the US imposed sanctions on China in an act that the Chinese and American Governments understood marked the end of their friendship. However,

⁹⁹ Sarith, H. 'ASEAN: between China and America', East Asia Forum, 12 July 2013, <http://www.eastasiaforum.org/2013/07/12/asean-between-china-and-america/> (Date of visit 3 October 2013).

¹⁰⁰ Saunders, P.C., 'Supping with a long spoon: Dependence and Interdependence in Sino-American Relations', *The China Journal*, 43, 2000, pp. 55-81 at 76.

with the collapse of the Soviet Union in 1991, neither side was ready for such a sudden change. Improving bilateral relations has since been the principal policy. While pretending to be friends, China and the US were “neither-friend-nor-enemy” (非敌非友: *fei di fei you*). The nature of Sino-American relations at this time has been described as *same bed, different dreams*.¹⁰¹

During the Clinton Administration, US constructive engagement policy added tensions to the bilateral relationship. Hương argues that the US made propaganda about the “China Threat” and launched various strategies to dominate China in various sectors, from religion, to human rights and commerce. For the first time in more than forty years since the Korean War, the US brought two carrier Task Forces to the Taiwan Strait to warn China, and to support the presidential election in Taiwan in March 1996. The US had responded to China’s firing of ballistic missiles into the Taiwan Strait to intimate Taiwanese voters.

Back then, the US considered China, with its economic ascension and military expansion, as the main challenger to the US in the coming decades.¹⁰² These tensions between China and the US are a natural feature of the relationship and are the result of regional bi-polarity. Tow has claimed that China is the dominant land power while the US is the primary maritime power in the Asia-Pacific region. These two nations are the only regional key players that own sufficient materials as well as the non-material means to competitively project power into the Asia-Pacific. Thus, the relationship between China and the US will inevitably be a competitive one and this is reflected in the Sino-American rivalry in Southeast Asia. With a view countering a US-dominated security regime in Southeast Asia, China has actively promoted new security concepts at both bilateral and multilateral levels with its southern neighbours.¹⁰³

¹⁰¹ Yan, X.T., ‘The Instability of China-US Relations’, *The Chinese Journal of International Politics*, 3(3), 2010, pp. 263-292 at 267-268.

¹⁰² Nguyen Thai Yen Huong, ‘*Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực*’ [Trans: *The US-China relationship: Cooperation and Competition looking at the perspective of balance of power*], Nha xuất bản Chính trị Quốc gia-Su that [Trans: National Political Publisher, Truth], Hanoi, 2011, p. 80.

¹⁰³ Tow, S. ‘Southeast Asia in the Sino-U.S. Strategic Balance’, *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 26(3), 2004, pp. 434-459 at 437-438.

In the early 1990s, the US neglected Southeast Asia and paid more attention to other areas in the world, giving China the opportunity to get closer to its Southeast Asian neighbours. The disintegration of the Soviet Union and the eventual closure of US military bases in the Philippines gave ASEAN countries some concerns about American future commitment. It gave China an opportunity to seek long-term interests in regional politics. Accordingly, China established and developed its relationship with ASEAN in the 1990s and became a full dialogue partner of ASEAN in 1996. Although suffering from regional disputes over the islands, reefs and rocks in the South China Sea, the nature of China-ASEAN relations evolved from one based largely on bilateral relations to a multilateral relationship built on expanded areas of cooperation.¹⁰⁴

From 1997 to 2000, the Sino-American relationship underwent some policy adjustments as the Clinton Administration came to regard China as a strategic partner. After 1989, China and the US did not hold a summit until October 1997, when President Jiang and President Clinton issued a joint statement committing both nations to establish a constructive strategic partnership in the 21st century.¹⁰⁵ The China-US Joint Statement clearly states:

The two Presidents agree that a sound and stable relationship between China and the United States serves the fundamental interests of both the Chinese and the American peoples and is important to fulfilling their common responsibility to work for peace and prosperity in the 21st century.¹⁰⁶

This move marked a crucial landmark in Sino-American relations in the second half of the Clinton Administration. From a Chinese perspective, the Clinton visit was a symbolic achievement as he was the first US President to visit China in the nine years since the Tiananmen Incident of 1989, indicating a full diplomatic “re-normalization” between the two countries.¹⁰⁷ Until then, the US was considered a

¹⁰⁴ Khan, R.M. ‘Sino-U.S. Rivalry in Southeast Asia’, *Turkish Policy Quarterly*, 11(3), Fall 2012, pp. 95-104 at 97-100

¹⁰⁵ Yan, X.T., ‘The Instability of China-US Relations’, *The Chinese Journal of International Politics*, 3(3), 2010, pp. 263-292 at 267.

¹⁰⁶ China-U.S. Joint Statement, <http://www.china-embassy.org/eng/zmgx/zysj/jzxfm/t36249.htm> (Date of visit 26 July 2015)

¹⁰⁷ Lu, Y.C., ‘From Confrontation to Accommodation: China’s Policy toward the US in the Post-Cold War Era’, PhD Thesis, George Washington University, 2009, pp. 1-229 at 100.

political and security threat to China's stability and development because of the crisis in the Taiwan Straits. However, there was a positive result from the second summit as the US reiterated the "three noes" policy to China: no support to Taiwanese independence, no support for "two Chinas" and no support for Taiwan's membership in an international organization requiring that states only are members.¹⁰⁸

The Sino-American relationship went through a period of relative friction during the 2000 US election, when the US considered China a competitor more than partner. Presidential candidate George W. Bush initially defined China as a "strategic partner" during his campaign, but still insisted on protecting American firms' interests over disagreements with China. The discord between the two powers remained during Bush's presidency, due mainly to his support for a pro-separatist Taiwan, religious freedom and the provocative national missile defence system.¹⁰⁹ Phạm Cao Cường argues that unlike the previous US administrations, George W. Bush took a hard line in foreign policy and adopted unilateral approaches in dealing with international relations. As a result, the US under the Bush Administration regarded China a "potential competitor" rather than a "potential partner."¹¹⁰

The Sino-American relationship from 1989 to 2000 went through periods of cooperation and discord. This characteristic has significant impacts for Southeast Asian nations. Despite the initial neglect, the US is still the dominant superpower in the region. China has not become the most influential regional power and Southeast Asia has enjoyed stability and peace. Goh has claimed that East Asia has remained stable since 1990 largely due to the US being able to maintain its alliances by maintain a deep economic and strategic involvement in the region. Major conflicts were avoided partly because China chose not to aggressively challenge the status quo.¹¹¹

¹⁰⁸ Lu, 'From Confrontation to Accommodation: China's Policy toward the US in the Post-Cold War Era', pp. 100-101.

¹⁰⁹ Lu, 'From Confrontation to Accommodation: China's Policy toward the U.S. in the Post-Cold War Era', p. 102.

¹¹⁰ Phạm Cao Cường, 'US Security Engagement with Southeast Asia during the Clinton and Bush Administration', PhD Thesis, UNSW, 2009, p.188

¹¹¹ Goh, E., 'Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies', *International Security*, 32(3), 2007, pp. 113-157 at 113.

4.3.2 *Sino-American Interactions in Southeast Asia (2001-2008)*

Despite tough competition at the beginning of the Bush Administration when the US considered China a strategic competitor, Sino-American ties went through a dramatic transition when both powers chose to cooperate from 2001 to 2008. Both powers had to deal with global issues that became prominent after the 9/11 terrorist attacks in the US. Hribernik argues that the 9/11 attacks influenced and improved the relationship between China and the US. Criticism of China within the US subsided and Beijing began to support Washington more strongly in the war on terror. Both China and the US recognized the benefits of cooperation in security as each side ensured non-interference or even outright cooperation.¹¹² Although China was the fourth largest trading partner of the US, the new Bush Administration took a hard line against China in early 2001 over the collision between a Chinese F-8 fighter and an American EP-3 reconnaissance aircraft. The Chinese had demanded an official apology for the death of the Chinese pilot but the American refusal to do so led to more tensions in Sino-American ties.¹¹³ American policy towards China, however, changed after the 9/11 terrorist attacks and resulted in a more stable Sino-American relationship between 2001 and 2008.

The reason for this relative cooperation between China and America in the aftermath of 9/11 attacks comes from the changing situation. Lu concluded that the September 11 incidents provided another point of cooperation for the two nations. In the aftermath of September 11, President Bush's visit to Shanghai for the APEC Summit Meeting in October 2011 marked a milestone in bilateral relations for the two powers. The US had committed its willingness to develop constructive and cooperative relations with China, a positive response to China's support for the American anti-terrorism campaign.¹¹⁴

¹¹² Hribernik, M., 'The Past and Present Sino-US Relations: avoiding a repeat of 1989-2000', *International Security Observer*, 16 July 2012, <http://securityobserver.org/the-past-and-present-of-sino-us-relations-avoiding-a-repeat-of-1989-2001/> (Date of visit 14 August 2013).

¹¹³ The following discussion in this paragraph is drawn from Khoo, N., 'The Uncertain Promise of Economic Interdependence: Sino-US Relations in the Post-Cold War Era', New Zealand-India Track II Dialogue, 24-25 October 2012, Wellington, pp. 1-4 at 3.

¹¹⁴ Lu, 'From Confrontation to Accommodation: China's Policy toward the U.S. in the Post-Cold War Era', p. 105.

When cooperation can bring about benefits, China and the US will cooperate. In this regard, China's cooperation is crucial due to China's position as a major power and a permanent member of the UN Security Council. The US also needs China's cooperation in dealing with global issues, such as proliferation of weapons, transnational crime, and human and drug trafficking.¹¹⁵ However, the temporary cooperation between China and the US from 2001 to 2008 did not mean the end of uncertainty and instability in the relationship.

Hribernik recognized that the age of uncertainty in bilateral relations between China and the US continues presently. The US had expressed its concern over the actual extent of China's commitment to the struggle against terrorism given the appearance of Chinese weapons in Afghanistan.¹¹⁶ There have also emerged a number of other problems, such as US trade sanctions, criticism of China's internet restrictions and its continued human rights abuses, controversy over US arms sale to Taiwan or President Obama's meeting with the Dalai Lama, as well as America's pivot to Asia-Pacific with the rotational presence of US troops in Australia.¹¹⁷

The Sino-American relationship, like any other international relationship, is carried out on the basis of national interest. In Southeast Asia, the improvement in Sino-American relations stemming from 9/11 was not strong enough to overcome differences between the two powers. For much of East and Southeast Asia, the US focus on terrorism and related international security issues contrasted sharply and unfavourably with Beijing's emphasis on economic matters. While the US focussed on issues that regional governments considered as secondary to growth and development, China engaged them directly on economic interests. When Washington pressed cooperation in the war on terror, and sometimes criticised its counterparts for lacking skills or techniques, Beijing pursued a free trade area with ASEAN states, or it made efforts to ensure that China's economic ascension was more of an opportunity than a threat. As a result, Chinese success in economic development and

¹¹⁵ Jia, Q.G., 'The Impact of 9-11 on Sino-US Relations: A Preliminary Assessment', *International Relations of the Asia-Pacific*, 3(2), 2003, pp. 159-177 at 174.

¹¹⁶ Hribernik, 'The Past and Present Sino-US Relations: avoiding a repeat of 1989-2000'.

¹¹⁷ Hribernik, 'The Past and Present Sino-US Relations: avoiding a repeat of 1989-2000'.

social stability was talked about as the “China Model.” US anti-terrorism strategies have been perceived as anti-Islamic, which furthered tarnished US soft power.¹¹⁸

Jia Qingguo has argued that cooperation between China and the US does not mean their differences will disappear. They will continue to differ, as there are unresolved issues, such as human rights, the pace of modernization, the meaning of free and fair trade, the role of international organizations and the Taiwan issue. However, sharing the same global problems, such as terrorism, increasing the level of bilateral cooperation and assuming a greater role in world affairs will make both powers find more constructive methods to deal with these problems.¹¹⁹

4.3.3 *The Sino-American Relations in Southeast Asia since 2008 upwards*

By 2008 the Sino-American relationship had reached a pivotal point. China’s ascension has been recognised globally after the global financial crisis, and this coincided with China’s ambition to use Southeast Asia as the buffer zone for its global strategy of international engagement. The US also launched a strategy of rebalancing towards the Asia-Pacific. Conflicting interests have drawn China and the US into strategic competition in Southeast Asia in spite of the level of cooperation outside the region. China’s rise could be seen as a challenge to the status quo of the US as a superpower. Sino-American competition could be a threat to Southeast Asia in territorial disputes and an opportunity for regional economic development.¹²⁰

Southeast Asia has been squeezed between a rock and a hard place. While China’s economic rise is the main reason to shift US power to Asia, it was the Asian financial crisis that served as a turning point for China’s rise, as Southeast Asian states began to develop a more favourable perception of Beijing. China’s growing relationship with the region directly affects American interests there because China’s rise means the US is no longer the sole protector or lender.

Utilising realism’s power transition theory, the international system is most unstable when the distribution of power changes. Thus, future Chinese growth

¹¹⁸ Delisle, J. ‘9/11 and U.S.-China Relations’, *Foreign Policy Research Institute E-notes*, September 2011, pp. 1-4 at 3.

¹¹⁹ Jia, ‘The Impact of 9-11 on Sino-US Relations: A Preliminary Assessment’, *International Relations of the Asia-Pacific*, p. 176.

¹²⁰ Interviewee 5, Southeast Asia Official, Jakarta, 6 May 2012.

remains a concern for regional stability. Southeast Asia, therefore, serves as a testing ground for China's increasing influence and an early warning on how US foreign policy will respond.¹²¹ Southeast Asia has grown in importance for both China and the US, especially after 9/11. The two powers have attempted to cooperate actively with the region in their competition for influence in Southeast Asia. After 2009, the US adopted a regional approach and institutionalised its cooperation with ASEAN once again. The 2009 ASEAN-US Summit laid the foundation for a renewed relationship. The US also strengthened its relationship with ASEAN and East Asian countries, such as Thailand, the Philippines, South Korea and Japan.

Recently, Vietnam and Indonesia have also developed stronger defence ties with the US but the depth of these defence ties varies greatly between Indonesia (which is a major step up in relations following the end of the Suharto era) and Vietnam (where the defence ties are nascent).¹²² The adjusted US strategy to bring Southeast Asia back onto its radar is aimed at controlling the rise of China. With China's growing influence, the US has begun to pay more attention to Southeast Asia, and China's ascension has caused Washington to initiate a set of strategies focused on Beijing's potential challenge to its strategic interests in Asia.¹²³ The re-engagement of the US with ASEAN is regarded as a response to a rising China, whose influence is increasingly felt beyond its borders, particularly in Southeast Asia.¹²⁴

In general, Sino-American relations in Southeast Asia include both cooperation and competition. Jian and Rouben note a report in China's influential *Liaowang Weekly* that China expects that Chinese and American interests will become increasingly intertwined and that the cooperation between the two countries will continue to develop. At the same time, it is imperative for the two sides to face their disagreements and conflicts. Occasional frictions and tensions do occur in the development of bilateral relations but war would be detrimental to both parties.

¹²¹ Hung and Liu, 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', p. 97.

¹²² Khan, 'Sino-U.S. Rivalry in Southeast Asia', p. 100.

¹²³ Hung and Liu, 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', p. 102.

¹²⁴ Khan, 'Sino-U.S. Rivalry in Southeast Asia', p. 100.

Consequently, cooperation and friction will continue to characterise the most important bilateral relationship in the globe today.¹²⁵

4.4 Implications for Southeast Asia

4.4.1 Impacts

There are pros and cons in the post-Cold War Sino-American relations for Southeast Asia. The positive effects can be achieved only when China and America cooperate well with each other in Southeast Asian affairs. On the contrary, if the Beijing-Washington relationship suffers from a strategic rivalry, then there will be negative impacts. In terms of advantageous impacts, this relationship has created economic dynamism for the regional situation. This dynamic development is an essential essence for a regional mechanism like ASEAN to grow and mature. This will be a considerable achievement given the turbulence that was once present at the birth of the ASEAN community.

After more than forty years, ASEAN has become a successful example of regional cooperation in the Asia-Pacific. Jetschke argues that since its establishment in 1967, “ASEAN is the most successful regional organisation among development countries.”¹²⁶ Through a number of multilateral security forums and regional cooperation mechanisms, ASEAN has succeeded in enlarging and consolidating the relationship between itself and outside dialogue partners, including major powers. The ASEAN Post Ministerial Conference (PMC) was established in the 1990s for ASEAN to conduct dialogues with outside partners. ASEAN’s dialogue partners have been expanded to include China, South Korea, India and Russia, in addition to its partners in the early post-Cold War period, such as the US, the EU, Japan, Australia and New Zealand.

The next step was the foundation of ARF in 1994, which quickly became an effective consultative forum in the Asia-Pacific to enlarge dialogues on regional political and security issues. Another regional achievement followed with the

¹²⁵ Jian, Y. and Rouben, A., ‘China-US Tensions: New Era or Old Pattern?’, *New Zealand International Review*, 35(6), 2010, pp. 13-17 at 17.

¹²⁶ Jetschke, A., ‘Is ASEAN a Provider of Regional Security Governance?’, *Southeast Asian Studies at the University of Freiburg (Germany) Occasional Paper Series*, 4, 2011, pp. 1-18 at 1.

establishment of the Asia-Europe Meeting (ASEM) in 1996. In 1997, ASEAN proposed to hold the ASEAN +3, which included all ASEAN state members, plus Japan, South Korea and China. Since its institutionalisation at Singapore in 2000, ASEAN+3 has started to develop East Asia integration, and it paved the way to officially start an East Asia Summit (EAS) in 2005. Later, in response to the U.S. strategy of rebalancing to Southeast Asia, and amid a rising and assertive China with efforts to resolve the territorial disputes in the South China Sea, ASEAN successfully held the ASEAN Defence Ministerial Meeting Plus (ADMM+) in Hanoi in 2010. The meeting was a remarkable example of ASEAN's balance of power strategy, with the attendance of Ministers of Defence from ASEAN states, the US, Russia, China, Japan, South Korea, India, Australia and New Zealand, to discuss Southeast Asian security issues.¹²⁷

The other positive impact from Chinese and American interactions in Southeast Asia is to bring about a higher international profile for ASEAN as a regional cooperation mechanism, and to position Southeast Asia as an important sub-region of the Asia-Pacific. When ASEAN becomes the focus of the world's leading powers, there will emerge conditions conducive for ASEAN to enhance bilateral relations with China and the US. In this way, ASEAN has created its own regional reputation in the globalised world as a positive destination for investment, tourism, education and other socio-economic developments. Finally, the Sino-American interactions in Southeast Asia are likely to bring about stability and security to the region. China's amazing economic development can lead to greater political influence and military enhancement. This trend has, however, concerned ASEAN states and as a result, ASEAN had to enhance its bilateral relations with the US to counter the influence of China. As a result, China's greater influence in the region creates greater influence for the US in Southeast Asia. This development is in line with ASEAN's long-term strategy and policy to invite all great powers to play roles

¹²⁷ Vo, X.V., 'Chien luoc Can bang Anh huong Nuoc lon cua ASEAN va Nhan o An Do [*Trans: ASEAN's Balance of Power Strategy*]' in Do, T.B & Van, N.T. 'Quan he quoc te thoi hien dai: Nhung van de dat ra' [*Trans: The modern International Relations: The current problems*], The National Political-Truth Publisher, Hanoi 2012, pp. 86-91.

in the region. In ASEAN's perception, the more powers appear in the region, the less possibility exists for one dominant power to overwhelm other regional powers.¹²⁸

In terms of disadvantages, there are a number of worries for regional instability and insecurity if China and the US confront each other in the regional arena of Southeast Asia. Firstly, ASEAN's centrality will be affected, as member states are likely to be polarized because of different national interests. Some countries are very close to China because of their economic dependence. Others are already very clearly in the camp of American allies: the Philippines, Thailand and Singapore. Then there are countries that choose to adopt a neutral stand, such as Indonesia, Malaysia and Vietnam. In that situation, ASEAN will be less effective. If ASEAN can no longer maintain its strategic centrality then ASEAN will become less relevant as the different alignments could split the organisation. Southeast Asia risks becoming polarised and this will undermine ASEAN unity and centrality. These are the possibilities and challenges of growing Sino-American rivalry on ASEAN.¹²⁹ The China-US rivalry is also likely to affect ASEAN's unity if this region becomes an object of major power competition. America's "pivot to Asia" and deployment of naval power back to the Asia-Pacific has resulted in an escalating rivalry with China. Being closer to either side is considered harmful to ASEAN's unity and centrality. Any change in the balance of power in ASEAN will have adverse consequences, including the threat of an end to ASEAN solidarity since its establishment in 1967.¹³⁰

4.4.2 Recommendations

In the short term, ASEAN should continue its efforts towards a skilful balancing of the influence of China and the US. ASEAN should attempt to ensure that major powers will neither fight nor confront each other in the region. ASEAN should at least adjust its own policies so as not to make them adopt rival positions.

¹²⁸ Interview Hoang Anh Tuan, 13 February 2012.

¹²⁹ Interview Rizal Sukma, 12 June 2012.

¹³⁰ Sarith, H., 'ASEAN: between China and America', East Asia Forum, 12 July 2013

<http://www.eastasiaforum.org/2013/07/12/asean-between-china-and-america/> (Date of visit 3 October 2013)

This approach can be achieved either through unilateral or multilateral, individual or collective cooperation together within the ASEAN framework.¹³¹

In the long term, preserving ASEAN's integrity, centrality and unity is the key for the region in international relations. Southeast Asia will be strong and confident in its relations with great powers only when the regional states act more cohesively together. Unity and centrality have led to success and increased strength for ASEAN throughout its development. The ASEAN Charter states that ASEAN's purpose is "to maintain the centrality and proactive role of ASEAN as the primary driving force in its relations and cooperation with its external partners in a regional architecture that is open, transparent and inclusive."¹³² This guideline is also a practical recommendation for the relationship between ASEAN with China and the US. ASEAN enthusiasts would prefer to safeguard "ASEAN centrality" in order to balance itself between China and the US. ASEAN knows that being too close to China or the US will be harmful to its unity, but it can maintain its centrality by using the "ASEAN way" of consultation and consensus to accommodate all the voices and needs of its members. The fear of domination by major powers may prompt ASEAN to strengthen itself and maintain unity, safeguard the consensus principle and engage more carefully with regional powers. Through the "ASEAN way," the association can take into account the interests of all parties.¹³³

The next chapter investigates the characteristics of the triangular relationship between Vietnam, China and the US. It explores the basis and context of the relationship, with an analysis of Vietnam's foreign policy towards China and the US from 1991 to 2001. Chapter 6 will explore the same relationship, but from 2001 to 2015. Both chapters will illustrate Vietnam's dilemma of being caught in between China and the US in the post-Cold War period.

¹³¹ Interview Rizal Sukma, 12 June 2012.

¹³² ASEAN Charter, chapter 1 "Purposes and Principles", Article 1.15, p. 5

¹³³ Sarith, 'ASEAN: between China and America'.

CHAPTER 5. CHARACTERISTICS OF TRIANGULAR VIETNAM, CHINA, AND THE US RELATIONSHIP

This chapter will question the view that Vietnam is getting closer to the US rather than China after normalizing bilateral ties with both countries. Vietnam's objective in its relationship with China is to seek friendship and friendly neighbourliness. It aims to move in the direction of bilateral cooperation for the mutual benefit of the two nations. The Vietnamese attach great importance to the comprehensive partnership with the US in the spirit of putting the past behind, overcoming differences, promoting common interests and looking towards the future. For both Vietnam and the US, the aim is for peace, stability, cooperation and prosperity in Southeast Asia. The main argument of this chapter is that Vietnam suffers from a geopolitical dilemma between China and the US. It will be better for Vietnam to keep both China and the US engaged in Southeast Asia. Vietnam also welcomes a good relationship between China and the US for peace, stability and development in the region.

5.1 Basis of the Triangular Vietnam, China and the US Relationship

5.1.1. Theoretical Basis of the Triangular Relations

Vietnam's dilemma of having to play off China and the U.S. mostly comes from an assessment shaped by ideology that both China and the US have their own strategic concerns when entering into bilateral relations with Vietnam. Vietnam shares a similar political system with China. According to Luong Ngoc Thanh, the similarity in Marxist-Leninist doctrine and a one-party state has made Vietnam and China become interdependent with each other.¹ However, Vietnam also sees China in a realist perspective. Its strategies of independence and freedom have accidentally made Vietnam an obstacle for Chinese regional ambitions, resulting in a fluctuating relationship between Vietnam and China. The issue for Vietnam is overcoming differences while maintaining a friendly relationship with China in order to create

¹ Luong Ngoc Thanh, 'Vietnam in the Post-Cold War Era: New Foreign Policy Directions', *Journal of International Development and Cooperation*, 18(3), 2012, pp. 31-52 at 34.

favourable conditions for national development.² This matter has become more urgent as the post-Cold War situation has made the context complicated for Vietnam, with China's increased diplomatic influence and trade expansion in mainland Southeast Asia. Every diplomatic movement of Hanoi towards other powers, especially the US, must be considered in the context of Beijing's possible reaction.

While Vietnam's national development strategy is different from that of the US, there is a growing convergence of interests to underpin bilateral relations. Vietnam faces painful memories of high tensions in the previous war with the US, and current difficulties with respect to issues of democracy and human rights. Some problems in the post-Vietnam War remained to influence bilateral relations between Vietnam and the US. The issue of POW/MIA is one factor. Another is the presence in the US of a Vietnamese-American community, now in its second generation. Most of these people are young, born with American English as their native mother tongue, raised and educated in the US and feel American. This community is two million strong and has become increasingly prosperous. They are now playing a significant role in the bilateral relationship.³ Brown notes that officially, remittances to Vietnam total over US\$2 billion per year but in reality, due to informal sources, it is likely to be two to three times that amount.

Another legacy is the impact of the defoliant Agent Orange used during the Vietnam War. Progressive American and Vietnamese scientific and humanitarian groups have come together to exercise pressure on Washington to make amends and take remedial actions to clean up this dangerous chemical.⁴ Vietnam and the US are currently implementing significant progress in their bilateral relations. As Vietnamese CPV General Secretary Nguyen Phu Trong stated:

What is of utmost importance is that we have been transformed from former enemies to become friends, partners and comprehensive partners. And I'm convinced that our relationship will continue to grow in the future. We have been able to rise above the past to overcome differences, to promote our shared interests, and look towards a future in order to build the comprehensive partnership that we have today. The past

² Ibid.

³ Brown, F.Z. 'Vietnam and America: Parameters of the Possible', *Current History*, 2010, 109(726), pp. 162-169 at 166.

⁴ Brown, 'Vietnam and America: Parameters of the Possible', p. 166.

cannot be changed, but the future depends on our actions, and it is our responsibility to ensure a bright future.⁵

The US has the best opportunity to build a positive, durable relationship between the Vietnamese and the American peoples through education.⁶ The Fulbright program, the Vietnam Education Foundation and other private organisations, such as Ford, Luce and Gates, along with a host of individual universities, are working to train thousands of Vietnamese students in the US or in Vietnam. More than 13,000 Vietnamese are now studying in American universities.

5.1.2 Practical Basis of the Triangular Relations

Firstly, the linkage of traditional relations and shared culture has formed the basis of the triangular relationship between Vietnam, China and the US. Vietnam's 2000-year history is marked by the struggle for independence and freedom against foreign invasions. China's proximity played a special role in this narrative with its constant threat functioning as a catalyst for Vietnamese identity formation. The giant neighbour also facilitated the diffusion of Confucian teachings during the fifteenth and nineteenth centuries, which transformed Vietnam's cultural environment.⁷

Vietnam is composed of 54 different ethnic groups. Some 85% of its citizens are Vietnamese (Kinh) with significant historical and cultural influence from China. Vietnam and China share aspects of identity, such as Confucianism and Buddhism, as well as communist ideology and the one-party state development model. There are some parallels with Korean culture. In both Korea and Vietnam, Confucian traditions and legacies are infused in national identity. With this comes a historical consciousness that Korea and Vietnam were members of an ancient Chinese-centred regional order. Korean and Vietnamese identities are largely involved in resisting

⁵ Barack Obama, Remarks by President Obama and General Secretary Nguyen Phu Trong of Vietnam, Oval Office, 7 July 2015. Available at <https://www.whitehouse.gov/the-press-office/2015/07/07/remarks-president-obama-and-general-secretary-nguyen-phu-trozn-g-vietnam>, (Date of visit 2 August 2015)

⁶ The following discussion is drawn from Brown, 'Vietnam and America: Parameters of the Possible', p. 169.

⁷ Welle-Strand, A., Vlaicu, M. and Tjeldvoll, A. 'Vietnam-A New Economic Dragon in Southeast Asia?', *Journal of Developing Societies*, 29(2), 2013 pp. 155-187 at 158.

outside pressure and influence.⁸ External threats can help create a national identity, which is a key component for national survival. Vietnamese national identity was forged over centuries in opposition to Chinese hegemony. Its quest for survival means that Vietnam remained outside the Chinese Empire for generations.⁹

In addition to Chinese support for Vietnam's wars of resistance against France and the US, the historical connection shows Chinese long-term interest in Vietnam. Vietnam has to deal with China for the sake of its independence and freedom. The least expected and most dramatic development in Southeast Asia following the end of the Vietnam War in 1975 was the abrupt and rapid deterioration of relations between China and Vietnam, two former allies that had experienced 30 years of unity in the Indochina wars. A cooling of ties began in 1975, but the schism widened in early 1978 into open accusation and counteraccusation, which led to a massive exodus of Chinese residents from Vietnam.¹⁰

In early 1979, the two nations went to war to resolve their disputes. Hopes for bilateral normalization of diplomatic relations faded. There were three causes that led the two one-time comrades-in-arms to be combatants in such a short period: territorial disputes, the departures of ethnic Chinese from Vietnam to China, and the entry of Vietnam into Cambodia. The territorial disputes had historical antecedents.¹¹ Chang argues that, ever since the Vietnamese nation state emerged as an independent entity in the first millennium, it has had to contend with the "tyranny of geography,"¹² as Vietnam has to share a border with its giant neighbour to the north. With a population of eighty-eight million, Vietnam would rank as a medium-sized Chinese province. Thus, the bilateral relationship between Vietnam and China has,

⁸ Easley, L.E., 'Middle-Power National Identity? South Korea and Vietnam in US-China Geopolitics', *Pacific Focus*, 27(3), 2012, pp. 421-442 at 425-433.

⁹ The discussion in this paragraph is drawn from Easley, L.E., 'Middle-Power National Identity? South Korea and Vietnam in US-China Geopolitics', pp. 425-433

¹⁰ This paragraph draws on the source from Chang, P.O., *The Sino-Vietnamese Territorial Dispute*, Praeger, New York, 1986, pp. 1-10

¹¹ Chang, P.O., *The Sino-Vietnamese Territorial Dispute*, Praeger, New York, 1986, pp. 1-10.

¹² This expression is in Prof. Carlyle Thayer's words, it means that Vietnam has no choice but to learn to share its destiny with neighboring China through every twist and turn in history. This is also the similar case of Cuba to the United States or Georgia to Russia. The source of this information is from Le Hong Hiep, 'Vietnam's Tyranny of Geography', *The Diplomat*, July 22, 2011. Available at <http://thediplomat.com/2011/07/vietnams-tyranny-of-geography/> (Date of visit 30 July 2015)

throughout history, been embedded within a structure of persistent asymmetry.¹³ According to Womack, in three thousand years of interaction, China and Vietnam have experienced the full spectrum of the relationship, from intimate friendship to negative hostility.¹⁴

Although located thousands of miles apart, the US and Vietnam were Cold War antagonists in the Vietnam War. During the Cold War, the two poles for Vietnam were the USSR and China, and for much of that period, Vietnam's trajectory was to move closer to Moscow.¹⁵ In the post-Cold War period, with the disintegration of the Soviet Union, the current poles for Vietnam are both the US and China. In general, middle powers in Asia are thought to be "squeezed" between the US and China or between the forces of globalization and nationalism.¹⁶

Ang argues there are two approaches that can help in analysing the dynamism of Vietnam-China relations.¹⁷ On the one hand, historical memories have arguably conditioned and shaped the relationship. For some ten centuries (from 3 B.C. to A.D. 1000), the Vietnamese were under the direct rule of the Chinese. During this long period, Vietnam assimilated much of Chinese culture, although the Vietnamese remained intensely nationalistic.¹⁸ Thus, for Vietnamese people, the years under Chinese rule and domination is a reminder of its huge neighbour. On the other hand, external forces and geopolitical connections have to be taken into consideration when examining the relationship between China and Vietnam. Vietnam-China ties are crucially shaped by the conjunction of relations of geographical proximity, changing ideological configurations and the evolving nature of relations among China and the

¹³ Thayer, C.A. "Vietnam and Rising China: The Structure Dynamics of Mature Asymmetry", *Southeast Asian Affairs*, 2010, pp. 392-409 at 392.

¹⁴ Womack, B., 'China and Vietnam: The Politics of Asymmetry', Cambridge University Press, 2006, p.77

¹⁵ Easley, 'Middle-Power National Identity? South Korea and Vietnam in US-China Geopolitics', pp. 433-434.

¹⁶ Ibid

¹⁷ Ang, C.G., 'Vietnam-China Relations since the End of the Cold War', *Asian Survey*, 38(12), 1998, pp. 1122-1141 at 1122.

¹⁸ Ibid

US. The likelihood is that the relationship will be either constructive or destructive, depending on the method of relationship management chosen by the two nations.¹⁹

5.1.3 The Position of Vietnam in the Triangular Relations

According to Luong Van Ke from the University of Social Sciences and Humanities, Vietnam National University, Vietnam connects with other Southeast Asian states to form a united bloc. Its central geo-strategic role in Southeast Asia will make any power want Vietnam to be its ally. Whether it is China, the US, Russia or India, it will have similar strategic interests in Vietnam. This finding is based on geopolitical research on the geographical characteristics of Southeast Asian states. Ke claimed that a medium-range ballistic missile (with a range of between 1,000 and 3,000 km) placed in Vietnam could threaten all of maritime Southeast Asia, the middle of China to the Yangtze River in the north, or the furthest islands of Indonesia and Malaysia in the south. Vietnam is easily accessible due to its seaports and airports along the coastline.²⁰

As a result, any power that can dominate or control Vietnam can earn crucial strategic preponderance in maximising national interests in Southeast Asia, which is the gateway to the Pacific. It plays a role for a relations in Northeast Asia because Southeast Asia faces the East Sea (for the Vietnamese) or the West Sea (for Filipinos) or the South China Sea (to the Chinese), as well as controlling the vital sea lanes to major powers including China, South Korea and Japan, and part of Russia in this century of globalisation and commercial development.²¹ Huynh argues that since normalisation of ties, Vietnam's geo-political location in Southeast Asia has played a key role in American policy decisions concerning Vietnam.²² Although American relations with China have progressed, the US has enhanced its close relationship with

¹⁹ The information from this paragraph is drawn from Ang, C.G., 'Vietnam-China Relations since the End of the Cold War', p. 1122.

²⁰ Interview Luong Van Ke, Hanoi, Vietnam, 24 January 2013

²¹ Interview Luong Van Ke, 24 January 2013

²² Huynh Phan, 'Vietnam voi nuoc lon hay chuyen long tin va loi ich'[Trans: Vietnam with major powers or belief and benefits]', *TuanVietnam.net*, 7 December 2011, <http://tuanvietnam.vietnamnet.vn/2011-12-06-viet-nam-voi-nuoc-lon-hay-chuyen-long-tin-va-loi-ich> (Date of visit 9 December 2013)

Japan, South Korea, Taiwan and Vietnam through diplomacy, commerce, education, security and defence.²³

Vietnam has to deal with China and the US, representatives of two conflicting ideological systems. While China represents the socialist world as the largest communist state left on Earth, the US is the symbol of the capitalist world as it has the largest free market economy; China represents the East while America represents the West. In the perception of the US, it is aware of Vietnam's important role in the struggle against China's strategy to expand its influence over Southeast Asia. No country in Southeast Asia has more experience than Vietnam in responding to the Chinese threat due to the long historical connections and cultural harmonization.²⁴ Vietnam has experienced both positive and negative historical relations with China.²⁵

Brown shares this viewpoint, showing that Vietnam has had 2,000 years of experience in dealing with China and is a master of the "politics of the asymmetry."²⁶ Womack also makes the essential point that although China is much more powerful than Vietnam, China cannot easily force Vietnam to do what it wants, as Vietnam's motive for survival will surely be stronger than China's motive for domination.²⁷

Consequently, if only Vietnam could become the strategic partner of the US, then Washington could be convinced about a front line, where it could exert more leverage in its relations with China. Simultaneously, the US expects to see Vietnam's positive reaction to the opportunity of becoming an American security partner, as the relationship is equal and less burdensome than tributary ties with China. Furthermore, American ambition in Vietnam is more about promoting discourses of human rights and democracy than seeking control or power over Vietnamese national sovereignty and territorial integrity, which is different from the Chinese assertive actions in territorial disputes with Vietnam.²⁸

²³ Ibid.

²⁴ Interview Luong Van Ke, 24 January 2013.

²⁵ Interview Hoang Anh Tuan, 13 February 2012.

²⁶ Brown, 'Vietnam and America: Parameters of the Possible', p. 166.

²⁷ Womack, B., 'China and Vietnam: The Politics of Asymmetry', Cambridge University Press, 2006, p. 79

²⁸ Interview Luong Van Ke, 24 February 2013

Vietnam is now well on the way to nation-building and development. While taking a glance at outside powers' development, Vietnam looks to both China and the US. Womack explained that 'China will always be more important to Vietnam than the US, and China will always be more important to the US than Vietnam.'²⁹ The Vietnamese mind-set, however, is to trust the Americans more than the Chinese.³⁰ American values of democracy and freedom were acknowledged by Ho Chi Minh in the Declaration of Independence in 1945 and enshrined in the country's first constitution of 1946

"Hỡi đồng bào cả nước,

Tất cả mọi người đều sinh ra có quyền bình đẳng. tạo hóa cho họ những quyền không ai có thể xâm phạm được; trong những quyền ấy, có quyền được sống, quyền tự do và quyền mưu cầu hạnh phúc...!".³¹ [Trans: Dear martyrs compatriots, all men are born equal: the Creator has given us inviolable rights, life, liberty and happiness...!]

Such rights of to life, liberty and the pursuit of happiness were acknowledged in the US 1776 Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights that among these are Life, Liberty and the pursuit of Happiness.³²

Thus, the Vietnamese view Chinese ambition of dominating Vietnam as stronger than that of the Americans, due to historical tributary relations, traditional connections and cultural exchanges between the two countries over a thousand years. The Vietnamese are suspicious of Chinese leaders' long term and unchangeable wish to exercise a controlling influential power over Vietnam, since it means the control of land and natural resources. Vietnam is located in the path of Chinese leaders who want to go further into Southeast Asia, a zone rich in natural resources and an

²⁹ Brown, 'Vietnam and America: Parameters of the Possible', p. 168

³⁰ Interview Luong Van Ke, 24 February 2013

³¹ Ho Chi Minh's Declaration of Independence, Hanoi 2 September 1945, announcing to the Vietnamese People and to the world the birth of the Democratic Republic of Vietnam. Available at 'Tuyên ngôn độc lập nước Việt Nam Dân chủ Cộng hòa', 31 August 2007, <http://tuoitre.vn/tin/theo-guong-bac/20070831/tuyen-ngon-doc-lap-nuoc-viet-nam-dan-chu-cong-hoa/217980.html> (Date of visit 26 August 2015)

³² Quoted in 'The Declaration of Independence: A Transcription'. Available at http://www.archives.gov/exhibits/charters/declaration_transcript.html (Date of visit 25 August 2015)

abundant labour force beneficial to the development of China.³³ Consequently, the author shares Ke's analysis, indicating that the Vietnamese see Americans as less threatening than the Chinese. The US has an advantage over China because the former needs Vietnam in its struggle to counterbalance the Chinese.

5.1.4 The Effects of Sitting between a Regional Power and a Global Superpower

On the one hand, when the two major powers cooperate, then Southeast Asia, and especially Vietnam, will enjoy a peaceful and friendly atmosphere where all can collaborate and develop together. From talking with scholars in this field, the author learns that there are many cooperation mechanisms between these two countries in the economic, political and security sectors. According to Dr. Hoang Anh Tuan, Director General of the Institute for Foreign Policy and Strategic Studies, Vietnam Ministry of Foreign Affairs, there were at least 70 mechanisms of cooperation between China and the US leading up to 2012. Some of these mechanisms have not been very useful, but there are others that presently remain useful.³⁴ According to a report from Vietnam Ministry of Foreign Affairs to the Foreign Affairs Committee, Vietnam National Assembly in receiving the delegation from the US-China Economic and Security Review Commission (USCC), there have been more than 90 cooperation mechanisms between the US and China as of 2015.³⁵ China and America are separated geographically by the Pacific and do not have territorial claims on each other, nor is there any acute military threat towards each other. Most importantly, the American and Chinese economies complement each other. China urgently needs to get access to US technology and industrial goods while the US can find no wider market than in Mainland China.³⁶ As a result, cooperative Sino-American relations can be beneficial as a win-win solution, not a zero sum game for the two sides.³⁷

³³ Ibid.

³⁴ Interview Hoang Anh Tuan, 13 February 2012.

³⁵ Government Report to the Foreign Affairs Committee, Vietnam National Assembly in receiving the USCC delegations to Vietnam from 24-28/7/2015

³⁶ Thee. M. 'US-Chinese Rapprochement and Vietnam', *Journal of Peace Research*, 9(1), 1972, pp. 63-67 at 63.

³⁷ Interview Pitono Purnomo, 11 June 2012.

On the other hand, when the two major powers compete, they need other countries to be on their side, so as to gain more leverage. This situation places Vietnam in a difficult situation: if both major powers try to enhance bilateral relations with it, then it has to decide which to align itself more closely with. At present, US strategy includes military commitments to its allies, such as Japan and South Korea, as well as a more strategic ambiguity to deter Beijing from using force against Taiwan. Obviously, this commitment does not mean a security guarantee for Vietnam, but the US hegemonic role in the region is indeed helpful to enhance strategic stability to balance rising Chinese power. This strategy has also provided a beneficial context for the gradual normalization of relations with the US, including Vietnam's access to the American market, technology transfer, foreign investment and other benefits for Vietnamese economic modernization.³⁸

Above all, in the current situation, both major powers are experiencing cooperation and competition in a dynamic world. If US engagement in Southeast Asia plays the role of strategic balancer against a rising China, Vietnam can face the disadvantage from developing a dependency on the US to maintain stability in this area. This will make it vulnerable to American major policy shifts in the region. If the US carried out a policy of offshore balancing, such as the conclusion of its security alliance in the region and with the withdrawal of 100,000 military personnel, and no longer commits itself as a hegemonic stabilizer in East Asia, this would be devastating for Vietnam. A small country like Vietnam will become more vulnerable than before and subject to greater regional instability. Under offshore balancing, Vietnam will have to rely on Japan to help balance China, or to accept a position relative to China's emerging power. The US will presumably make the effort to limit China's power by playing off Tokyo against Beijing, but this design will be of little help for Hanoi to deter China. In this situation, the best alternative for Vietnam and the region will be co-operative security to retain the existing US-dominated hegemonic regime in place, as it has been for the last twenty-five years. This co-operative mechanism will still allow countries involved to remain independent on US hegemonic regional stability. Cooperation is likely to enhance ASEAN's security

³⁸ Van Ness, P., 'Alternative US Strategies with Respect to China and the Implications for Vietnam', *Contemporary Southeast Asia*, 20(2), 1998, pp.154-170 at 165-166.

arrangement. At this point, East Asian nations, including Vietnam, will enjoy more strategic autonomy and grasp the chance to work together to shape their own regional security model.³⁹

In sum, to address the full impact of sitting between a global superpower and a regional power, Vietnam attaches great importance to its neighbours. According to Pham Binh Minh, ASEAN is of strategic significance to Vietnam, as Vietnam's security and development environment is connected directly with Southeast Asia. Thus, cooperation with ASEAN states both bilaterally and multilaterally has been identified as a priority in Vietnam's foreign policy.⁴⁰ Le Dinh Tinh and Hoang Hai Long argue that Vietnam has recognized that working with ASEAN can be more effective in dealing with regional and global issues, rather than by acting alone. Thus, ASEAN is considered as Vietnam's bridge to the wider world and a safety net amid regional or international problems. ASEAN helps Vietnam integrate politically into the larger Asia-Pacific region.⁴¹

5.2 Context of the Triangular Vietnam, China and the US Relationship

5.2.1 International Situation

In the international situation where the US is the global superpower and China is the emerging challenger, any nation will find it difficult to choose either China or the US exclusively. Most countries will seek to pursue a relationship with both powers. Vietnam is not an exception. Thus, it is essential to understand the international situation that led to Vietnam being involved in a complex triangle with China and the US in the first decade of the post-Cold War era.

After the Cold War, the world experienced major changes in a restructured global economy – a fundamental transition in state economies, readjusted national strategies and re-organised international relations. Regional organizations flourished

³⁹ Van Ness, 'Alternative US Strategies with Respect to China and the Implications for Vietnam', pp. 166-167.

⁴⁰ Pham Binh Minh, 'Việt Nam tiếp tục đồng hành và phát triển cùng ASEAN vì mục tiêu xây dựng một Cộng đồng ASEAN gắn kết', Trans: Vietnam continues to accompany and develop with ASEAN for a unified ASEAN Community] 28 July 2015. Available at <http://www.mod.gov.vn/> (Date of visit 2 August 2015)

⁴¹ Le Dinh Tinh and Hoang Hai Long, 'Vietnam in ASEAN and ASEAN in Vietnam', *Asia Pacific Bulletin*, 242, 21 November 2013

as states attempted to grapple with emerging trans-national problems, such as crime, pandemics, natural disasters and climate change. The realignment of power from US-Soviet relations to Sino-American relations in world politics marked a shift of the centre of the world from Europe to the Asia-Pacific, necessitating strategies for readjustments by Southeast Asian states. In the face of these challenges, nations including great powers had to readjust development objectives and external relations strategies.⁴²

For many countries, adjustments and changes of national strategy became indispensable tools in the attempt to create or at least to try to achieve favourable conditions in the new world order. Such adjustments have a great impact on small and medium countries, the pieces on the world's grand political chessboard played by the leading powers. In the process of adjusting diplomatic strategies, all major countries focused on strengthening and expanding foreign relations to maximize their full influence, to gain benefits in all aspects and to set up the most advantageous position in the new world order. Being influenced by these characteristics, large powers adjusted their foreign policies to simultaneously serve national interests and enhance their already powerful positions in the world. Consequently, medium and smaller states had to adjust their foreign policies to cope with the new environment in order to enhance their role in the international and regional arena.⁴³

Kao has examined Deng's idea of modernization in China. He argues that China in the post-Cold War era wanted to develop its backward economy and so understood the need to maintain peaceful and stable relations with major powers and neighbouring countries. Beijing consistently followed Deng's view of de-escalating tension with its neighbours, such as the former Soviet Union, Vietnam or India, as well as establishing diplomatic relations with the US in 1979. Thus, Chinese foreign policy during its process of modernization was not to expand influence abroad but to create an environment conducive to domestic economic development. In this case,

⁴² Vu Khoan, 'Current international status-quo and challenges to Vietnam', *Tap chi Cong san* [The Communist Review], 30 June 2013, <http://english.tapchicongsan.org.vn/Home/The-World-Issues-and-Events/2013/362/Current-international-statusquo-and-challenges-to-Viet-Nam.aspx> (Date of visit 30 October 2014).

⁴³ Luong Ngoc Thanh, 'Vietnam in the Post-Cold War Era: New Foreign Policy Directions', *Journal of International Development and Cooperation*, 18(3), 2012, pp. 31-52 at 31-38.

Beijing hoped that the peaceful and stable environment surrounding China could be maintained without any disturbance.⁴⁴

Zhao has argued that China by the mid-1990s came to be regarded as a regional power. It no doubt remained a major player in East and Southeast Asian regional affairs. He also argued that China has reassessed the political, military and economic importance of Southeast Asia in its foreign policy. Since the death of Mao, China has adopted a practical approach to relations with the region. To that end, it has boosted bilateral ties between China and Southeast Asia through normalization of bilateral relations – with Jakarta (August 1990), Singapore (October 1990) and Hanoi (1991), and through active involvement in UN peacekeeping forces in Cambodia from 1992.⁴⁵

Zhao also argues that the US has consistently recognized the importance of Beijing's cooperation on East and Southeast Asian affairs, especially over issues such as Korean unification and the Cambodian peace settlement, although the international competition for the Chinese market is also a major consideration for US foreign policy toward China.⁴⁶ From a global political perspective, the American and Chinese national interests are not fundamentally in conflict. With the end of the Cold War and the collapse of the Soviet Union in the early 1990s, Deng Xiaoping issued a sixteen-character instruction to guide China's policy towards the US:

Zengjia xinren (增加信任): to increase mutual trust

Jianshao mafan (减少麻烦): to reduce trouble

Zengjia hezuo (增加合作): to enhance cooperation

Bugao duikang (不搞对抗): not to seek confrontation.⁴⁷

Specifically, in terms of the bilateral relationships with Vietnam, an important factor in the development of good relations between the US and Vietnam was the pragmatic approach taken by both countries well before the normalization of

⁴⁴ Lang, K., 'Did China's Foreign Policy Really Change in the Post-Cold War Era?', *Taiwan Journal of Political Science*, 21, 2009.

⁴⁵ Zhao, Q.S., 'Chinese Foreign Policy in the Post-Cold War Era', *World Affairs*, 159(3), 1997, pp. 114-129 at 115-122.

⁴⁶ Zhao, 'Chinese Foreign Policy in the Post-Cold War Era', pp. 115-126

⁴⁷ Ibid.

relations in 1995. This resulted in a focus on present and future benefits rather than dwelling on past disagreements, such as the effects of the Vietnam War.

From the early 1990s, the bilateral normalisation process commenced with a number of steady but cautious steps set up by single-interest groups, such as the League of Families of Prisoners of War and Missing in Action who were searching for their loved ones, war veterans looking for reconciliation, Vietnamese refugees wanting reunification with family members, humanitarian and educational institutes, and American businesses seeking to export and invest in Vietnam. Vietnam was motivated primarily by its desire for access to the US market and by the prospect of US support for admission to the world's leading international organizations, such as the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO). Vietnam also succeeded in pressing the US to address some longstanding legacies of the war, including funding assistance for dioxin removal from Agent Orange hot spots like the Da Nang air base. With strengthened bilateral ties with the US in the 1990s, both sides could work on enhancing economic cooperation. This served as the foundation for future economic cooperation between the two nations, for example, in the Bilateral Trade Agreement (BTA) of December 2001, followed by textile, civil aviation, maritime and nuclear energy cooperation agreements. Later, Vietnam joined the WTO in January 2007 after tough negotiations on accession agreements with its major trading partners, including the US.⁴⁸

Normalisation of ties with China did not occur until November 1991 and only then when Vietnam agreed to China's demand for a comprehensive political settlement in Cambodia. Since then, the two nations have exchanged high-level party and state delegations. Major areas of cooperation and expectations for future cooperation were set out in agreements, such as joint communiqués issued in 1992, 1994 and 1995. Contentious border issues were assigned to specialist groups for negotiation, and military-to-military contact was resumed. The general period from 1990 to 1999 can be seen as a transition stage from "hostile asymmetry" to "normal asymmetry."⁴⁹

⁴⁸ Burghardt, R.F., 'The United States and Vietnam: Old Enemies Become Friends and Implications for the Future', *Journal of Macro-marketing*, 32(1), 2011, pp. 152-154.

⁴⁹ Thayer, C.A. 'Vietnam and Rising China: The Structure Dynamics of Mature Asymmetry', *Southeast Asian Affairs*, 2010, pp. 392-409 at 394.

Hanoi used the 1990s to improve its relationship significantly with China, Japan, the US, ASEAN and the EU. Vietnam and Malaysia agreed to establish a joint development zone in the Gulf of Thailand.⁵⁰ Vietnam also signed and ratified a treaty on maritime delimitation with Thailand. In the last half of the 1990s there were a number of incidents between the Philippines and China, Malaysia and even Vietnam. However, the Sino-Vietnamese relationship continued to improve despite the disputes in the South China Sea. This situation placed Vietnam in a new and challenging position between China and the rest of ASEAN, a position that could give Vietnam a key role in developing a multilateral approach to managing the maritime and territorial disputes. It required Vietnam to stay on good terms with both China and Southeast Asian states. With its location bordering China, and sharing many cultural features, Vietnam might promote diplomatic efforts as a connecting bridge between Southeast and Northeast Asia.⁵¹

5.2.2 Domestic Situation of Vietnam in the early Post-Cold War Era

Politically, the Socialist Republic of Vietnam (SRV) is one-party state with four formal structures making up the regime: the Communist Party of Vietnam (CPV), the People's Armed Forces, the State Bureaucracy (Central and Local Government) and Vietnam Fatherland Front (a group of mass organizations). The one-party state has been in transition from a "hard authoritarian" to a "soft authoritarian" nation since 1986. This was a crucial year for Vietnam, which launched *doi moi* (renovation/reform), as an open-door policy to the international community. This new strategy presented Vietnam with new political decisions as its economy became increasingly integrated into the global economy.⁵² These policies have led to an enhanced economic position, and as a domestic strategy *doi moi* has helped Vietnam recover from the aftermath of the war in an effort to keep pace with surrounding nations and powers. Welle-Strand, Vlaicu and Tjeldvoll argue that since

⁵⁰ The discussion in this paragraph draws on Tonnesson, S., 'Vietnam's objective in the South China Sea: National or Regional Security?', *Contemporary Southeast Asia*, 22(1), 2000, pp. 199-220 at 205-212

⁵¹ Tonnesson, S., 'Vietnam's objective in the South China Sea: National or Regional Security?', *Contemporary Southeast Asia*, 22(1), 2000, pp. 199-220 at 205-212.

⁵² Thayer, C.A., 'Political Legitimacy in Vietnam: Challenge and Response', *Politics & Policy*, 38(3), 2010, pp. 423-444 at 424.

1986, Vietnam has opened up to the outside world through trade, investment and official development assistance (ODA). Consequently, from a country devastated by war and domestic division, Vietnam has moved from one of the poorest countries in the world to a middle-income nation, from a distant player to an active member in the regional and international arenas.⁵³

After the collapse of the socialist regimes in Eastern Europe, the CPV leaders sought an ideological alliance with China, hoping China would take up leadership of the world's socialist forces. This Vietnamese approach was carried out when Vietnam still faced regional and global isolation after the counterweight of the Soviet Union was no longer available. As a result, in order to prevent Chinese aggression when faced with a disproportionately powerful neighbour, Hanoi had to pay deference to Beijing. Accordingly, Hanoi was rewarded with the normalization of bilateral relations with Beijing in November 1991 under the form of "comrades but not allies."⁵⁴ Without an anti-Western alliance, the integration agenda regained momentum in Vietnamese policy with ASEAN members. It led to the opening of a new and friendly chapter in Vietnam's relations with neighbouring countries. This was a geopolitical turning point in Vietnam's foreign policy when top priorities were set for both regional cooperation and better relations with the great powers and other worldwide economic centres.⁵⁵

Many outside observers have concluded that Vietnam had by 2000 recovered from the worst effects of economic blockade from the early 1980s.⁵⁶ By 1989, Vietnam also began to recover from its domestic economic crisis caused by bureaucratic mismanagement, soaring inflation rates and rising debt problems. For the first time, agricultural production was on target at 19 million tonnes. Industrial output was up 9% and for the first time, the consumption of output was in line with

⁵³ Welle-Strand, A., Vlaicu, M., and Tjeldvoll, A., 'Vietnam-A New Economic Dragon in Southeast Asia?', *Journal of Developing Societies*, 29(2), 2013, pp. 155-187 at 156.

⁵⁴ Thayer, C.A., 'Comrade Plus Brother: The New Sino-Vietnamese Relations', *The Pacific Review*, 5(4), September 1992, pp. 402-406

⁵⁵ Vuving, A.L., 'Strategy and Evolution of Vietnam's China Policy: A Changing Mixture of Pathways', *Asian Survey*, 46(6), 2006, pp. 805-824 at 811-814.

⁵⁶ The following discussion draws on the source of Evans, G. and Rowley, K., *Red Brotherhood at War: Vietnam, Cambodia and Laos since 1975*, revised edition, Verso, London, 1990, pp. 246-248.

government priorities, with consumer goods and exports leading the industrial sector. By 1989, inflation had fallen to a rate of 10% per month or lower. Vietnam's foreign trade grew by a massive 21% in 1988. Ho Chi Minh City began to see increasing numbers of Japanese, Thai and other foreign businessmen. By April 1989, an agreement for some US\$450 million worth of western capital as Foreign Direct Investment (FDI) had been signed, mostly for offshore oil and gas exploration and food processing for export. Vietnam has surprised many by emerging as a major rice exporter in 1989, with rice sales to Africa, India, the Philippines and even China.

In the late 1970s, China and the US both expected that Vietnam's economic isolation would "break" Hanoi. However, by the late 1980s, China had to accept that Vietnam was not broken, even though it had suffered from the economic isolation.⁵⁷ Since the normalization of bilateral relations with China, senior Vietnamese and Chinese leaders have met at least once annually since November 1991 to both review and advance the bilateral relationship, with discussions broaching all aspects of Sino-Vietnamese relations. During President Le Duc Anh's visit to China in November 1993, the first visit by a Vietnamese President since 1955, his counterpart Jiang Zemin observed that economic and trade relations had been rapidly restored and developed since normalization.⁵⁸ However, Jiang also noted the relationship's potential could be deepened.

Between 1991 and 1997, CPV Secretary-General Do Muoi visited Beijing three times to discuss ways of strengthening economic, trade, science and technological cooperation.⁵⁹ A number of economic agreements were signed at that time. Chinese Prime Minister Li Peng visited Hanoi in November 1992 and again in June 1996, while President Jiang also stopped off in the Vietnamese capital in November 1994 as part of a four-nation tour around Southeast Asia. So despite the existence of the maritime disputes between China and Vietnam, the Sino-Vietnamese bilateral relationship remains very broad-based. Apart from reciprocal high-ranking

⁵⁷ Evans and Rowley, *Red Brotherhood at War: Vietnam, Cambodia and Laos since 1975*, pp. 246-248.

⁵⁸ Evans and Rowley, *Red Brotherhood at War: Vietnam, Cambodia and Laos since 1975*, pp. 246-248.

⁵⁹ The following discussion is based on Ang, C.G., 'Vietnam-China Relations since the End of the Cold War', *Asian Survey*, 38(12), 1998, pp. 1122-1141 at 1130-1135.

visits of leaders, there have been numerous exchanges between governmental (military and non-military) and non-governmental officials on an almost daily basis.

By the late 1980s, the Reagan Administration feared that a Sino-Soviet détente would exclude US influence from mainland Southeast Asia, so it began cautiously to distance itself from Chinese policy while at the same time making efforts to counter Soviet influence. This led to a decision to move quietly towards normalising relations with Hanoi, which was enthusiastically welcomed by Vietnam. Just before the collapse of the Soviet Union, Hanoi government radio stated that “The USA plays an important part in bringing about peace and stability in Southeast Asia. The Vietnamese people are prepared to turn to a new chapter of history and to facilitate the development of relations of friendship and cooperation between the two peoples.”⁶⁰

5.2.3 Vietnam's China Policy 1991-2001

Vietnam and its giant northern neighbour improved their bilateral relations following the normalization of diplomatic relations in 1991. Storey argues that the cause of this improvement of bilateral relations between Vietnam and China was due more to internal reasons rather than the external environment. After losing support from its main Cold War ally, the Soviet Union, Vietnam was left isolated and vulnerable. Meanwhile, Vietnam could develop rapprochement with China because both countries have an identical political system and similar economic strategies.⁶¹ Amer also noted that between 1991 and 2001, both neighbours expanded bilateral cooperation in many sectors and agreed on methods of negotiations. It helped manage any tension that existed between Hanoi and Beijing. This rapprochement brought about the settlements of the land border on 30 December 1999, the Gulf of Tonkin on 25 December 2000 and the South China Sea territorial disputes.⁶²

⁶⁰ Evans and Rowley, *Red Brotherhood at War: Vietnam, Cambodia and Laos since 1975*, p.260.

⁶¹ Storey, S.J., ‘Explaining Improvement of Bilateral Relations: The Case of Vietnam’s Relations with China, 1985-2001’, Master Thesis, 2001, University of Oslo, Norway. (List this in your bib, where was it written?)

⁶² Amer, R., ‘Assessing Sino-Vietnamese Relations through the Management of Contentious Issues’, *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 26 (2), 2004, pp. 320-345 at pp. 329-337.

Vietnam's policy towards China in the first decade after the Cold War was to pro-actively enhance bilateral ties between the two neighbours. Nguyen Thi Phuong Hoa examined the positive solidarity of Vietnam's China policy in this period.⁶³ After the normalization of bilateral relations in 1991, the leaders of both Vietnam and China stated in the 1991 Joint Declaration to "develop the relationship of friendship and friendly neighbourliness."⁶⁴ In another Joint Declaration in 1994, the two leaders re-affirmed to "consolidate and enhance the friendly neighbourliness and bilateral cooperation for the mutual benefits of the two nations, to nurture the relationship to be stable and long-lasting."⁶⁵

Furthermore, Vietnam carried out the guidelines of the 1991 and 1995 Joint Declarations to "commit to improve the bilateral cooperation with China in the fields of economics, commerce, sciences, technology and culture on the basis of equality, mutual benefits and mutual development" to achieve the goal of "boosting the economic and commercial ties between Vietnam and China for constant development on the basis of long-term stability."⁶⁶ On the basis of complying with the guidelines in these joint declarations and the mutual understanding of leaders from the two communist parties, the two nations have raised the level of bilateral ties to "friendly neighbourliness, comprehensive cooperation, long-lasting stability, looking forward to the future" in the Joint Declaration of 2002. Vietnam is also committed to

⁶³ Nguyen, Thi Phuong Hoa, 'Nhin lai 20 nam binh thuong hoa quan he Viet-Trung: Tu Nhan thuc chung den thuc tien' [Looking forward 20 years of the normalisation of diplomatic relations between Vietnam and China: From mutual concept to fact] in Do Tien Sam and Kurihara Hirohide (eds), *Hop tac Phat trien 'Hai Hanh lang - Mot Vanh dai Kinh te* [Cooperation Development 'Two Corridors - One Economic Belt: Vietnam and China in the new situation'], Nha Xuat ban Khoa hoc Xa hoi, Hanoi, 2012, pp. 192-193.

⁶⁴ Thông cáo chung Việt Nam – Trung Quốc năm 1991 [Trans: Vietnam-China Joint Declaration 1991], Beijing 10 November, 1991, Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

⁶⁵ Thông cáo chung Việt Nam – Trung Quốc năm 1994 [Trans: Vietnam-China Joint Declaration 1994], Hanoi, 22 November 1994. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

⁶⁶ Thông cáo chung Việt Nam – Trung Quốc năm 1995 [Trans: Vietnam-China Joint Declaration 1995], Beijing, 2 December, 1995. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

“enhance the friendship exchange between youths of the two nations, adding to the comprehensive cooperation between China and Vietnam, transferring to future generations.”⁶⁷

In addressing the existing problems between Vietnam and China, Vietnam was aware of the importance of gradually resolving territorial disputes with China, but this should not come at the expense of general bilateral cooperation. Vietnam and China affirmed in the 1991 Joint Declaration “to preserve peace and security and encourage two-way travel of peoples at the border areas in order to build the Vietnam-China border into a border of peace and friendship.”⁶⁸ Vietnam also agreed with China in the 1994 Joint Declaration to “reaffirm high-level agreements since 1991 to continue to look for solutions for the two countries’ territorial and border disputes and the demarcation of the Gulf of Tonkin.”⁶⁹ The efforts and cooperation displayed by both sides resulted in the China-Vietnam land border delimitation treaty signed in Hanoi on 30 December 1999. It marked an encouraging start to Sino-Vietnamese bilateral relations in the new millennium.

5.2.4 Vietnam’s US Policy 1991-2001

Vietnam employed a new approach in its relations with the US from the late 1980s. The new strategy was the result of Renovation (*doi moi*) and reassessment of US-Vietnam ties by the CPV during its Sixth National Party Congress in December 1986. The CPV 13th Resolution clearly stated to “issue a newly comprehensive

⁶⁷ Thông cáo chung Việt Nam – Trung Quốc năm 2002 [Trans: Vietnam-China Joint Declaration 2002]. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

⁶⁸ Thông cáo chung Việt Nam – Trung Quốc năm 1991 [Trans: Vietnam-China Joint Declaration 1991], Beijing 10 November, 1991, Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

⁶⁹ Thông cáo chung Việt Nam – Trung Quốc năm 1994 [Trans: Vietnam-China Joint Declaration 1994], Hanoi, 22 November 1994. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

strategy towards the US to seek support from the American people and the world, as a convenient condition to maintain national peace and economic development.”⁷⁰

This improvement led to the normalization of bilateral relations between the two nations on 12 July 1995. However, there were still two sides to the rapprochement between Vietnam and the US. The cooperation came from mutual benefits that the two countries could gain from each other. The most successful feature of Vietnamese-American cooperation could be seen in the economic sector. Vietnam stressed the importance of trading and commercial ties. The US, with its practical mind-set, found in Vietnam a potential market for American goods due to Vietnam’s huge population, cheap labour force and geographical location. The US also found that improvement in bilateral relations with Vietnam could help it to escape from “the Vietnam Syndrome” that split American society after the Vietnam War.⁷¹

However, competition still existed due to the antagonistic national strategies between Vietnam and the US. Vietnam’s national objective was to establish a successful socialist state while the US favours encouraging other states to join the American orbit and respect American values of democracy and capitalism.⁷² Thus, Washington and Hanoi were still suspicious of each other’s long-term strategic intentions. While the US wanted greater access to Vietnamese ports for its warships, Vietnam wanted the US to remove its restrictions on arms sales. The Vietnamese government welcomed the presence of the US Military Sea Lift ships at the commercial facilities in Cam Ranh Bay only for minor repairs at competitive prices, but these ships have to have civilian crews. Vietnamese Prime Minister Nguyen Tan Dung invited all countries in the world to avail themselves of the commercial repair facilities in Cam Ranh. Meanwhile, the US was still considering lifting restrictions on the sale of lethal materials that could have helped Vietnam modernize its

⁷⁰ Ha My Huong ‘Chính sách của Việt Nam với Mỹ và Quan hệ Việt-Mỹ những năm đầu thế kỷ 21: Thực trạng và Triển vọng [The Foreign Policy of Vietnam towards the US and Vietnamese-US Relations at the beginning of the 21st Century: Status and Prospects]’, Presentation at the 3rd Vietnamese Studies Conference, Hanoi, 2008, pp. 1-15 at 2

⁷¹ Ibid, p. 4.

⁷² Ha My Huong, ‘Chính sách của Việt Nam với Mỹ và Quan hệ Việt-Mỹ những năm đầu thế kỷ 21: Thực trạng và Triển vọng’, p.5

military.⁷³ Indeed, contemporary news reports indicate that Minister of National Defence General Phung Quang Thanh addressed the lifting of restrictions on arms sales during his trip to Washington, D.C. in late 2009. He later raised it with Secretary of Defence Leon Panetta when Panetta visited Hanoi in 2012.

5.3 Characteristics of the Triangular Vietnam, China and America Relationship

5.3.1 Security Characteristics

The interaction of the two major powers in Southeast Asia means that there are pros and cons for Vietnam in its defence and security policy to preserve its national sovereignty. In its relations with China, Vietnam experienced a long history of conflict and cooperation. Regarding conflicts, the two sides fought a border war in 1979 and there were two skirmishes over disputes in the South China Sea, one in 1974 and the other in 1988. The first resulted in China taking possession of part of the Paracels, which were then under the control of the Republic of Vietnam (South Vietnam). Ravindran even argued that Vietnam would not hesitate to go to war with China over the disputes in the South China Sea, in spite of the overwhelming superiority of the Chinese military.⁷⁴

China and Vietnam have conflicting interests not only in the South China Sea, but also in other areas, such as China's dam building in the Upper Mekong River and the widening trade deficit. Thus, according to the conflict-expectation model, Vietnam's expectations of a future conflict with China are high.⁷⁵ These arguments present one side of the problem only. For the Vietnamese, as Ho Chi Minh has stated, "nothing is more precious than freedom and independence"⁷⁶ and

⁷³ Jordan, W., Stern, L.M. and Lohman, W., 'US-Vietnam Defense Relations: Investing in Strategic Alignment', *Backgrounders* (2707), 2012, pp. 1-13 at 1-2.

⁷⁴ Ravindran, M.S., 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', *Journal of Current Southeast Asian Studies*, 3/2012, pp. 105-132 at 112.

⁷⁵ Ravindran, 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', p. 123.

⁷⁶ Không có gì quý hơn độc lập tự do [Trans: Nothing is more precious than freedom and independence], *Báo Nhân Dân* [*The People's Newspaper*], 4484, 17 July 1966, Hồ Chí Minh toàn tập, tập 12 (1966-1969). Available at http://www.cpv.org.vn/cpv/Modules/News/NewsDetail.aspx?co_id=30008&cn_id=57468 (Date of visit 2 August 2015)

Vietnam has struggled bravely throughout its history for national integrity. Blazevic argues that for Vietnam, the sea carries great geostrategic significance. Vietnamese authorities do fear that China's intentions are to enforce its claim by force if necessary, which threatens Vietnam's claims, freedom of navigation and trade. Specifically, they perceive that China's strategy is not defensive, but rather meant to alter the status quo and reorder the balance of power in the immediate region and beyond. They perceive threats not only to the national security of Vietnam but also regional and global security. According to Nguyen Duc Hung from the Southeast Asian Research Foundation, "China's claim in the South China Sea is comparable to a claim by one person to all the oxygen in the air that South East Asia can be dominated, and nations that need to traverse through the South China Sea can be choked."⁷⁷

However, Vietnam will not go to war with any power if its national integrity is threatened. According to the Deputy Minister of National Defence, Lieutenant General Nguyễn Chí Vịnh, Vietnam is now at peace, so Vietnam needs to do its utmost to maintain a peaceful relationship and friendship with neighbouring countries.⁷⁸ Peace must be associated with independence and self-reliance. The Vietnamese people will never accept an unequal and dependant peace that results in the loss of Vietnam's independence and the violation of its national sovereignty. As a result, the concept of peace as a Vietnamese motivation is related to national survival.⁷⁹ Consequently, although the likelihood of conflict between Vietnam and China is probably high, it is not Vietnam's desire or in its interests to go to war to resolve the matter. Moreover, there is cooperation between the two neighbours.

⁷⁷ Quoted in Blazevic, J.J. 'Navigating the Security Dilemma: China, Vietnam and the South China Sea', *Journal of Current Southeast Asian Studies*, 31, 2012, pp79-108 at 88.

⁷⁸ Nguyễn Chí Vịnh, in address the Vnexpress journalist 'Việt Nam Không Chấp nhận Nền Hoà Bình Lệ thuộc (Vietnam will not accept a Dependent Peace)', 10 January 2011, <http://vnexpress.net/tin-tuc/thoi-su/viet-nam-khong-chap-nhan-nen-hoa-binh-le-thuoc-2184972.html> (Date of visit 2 August 2015)

⁷⁹ Phạm Hiếu, Nguyễn Hưng, Lieutenant General Nguyễn Chí Vịnh address the Vnexpress journalist 'Việt Nam Không Chấp nhận Nền Hoà Bình Lệ thuộc (Vietnam will not accept a Dependent Peace)', 10 January 2011, <http://vnexpress.net/tin-tuc/thoi-su/viet-nam-khong-chap-nhan-nen-hoa-binh-le-thuoc-2184972.html> (Date of visit 16 December 2013).

On the political level, relations between the two countries have been good since the normalization of bilateral ties in 1991, and sharing the same communist ideology has contributed to this rapport. The two nations also achieved a land boundary settlement agreement in 1999 and a maritime settlement in the Gulf of Tonkin in 2000.⁸⁰ In addition, Sino-ASEAN relations have, in general, steadily improved and the relationship between China and Vietnam has remained consistently cordial. In November 2009, Beijing and Hanoi signed an agreement concluding three decades of border negotiations.

The triangular relationship between Vietnam, China and the US since the 9/11 attacks in 2001 could be a stable security triangle if the two great powers developed a more positively cooperative relationship. As US President Barack Obama stated, the US can no longer dominate the globe unilaterally, and China will be a factor:

We can't predict with certainty what the future will bring, but we can be certain about the issues that will define our times. And we also know this: The relationship between the United States and China will shape the 21st century, which makes it as important as any bilateral relationship in the world.⁸¹

The US recognition that it can no longer shape the world solely in its image means it will have to consider China as a partner in setting an agenda for global security in the new century.⁸² As a result, China and the US will cooperate more with each other in security matters. Christensen argues that the US continues to compete with China directly and through its alliances, as well as with its security partnerships such as the US-Japan alliance, but this is only one part of the whole picture. The September 11 attacks and North Korea's nuclear ambitions have revealed important common interests between China and the US, but there remain tensions and there

⁸⁰ Ravindran, 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', p. 112.

⁸¹ Barack Obama, Remarks by the President at the U.S./China Strategic and Economic Dialogue, The White House, 27 July 2009. Available at <https://www.whitehouse.gov/the-press-office/remarks-president-uschina-strategic-and-economic-dialogue> (Date of visit 2 August 2015)

⁸² Lai, D., *The United States and China in Power Transition*, Strategic Studies Institute Book, 2011, pp. 1-265 at 1.

must be room for discussion on how to pursue a resolution to the shared problems.⁸³ Consequently, both powers need a security environment of peace and stability and this is the condition that Vietnam needs for its nation's establishment and development. A Vietnamese American Studies specialist argues that there is a mutuality of interests between China and the United States: for the US, there is the benefit in maintaining Southeast Asia as a peaceful and stable region in America's orbit, and it is in Vietnam's interest that this status quo continues.⁸⁴

China's fast political, economic and military ascent has caused Southeast Asian nations to look for a counter-balance. Apart from its ties with the US, Vietnam has looked to Russia, Japan, India, and Australia. However, Vietnam's strategic collaborations with the US must be low-key so that it can be seen to be acting independently, while keeping its options open with China. Carl Thayer has noted that it is better to have both the US and China keep each other at bay rather than have a situation where one is dominant.⁸⁵ Although the US now has given priority to Southeast Asia in its strategic pivot, and the Vietnamese-American rapprochement has led to better relations, this progress does not mean a neglect of Vietnam's giant northern neighbour China. The US and Vietnam conducted joint field activities to locate the remains of both Vietnamese and American soldiers who were listed as MIA in the Vietnam War. There were also other on-going efforts to deal with the effects of Agent Orange in Vietnam. Thayer argued that Vietnam and the US have only a "comprehensive partnership," while Vietnam has a "strategic partnership" with China.⁸⁶

If Vietnam goes with one power and neglects the other, a security challenge can grow into threat. Le argues that a stronger US-Vietnam relationship will likely put unwanted strain on Vietnam's relations with China, especially when Sino-

⁸³ Christensen, T.J., 'Fostering Stability or Creating a Monster? The Rise of China and US Policy towards East Asia', *International Security*, 31(1), 2006, pp. 81-126 at 124.

⁸⁴ Interview Cu Chi Loi, September 2012.

⁸⁵ Cite Thayer original Hoang, L., 'Vietnam Floats between China and US', 12 May 2012, http://www.atimes.com/atimes/Southeast_Asia/NE12Ae01.html (Date of visit 14 January 2014)

⁸⁶ Tiezzi, S., 'Vietnam, the US and China: A Love Triangular?', 18 December 2013, <http://thediplomat.com/2013/12/vietnam-the-us-and-china-a-love-triangle/> (Date of visit 14 January 2014)

American relations worsen due to strategic competition. It is not in Vietnam's interest to experience again the painful time of the 1970s and 1980s.⁸⁷ While Vietnam and the US may be moving closer to one another for economic reasons, Vietnam will be eager to avoid the perception that it intends to use the US as a counterweight to China in the region.⁸⁸ Although Vietnam and the US have gotten closer as a result of recent diplomatic exchanges and military cooperation, this rapprochement is only on the surface, and is so far without a firm foundation. During the George W. Bush and Obama Administrations, the two countries have drawn closer together. Since 2010 the two sides have initiated naval exchange activities (now renamed naval engagement activities). These are held in conjunction with the annual US Navy visit to Tien Sa port at Da Nang. In Hanoi on 29 October 2010, US Secretary of State Hillary Clinton mentioned the possibility of establishing bilateral contacts in the military sphere. The visit of US Defence Secretary Leon Panetta to Vietnam in early June 2012 has put this issue on a practical plane. Although there will be neither the possibility of Vietnam and the US signing a formal treaty alliance, nor the US leasing bases in Vietnam due to Vietnam's three no's policy, they do plan to cooperate on arms supplies issues.⁸⁹ The US has lifted restrictions on the sale of lethal weapons on a case-by-case basis.

However, despite the diplomatic progress, bilateral relations between Vietnam and the US still encounter obstacles. The continuing International Traffic in Arms Regulations (ITAR) restrictions has been an irritant in bilateral relations until they were partially lifted in 2014. The Vietnamese-American relationship has not yet seen any further detailed practical military cooperation. All Vietnam needs from the US is an American presence in the region for a more influential voice to counter-balance China's aggressive behaviour in the territorial dispute in the South China

⁸⁷ Cite original Le, H.H., *Vietnam's Strategic Trajectory: From Internal Development to External Engagement*, Strategic Insights 59, Australian Strategic Policy Institute, 2012, pp. 1-20 at 8.

⁸⁸ Shivakumar, M.S., 'A New Era for Vietnam and US?', *Economic and Political Weekly*, 40(31), 2005, pp. 3374-3376 at 3376.

⁸⁹ 'US-Vietnamese Rapprochement and Hanoi's Dilemma', 3 July 2012, <http://valdaiclub.com/asia/45600.html> (Date of visit 15 January 2014)

Sea. This does not, however, mean that Vietnam wants an alliance with the US, as such an alliance can lead to retribution from China.⁹⁰

A US-Vietnam alliance may just create difficulties for Hanoi. First and foremost, Vietnam will face Chinese resistance. For the past 20 years, Beijing has avoided sharp moves towards its southern neighbours, but visits by US Navy warships to the deep water harbour of Cam Ranh Bay (or the appearance of US military instructors in Vietnam) would likely create a perception of threats to China's southern borders, which China definitely would not leave unanswered. Secondly, China and other Southeast Asian states see Vietnam as a country with an independent foreign policy, but if Vietnam were to become a US ally (like the Philippines or Thailand) then Hanoi's ability to pursue a non-aligned foreign policy will be questioned, which would affect Vietnam's status in Southeast Asia. Thirdly, a Vietnam-US alliance would affect the content of the Bangkok declaration, which promotes peace and stability in the region by following the UN Charter. Although the Declaration on a Zone of Peace, Freedom and Neutrality in Southeast Asia was a non-binding political declaration, it highlighted ASEAN's commitment to neutrality. The Manila Declaration also urged all conflicting parties to settle the dispute in the South China Sea exclusively by peaceful means. Thus, if Vietnam became a military ally of the US, Hanoi could become involved with outside powers in inter-regional conflicts.⁹¹ To become an American ally is therefore not in the Vietnamese national interest, however Vietnam should consider alternative options, such as becoming a strategic partner or security partner of the US.

5.3.2 Socio-Economic Characteristics

The socio-economic strategies of the two major powers towards Southeast Asia have created both advantages and disadvantages for Vietnam. According to Ravindran, the bilateral economic relations between Vietnam and China have grown tremendously since the normalization of relations in 1991. China is Vietnam's largest trading partner, with bilateral trade amounting to US\$30.094 billion in 2010, up from

⁹⁰ Interview Cu Chi Loi, 18 September 2012.

⁹¹ 'US-Vietnamese Rapprochement and Hanoi's Dilemma', 3 July 2012, <http://valdaiclub.com/asia/45600.html> (Date of visit 15 January 2014)

US\$32.23 million in 1991.⁹² Trade with China amounted to 36.3% of Vietnam's GDP in 2011.⁹³ China has become the largest export destination for Vietnam's primary commodities, with 71.78% of Vietnam's total exports going to China.⁹⁴ From an energy perspective, approximately 4.65 billion kWh of power was imported from China in 2012.⁹⁵ As a result, any disruption of this supply could cause serious harm to the Vietnamese economy. Above all, China's economic hold over Vietnam is so strong that it can inflict heavy damage to Vietnam's economy through trade sanctions. Though China has to consider how sanctions would affect its investment in this nation, this does not remove the high degree of vulnerability that Vietnam is exposed to.⁹⁶

Vietnam's economic relationship with China is also under severe stress due to problems of a huge trade imbalance, the smuggling of goods and services as well as controversial Chinese investment projects. These disadvantages have made trade with China appear to be a threat. Vietnam's receipt of Chinese FDI does not fare any better, especially from the perspective of ordinary Vietnamese. As of June 2009, according to official statistics, China is ranked 15th in terms of source of FDI in Vietnam, with an accumulated total of 640 projects, amounting to more than US\$2.5 billion. This was relatively small in comparison to the US\$17.6 billion (ranked 3rd) and US\$8.6 billion (ranked 7th) from Japan and the US, respectively.⁹⁷

Meanwhile, there was economic improvement between Vietnam and the US after the latter lifted the embargo in 1994 and the two countries officially established diplomatic relations in 1995.⁹⁸ Since then, bilateral relations have advanced into many areas, facilitating the increasing closeness of the two former adversaries.

⁹² Ravindran, 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', pp. 112-113

⁹³ Ibid, p.116

⁹⁴ Ibid, p. 118

⁹⁵ Ibid, p.119

⁹⁶ Ravindran, 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', pp. 112-120.

⁹⁷ Adams, F.G. and Tran, A.L., 'Vietnam: From Transitional State to Asian Tiger?', *World Economics*, 11(2), 2010, pp. 177-197 at 192-193.

⁹⁸ The discussion that follows is drawn from Adams and Tran, 'Vietnam: From Transitional State to Asian Tiger?', p. 190.

Vietnam has clearly gained significant benefits from its economic relations with the US. In 2000, the two nations reached a comprehensive Bilateral Trade Agreement (BTA), which allowed Vietnamese goods to enter the huge American market with a crucial reduction in tariff rates. In exchange for this convenience, the Vietnamese Government made a series of commitments to give American businessmen and investors a level playing field. Vietnamese implementation of these commitments is to move its economy to be close to a rule-based, free market one. Since 2001, the United States Agency for International Development, through its Support for Trade Accelerations Project (STAR), has provided Vietnam with technical assistance in realizing BTA commitments. STAR has assisted Vietnam by providing advice and training sessions for various government agencies, from national to local, in an effort to help Vietnam revise and adopt a number of new laws in accordance with BTA's requirements. This assistance has resulted in remarkable improvements in Vietnam's legal administrative systems, which increasingly made Vietnam an attractive destination for foreign investors in general. At the same time, Vietnamese goods have continued to flow into American markets with increasing quantities. The US has become Vietnam's largest export market with major products, such as garments, footwear, wood products and seafood. These calls are for labour-intensive production and Vietnam clearly has a comparative advantage. Increasing exports to the US has helped Vietnam significantly in providing more jobs for its labour force.

Vietnam can achieve better socio-economic stability and development if it can maintain the influence of both China and the US in the region since China's rise strengthens the American economy and future prosperity. China is the largest growth market in the world for American goods and services. Trading with China, which is the third largest export market for the US and the leading market for US agricultural products, has helped the US recover from the Global Financial Crisis.⁹⁹ At the same time, the richer China becomes, the greater will be its stake in the security of sea-

⁹⁹ Gross, D., 'The United States can benefit from China's Rise', *World Policy*, 10 December 2012, <http://www.worldpolicy.org/blog/2012/12/10/united-states-can-benefit-china's-rise> (Date of visit 6 January 2015).

lanes, the stability of the world's trade and financial regimes. China will not get ahead if its rivals do not prosper.¹⁰⁰

Chinese influence in the region, and in Vietnam, has a long history and this has grown with trade and investment. Most of the major projects in Southeast Asia are currently financed by China. However, Vietnam needs both China and the US to remain engaged. This is a reciprocal benefit as Vietnam can use both sources, the one to its north and the offshore superpower. China and the US both need Vietnam too as it moves towards becoming an important economy in ASEAN. Vietnam is in a significant strategic location as an economic corridor from India to the South China Sea with major important harbours, such as Hai Phong, Da Nang, Ba Ria-Vung Tau. With this geo-strategic position, Vietnam connects China and India with the rest of the Pacific.

China seeks to invest in the international market due to the expansion of the size of its domestic economy. Bordering southern nations, such as Vietnam, Laos and Cambodia, are attractive targets for investment. However, among these countries, only Vietnam is ready to adapt to Chinese FDI, because of its infrastructure and economic conditions. In seeking to set foot in Asia Pacific, Vietnam is among the few countries that has caught the attention of the US. If the US can establish a stronger base in Vietnam, it can expand into the rest of the continent. Vietnam's role of "connectivity" links it with Myanmar and to China's engine growth provinces of Yunnan and Guangdong, or the FDI hub of Nanning province, which is also close to Hanoi. Thus, Hanoi is the gateway of ASEAN northwards towards Korea and Japan.¹⁰¹ With Singapore as the entrepot of Southeast Asia and Myanmar as the access for India to mainland Southeast Asia, Vietnam can play an important role for China to extend its influence southwards. China is financing numerous infrastructure projects to link its southern provinces to mainland Southeast Asia in which Kunming in Yunnan province plays a key role as a transport hub.

If the China-US relationship moves into rivalry, it may cause social instability and economic challenges. Each power will try to gain allies and ASEAN

¹⁰⁰ Nathan, A.J. and Scobell, A., 'How China Sees America: The Sum of Beijing's Fears', *Foreign Affairs*, 91(5), 2012, pp. 32-47 at 46.

¹⁰¹ Interview Siswo Pramono, 11 April 2012.

will be polarised due to different national interests. Countries such as Laos and Cambodia are likely to support China because of their economic dependence. Other countries such as the Philippines, Thailand and Singapore are already clear American allies. Some countries such as Indonesia and Malaysia will choose to remain neutral. Vietnam is considered to be among the non-aligned group. According to a leading Indonesian analyst, Vietnam is not likely to become an American ally unless it is invaded or attacked by China, which would make it rethink its strategy.¹⁰²

Increased regional tensions involving China can have dire consequences, such as military conflict over Taiwan's political status, or between China and Japan over sovereignty over a group of uninhabitable islands and offshore energy sources in the East China Sea, or over the ownership of islands and energy resources in the South China Sea. In the worst scenario, those conflicts can escalate, accidentally or unintentionally, into a nuclear exchange.¹⁰³

5.3.3 Human Rights and Democracy

Vietnam faces more difficulty in its relationship with the US than with China over questions of human rights, democracy and media freedom.¹⁰⁴ While Vietnam shares a similar political ideology (the one party state) with China, ideological and political differences with the US can lead to tensions in bilateral relations. Such issues are considered as American values that the US often pressures other nations to implement. Vietnam regards cooperation in other sectors as the first priority, while human rights and democracy come later.¹⁰⁵ While welcoming the improvement of bilateral relations with America, the US Secretary of State Hilary Clinton affirmed that the issues of human rights and democracy need to be addressed in the US-Vietnam bilateral relationship:

And we prepared to take the U.S.-Vietnam relationship to the next level of engagement, cooperation, friendship and partnership. It is true that profound differences exist, particularly over the question of political freedoms. And the United

¹⁰² Interview Rizal Sukma, 12 June 2012.

¹⁰³ Gross, 'The United States can benefit from China's Rise'.

¹⁰⁴ The following discussion is drawn from interview with Cu Chi Loi, 18 September 2012.

¹⁰⁵ Interview Cu Chi Loi, 18 September 2012

States will continue to urge Vietnam to strengthen its commitment to human rights, and give its people even greater say over the direction of their own lives.¹⁰⁶

President Barack Obama also reiterated the issue of human rights and freedom of religion in the US-Vietnam relationship:

There remain to be - there remain differences in the bilateral relationship, and we discussed candidly some of our differences around issues of human rights, for example, and freedom of religion.¹⁰⁷

Interviews for this thesis with a Vietnamese scholar of American studies suggest that Vietnam's position between China and the US looks like a boat between two banks: if China is too aggressive for Vietnam's liking in territorial disputes, threatening Vietnam's national independence and territorial integrity, then the boat will be driven onto the American side. Meanwhile if the US uses human rights or democracy to change the political system of Vietnam, then the boat will be driven back to China's side.¹⁰⁸ The issues about human rights refer to point 9 in the July 2013 US-Vietnam Agreement of Comprehensive Partnership. The US called for Vietnam to make "further progress on human rights, including the freedom of association and of expression."¹⁰⁹ This is the condition for the US before bilateral relationships can advance. Yet the US announced a year later it was lifting the sale of lethal weapons to Vietnam on a case-by-case basis. In other words, there is some give and take in the US position towards Vietnam.

However, in spite of the difficulties in US-Vietnam relations regarding human rights and democracy, there is a difference between the activities of the US Government and those of the anti-Communist overseas Vietnamese living in the US. According to Professor Nguyen Manh Hung, there are misperceptions of American intentions in Vietnam, which has caused suspicion among Vietnamese leaders who

¹⁰⁶ Hillary Rodham Clinton, Secretary of State, Remarks at the Celebration of the 15th Anniversary of United States-Vietnam Relations, Hanoi, Vietnam, 22 July 2010, <http://www.state.gov/secretary/20092013clinton/rm/2010/07/145064.htm> (Date of visit 2 August 2015)

¹⁰⁷ Remarks by President Obama and General Secretary Nguyễn Phú Trọng of Vietnam, 7 July 2015 Available at <https://www.whitehouse.gov/the-press-office/2015/07/07/remarks-president-obama-and-general-secretary-nguyen-phu-trong-vietnam> (Date of visit 2 August 2015)

¹⁰⁸ Interview Cu Chi Loi, 18 September 2012

¹⁰⁹ <http://www.state.gov/r/pa/prs/ps/2013/218734.htm>

believe that the US aims to overthrow the communist regime through “peaceful evolution.” In fact, while the U.S. desires to see a more liberal and democratic Vietnam, it has no plans to overthrow the government. The U.S. wants a strong, stable and independent Vietnam and so a sudden change of Vietnamese governments does not serve American strategic interests.¹¹⁰ US President Bush reiterated his government’s support for Vietnam’s national sovereignty, security and territorial integrity.¹¹¹ President Obama has also “affirmed the United States’ support for Vietnam’s independence, sovereignty, prosperity and integration into the international community.”¹¹²

5.4 Vietnam between the US and China over the South China Sea Territorial Disputes from 1991 to 2001

The South China Sea is contested by rival sovereignty claims to the Paracel Islands (east of Vietnam and southeast of Hainan) and to the many islets, reefs and atolls spreading over a large area called “Spratly Archipelago” between southern Vietnam, east Malaysia, Brunei, and Palawan island in the Philippines. “Spratly” in English was the name of one island only, located in the western part of the area and called “Trường Sa” in Vietnamese. Vietnam, Taiwan, China, the Philippines and Malaysia keep garrisons on some of the isles in the larger Spratly area. The Paracel Islands, to which the Vietnamese claimed sovereignty, have been fully occupied by China since 1974.¹¹³

The South China Sea territorial disputes have become the “testing ground” for China’s “peaceful rise” strategy and the American dominant position in the region, as well as ASEAN’s unity. The disputes over the South China Sea are unique

¹¹⁰ Nguyen Manh Hung, *Vietnam-US Relations: Past, Present and Future*, Asia Pacific Bulletin No. 69, East-West Center, Washington, DC, 2010

¹¹¹ George W. Bush, Remarks following a meeting with Prime Minister Nguyen Tan Dung of Vietnam, 24 June 2008. Available at <http://www.presidency.ucsb.edu/ws/?pid=77588> (Date of visit 2 August 2015)

¹¹² Joint Statement by President Barack Obama of the United States of America and President Trương Tấn Sang of the Socialist Republic of Vietnam, 25 July 2013. Available at <https://www.whitehouse.gov/the-press-office/2013/07/25/joint-statement-president-barack-obama-united-states-america-and-preside> (Date of visit 2 August 2015)

¹¹³ Tonnesson, S. ‘Vietnam’s objective in the South China Sea: National or Regional Security?’, *Contemporary Southeast Asia*, April 2000, 22(1), 2000, pp. 199-220 at 201.

because of the sheer number of parties involved and the importance of sea-lanes. To some extent, this dispute has turned into a power struggle between China and the US, with Southeast Asia caught in the middle.¹¹⁴ China is making efforts to enhance its influence in Asia, and in Southeast Asia in particular, on the way to become a global power. In this process, the South China Sea or East Sea is regarded as an effective backyard¹¹⁵ to protect Mainland China against maritime threats. On land, China can only create strategic influence over three neighbouring countries, Laos, Myanmar and Vietnam, but on the sea, especially with control of the South China Sea, China is likely to gain controlling influence over all of Southeast Asia. As a result, this maritime zone is used as a springboard for China to advance its interests beyond the region.

The US wants to protect its direct interests in the South China Sea. It will be difficult for the US to compromise with China over this dispute because American interests are related to the leadership position that Washington wishes to maintain in the current global system.¹¹⁶ From Vietnam's perspective, what China and America do in the South China Sea territorial disputes demonstrates the two major powers' attitude towards Southeast Asia, and especially Vietnam. With 70% of its imported oil transported via the South China Sea, China sees this sea area as its lifeline. For many years, China has staked its claims in this zone. As early as 1909, it began to occupy the Hoang Sa (Paracel) Archipelago.¹¹⁷ In 1974, China used force to take over the entire Paracel group, which at that time was under the administration of the Republic of Vietnam (South Vietnam), killing at least 53 South Vietnamese sailors. In 1988, China took possession of the Johnson Reef in the Spratlys from the Vietnamese. Chinese gunboats sank Vietnamese transport ships supporting a landing

¹¹⁴ Ravindran, 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', p. 109.

¹¹⁵ Tran Truong Thuy, 'Tam giác Trung Quốc-ASEAN-Mỹ tại Biển Đông: Lợi ích, Chính sách và Tương tác [Trans: The triangle China-ASEAN-America in the East Sea: Interests, Policies and Interactions]', *Nghien cuu Bien Dong* [Trans: East Sea (South China Sea) Studies], 27 March 2013, <http://nghien-cuu-bien-dong.vn/nghien-cuu-viet-nam/3426-tam-giac-trung-quoc-asean-my> (Date of visit 10 December 2013)

¹¹⁶ Ibid

¹¹⁷ Tran Cong Truc, 'China- A Hungry Dragon in the East Sea', *East Sea Studies*, 16 August 2012, <http://southchinaseastudies.org/en/publications/vietnamese-publications/724-china--a-hungry-dragon-in-the-east-sea> (Date of visit 13 December 2013)

party of Vietnamese soldiers, killing 64 Vietnamese soldiers and injuring many others. However, these actions have become less frequent and during the latter half of the 1990s and the early part of the 2000s, China was still biding its time under the leadership of Deng Xiaoping to carry out “charm offensives” in Southeast Asia and the world.¹¹⁸

Blazevic has argued that competition and conflict in the South China Sea involves many nations due to its resources, vital sea-lanes and the ability to serve as a security barrier.¹¹⁹ Of the involved parties, China increasingly serves as a “common denominator” by intensifying anxiety for its South China Sea maritime neighbours. China has been perceived by those states as the most assertive actor due to the “aggressive scope” of its claims in the sea with “increasingly belligerent actions” and “growing military capacity.” Among those states, Vietnam is most affected, as it is first line in the path of Chinese ambitions. The majority of China’s disputes in the sea, which are with Vietnam, certainly reveal Vietnam’s vulnerability in the region. For Vietnam, things are more complicated, as it must balance claims with China’s position as its major source of finance, investment and trade. For China, there is not only the fear over any threats to the sea-lanes but also the concern over seabed resource control, due to their increasing need for energy.¹²⁰

The next chapter examines the development of the Vietnam-China-US relationship from the 9/11 attacks in the US to 2015.

¹¹⁸ Ngo Vinh Long, ‘Charm and Harm Offensives: Impacts of Geopolitical Considerations by China and the United States on the South China Sea Region’, pp. 1-10 at 2, *Nghien cuu Bien Dong* [Trans: East Sea (South China Sea) Studies], 21 January 2013, <http://southchinaseastudies.org/en/conferences-and-seminars-/hoi-thao-quoc-te-4/773-charm-and-harm-offensives-impacts-of-geopolitical-considerations-by-china-and-the-united-states-on-the-south-china-sea-region-by-ngo-vinh-long> (Date of visit 13 December 2013).

¹¹⁹ The discussion of the following is drawn from Blazevic, J.J. ‘Navigating the Security Dilemma: China, Vietnam and the South China Sea’, *Journal of Current Southeast Asian Studies*, 31, 2012, pp. 79-108 at 80

¹²⁰ The discussion of the following is drawn from Blazevic, J.J. ‘Navigating the Security Dilemma: China, Vietnam and the South China Sea’, *Journal of Current Southeast Asian Studies*, 31, 2012, pp. 79-108 at 80

CHAPTER 6. THE VIETNAM-CHINA-US RELATIONSHIP SINCE 2001

This chapter will continue to examine Vietnam's position in the triangular relationship with China and the US since 2001. It will assess Vietnam's foreign policy with respect to these two powers amid the changed global situation and the triangular relations of the 21st century. It will focus on the pros and cons of Vietnam in its relationship with China and the US in the situation after the 9/11 attacks in New York. From the advantages and disadvantages of Vietnam's alignment with the US, the main argument of the chapter is that if Vietnam uses the rapprochement with the US to counter balance Chinese power on its way of development, then the costs outweigh the benefits. Rather, Vietnam needs to be very skilful in the triangular relations with China and the US.

6.1 Background to Triangular Relations in the 21st century

6.1.1 *The New Global and Regional Situation after 9/11*

Prior to 9/11, many American security analysts lamented that the US had neglected Southeast Asia in its strategic agenda, describing relations between the US and the region as “a policy without a strategy” or “a policy backwater in Washington.”¹ Some American officials and strategists even placed Southeast Asia as “marginal to security in Asia”² paying more attention to threats in the Taiwan Strait and the Korean Peninsula. For most Americans, the region remained “obscure and poorly understood.”³

Since 9/11 however, the US has reversed that policy and placed Southeast Asia back on its strategic radar, declaring it the second front in the war on terror. Vaughn and Morrison also noted that for the global superpower the region went from

¹ Banlaoi, R.C., ‘Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11’, *Parameters*, 33(2), 2003, pp. 98-107 at 102.

² Banlaoi, ‘Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11’, pp. 102-103.

³ Ibid

one of relatively low priority to one with renewed US attention.⁴ Since 9/11, there has been a shift in the international focus on security and Southeast Asia has gained strategic significance for the US.⁵

Rabasa has argued that, with large population and vast natural resources, Southeast Asia is an area of enormous strategic significance that has not always received the level of attention it deserves.⁶ Southeast Asia is a region with one of the largest concentrations of Muslims in the world. Indonesia alone has over 200 million Muslims. Muslims are also a majority in Malaysia and constitute significant minorities in southern Thailand and the southern Philippines. This is an important feature in regional security because many militant groups are associated with radical Islamist ideologies. While these represent a small minority of Muslims, they have the potential to influence a larger substratum of the Muslim population. Moreover, the deterioration of economic and social conditions after the economic crisis in Southeast Asia and the associated political upheaval in Indonesia has produced an environment favourable to the activists of terrorists, radical groups and separatist movements. Such groups are a direct threat to the United States, operating in a political environment that has been profoundly affected by the 9/11 attacks, and by the US response.

As a result, there is a changed calculus of US security interests in the region. Rabasa claims that the US is concerned that its war on terrorism not be viewed as an anti-Islamic crusade, and so the support of moderate Muslim-majority countries, such as Indonesia, is of crucial importance. Therefore, US actions should be framed by a strategy of strengthening security structures in the region and promoting stability and democracy in states facing internal dissent. In this line, economic reconstruction is critical to political stability. The US and other allied countries can

⁴ Vaughn, B. and Morrison, W.M., '*China-Southeast Asia Relations: Trends, Issues and the Implications for the United States*', CRS Report for Congress, Congressional Research Service, The Library Congress, 2006, pp. 1-40 at 1.

⁵ Hung, M.T. and Liu, T.T.T., 'Sino-U.S Strategic Competition in Southeast Asia: China's Rise and US Foreign Policy Transformation since 9/11', *Political Perspective*, 5(3), 2011, pp. 96-119 at 97-98.

⁶ The following discussion is drawn from Rabasa, A.M. 'Southeast Asia after 9/11: Regional Trends and U.S. Interests', Testimony Series CT-190, RAND, Santa Monica, 2001, pp.1-12 at 1-9.

help rebuild ASEAN economies by encouraging trade, investment and economic reform.⁷

As US global and regional interests are linked in Southeast Asia, the primary concern for regional stability and security, and to US interests in the region, is China's emergence as a major regional power. It is linked to China's maritime and sovereignty claims in the South China Sea. Much of this concern reflects an underlying, sometimes unspoken fear that China's assertiveness will increase as its power grows. As a result, many Southeast Asian nations rely on the US to guarantee regional stability with a view to balance the rise of China.⁸ In this situation, the bilateral relationship between China and the US is an important factor in regional stability and development. Vaughn and Morrison have argued that the most important bilateral relationship of the 21st century is likely to be that between China and the US, and that likelihood of conflict and economic trauma will be great if it is poorly managed. However, the benefits, in terms of economic prosperity and world peace, will be great if it is handled well.⁹

Furthermore, Southeast Asia's rising importance in the international order has been achieved through its regional cooperation mechanism in the aftermath of the Asian Financial Crisis in 1997. The region has become the driving force for regionalization in East Asia with multilateral cooperation mechanisms, such as the "ASEAN plus three" (ASEAN+3, linking the ten states of ASEAN, China, Japan and South Korea), "ten plus one" (ASEAN+1), and the Framework Agreement on Comprehensive Economic Cooperation between China and ASEAN (CAFTA).¹⁰

In addition to its growing significance, Southeast Asia after 9/11 has also posed a strategic dilemma with respect to the interactions of great powers in the region. Banlaoi argues that what worries Southeast Asia is the negative reaction of major powers to the rise of China and the impact of 9/11 on major powers' rivalries

⁷ Ibid

⁸ Rabasa, 'Southeast Asia after 9/11: Regional Trends and U.S. Interests', pp.1-2.

⁹ Vaughn and Morrison, '*China-Southeast Asia Relations: Trends, Issues and the Implications for the United States*', p. 1.

¹⁰ Hung and Liu, 'Sino-U.S Strategic Competition in Southeast Asia: China's Rise and US Foreign Policy Transformation since 9/11', p. 98.

in the region. The 9/11 attacks have not altered the security fundamentals in Southeast Asia. Regional security problems in the Taiwan Strait, the Korean Peninsula and the South China Sea persist. These problems continue to encumber Southeast Asia with security concerns, making the region highly vulnerable to major power politics. Southeast Asia has often been a factor in the politics of large powers and the emerging landscape of 9/11 has intensified the situation.

Banlaoi argues that major powers are now using the war on terror in the region as an excuse for active military engagements in Southeast Asia, in preparation for any contingencies in the Taiwan Strait, Korean Peninsula and the South China Sea. Thus, in this rivalry, Southeast Asian nations are placed in a strategic dilemma in how they manage their relations with the major powers.¹¹ Banlaoi states that the reinvigorated American presence in Southeast Asia aims both at waging a war on terror and hedging against a rising China, which has given China an impression that the US wants to encircle China. Like the US, China also wants to maintain its presence in Southeast Asia, which China considers as vital for its own growth and prosperity.¹²

Eight years later after Banlaoi's claims in 2003, the US engagement with Southeast Asia has become a strategy. According to Thayer, President Obama launched the multidimensional policy of rebalancing towards the Asia-Pacific (including Southeast Asia) in November 2011.¹³ Instead of curbing the rise of China, the Obama Administration seeks engagement and cooperation with China and encourages China to support a rule-based international system.¹⁴ As a result, Southeast Asian states are in a bind when both China and the US now express their strategic interests in the region and plan to assert their influence.

6.1.2 Domestic Situation of Vietnam in the New Century

Vietnam's foreign strategy of "multi-lateralism and diversification" of its international relations has helped it to integrate with the world and the regional

¹¹ Banlaoi, 'Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11', p. 102.

¹² Banlaoi, 'Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11', p. 103.

¹³ The following discussion is drawn from Thayer, C.A., 'Background Brief, United States: President Obama to Visit Southeast Asia', *Thayer Consultancy*, 30 September 2013, pp. 1-4 at 1-3.

¹⁴ Ibid, pp.2-3

economy. Its foreign policy of openness is to be a friend and to cooperate with all countries in the world on the basis of equality and mutual benefit. To date, Vietnam has established comprehensive/strategic partnerships with all UN Security Council permanent members.¹⁵ Vietnam has also established strategic partnerships with Southeast Asian nations. According to Thayer, Vietnam elevated its bilateral relations with Thailand as a strategic partnership in June 2013, which marked Vietnam's first strategic partnership with an ASEAN member. Vietnam also raised bilateral relations with Indonesia to a strategic partnership that same month. In September 2013, Vietnam signed a strategic partnership agreement with Singapore in Hanoi.¹⁶ Vietnam upgraded its comprehensive partnership with Malaysia to strategic partnership in August 2015.¹⁷ The country has been granted MFN status by more than 70 countries and territories, including countries and regions with large capital resources, high technology and vast markets, such as the US, Japan, EU and newly industrialized countries in East Asia.¹⁸

Vietnam is actively integrating into the global economy: its economic ties with other countries and international organizations have expanded. Vietnam is now a key state in ASEAN and an active member in APEC, ASEM and other international economic organizations.¹⁹ Vietnam is also committed to the ASEAN Free Trade Area. Economic cooperation with major economies, such as the US, EU, Japan, Russia, China and India have been broadened. Vietnam signed a bilateral trade agreement and is negotiating an investment agreement with the US. Vietnam is also negotiating a Comprehensive Partnership and Cooperation Agreement with the

¹⁵ <http://www.vietnambotschaft.org/vietnams-diplomacy-reaches-new-heights-2> (Date of visit 25 May 2015)

¹⁶ Thayer, C.A., 'The Present Role and Position of the Socialist Republic of Vietnam in the International System, 1976-2015', Presentation to International Conference on Vietnam: 40 Years of National Reunification with the Cause of Reform (Doi Moi), Development and International Integration, Vietnam Academy of Social Sciences, Hanoi, Vietnam, 27 April, 2015, pp. 1-23 at 16-17

¹⁷ 'Vietnam, Malaysia lift relations to strategic partnership', <http://en.nhandan.org.vn/politics/external-relations/item/3537602-vietnam-malaysia-lift-relations-to-strategic-partnership.html> (Date of visit 8 August 2015)

¹⁸ General information about Vietnam's economy, 8 September 2012, <http://lemc4.molisa.gov.vn/NewsDetail.aspx?ID=129> (Date of visit 7 January 2014)

¹⁹ The following discussion is drawn from <http://vietnamconsulateinhouston.org/en/economy-and-tourism/economy> (Date of visit 7 January 2014)

EU and an Economic Partnership Agreement with Japan. In January 2007, Vietnam joined the WTO, marking its full integration into the global economy.

These achievements demonstrate Vietnam's active efforts in enhancing economic cooperation with major powers, including its former enemy the US, for advantageous national development. In the post-Cold War period, countries that have sought to deepen their integration in the world economy have had to engage in economic, social and political negotiations with the US. Vietnam, having once been at war with the US, proceeded to set the past aside in favour of negotiating trade terms with Washington as a path towards its entry into the WTO.²⁰

Since the policy of *Doi moi* (renovation), Vietnam's foreign trade has increased by 20% annually. Starting from approximately US\$0.5 million before *doi moi*, total exports reached US\$48.4 billion in 2007, US\$62.7 billion in 2008 and US\$56.6 billion in 2009. Imports also headed in the right direction, falling from US\$80.4 billion in 2008 to US\$68.8 billion in 2009.²¹ The 1987 Foreign Direct Investment Law of Viet Nam has been amended and supplemented many times, notably in 1996 and 2002, which created a more open and attractive environment to draw foreign investors into crucial industries, such as export-oriented processing and manufacturing. Moreover, the 2005 Investment Law and Enterprise Law have served to create an attractive investment environment for Vietnam's development.

In sum, there has been positive economic development in Vietnam in the new century. Thayer argues that Vietnam's international role has been improved by its successful hosting of APEC and ASEAN summit meetings and as a non-permanent member in the UN Security Council. Vietnamese foreign policy to maintain independence and economic development has promoted regional security and contributed positively to global security.²² These achievements were due to Vietnam's efforts to enhance its relations with major powers and neighbouring

²⁰ Tay, S.S.C., 'Asia and the United States after 9/11: Primacy and Partnership in the Pacific' *The Fletcher Forum of World Affairs*, 28(1), 2004, pp. 113-132 at 124.

²¹ <http://vietnamconsulateinhouston.org/en/economy-and-tourism/economy> (Date of visit 7 January 2014)

²² Thayer, C.A., 'The Present Role and Position of the Socialist Republic of Vietnam in the International System, 1976-2015', p. 20

countries, including ASEAN states, in a proactive agenda for international integration.

6.2 Development of the Triangular Vietnam, China and the US Relationship

6.2.1 Fluctuations in Sino-Vietnamese Relations

Sino-Vietnamese bilateral relations in the new century continued to improve despite the occasional tensions with persisting territorial disputes over the South China Sea. Amer claims that positive development can be seen in the political and economic cooperation between Vietnam and China up to 2000. The exchange of visits between the CPV and the Chinese Communist Party (CCP) enhanced overall relations and resulted in the ratification of the Land Border Treaty in 2000, the Tonkin Gulf Agreement in 2004 and the completion of the demarcation process of the land border in 2008. However, there have been tensions over the South China Sea between 2009 and 2011.²³

This is because Vietnam is a security-conscious state with an acute sense of vulnerability due to its long coast, the difficulty of keeping the north and the south together, a history of national independence struggles against foreign invasion, and the lack of a hinterland. Meanwhile, China, in spite of its huge hinterland, also has a sense of vulnerability to foreign threats and encroachments. The Chinese are envious of Vietnam for its long coast, with the feeling they are being unjustly deprived of “maritime territory” by the presence of foreign states in Chinese maritime spaces: Korea and Japan with the Ryukyus, the Philippines islands and Vietnam.²⁴ In addition, some islands off the coast of China are not under Beijing’s control, but are under the jurisdiction of Taiwan. For instance, Quemoy, an island just 2 km off the coast of Xiamen, is under Taiwanese control.

²³ Amer, R., ‘Vietnam’s Relations with China-A Multifaceted Partnership’, China Policy Institute Blog, 17 March 2014, <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2014/03/17/vietnams-relations-with-china-a-multifaceted-partnership/> (Date of visit 3 January 2015).

²⁴ Tonnesson, S. ‘Vietnam’s objective in the South China Sea: National or Regional Security?’, *Contemporary Southeast Asia*, April 2000, 22(1), 2000, pp. 199-220 at 202.

6.2.2 Vietnam's China Foreign Policy in the New Century

First and foremost, Vietnam's foreign policy towards China from 2001 to 2015 is the continuance of the implementation of a policy of multi-lateralisation and diversification by Hanoi at a time of regional and international integration. At the 9th CPV National Congress in 2001, this desire was then supplemented with a declaration that Vietnam is ready to be a friend, reliable partner and responsible member of the international community. Progress in this strategy was reported and the declaration further reaffirmed at the 10th CPV National Congress in 2006. The long transition from Vietnam's "wish to become a friend" to "ready to be a friend" to "is a friend" and finally to "is a friend and reliable partner as well as a responsible member" has shown a crucial change in Vietnam's foreign policy. This is because "friend" aims only at the meaning of friendship relations, while "partner" shows the cooperation in a number of sectors, through politics, economics, education, and security and defence coordination.²⁵

Consequently, amid the situation of fluctuating relations with China and the perception of it as a current threat to Vietnam, the latter still seeks to carry out a strategy of cooperation and struggle with its northern neighbour. Le Hong Hiep argued that the "*hop tac* versus *dau tranh*" [*cooperation versus struggle*] approach has served as the primary tactic of Vietnam's China policy in the new century.²⁶ Lemon argues that while enhancing cooperation with China, Vietnam has also balanced China's position through multilateral forums, such as ASEAN. Those who adhere to the "balancing camp" believe Hanoi uses ASEAN to "partly transform bilateral Sino-Vietnamese disputes into multilateral agenda involving Beijing and ASEAN as a group."²⁷

²⁵ Pham Gia Khiem, 'Trien khai Chien luoc Ngoai giao toan dien thuc hien thang loi Duong loi doi ngoai Dai hoi XI' [Deployment of the Comprehensive Foreign Strategy in successful Implementation of the 9th CPV National Congress Foreign Policy] in '*Duong loi Chinh sach Doi ngoai Vietnam trong giai doan moi* [Vietnam's Foreign Policy in the New Situation]', National Political Publisher, Hanoi, 2011 pp. 7-59 at 27.

²⁶ Le Hong Hiep, 'Vietnam's Hedging Strategy against China since Normalization', *Contemporary Southeast Asia*, 35(3), 2013, pp. 333-368 at 343.

²⁷ Lemon, D.W., 'Vietnam's Foreign Policy toward China since the 1970s', MA Thesis, Naval Postgraduate School, 2007, pp. 1-87 at 65.

Lemon argues that Vietnam found itself concerned about China's actions, but also without an ally to balance against China.²⁸ As a result, Hanoi tried quiet diplomacy with China while it slowly engaged ASEAN to counter China. This is the reason why Vietnam stepped up efforts to enmesh itself in regional fora and the international community. Vietnam's ASEAN membership aims to counter the China threat in the South China Sea because several ASEAN states share Vietnam's concerns about China's activities in this territorial dispute. ASEAN membership also serves as a strategic safety net that Vietnam could leverage to mitigate direct confrontation with China over disputes.

Moreover, Vietnam has given few hints at possible security cooperation with the US in the region to balance China's influence. Vietnam's leaders privately view the US as a stabilising and balancing force in Southeast Asia.²⁹ Le argues that along with growing economic ties, political development is also expanding in the bilateral relations between Vietnam and the US, which serves as a big surprise for a number of international observers. Over the past decade, many high-ranking visits have been exchanged between the two states. Vietnamese Prime Minister Phan Van Khai visited Washington in 2005. President George W. Bush paid a reciprocal visit to Hanoi in 2006. There were later visits to Washington by Vietnamese President Nguyen Minh Triet in 2007 and Prime Minister Nguyen Tan Dung in 2008. China's rise and its growing assertiveness in the South China Sea territorial disputes are undoubtedly major factors behind Vietnam's efforts to forge a closer relationship with the US, which is a task that seems to have been facilitated by the US strategic 'pivot' to the Asia-Pacific region.³⁰

Le analysed that with China's rise and aggression in the South China Sea, Vietnam wants to be closer to the US in an attempt to bargain with China in this territorial dispute. This argument is not, however, supported by the views of Vietnam's strategists interviewed during fieldwork for this thesis who say Vietnam is doing a balancing act between the powers. In addition to military cooperation with

²⁸ The following discussion is drawn from Lemon, D.W., 'Vietnam's Foreign Policy toward China since the 1970s', MA Thesis, Naval Postgraduate School, 2007, pp. 1-87 at 65

²⁹ Lemon, 'Vietnam's Foreign Policy toward China since the 1970s', Master Thesis, p. 6.

³⁰ Le, 'Vietnam's Strategic Trajectory: From Internal Development to External Engagement', p. 7.

the US, Vietnam also has defence cooperation with China. Interestingly, there have been more high-ranking exchange visits of political officials between Vietnam and China than between Vietnam and the US from 2008 to 2013.³¹ Thus, the evidence does not support the view that Vietnam has enhanced its relations with America as a response to China. China itself has boosted its bilateral relations with the US through a number of bilateral cooperation mechanisms, but scholars do not believe that this is a reaction to American domination. The matter of one nation moving to strengthen its relations with another country derives from its own national requirements and interests. Furthermore, the US strategy of rebalancing to the Asia-Pacific (including Southeast Asia) comes after the US had made its own calculations over the benefits of reappearing in the region with the presence of a rising China.

Vietnam's military enhancement is also a recent issue after it found it has not put enough attention into defence recently³². Thus, escalating tensions in the South China Sea disputes have caused Vietnam to strengthen its defence capacity to ensure safety, security and territorial integrity. Another reason for Vietnam's military enhancement is to create more strength in discussion with great powers because once Vietnam possesses a stronger military capability, major powers have to factor its role, position or even reactions in their strategic calculations.³³ This strategic calculation has resulted in the concept of "strategic trust," which was mentioned in Prime Minister Nguyen Tan Dung's address to the Shangri-La Dialogue in Singapore in 2013:

We all understand that if this region falls into instability and especially, armed conflicts, there will be neither winners nor losers. Rather, all will lose. Suffice it to say, therefore, that working together to build and reinforce strategic trust for peace, cooperation and prosperity in the region is in the shared interest of us all. For Vietnam, strategic trust is perceived, above all, as honesty and sincerity. To build strategic trust, we ourselves need to abide by international law, to uphold the responsibilities of nations, especially of major powers, and work to improve the efficiency of multilateral security cooperation mechanisms. Countries, both big and small, must build their

³¹ Interview 2, Southeast Asian official, February 2013.

³² The following discussion is drawn from the interview with Hoang Anh Tuan, February 2012.

³³ Interview Hoang Anh Tuan, February 2012.

relations on the basis of equality and mutual respect and, at a higher level, on mutual strategic trust.³⁴

Vietnam clearly wishes to send this message to great powers. Given the power shifts in the Asia-Pacific, Vietnam needs to address the triangular relations using all its diplomatic skill and innovation. Indeed, Vietnam President Truong Tan Sang made official visits to China and the US in June and July 2013 respectively. These visits aimed to enhance bilateral relations between Vietnam with these two major powers to build up “strategic trust” between all parties. In addition to China and the US, Vietnam also attempted to boost relations with other regional powers through high-ranking meetings with Russia, Japan and India, with a focus on economic issues with Japan and greater cooperation in defence and energy with Russia and India.³⁵ Technology and military issues are recorded as the main features of cooperation between Vietnam and Russia, with the first Russian submarine handed over to Vietnam on 7 November 2013. The Vietnamese government, however, insists that the presence of the submarine is not a threat to any other nation.³⁶

6.2.3 *The Vietnam - US Rapprochement*

According to a number of international observers, Vietnam is seeking to get closer to the US in an attempt to counter balance the tensions with China.³⁷ Zhao suggests Vietnam regards the US as an important counter-weight to China. The

³⁴ Shangri-La Dialogue 2013 Keynote Address, Nguyen Tan Dung, Prime Minister, Vietnam, ‘Building Strategic Trust for Peace, Cooperation and Prosperity in the Asia-Pacific Region’, 1 June 2012. Available at <https://www.iiss.org/en/events/shangri-la%20dialogue/archive/shangri-la-dialogue-2013-c890/opening-remarks-and-keynote-address-2f46/keynote-address-d176> (Date of visit 8 August 2015)

³⁵ Thuan Phuong, ‘Long tin Chien luoc va Ngoai giao nuoc lon [Trans: Strategic Trust and Diplomatic Relations with Major Powers]’, Vietnamnet, 27 December 2013. Available at <http://vietnamnet.vn/vn/tuanvietnam/155403/-long-tin-chien-luoc--va-ngoai-giao-nuoc-lon.html> ,(Date of visit 8 January 2014)

³⁶ ‘Hop tac Quan su Viet-Nga Khong Nham Chong lai Nuoc Thu Ba [Trans: The Russian-Vietnamese Military Cooperation Not Threaten the Third Nation]’, 26 December 2013, <http://laodong.com.vn/doi-ngoai/hop-tac-quan-su-viet-nga-khong-nham-chong-lai-nuoc-thu-ba-169613.bld> (Date of visit 8 January 2014)

³⁷ Zhao, H., ‘The South China Sea Dispute and China-ASEAN Relations’, *Asian Affairs*, 44(1), 2013, pp. 27-43 at 35.

Vietnam-US relationship cannot go beyond the constraints imposed by both states, as the Vietnamese have concerns over the Chinese reaction, and to the US congress, which has hindered the US Government's effort to build closer ties with Vietnam. Yet, a number of visits have been made. In August 2010, the aircraft carrier USS *George Washington* travelled along Vietnam's coastline and received visits from high-ranking Vietnamese military officials.³⁸ The US Navy has sought service and re-supply facilities for its vessels in Vietnam, with three vessels repaired there for the past three years. The last vessel was the USNS *Richard E. Byrd*, a civilian-crewed ship in the US Navy's Military Sealift Command. This was a logistics ship and the status of Vietnam-US rapprochement made it easier to call on Cam Ranh Bay for minor repairs in August 2011. During that month, the two countries concluded their first military agreement since the end of the Vietnam War.³⁹

More impressively, in a visit to Vietnam in June 2012, the US Defence Secretary Leon Panetta stressed the importance of extending defence relationship with partners like Vietnam as the US shifts its emphasis to the Asia-Pacific:

It's only natural that we look for future opportunities, for partnership with Southeast Asia nations such as Vietnam... We want to explore ways to expand that relationship, building on the comprehensive memorandum of understanding that was signed by our two nations last year, and that will extend our practical cooperation...In particular, we want to work with Vietnam on critical maritime issues including the code of conduct, focusing on the South China Sea, and also working to improve freedom of navigation in our oceans...We are rebalancing our forces to the Asia-Pacific region so that in the future, 60% of our forces will be located in this region. For that reason, it will be particularly important to be able to work with partners like Vietnam...We need to obviously build a stronger defence relationship with countries like Vietnam.⁴⁰

When the Soviet Union collapsed, the time was ripe for a shift in bilateral relations between Vietnam and the US. The end of the Cold War shattered the status quo in Southeast Asia, leaving Hanoi to admit that improvement in the relationship

³⁸ The above discussion is drawn from Zhao, H., 'The South China Sea Dispute and China-ASEAN Relations', *Asian Affairs*, 44(1), 2013, pp. 27-43 at 35

³⁹ Zhao, H., 'The South China Sea Dispute and China-ASEAN Relations', *Asian Affairs*, 44(1), 2013, pp. 27-43 at 35.

⁴⁰ News Transcript of Media Availability with Secretary Panetta in Cam Ranh Bay, Vietnam, 3 June 2012. Available at <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=5051> (Date of visit 9 August 2015)

with the US would serve Vietnam's national interests, not only economically but also strategically, as China had always been Vietnam's prime concern.⁴¹ However, Vietnam should always bear in mind that for the US, the key to a strategic relationship should not cause China to believe that there was an American-Vietnamese plot to threaten China's national security. China will always be more important to Vietnam than the US, and China will always be more important to the US than Vietnam.⁴²

From a realist perspective, countries must rely on themselves and seek alliances against outside threats. Vietnam is a small country so it cannot always choose to use its military to protect itself. Historical lessons have shown there is a heavy price for Vietnam using the military approach. Unlike Japan, which has strategic relations with the US, Vietnam had no choice in terms of an alliance after Vietnamese-Chinese relations were broken and the Soviet Union collapsed. The differences in ideologies and obstacles from the past have prevented Vietnam from approaching the US as a "supporter" to fill in the "power vacuum" in Southeast Asia to counterbalance the rise of China.⁴³ As Vietnamese Deputy Minister of National Defence, Lieutenant-General Nguyen Chi Vinh mentioned in an interview with a Vietnamese journalist:

In bilateral relations, we plan to be independent and self-reliant in relations with each country. We do not engage in relations and issues of other countries, especially major ones, if they are not related to Vietnam's interests or peace and stability in the region. We do not go with or agree with one country to be against another.⁴⁴

Thus, according to Deputy Minister Vinh, with its strategic geo-politic position, Vietnam is pushed into a situation where major powers seek to win it over to their side. In this case, the only choice for Vietnam is independence and self-reliance:

⁴¹ Brown, 'Vietnam and America: Parameters of the Possible', p. 63.

⁴² Ibid, p. 66.

⁴³ Luong Ngoc Thanh, 'Vietnam in the Post-Cold War Era: New Foreign Policy Directions', *Journal of International Development and Cooperation*, 18(3), 2012, pp. 31-52 at 34.

⁴⁴ 'Vietnam does not accept dependent peace, says General', <http://en.baomoi.com/Info/Vietnam-does-not-accept-dependent-peace-says-General/3/104538.epi> (Date of Visit 9 August 2015)

We should not let other countries compromise on our back...However, I want to stress the fact that may be hard to accept: that respect, solidarity and friendship can only be gained and be practical when Vietnam is strong, independent, self-reliant and capable of protecting itself.⁴⁵

As a small country, Vietnam may face huge challenges in its bilateral relations with major powers, especially over territorial disputes. The solution is to seek support by using multilateral mechanisms and institutions. Lieutenant General Vinh stated:

The factor is to open and make transparent all the issues for the world to know what is right and wrong. Openness and transparency are weapons for minor country to protect itself, protecting the countries that are confident that they have the truth and we have the truth. Those countries do not want to be open and transparent in international relations when they do not have enough confidence in their rightness.⁴⁶

The approach of bringing the world's attention to the territorial disputes between Vietnam and China would seem to international observers that Vietnam is internationalising the South China Sea issue. Those opinions, however, are a one-sided view, and do not see the whole picture of Vietnam's foreign policy, as they lack a systematic insight into Vietnamese international affairs strategies. According to Lieutenant General Vinh, openness and transparency do not mean internationalisation:

If defining internationalisation is to attract a country that has no sovereignty interests to solve the issue, to be a referee or even depends on the strength of this country to gain advantages in negotiation and solving territorial disputes, Vietnam will never do that. However, when we are open and make transparent all the issues to the world and listen to the ideas from the international community in bilateral and multilateral fora, it cannot be considered internationalisation.⁴⁷

In this direction, the US-Vietnam rapprochement does not necessarily mean that Vietnam is luring a third party to act as a counterpoise in dealing with a rising China and Chinese aggressiveness in the South China Sea. This is clearly mentioned in the Deputy Minister Vinh's address to the *Tuoi Tre* journal:

⁴⁵ Ibid

⁴⁶ Ibid

⁴⁷ 'Vietnam does not accept dependent peace, says General', <http://en.baomoi.com/Info/Vietnam-does-not-accept-dependent-peace-says-General/3/104538.epi> (Date of Visit 9 August 2015)

We enhance relations with many different countries at the same time and it is natural that some of those countries have conflicting interests. But out of our independence in policy, Vietnam's relationship with other countries does not depend on any other outside party and we don't mind when one relationship affects another relationship. Why is it so? Because in all of our relationships, we have one common principle: relationship between Vietnam and another country does not harm the interest of a third country. So in dialogues with other countries, we never talk ill behind the back of another country.⁴⁸

6.2.4 Vietnam's US Policy in the New Century

Vietnam's foreign policy toward the US follows the CPV's resolution⁴⁹ to carry out a strategy of self-reliance through multilateralism and diversification. Multilateralism means Vietnam wants to broaden its external relations with all foreign countries while diversification means this policy is implemented in every sector from economic, political, security and military areas, including cooperation between the CPV and other parties in the world. This successful approach may be considered Vietnam's soft power, which has resulted in more leverage and strength in its bilateral relations with major powers.

The bilateral trade agreement (BTA) between Hanoi and Washington signed in 2001 allowed Vietnam to further expand trade and cooperation with the US. The BTA was a major step toward fully normalizing US-Vietnam commercial relations, as it restored reciprocal most-favoured-nation (MFN) status. To achieve this deal, Vietnam has undertaken a wide range of market-oriented economic reforms, but for the US, extending MFN treatment to Vietnam meant significantly reducing US tariffs on most imports from Vietnam.⁵⁰ Deepened economic and diplomatic ties with the US brought about multiple advantages for Vietnam and balanced China's increased economic, political and cultural influence in Southeast Asia. Economically, the US is a vast market for Vietnam's export-driven economy. Economic interdependence has had two-fold results. On the one hand, trade and investment from the US helped to

⁴⁸ 'Vietnam Seeks No Outside Help over China Issues', 30 October 2011, <http://southchinaseastudies.org/en/publications/vietnamese-publications/621-vietnam-seeks-no-outside-help-over-china-issues> (Date of visit 16 December 2013)

⁴⁹ Interview 3, February 2012.

⁵⁰ Manyin, M.E., 'The Vietnam-US Bilateral Trade Agreement' in V. Largo (ed.), *Vietnam: Current Issues and Historical Background*, Nova Science Publishers, New York, 2002, pp.29-46 at 29.

develop Vietnam's domestic economy, strengthen its financial position and allow it to modernize its military. On the other hand, Vietnam's security is increased through interdependence with the US.⁵¹

Vietnam sided with Japan that the US should be invited to the EAS in December 2005. China wanted to exclude the US. Vietnam lost this particular diplomatic point, but Lemon has argued Vietnamese leaders believed their national interests could be better secured in maintaining a tacit strategic relationship with the world's leading power, rather than by succumbing to the aspiring hegemon next door.⁵² Yet as with Le, Lemon overstates the case⁵³, as it is not a zero sum game but a question of balance. Vietnam believes that moving closer to the US will better serve its security than surrendering to the neighbouring giant China entirely. The question of whether to follow China or the US has occupied Vietnamese scholars for decades and it is always a hotly debated issue, even in modern times. After the Sino-Soviet split during the Cold War, Vietnam had a hard time balancing its relations with the two antagonistic powers. This led to a downward spiral in Sino-Vietnamese relations in the 1970s, which reached a climax when China invaded Vietnam in early 1979. According to Farley, China's rationale for this invasion was to punish Hanoi for its action in Cambodia, and for its association with the Soviet Union.⁵⁴ This is why, according to a Southeast Asia official⁵⁵, it is never wise for Vietnam to align with one power while neglecting another. It is a matter of realist politics: the US is far away from Vietnam while China is so close. As a result, Vietnam needs to be very skilful in the triangular relations with China and the US. Vietnam has historically considered China as its most important friend, so Vietnam will not now shift to the US and leave China. Vietnam values its partnership with China over the US.

⁵¹ Lemon, 'Vietnam's Foreign Policy toward China since the 1970s', p. 43.

⁵² Lemon, 'Vietnam's Foreign Policy toward China since the 1970s', p. 72.

⁵³ Le, 'Vietnam's Strategic Trajectory: From Internal Development to External Engagement', p. 5.

⁵⁴ Farley, R., 'If Vietnam and China Went to War: Five Weapons Beijing Should Fear', *The National Interest*, 12 July 2014. Available at <http://nationalinterest.org/feature/if-vietnam-china-went-war-five-weapons-beijing-should-fear-10861> (Date of visit 9 August 2015)

⁵⁵ Interview 3, 14 February 2012.

With other ASEAN states, Vietnam has welcomed US rebalancing to the region, viewing this as providing opportunities for the two countries to boost bilateral relations.⁵⁶ The US presence in Southeast Asia brings about both pros and cons to Vietnam. While Vietnam considers America's return as a good opportunity for improvements in political, economic, security and military coordination, the American return can create challenges, such as competition with China, which puts ASEAN between a rock and a hard place. Vietnam sees these developments as more positive than negative because they create more possibilities for the country to enhance its relations with the world's leading power. Vietnam's general foreign policy favours multilateralism and requires Vietnam to position itself as a friend, a trusted partner and a responsible member of the international community. For this reason, it will not go with the US for fear of China.

6.3 Vietnam between China and the US since 2001 to 2015

6.3.1 Security Affairs

The very first security dilemma that Vietnam faced in the triangular relationship with China and the US is the difficult situation of being squeezed between the two powers. Sutter argues that the security interests of each power in the South China Sea overlap. Through a long series of initiatives, culminating most recently in the Obama administration's "rebalancing" or "pivot" to the Asia-Pacific, the US seeks to protect its allies and related interests. This is, however, occurring in the same areas where China is seeking to protect its coastal waters, with key security and sovereign interests in Taiwan, the Korean Peninsula and territorial claims in the Yellow, East China and South China Seas.⁵⁷

From Vietnam's perspective, it is not desirable to have to choose between China and the US. China is economically necessary but politically feared, while the US is no longer the enemy and an indispensable partner. While the Asian giant guarantees development, the US guarantees security. These are different priorities compared to the past and Vietnam must adjust to these new realities. Strengthening

⁵⁶ The following discussion is drawn from Interview 3, 14 February 2012.

⁵⁷ Sutter, R., 'The US and China in Regional Security: Implications for Asia and Europe', 6th Berlin Conference on Asian Security (BCAS), Berlin, June 18-19, 2012, pp. 1-7 at 3.

the state and developing a strong nation can only occur through complete economic robustness.⁵⁸ Ott argues that the ascendance of the US as the world's "sole superpower," and the rapid emergence of China as East Asia's preeminent regional power, present Vietnam with a dilemma. The rise of China has posed a potential threat whereas the pivot of the US to Asia has offered a potential solution.⁵⁹ This is why the relationship with both powers is equally important to Vietnam's national stability and security. Following this perception and approach, party leaders and commentators in Hanoi pointed out that Vietnam has considerable experience in constructive engagement on bilateral issues, particularly with China and the US. However, it should resist the temptation to fuel US suspicion with regards to its relations with China, given that such efforts are likely to fail.⁶⁰

The South China Sea territorial disputes created a security dilemma for Vietnam. While Vietnam wishes to address the territorial dispute multilaterally, China wants to settle the problem bilaterally. Thus, US willingness in solving this dispute is regarded as threatening Beijing's interests. In 2010, when US Secretary of State Hillary Clinton suggested that the US was interested in resolving the South China Sea disputes, Hanoi celebrated.⁶¹ Hanoi is a critical gauge of some of the most intractable problems facing Southeast Asia with regards to China. Among Southeast Asian nations, Vietnam arguably has the longest history and most extensive experience of dealing with China, and recently there have been close ties, but the Chinese decision to move to shows of force has been a sore point. While China's neighbours seek greater US economic, diplomatic and military involvement in the region to counter-balance Chinese growing power, every country in the region also

⁵⁸ Forchielli, A., 'Vietnam caught between China and the US', 18 December 2013. Available at <http://www.albertoforchielli.com/2013/12/18/vietnam-caught-between-china-and-the-us/> (Date of visit 14 January 2014)

⁵⁹ Ott, M., 'Vietnam's China Dilemma: Steering in New Strategic Environment', 3 April 2012, <http://www.wilsoncenter.org/article/vietnam%E2%80%99s-china-dilemma-steering-new-strategic-environment> (Date of visit 4 March 2014).

⁶⁰ Shivakumar, M.S., 'A New Era for Vietnam and US', *Economic and Political Weekly*, 40(31), 2005, pp. 3374-3376 at 3376.

⁶¹ Vu, K.D., 'Between the Two Giants: Vietnam's Dilemma', *Asia Sentinel*, 27 April 2012.

Available at <http://www.asiasentinel.com/opinion/between-two-giants-vietnams-dilemma/> (Date of Visit 5 March 2014).

desires a close relationship with Beijing.⁶² In other words, the littoral states of the South China Sea are pursuing a two-pronged foreign policy: one is to induce the US that it should remain available to provide support, including military support, and the other is to keep their relations with the Chinese.

Despite the difficulties in dealing with these two superpowers, Vietnam is not likely to opt for one power over another, and any argument claiming Vietnam will move closer to the US to counter-balance the rise of China is at variance with Vietnam's stated policy. According to Ott, Vietnamese party leaders, through foreign affairs channels, inform Beijing frequently and explicitly that Vietnam can never accept China's maritime claims. At the same time, Vietnamese leaders made efforts to cultivate and increase a closer relationship with the US.⁶³

Starting with the cautious cooperation in resolving POW/MIA cases in the 1980s, actual U.S.-Vietnam military-to-military contacts began in the mid-1990s. These have blossomed into regular annual US naval visits to Vietnamese ports, a structure of "strategic dialogue" between the two countries and regular references by senior Vietnamese officials to a "strategic partnership" with the US.⁶⁴ From 2005 to 2010, the US-Vietnam defence relationship had strategic implications, touching upon core issues of military-to-military relationship with a comprehensive expansion of cooperation and strategic dialogue.⁶⁵ In 2011 and 2012, American and Vietnamese defence cooperation was aimed at deepening strategic-level dialogues, with a focus on the capacity of building efforts and opportunities for service-specific activities.

⁶² This source quoted Glaser (2012b) from Muhammad, A.K., 'South China Sea Security Dilemma', 17 May 2013. Available at http://moderndiplomacy.eu/index.php?option=com_k2&view=item&id=98:south-china-sea-security-dilemma (Date of visit 9 August 2015)

⁶³ Ott, M., 'Vietnam's China Dilemma: Steering in New Strategic Environment', Woodrow Wilson International Center for Scholars, 3 April 2012, <http://www.wilsoncenter.org/article/vietnam%E2%80%99s-china-dilemma-steering-new-strategic-environment> (Date of visit 4 March 2014)

⁶⁴ Prior to 2013 the U.S. and Vietnam held diplomatic discussions about raising bilateral relations to a strategic partnership along the lines of other strategic partnership agreement negotiated by Vietnam. In the end both sides pulled back and agreed on a comprehensive partnership instead.

⁶⁵ The following discussion is drawn from Jordan, C.W., Stern, L.M and Lohman, W., 'U.S.-Vietnam Defense Relations: Investing in Strategic Alignment', 18 July 2012. Available at <http://www.heritage.org/research/reports/2012/07/us-vietnam-defense-relations-investing-in-strategic-alignment> (Date of visit 10 August 2015)

The annual US-Vietnam Political, Security and Defence Dialogue and the US-Vietnam Defence Policy Dialogue gradually expanded the way the military forces of both countries meet new security challenges, further strengthening bilateral cooperation in defence and other security issues.

According to Ott, the largely unspoken and unmistakable driver for this close relationship is a shared concern about China. Hanoi's growing rapprochement with the US, is the most significant manifestation of Vietnam's ability to steer a middle course between the US and China and reconcile its strategic dilemma.⁶⁶ Vietnam-US relations are more nuanced and influenced by Vietnamese domestic concerns as well as the legacy of the past. Indeed, in the US rebalance to Asia strategy, ASEAN is considered as the leading priority in an E3 (Expanded Economic Engagement), as well as in other regional cooperative forums proposed by ASEAN. In all of these, Vietnam is an active member. Meanwhile, ASEAN has been China's comprehensive strategic partner for ten years with a number of bilateral commercial cooperation programs.⁶⁷

In the specific case of Vietnam, Hanoi's relationship with Washington has improved, but it does not have a mutual defence treaty to fall back on, unlike the Philippines. With the US refusal to sell arms to Vietnam prior to October 2014,⁶⁸ and then the US lift of the sale of lethal weapons to Vietnam on a case-by-case basis, there is no guarantee that the US would rush to Vietnam's defence, especially in the event of a war against China. Moreover, due to the geographical location, China is the neighbour, so moderation and steady diplomacy are essential for Vietnam to move forward by strengthening the relationship with the US while maintaining an air

⁶⁶ Ott, M., 'Vietnam's China Dilemma: Steering in New Strategic Environment', Woodrow Wilson International Center for Scholars, 3 April 2012, <http://www.wilsoncenter.org/article/vietnam%E2%80%99s-china-dilemma-steering-new-strategic-environment> (Date of visit 4 March 2014)

⁶⁷ Interview 4, 6 May 2013.

⁶⁸ The so-called arms embargo was imposed in the mid-1980s when the International Trafficking in Arms Regulations (ITAR) were adopted. ITAR imposed a ban on arms sales to countries that were already under a U.S. embargo (Vietnam was subject to a trade embargo) or where such sales would not contribute to international peace and security (from a U.S. perspective). Vietnamese military forces were still occupying Cambodia at the time. ITAR did not specifically target Vietnam.

of polite opposition to China.⁶⁹ Jordan, Stern and Lohman also argue that the Vietnamese have realized that engaging more with the US does not necessarily mean engaging less with China.⁷⁰ Vietnam continues to acknowledge the critical importance of an effective and friendly relationship with China. This means that the Vietnamese will not risk damage to their relationship with China in order to strengthen their relationship with the U.S.⁷¹

6.3.2 Socio-economic Affairs

Regarding the socio-economic dilemma that Vietnam faced in its interactions with China and the US in Southeast Asia, the first question is how can Vietnam be skilful enough to avoid being caught up in the strategic rivalry between two major powers at the expense of national security. As Chinese economic growth expands, it is embracing the whole of Southeast Asia, particularly those nations along the sub-Mekong River Delta nations (Vietnam, Laos, Cambodia, Myanmar and Thailand) as a springboard to go further to the outside world. Vietnam needs to continue to affirm its stable and sustainable development in the bilateral relationship with China, a matter of crucial significance to the two countries and the region. During the GFC the world's leading developed economies suffered from financial crisis, but China continued to import goods at a growing rate. China now contributes to 10% of the world's GDP, equivalent to that of the whole EU.⁷²

⁶⁹ Vu, K.D. 'Between the Two Giants: Vietnam's Dilemma', *Asia Sentinel*, 27 April 2012. Available at <http://www.asiasentinel.com/opinion/between-two-giants-vietnams-dilemma/> (Date of Visit 5 March 2014).

⁷⁰ The following discussion is drawn from Jordan, C.W., Stern, L.M and Lohman, W., 'U.S.-Vietnam Defense Relations: Investing in Strategic Alignment', 18 July 2012. Available at <http://www.heritage.org/research/reports/2012/07/us-vietnam-defense-relations-investing-in-strategic-alignment> (Date of visit 10 August 2015)

⁷¹ Jordan, C.W., Stern, L.M and Lohman, W., 'U.S.-Vietnam Defense Relations: Investing in Strategic Alignment', 18 July 2012. Available at <http://www.heritage.org/research/reports/2012/07/us-vietnam-defense-relations-investing-in-strategic-alignment> (Date of visit 10 August 2015)

⁷² Nguyen Manh Hung, 'Mot so dac diem moi cua Boi canh quoc te va Ham y doi voi Vietnam va Quan he Vietnam - Trung Quoc [Trans: Some Characteristics of the International Situation and Its Implications for Vietnam and the Vietnam - China Relationship]' in Do Tien Sam and Kurhara Hirohide (eds), *Hop tac phat trien: Hai Hanh lang Mot Vanh dai kinh te: Vietnam-Trung Quoc trong Boi canh moi* [Trans: Cooperative Development: Two Corridors, One Economic Belt: Vietnam -China in the new situation]', The Social Science Publisher, Hanoi, 2012, pp. 174-189 at 188.

China's economic expansion over the past few decades has created a new middle class dedicated to consumption, thus boosting Chinese domestic demand. In addition to that, the higher value of Chinese currency has also paved the way for more convenient conditions for other foreign countries to export to China. Under the slogan of "preserve internal resources, increase exploiting and using external sources,"⁷³ China is also relocating the abundant energy, ingredients and labour sectors, which contribute to pollution in less-developed neighbours in the region, especially in the sub-Mekong River Delta. China's huge demand for energy and ingredients can be considered a possible threat to other nations, especially to neighbouring countries. In comparison with the US, Vietnam is more dependent on China in terms of its economic development. Although the US has become Vietnam's biggest export market, China remains Vietnam's largest import market, and without China, Vietnam's economy may suffer major blows.⁷⁴

US economic assistance for countries in Southeast Asia is also something that Vietnam should take into consideration. As U.S. Secretary of State John Kerry stated during his trip to Vietnam:

On December 16, Secretary of State John Kerry announced an initial commitment of US\$ 32.5 million in new regional and bilateral assistance to advance maritime capacity building in Southeast Asia. Including this new funding, our planned region-wide funding support for maritime capacity building exceeds US\$ 156 million for the next two years.⁷⁵

According to Tiezzi, this funding was seen as a response to China's growing assertiveness in the regional territorial disputes. Vietnam has become a new recipient of US maritime security assistance in its strategy to rebalance Asia. The US wants to extend its ties beyond its long-term allies of Japan, South Korea and the

⁷³ Nguyen, 'Mot so dac diem moi cua Boi canh quoc te va Ham y doi voi Vietnam va Quan he Vietnam-Trung Quoc [Trans: Some Characteristics of the International Situation and Its Implications for Vietnam and the Vietnam - China Relationship]', p. 188.

⁷⁴ Kaisheng, L. 'Vietnam dancing between US alliance and Chinese Brotherhood', *Global Times*, 10 February 2014, <http://www.globaltimes.cn/content/841608.shtml> (Date of Visit 4 March 2014)

⁷⁵ 'Expanded U.S. Assistance for Maritime Capacity Building', Office of the Spokesperson, Washington, DC, 16 December 2013. Available at <http://www.state.gov/r/pa/prs/ps/2013/218735.htm> (Date of visit 10 August 2015)

Philippines.⁷⁶ Vietnam would receive US\$ 18 million from the United States as commitment from Secretary of State John Kerry:

As an example of our commitment to strengthen maritime securities in Southeast Asia, the United States intends to provide up to US\$ 18 million in a new assistance to Vietnam to enhance the capacity of coastal patrol units to deploy rapidly for search and rescue, disaster response, and other activities, including through provisions of five fast patrol vessels in 2014 to the Vietnamese Coast Guard.⁷⁷

This is where an economic dilemma for may turn out to be a security dilemma, as China views the American economic assistance for Vietnam's defence as part of a larger containment strategy towards China through a closer relationship with Vietnam. The Global Times reveals how China perceived the US security assistance to Vietnam:

First of all, provocations from the Philippines and Vietnam, with the support of U.S. troops, make the possibility of Sino-U.S. military conflict larger than in the past...A U.S. military aircraft or warship may use an "accident" to provoke war.⁷⁸

Yuen claims that the U.S. commitment to assist Vietnam with US\$18 billion for buying patrol boats to improve its maritime capabilities may provoke more conflict in the South China Sea.⁷⁹ Zhu Feng, a professor of international security at Nanjing University, was quoted as saying that:

The US is trying to expand its political and maritime security influence in the South China Sea by providing financial support to Southeast Asian countries, so that it can confront China's power in the region.⁸⁰

⁷⁶ Tiezzi, S., 'Vietnam, the US and China: A Love Triangle?', *The Diplomat*, 18 December 2013, <http://thediplomat.com/2013/12/vietnam-the-us-and-china-a-love-triangle/> (Date of Visit 5 March 2014).

⁷⁷ 'Expanded U.S. Assistance for Maritime Capacity Building', Office of the Spokesperson, Washington, DC, 16 December 2013. Available at <http://www.state.gov/r/pa/prs/ps/2013/218735.htm> (Date of visit 10 August 2015)

⁷⁸ Xenakis, J.J., 'China's Media Describes 'Bottom Line' for War with the U.S.' in 'World View: China Says War with US in South Chia Sea is Inevitable', 26 May 2015. Available at <http://www.breitbart.com/national-security/2015/05/26/world-view-china-says-war-with-us-in-south-china-sea-is-inevitable/> (Date of visit 10 August 2015)

⁷⁹ Yuen, Y., 'US Pledges \$18m to Help Vietnam Buy Patrol Boats', *Global Times*, 2 June 2015. Available at <http://www.globaltimes.cn/content/924846.shtml> (Date of Visit 10 August 2015)

⁸⁰ Ibid

Another Chinese analyst, Xue Li, a research fellow at the Chinese Academy of Social Science, stated that:

The more the U.S. involves itself in the South China Sea issue, the more China will do to counter the situation, which will eventually lead to more conflict and harm relations between China and Southeast Asian countries.⁸¹

6.3.3 *Cultural Affairs*

The dilemma of Vietnam choosing between China and the US in the cultural sector can be seen in the political system and ideology. Vietnam has the same political structure as China in the single-party state mechanism and shares similar cultural values. A closer US-Vietnam relationship requires change from within Vietnam's political system, including giving ground on human rights and democracy. These two issues are a barrier between the ruling CPV and Washington. Although the US is a realist power taking action on the basis of its national interests, it never loses its enthusiasm for promoting Western values, such as democracy, freedom and human rights. Liberalisation could jeopardise the legitimacy of the Vietnam's ruling party. This dilemma between Hanoi and Washington will probably turn into a long term issue, as Vietnam's ruling party will retain its leading position while it continues to demonstrate success in national development, although issues of human rights or democracy will not disappear from Washington's diplomatic program.⁸²

Vietnam is still a single-party state under the rule of the CPV. With its poor record on human rights and democracy, American human rights activists and politicians are questioning Washington's increasing business cooperation with Hanoi. They believe that increased trade should be accompanied by civil and political reforms. As Vu argues, if Hanoi wants the US to be a true friend, it may have to change itself first.⁸³ If Vietnam has to choose at the end of the day, China is in many ways a more difficult problem to address than the US. While the US demands human rights and democracy for Vietnam, this threat is only for political

⁸¹ Ibid.

⁸² Kaisheng, L., 'Vietnam dancing between US alliance and Chinese Brotherhood', *Global Times*, 10 February 2014, <http://www.globaltimes.cn/content/841608.shtml> (Date of Visit 4 March 2014).

⁸³ Vu, K.D. 'Between the Two Giants: Vietnam's Dilemma', *Asia Sentinel*, 27 April 2012, <http://www.asiasentinel.com/opinion/between-two-giants-vietnams-dilemma/> (Date of Visit 5 March 2014)

reform. It does not touch on national independence or freedom. If Vietnam has to choose between the two powers, the choice will be between party interest and national interest. In theory these should be the same, and the answer for Vietnam at the present time is how to be a friend of all major powers, including both the US and China.

Another concern is that Vietnam may suffer in the triangular relationship between Beijing and Washington and become a “two-faced” nation. Vietnam will neither pledge an alliance to Washington, nor will it constantly maintain a brotherhood with China.⁸⁴ In fact, Vietnam has adopted the diplomatic strategy of engagement and “not choosing” between China and the US. Hanoi has displayed some solidarity with Beijing since diplomatic normalisation in 1991, with robust mechanisms for managing the relationship, such as 100 delegations exchanged annually. China has become Vietnam’s largest trading partner. Vietnam and China also have joint patrols in the Gulf of Tonkin, reciprocal naval port visits by Chinese and Vietnamese naval visits, and exchange visits by the two Defence Ministers.

Vietnam, however, has also sought to repair its bilateral relations with the US as a strategic insurance against China by providing permission for US naval ships to visit its ports or hosting the US Defence Secretary’s visit to the country. These signals have proved that the bilateral relationship has reached a new level. Owing to its engagement of both major powers, Vietnam may either be regarded with suspicion by both powers, or its dual strategies of engagement and enmeshment could be recognised as dividends.⁸⁵

6.4 Vietnam in the South China Sea Territorial Disputes 2001-2015

Contrary to the charm offensive with “soft power” strategy towards Southeast Asian nations, China has currently demonstrated its aggressiveness in the territorial disputes by declaring the South China Sea as its “core interest.” Beijing will not allow any discussion or questions about their policies and it will probably engage the military presence of any power. China has even recently warned US oil companies

⁸⁴ Kaisheng, L. ‘Vietnam dancing between US alliance and Chinese Brotherhood’, *Global Times*, 10 February 2014, <http://www.globaltimes.cn/content/841608.shtml> (Date of Visit 4 March 2014)

⁸⁵ Choong, W., ‘Vietnam’s Sino-US dilemma’, *The Strait Times*, 31 August 2012, <http://www.nationmultimedia.com/opinion/Vietnams-Sino-US-dilemma-30189403.html> (Date of Visit 4 March 2014)

not to take part in any joint exploration agreement in the South China Sea with Vietnam.⁸⁶

China has undertaken a number of assertive actions in this sea area, such as clarifying the U-shaped claim, increasing military and paramilitary as well as civilian activities in the area to achieve a *de facto* control over the zone set by the line. China's military build-up, especially naval modernization and the construction of a naval base in Sanya, could serve as a gateway to the South China Sea. China has also deployed systematically patrol vessels and boats from various Chinese maritime law enforcement agencies to the South China Sea. During the time of the unilaterally declared fishing ban between May and August 1999, which has since been imposed annually, Chinese maritime security forces have repeatedly detained Vietnamese fishermen, confiscated fishing boats and charged fines ranging from US\$8,000 to US\$10,000 for their release. Since the summer of 2007, China has threatened a variety of oil and gas companies to stop joint offshore exploration operations with Vietnam or face the consequences when dealing business with Chinese counterparts.⁸⁷

Consequently, as Tonesson argues, the assertive actions of China could be a threat to the Vietnamese's territorial integrity. They provide Vietnam with a choice between two main strategies: either defend its claims to the Spratlys (Truong Sa) and insist that China return the Paracels (Hoang Sa), or define the main aim of keeping and promoting regional peace to enhance human security.⁸⁸ In the first scenario, Vietnam requires a military build-up, nationalist mobilization and renewed attempts

⁸⁶ Do Thanh Hai and Nguyen Thuy Linh, 'Dang sau nhung thay doi trong cach tiep can cua Trung Quoc doi voi Bien Dong [Trans: Behind China's changes in approaches to the South China Sea]', *Nghien cuu Bien Dong* [Trans: East Sea (South China Sea) Studies], 27 May 2011, <http://nghiencuubiendong.vn/nghien-cuu-vietnam/1431-ng-sau-nhung-thay-i-trong-cach-tip-cn-ca-trung-quc-i-vi-bin-ong>, Date of visit 11 December 2013)

⁸⁷ Tran, T.T., 'China's U-shaped Line in the South China Sea: Possible Interpretations, Asserting Activities and Reactions from Outside', Paper presented at the Conference on "The Practises of the UNCLOS and the Resolution of the South China Sea Disputes", 3-4 September 2012, Taipei, pp.1-18 at 10-13, <http://southchinaseastudies.org/en/publications/vietnamese-publications/784-chinas-u-shaped-line-in-the-south-china-sea-possible-interpretations-asserting-activities-and-reactions-from-outside-by-tran-truong-thuy> (Date of visit 11 December 2013).

⁸⁸ The following discussion is drawn from Tonnesson, S., 'Vietnam's Objective in the South China Sea: National or Regional Security?', *Contemporary Southeast Asia*, 22(1), 2000, pp. 199-220 at 215-216.

to find allies abroad to present a counter-balance to China. In the second, Vietnam needs to increase regional and international trade to engage China. It is pointed out that there are two basic problems with the first choice when Vietnam is still a poor country and can hardly afford to build naval and air forces that can match Chinese naval power, despite Vietnamese strength and determination to maintain a minor deterrent role with modern Russian-built fighter aircraft and warships. Moreover, Vietnam's membership in ASEAN does not represent a counter-balance with China, because the only power that can counter-balance China is the US. As a result, the only situation to make the first choice available is to radically improve its relationship with the US, while Sino-American relations deteriorate. In this case, success gained with the US means a serious damage to Vietnam's relations with China. Tonnesson supposed that it seemed logical for Vietnam to either apply a passive, reactive foreign policy or choose the second strategy to actively engage the region in the new global situation.

The argument of this thesis is that Vietnam is not using enhanced relations with the U.S. in an attempt to counter balance its relationship with China. Vietnam uses balancing strategy with both China and the US and does not play one power off the other. It seeks to be friends with both powers while keeping an eye on both of them. Vietnam is practical and careful not to annoy the US and China in a system of global interdependence. Vietnam's priority is to protect its territorial integrity against China's assertive claim over the South China Sea. Vietnam need not have to cooperate with the US and downgrade relations with China. It has many diplomatic channels of cooperation. Vietnamese foreign policy since the time of Renovation (*doi moi*) has been multi-lateral and diverse and this has been reiterated since the 6th Congress of the CPV in 1986.

For the last 60 years, Vietnam has had both positive and negative relations with China. Today, Vietnam has affirmed its friendship and cooperation with China. This type of relationship plays an important role in the development of each nation, along with peace, stability and security in the region. However, both nations face unsolved matters of history. These problems include the territorial disputes over the South China Sea. For the US, with its "back to Southeast Asia strategy" in the "Asia-Pacific Century," Vietnam views U.S. policy of rebalancing to the region as a chance to create more opportunities for countries in the region to boost their bilateral

relationships with the US. However, Vietnam is also aware of the fact that the American return to Southeast Asia can create challenges. In the multilateral perspective, US rebalancing to the region amid the rise of China can put ASEAN countries, including Vietnam, in the difficult situation of a possible competition between these two powers.

Meanwhile, the Chinese are concerned about whether Vietnam will lean towards the US as a hedge against China. This is the situation that Vietnam has faced. Vietnam always considers China as its most important friend. Vietnam has never considered the US ‘back to Southeast Asia’ policy as a method to reject China. Vietnam’s foreign policy acts under the Party’s resolution to carry out the strategy of independence and self-reliance. This tactic can be seen as a Vietnamese exercise of “soft power,” which has brought about more leverage and strength for Vietnam in the relations with outside partners.⁸⁹

The next chapter explores the implications of the Sino-American interactions for Southeast Asia and Vietnam.

⁸⁹ Interview 3, 14 February 2012.

CHAPTER 7: IMPLICATIONS FOR SOUTHEAST ASIA AND VIETNAM

This chapter will focus on exploring the possible impacts of Sino-American interactions in Southeast Asia in general and Vietnam in particular. This is followed by an assessment of implications on how to maximise regional and state advantages while minimising possible disadvantages.

7.1 Implications for Southeast Asia

7.1.1 *Advantages and Disadvantages*

Whether Sino-American interactions can bring about an opportunity or a threat to Southeast Asia is a matter of debate among international relations scholars. As Zhu has argued, China's ascent has aroused boundless discussion about its implications on international politics and global security. The most common discussion centres on theoretical and policy debates about whether a rising China constitutes a threat or an opportunity, whether it is a conservative status quo power to be engaged with or a rising revisionist state to be contained.¹ Cha reiterated the prediction of popular American international relations scholars since 1993 that Asia would be "ripe for rivalry"² due to a combination of nationalism, power rivalries, historical animosity, arms build-ups and energy needs. Aaron Friedberg, an international relations scholar at Princeton, predicted the term "ripe for rivalry" in Asia in 1993:

While civil wars and ethnic strife will continue for some time to smoulder along Europe's peripheries, in the long run it is Asia that seems far more likely to be the cockpit of great power conflict.³

¹ The following discussion is drawn from Zhu, F. 'China's Rise Will Be Peaceful: How Uni-polarity Matters' in Ross, R.S & Zhu, F. ,*China's Ascent: Power, Security and the Future of International Politics*, Cornell University Press, Ithaca and London, 2008, p. 34

² Quoted from Cha, V.D., 'Ripe for Rivalry: Has Asia's Moment of Reckoning Finally Arrived?', 13 December 2012. Available at <http://foreignpolicy.com/2012/12/13/ripe-for-rivalry/> (Date of visit 15 August 2015)

³ Ibid

However, other observers argued that China's style of diplomacy, together with political culture and its domestic socio-economic structure, suggests that it will not necessarily threaten its neighbours, and that it may even make a positive contribution as the "balance of influence" in Asia.⁴ In summary, this relationship is likely to result in both pros and cons.

Advantages may be seen when harmonization is maintained, and when cooperation is carried out in the interactions between China and the US in Southeast Asia. This means when China is more "peaceful rise" than "China threat," Southeast Asia is likely to enjoy the positive impacts from the Sino-American relations in the region. Van der Putten envisaged a positive scenario where the US and China could accept each other's status as great powers, before taking on a five-power approach to regional security with Japan, India and Indonesia. These five countries would then work with other countries in South, East and Southeast Asia in regional fora, such as ASEAN and EAS.⁵

Shirk claims Southeast Asian countries do not want to have to choose between the US and China as they grow closer to China. They hedge their bets by trying to keep the US engaged in the region. Shirk also argues that China's success depends on cooperation with the US.⁶ If the US declared China the enemy in a new Cold War and tried to tie an economic noose around it, China's economic growth and job creation would be slowed, and domestic problems would increase even if few American allies joined US efforts to contain China. A hostile US military posture would drive the Chinese military, and the public, to demand the Chinese government put more resources into building the military, thus increasing the risk of a war. Citing an example, with respect to conflict with Great Britain in the nineteenth century, one Chinese specialist explained the experiences and lessons of history prove that a late power can only rise with the cooperation of the dominant power in the international

⁴ Zhu, F. 'China's Rise Will Be Peaceful: How Uni-polarity Matters' in Ross, R.S & Zhu, F., *China's Ascent: Power, Security and the Future of International Politics*, Cornell University Press, Ithaca and London, 2008, p. 34

⁵ Van der Putten, F.P., 'China's Regional Security Relations and Interactions with the US: Trends, Challenges and Possible Scenarios', NOREF Report, 2012, p. 5

⁶ The following discussion is drawn from Shirk, S.L., *China: Fragile Superpower*, Oxford University Press, Oxford and New York, 2007, pp. 115-219

system. The best way for China to rise peacefully is to behave like a responsible power and to accommodate the current global superpower.⁷

China's peaceful rise can help forge a good impression on neighbouring Southeast Asian states, creating reciprocal advantages and benefits. According to a source from the US-China Economic and Security Review Commission, one of China's central objectives is to secure and ensure access to resources in Southeast Asia for continued Chinese economic development. China wants to maintain a secure buffer zone around it.⁸ When China was under Mao, Southeast Asian governments in Thailand, Malaysia, Singapore, Indonesia and the Philippines had distanced themselves from it, fearing that China would export revolution to them. However, within less than a decade after the establishment of diplomatic relations with all ten Southeast Asian states by 1991, China's skilful diplomacy has made regional states view China as a partner and a market opportunity, rather than as a potential threat. Public opinion polls in Southeast Asia⁹ show China is viewed positively; one poll found that 76% of Thais believed China was Thailand's closest friend, while only 9% of Thais chose the United States.

Disadvantages will emerge when China and the US engage in strategic rivalry, and when China is more "China threat" than "peaceful rise."¹⁰ K. Shanmugam, the Singapore's Minister of Foreign Affairs, described the wary view of Southeast Asian people about the Sino-American competition for regional power and influence:

The relative weight of China is growing. I'm not one of those who believe that the US is in permanent decline. But nevertheless, the respective levels of influence, there will be a relative shift. And Singapore's position has consistently been to be good friends of both. ...Would that be a challenge-free approach? It really depends on how the state of relationship between the US and China develops. It could develop in a way that makes

⁷ Shirk, S.L., *China: Fragile Superpower*, Oxford University Press, Oxford and New York, 2007, pp. 115-219

⁸ 2014 Report to Congress of the U.S.-China Economic and Security Review Commission, Washington, November 2014, p. 427

⁹ Cited in Shirk, *China: Fragile Superpower*, pp. 112-113.

¹⁰ The following discussion is based on Shirk, *China: Fragile Superpower*, p.4

it challenging for all of us who are friends with both countries and we will just have to adapt to that.¹¹

Problems will arise if the US mishandles the economic rise of China. Even if the two sides manage to avoid military conflicts, a Cold War with China would wreak havoc in the US and the entire world. The US is China's largest export market (buying approximately 20% of its total exports) and China loans most of the dollars it earns from trade to the US Government, which uses the money to pay off its large budget deficits. Thus, if Washington imposed economic sanctions on China and China retaliated by selling off some of the billions of dollars of American government debt it owns, American interest rates could shoot up and a global recession could result.

A hostile relationship with China would also make it impossible for both countries to work together to solve global issues, such as AIDS, the avian flu epidemic, global warming and terrorism.¹² In sum, at the moment, it is not likely that China and the US will engage in devastating rivalry or potential war because neither side will benefit. There is evidence that some Chinese believe optimistically that future Sino-American ties will be as close as the Anglo-American alliance today. However, as both countries have different political systems of governance, it is hard to imagine a perfect harmony between the US and China.¹³

7.1.2 Direct and Indirect Impacts

The direct impact of Sino-American relations in Southeast Asia on regional nations will influence their economic dynamism, the spread of China's ideological and cultural influence, and the return of American presence in the region. Suryadinata argues that China has rapidly become a major economic power, a "dynamo" of Asia or "world factory" for mass production, flooding the regional markets. This has resulted in a profound socio-political and economic change in

¹¹ K. Shanmugam, "Transcript of Minister for Foreign Affairs K. Shanmugam's reply to Parliamentary Questions and Supplementary Questions", Singapore, 14 January 2013. Available at http://www.mfa.gov.sg/content/mfa/media_centre/press_room/tr/2013/January/transcript_20130114.html (Date of visit 15 August 2015)

¹² Shirk, *China: Fragile Superpower*, pp. 4-5

¹³ Shirk, *China: Fragile Superpower*, pp. 261-269

Southeast Asia.¹⁴ China's rapid rise directly impacts regional states and China's economic growth augurs well for East Asia's continued economic growth.¹⁵ China can harness the region's vast trade and investment opportunities to stimulate its domestic economy.

Southeast Asia's growth potential has benefited from China's increasing integration with the region through the Southeast Asian Chinese. Enterprises managed by the ethnic Chinese have become increasingly dependent on China's economy and this has forced them to be cautious in doing business in China. Anti-Chinese riots had occurred in Malaysia, Indonesia, and the Philippines in the past, but strong resentment against any perceived economic and cultural invasion from China has surfaced in Myanmar, Thailand and Vietnam.¹⁶

In relation to indirect impacts of Sino-American relations in Southeast Asia, China's ambition is a spectre haunting Southeast Asian nations. In 1979, the Vietnamese government argued that Southeast Asia was a region where Chinese rulers felt they could widen their influence and use "their cash with no strings" aid as a trump card in gaining support across the world.¹⁷ Chinese policy towards Southeast Asia over the last three decades points to the extremely important position this region occupies in its global strategy, and also reveals their great power expansionist and regional hegemonic ambitions. The Chinese government has orchestrated an impressive campaign to reassure its Asian neighbours, the US and the rest of the world of its "peaceful rise" even when it grows stronger. In 2014, Chinese Foreign Minister Wang Yi claimed Chinese leaders' responsibility to uphold peace:

Premier Li Keqiang spoke the mind of the Chinese people and showed that China shoulders the responsibility to uphold peace. We fully support his statement. ...China is committed to the path of peaceful development, and we hope other countries will also take the path of peaceful development. The Chinese Dream belongs to the Chinese

¹⁴ Suryadinata, L. *Southeast Asia's Chinese Business in an Era of Globalization: Coping with the Rise of China* (ed), Institute of Southeast Asian Studies Singapore, Singapore, 2006, p. 1

¹⁵ Wong, J., 'China's Economic Rise and Its Implications for Southeast Asia: The Big Picture' in L. Suryadinata, *Southeast Asia's Chinese Business in an Era of Globalization: Coping with the Rise of China* (ed), Institute of Southeast Asian Studies Singapore, Singapore, 2006, p. 25.

¹⁶ Xia, M., "China Threat" or a "Peaceful Rise of China", <http://www.nytimes.com/ref/college/coll-china-politics-007.html> (Date of Visit 18 March 2014)

¹⁷ Vietnam Courier (ed), *Chinese Aggression Against Vietnam*, Vietnam Courier, Hanoi, 1979, p. 10

people, and as it is closely connected to the dreams of other nations as our interests are well intertwined.¹⁸

Chinese President Xi Jinping also reiterated China's commitment for peace development in his keynote speech at the Boao Forum for Asia Annual Conference 2015:

What China needs most is a harmonious and stable domestic environment and a peaceful and tranquil international environment. ...The Chinese nation loves peace and has, since ancient times, held high such philosophies that "harmony is the most valuable", "peace and harmony should prevail", "all men under heaven are brothers". ...Close neighbours are better than distant relatives. This is a simple truth that the Chinese people got to know in ancient times. That explains China's firm commitment to building friendship and partnership with its neighbours to foster an amicable, secure and prosperous neighbourhood.

On the other hand, Kirshner doubted the success of China's strategy of promoting its own "peaceful rise." History has witnessed the rise of new great powers that tend to upset the international system. China's rise is not guaranteed to be a peaceful one, as its interests could clash with those of other nations.¹⁹ There is a saying of Napoleon Bonaparte about China, which is to "let her sleep, for when she wakes, she will shake the world."²⁰

There are some worrying aspects to Beijing's international behaviour, which is a contradiction to its leaders' repeated claims about China's "peaceful rise." Beijing's defence budget has been increasing for almost two decades but its military intentions remain unclear. According to the US-China Economic and Security Review Commission (USCC) report²¹, China's official projected defence budget

¹⁸ China Ministry of Foreign Affairs, "Foreign Minister Wang Yi Meets the Press", 8 March 2014. Available at http://www.fmprc.gov.cn/mfa_eng/wjb_663304/wjbz_663308/2461_663310/t1135385.shtml (Date of visit 15 August 2015)

¹⁹ Kirshner, J., 'The Consequences of China's Economic Rise for Sino-U.S. Relations' in Ross, R.S and Zhu, F. (ed), *China's Ascent: Power, Security and the Future of International Politics*, Cornell University Press, Ithaca and London, 2008, p. 238.

²⁰ Quoted in Watkins, T., 'Sleeping Giant: China's Peaceful Rise', China-US Focus, 18 February 2013. Available at <http://www.chinausfocus.com/political-social-development/sleeping-giant-chinas-peaceful-rise/> (Date of visit 15 August 2015)

²¹ 2014 Report to Congress of the U.S.-China Economic and Security Review Commission, Washington, November 2014, p. 287.

increased from 720 billion RMB (approximately US\$119.5 billion) in 2013 to 808 billion RMB (approximately US\$131.6 billion) in 2014, a 12.2 % increase. With the exception of 2010, China's official defence budget has increased in nominal terms by double-digits every year since 1989.

The source from the 2014 USCC report to Congress²² revealed that China's actual aggregate defence spending is higher than the officially announced budget due to Beijing's omission of major defence-related expenditures, such as purchase of advanced weapons, research and development programs or local government support to the PLA. The estimation from the US Department of Defence (DoD) revealed China's actual defence spending in 2013 exceeded US\$145 billion, approximately 21% higher than its announced defence budget. The evaluation from the Stockholm International Peace Research Institute calculates that China's actual defence spending in 2013 was US\$188 billion, approximately 57% higher than its announced defence budget.

Thus, China's unclear purposes in military expansion and its assertiveness in regional territorial disputes might lead it to test the limits of American global dominance as it attempts to play its own role in world politics. This is not necessarily alarming, so long as China continues to seek common ground with the US. In the situation of a possible new Cold War and the very real possibility of a hot one, a good deal of patience and self-restraint will be required.²³

7.1.3 Short term and Long term Impacts

ASEAN has to face the dilemma of maintaining their regional balance and centrality amid Sino-American interactions in the region. Owing to China's recent aggressive manner with some Southeast Asian states in the territorial disputes in the South China Sea, there are suspicions about the peaceful rise of China. According to Shambaugh, despite Beijing's efforts to assuage its neighbours, China's "charm offensive"²⁴ could not win the heart of every nation along its periphery. Concerns

²² Ibid, p. 288

²³ Baum, R., *The Fall and Rise of China*, The Teaching Company, Chantilly, VA, 2010, pp. 163-169.

²⁴ See Sato P. Limaye, ed., *Asia's China Debate: A Special Assessment*, Honolulu: Asia-Pacific Center for Security Studies, 2003

about a looming “China Threat”²⁵ still exists occasionally among security specialists in Hanoi, New Delhi, Singapore, Tokyo and certainly Taipei.

These arguments fall into three categories. First, regarding ideological and cultural factors, the neo-conservatives in the Bush Administration felt the fact that China was officially communist was an impediment that exacerbated a clash of civilizations. In this worldview, an unholy alliance between Islamic and Confucian civilizations is the principal threat to the West. Accordingly, in this perspective this worry caused a sensible response from the US with short-term containment policy and long-term confrontation, bringing about the promotion of peaceful transformation within China. Secondly, from realists’ perspectives, China has to pursue equivalent respect and influence due to its position as a major power in size, territory, population and economy. That is why nationalism is likely to drive a rising China in the direction of a clash with the US, if the latter rejects a space for the former in the global leadership.²⁶

Thirdly, the possible collapse of China (if it were to suffer a Soviet-style sudden-death syndrome) could create even greater uncertainty and an even worse scenario. Chinese refugees from its 1.3 billion population, a failed state and/or presence of warlords, civil war, transnational crime, proliferation and nuclear weapons - all of these are possible outcomes for the world to deal with. Owing to these considerations, the US often tends to oscillate from “demonization to romanticization,” from containment to engagement with China in “the sweet and sour Sino-American relationship.”²⁷ Hernandez claims that should China’s rise continue without serious interruption, it could be a “towering giant” that will dominate not only the US, but also major regional powers, such as Japan and Russia.²⁸ Should China’s rise be derailed, leading to an implosion, the fallout would

²⁵ Shambaugh, D.L., ‘China Engages Asia: Reshaping the Regional Order’, *International Security*, 29(3), Winter 2004/05, pp.64-69 at 67

²⁶ Xia, M., ‘China Threat’ or a Peaceful Rise of China’, <http://www.nytimes.com/ref/college/coll-china-politics-007.html> (Date of Visit 18 March 2014)

²⁷ Xia, ‘China Threat’ or a Peaceful Rise of China.

²⁸ Hernandez, C.G., ‘The Rise of China and Implications for Southeast Asia’ in H.H.M. Hsiao and C.Y. Lin (eds), *Rise of China: Beijing’s strategies and implications for the Asia-Pacific*, Abingdon, Routledge, 2009, pp. 252-269 at 261.

affect Southeast Asia very negatively. The vision of Chinese migrants spilling out of the mainland to its immediate neighbours would be a nightmare for Southeast Asia.

As for the long-term view, there are two scenarios about the impacts of the Sino-American relations in Southeast Asia that depend largely on continued Chinese economic development. First, China's economic rise could slow, resulting in harmful long-term impacts not only for the Sino-American relations in general, but also for Southeast Asia. For the time being, there are two leading characteristics of the world economy, namely Chinese economic growth and American consumer markets. The former is a crucial component of the global economy due to its size and potential. However, in spite of its fast growth over a few decades, Kirshner doubts the continuance of Chinese ascension, as it was unusually high and vulnerable to internal and external factors that could result in disruptions. Consequently, if Chinese economic growth decreased, domestic political stability and foreign policy would be affected.²⁹

The 2014 USCC Report to the US Congress notes that China sustained economic growth at or near its official target rate of 7.5% through the first three quarters of 2014.³⁰ Accordingly, China's GDP growth has been under 8% for ten consecutive quarters, entering a "new normal"³¹ period. China's oversupply of property and industrial over-capacity in sectors such as steel and solar panels continues to put Chinese economic growth at risk. It could harm US manufacturing and exports by dumping excess supply into global markets.

Next, if China's economic rise continues at the same rapid pace as today, then Sino-American relations may enter into unavoidable engagement and friction, which is a long-term dilemma for Southeast Asia. It has been predicted by a number of scholars that China is likely to have on-going economic development. Lee and Nedilsky have examined the notion that China has claimed the twenty-first century as its own, and have projected that rising Chinese economic and political strength

²⁹ Kirshner, 'The Consequences of China's Economic Rise for Sino-U.S. Relations', pp. 256-259

³⁰ 2014 Report to Congress of the U.S.-China Economic and Security Review Commission, Washington, November 2014, p. 37

³¹ Ibid

will surpass that of the United States.³² The International Monetary Fund forecasted that by 2016 China would replace the US as the largest economy. With an average GDP growth rate of 9.7% per year in the last three decades, Chinese economic growth is remarkable. No other country has enjoyed this rate of economic growth recently.³³

Kirshner admits that if China continues its economic ascension, its expanding economy will create both challenges and frictions for the US. With greater Chinese economic strength comes an increase in its national prestige domestically, regionally and internationally. As China is a leading engine of the global economy, together with the US, Chinese economic and political creditability can challenge US hegemony and foreign policy towards Southeast Asia. China can cause more tension for regional and international economic conflicts, which may frustrate the US. However, Sino-American frictions will not result in a war because the issues are merely irritants to bilateral relations and strategic rivalry.³⁴ An armed conflict between the two major powers could be evidence of strategic competition, as China and America may not be able to avoid conflicts. However, the right policy choices by both powers can keep the two on the path of more cooperation than conflict, avoiding the “doom and gloom scenario” painted by a number of scholars.³⁵

7.1.4 Implications

The most important way for Southeast Asia to maximise regional benefits is to maintain what the ASEAN Secretariat calls “ASEAN centrality,” and to maintain equilibrium between the current interactions of the US and China. ASEAN’s objective of maintaining its centrality in regional affairs has contributed to Southeast Asia’s stability and economic development, despite regional and global financial

³² The following discussion is drawn from Lee, J.T.H & Nedilsky, L.V., ‘Appeal and Discontent: The Yin and Yang of China’s Rise to Power’ in J.T.H. Lee, L.V. Nedilsky and S.K. Cheung (eds), *China’s Rise to Power: Conception of State Governance*, Palgrave Macmillan, New York, 2012, pp. 1-29 at 3.

³³ Knight, J. and Ding, S., *China’s Remarkable Economic Growth*, Oxford University Press, Oxford, 2012, p. 57

³⁴ Kirshner, ‘The Consequences of China’s Economic Rise for Sino-U.S. Relations’, p. 239

³⁵ Art, R. J., ‘The United States and The Rise of China: Implications for the Long Haul’ in R.S Ross and F. Zhu (eds), *China’s Ascent: Power, Security and the Future of International Politics*, Cornell University Press, Ithaca and London, 2008, pp. 260-290 at 261.

crises. ASEAN registered an economic growth of up to 6% in 2014, proving that regional integration since the ratification of the ASEAN Charter for “an ASEAN Community” has worked well for political, security, economic and socio-cultural cooperation. This achievement also makes ASEAN attractive to major powers.

While the US has considered ASEAN as a leading priority in its pivot to the Asia-Pacific, China and ASEAN celebrated the 10th anniversary of their strategic partnership in 2013. While individual countries in Southeast Asia could enjoy good diplomatic ties with China and/or the US, it is crucial that these ties do not compete with the collective interests of ASEAN and that “ASEAN centrality” remains sacrosanct.³⁶ ASEAN countries themselves depend on fostering good relations with both major powers, but also on good Sino-American relations. ASEAN serves as an influential platform due to its central position in regional initiatives.³⁷ Solidarity through ASEAN centrality is smart power for the association, as the strategy assures both the US and China that ASEAN is not a pawn in their rivalry, but rather a regional mechanism for cooperation and development. ASEAN could make an effort in “dynamic balancing” between China and the US in order to ensure that any Sino-American rivalry would not adversely affect the region. The response by ASEAN nations is to engage with the US and China together as a regional forum.³⁸

The region’s solidarity can work effectively on disputes in the South China Sea. Division and suspicion will arise through any interference by foreign powers in Southeast Asian internal affairs. ASEAN solidarity can help to resolve the differences between China and the US through multilateral dialogues or other “confidence building” strategies. These trust building measures, such as the ADMM Plus and the ARF, can be set up regularly to address regional territorial disputes. These regional fora can discuss Chinese military modernization objectives and China’s manner in dealing with the South China Sea dispute. In this light, procedures to upgrade the Declaration of Conduct (DOC) into a full Code of Conduct (COC) in

³⁶ Interviewee 4, 6 May 2013.

³⁷ Egberink, F. and Van de Putten, F.P., ‘ASEAN and Strategic Rivalry among the Great Powers in Asia’, *Journal of Current Southeast Asian Affairs*, 29(3), 2010, pp. 131-141 at 134.

³⁸ Interview Rizal Sukma, 12 June 2012.

the South China Sea territorial disputes should be addressed by ASEAN in its engagement with China.³⁹

Shirk believes that it would be in the interest of Southeast Asian nations if their navies could invite Chinese and American naval vessels for joint patrols of the Straits of Malacca and other sea-lanes that have been plagued by piracy and terrorism. The responsibility for the security of the Straits of Malacca, for instance, rests with the littoral states that have rejected the involvement of outside navies. Southeast Asian states, such as Malaysia, Singapore, Indonesia and Thailand, have organized combined naval and air patrols. There has also been a regional anti-piracy initiative promoted by Japan known as the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP).

However, China could maintain a strong military presence in Southeast Asia without raising suspicion from the US.⁴⁰ Once the US and China are assured of their mutual benefit (as discussed in Chapter 2 and Chapter 3) in Southeast Asia, ASEAN nations also gain favourable conditions for regional security and development. The US has no territorial disputes in the region. It has been more broadly committed to free trade and to keeping its market open. Southeast Asia regards American leadership as a key to regional stability, and it will be a challenge to replace the American role in the region. The region's future depends now on the US response to an increasingly assertive China.⁴¹

7.2 Implications for Vietnam

For thousands of years Vietnam has struggled against imperialism and foreign invasion. It is now faced with being caught in a dilemma of a great power rivalry. This section offers some approaches and proposals for the better national

³⁹ Thayer, C.A., 'Recent Development in the South China Sea: Implications for Peace, Stability and Cooperation in the region', *East Sea (South China Sea) Studies*, 24 March 2011, <http://southchinaseastudies.org/en/conferences-and-seminars-/510-recent-developments-in-the-south-china-sea-implications-for-peace-stability-and-cooperation-in-the-region-by-carlyle-a-thayer> (Date of visit 2 April 2014)

⁴⁰ Shirk, S.L., *China: Fragile Superpower*, Oxford University Press, Oxford and New York, 2007, pp. 263-264.

⁴¹ Yahuda, M., *The International Politics of the Asia-Pacific*, 3rd and revised edition, Routledge, London and New York, 2011, p. 218.

development of Vietnam. These are intended as positive strategies to assist Vietnamese policymakers.

7.2.1 Advantages and Disadvantages

Vietnam can gain from Sino-American interactions in Southeast Asia. Vietnam can seize this opportunity to promote its own economic development. The geographical position of Vietnam also makes it a potential buffer zone for Chinese ambitions to expand southwards. However, the US could use Vietnam to contain the rise of China. With an increasing presence of Chinese soft power, the US could promote its influence in Vietnam in order to create a critical distance between China and Southeast Asia. Moreover, improvement in US-Vietnam relations can be justified from any of the three American attitudes towards China. If China is a threat, Vietnam could help block China's influence and contain China. If China is a challenge, part of an American response is to improve its own soft power in countries like Vietnam. If China is an opportunity, then Vietnam can be another smaller country with a similar opportunity.

Accordingly, the rise of China is predicted to provide a positive influence on US-Vietnam relations, regardless of their direction in the future. However, if the relationship between Washington and Beijing worsens, then American interests in containing China could present Vietnam and countries in the region with a painful choice. A triangular asymmetric situation of Washington-Beijing-Hanoi adds new levels of complexity because there is a natural temptation for the strongest and the weakest state to ally against the middle. The middle is the greater potential threat to the strongest, and the weakest can hide behind the strongest. However, such an alliance puts the weakest in a precarious position.⁴² Most Southeast Asian nations are clearly hedging their bets with regards to China's rise. While simultaneously advancing close economic and trade relations with a rapidly rising China, their exports also have to compete with those of China in the US market. Historical memories of Chinese power in the region, and the fear of Chinese military expansion have contributed to the regional countries' desire to balance against China's ascension. Accordingly, most ASEAN nations have sought to maintain or strengthen

⁴² Womack, B., 'The United States and Sino-Vietnamese Relations', *The Asia-Pacific Journal: Japan Focus*, <http://www.japanfocus.org/-Brantly-Womack/2636> (Date of visit 23 March 2014)

their defence relationships with the US, and remain wary of any Chinese efforts to exclude America from emerging East Asian mechanisms.⁴³

In relation to the disadvantages caused to Vietnam by the interaction of China and US in Southeast Asia, the most difficult aspect for Vietnam is to avoid being squeezed between global superpowers and regional powers in their strategic rivalry. This dilemma poses the risk of forcing Vietnam to choose sides, which could threaten its stability and national security. As Hugh White has argued, the status-quo arrangement in the region reflects a balance of power system, in which the two strongest powers build alliances to balance each other and a structurally adversarial relationship emerges between them. In this case, regional countries will then be forced to choose which power to bandwagon with, causing a division within Southeast Asia.⁴⁴

With China, Vietnam risks territorial disputes that threaten its integrity. With the US, Vietnam risks interference in its current political system. Le Linh Lan argued that the US has come to recognize the importance of Vietnam in Southeast Asian security because Vietnam is a significant and integral part of the sub-region.⁴⁵ Vietnam's strategic location in the region means it is a crucial partner for the US. While Washington has important interests in seeing the vital sea-lane in Southeast Asia free for navigation and overflight, the increasing salience of the South China Sea disputes has also raised the significance of Vietnam in the years to come.

Moreover, Vietnam's active membership in ASEAN makes it an important player in regional affairs and the wider Asia Pacific region. Vietnam's membership in ARF and its participation in APEC add more avenues for Vietnam-US cooperation, raising the US stake in seeing Vietnam become a stable and prosperous nation. Thus, the changing and complex configuration of power in Asia has undoubtedly stressed the importance of Vietnam as an independent actor in

⁴³ Gries, P.H., 'Forecasting US-China Relations, 2015', *Asian Security*, 2(2), 2006, pp. 63-86 at 69.

⁴⁴ White, H., 'Why War in Asia Remains Thinkable', *Survival*, 50(6), December 2008-January 2009, pp. 85-104 at 95

⁴⁵ The following discussion is drawn from Le Linh Lan, 'The Changing Pattern of Interaction between Vietnam and the US: From Confrontation to Cooperation', paper presented at the 42nd Annual Convention of the International Studies Association, and held in Chicago, 20-24 February 2001, pp. 1-14 at 10

America's strategic calculations. One problem, however, is the US inclination to impose its values on other nations with different political systems. According to Le Linh Lan⁴⁶, the US has never hidden its agenda in spreading democracy, human rights and American values to countries with different political systems, including Vietnam. As President Clinton stated:

I believe normalisation and increased contact between Americans and Vietnamese will advance the cause of freedom in Vietnam, just as it did in Eastern Europe and the former Soviet Union. I strongly believe that engaging the Vietnamese on the broad economic front of economic reform and the broad front of democratic reform will help to honour the sacrifice of those who fought for freedom's sake in Vietnam.⁴⁷

Such a position is obviously problematic for the Vietnamese government, as opening up the political system runs the risk of the CPV losing power.

7.2.2 Short-term and Long-term Impacts

The short-term impacts of the triangular relationship between Vietnam, China and the US can turn into long-term impacts if current tensions are not resolved. The most obvious risk for Vietnam is China's encroachment in the South China Sea territorial disputes, as these actions threaten Vietnam's territorial integrity and national sovereignty. China's aggressive behaviour in the South China Sea may be seen as a "soft invasion" occurring within its "peaceful rise." Clearly, however, Vietnamese policymakers need to study these events carefully. China has opted for civilian forces like simple fishing boats, paramilitary forces, or business corporations like oil companies, rather than naval forces, to assert sovereignty over islands in the disputed areas. Moreover, the Chinese have established military bases, observation posts or oil drilling platforms to occupy the sea areas that are claimed by Vietnam, and this had caused difficulties in the supplying routes from the mainland to the islands. ASEAN Secretary General Surin Pitsuwan expressed concern that the South China Sea could become Asia's Palestine in his address to the Financial Times:

⁴⁶ See Le for an analysis at Le Linh Lan, 'The Changing Pattern of Interaction between Vietnam and the US: From Confrontation to Cooperation', paper presented at the 42nd Annual Convention of the International Studies Association, and held in Chicago, 20-24 February 2001, pp. 1-14 at 10-11.

⁴⁷ William J. Clinton, Remarks Announcing the Normalization of Diplomatic Relations with Vietnam, 11 July 1995. Available at <http://www.presidency.ucsb.edu/ws/?pid=51605> (Date of visit 15 August 2015)

We have to be mindful of the fact that the South China Sea could evolve into another Palestine if countries do not try harder to defuse rather than inflame tensions.⁴⁸

According to Luong Van Ke, Chinese tactics are to “win without attack” to isolate the Spratlys to an unbearable limit, forcing Vietnam to leave the islands. This is a patient strategy. Despite being not overly hostile, it still carries a long-term risk to Vietnam national territorial integrity. Thus, the first dilemma is China forcing Vietnam to leave by itself.⁴⁹

Taking both positive and negative implications into consideration, Vietnam would prefer to see the positive scenario come into being to avoid suffering a loss in its bilateral relations with China. In order to influence the situation in a positive direction, Vietnam has adopted several short and long-term strategies. In the short term, regarding the South China Sea territorial dispute, Thayer recommends that Vietnam needs to monitor Chinese actions carefully using proper naval escorts to look after Vietnamese ships that enter the disputed waters around the Spratly islands. Vietnamese vessels should operate with Vietnamese Marine Police escorts.⁵⁰ In addressing sophisticated territorial disputes, the armed forces are required to firmly adhere to the policy of “3 Nos,” “4 Avoids” and the “6 Ks”⁵¹:

“3 Nos”: Không liên minh quân sự với nước ngoài [*Trans*: no military alliance with foreign countries], Không cho nước ngoài đặt căn cứ quân sự ở Việt Nam [*Trans*: Do not allow foreign nations to place military bases in Vietnam] và Không cho bất kỳ một tổ chức chính trị, quân sự nào lợi dụng địa bàn lãnh thổ Việt Nam để chống lại nước khác [*Trans*: and Do not let any political or military organization take advantage of the Vietnamese territory against another country];

“4 Avoids”: Tránh xung đột về quân sự [*Trans*: Avoid military conflict], Tránh đối đầu [*Trans*: Avoid confrontation], Tránh bị cô lập về chính trị [*Trans*: Avoid being drawn

⁴⁸ Bland, B., ‘ASEAN Chief Warns on South China Sea Spats’, Jakarta, 28 November 2012. Available at <http://www.ft.com/intl/cms/s/0/c025d896-386b-11e2-981c-00144feabdc0.html#axzz3itUVJghV> (Date of visit 15 August 2015)

⁴⁹ Interview Luong Van Ke, 24 January 2013.

⁵⁰ Thayer, C.A., ‘South China Sea: China’s Trifecta’, *Thayer Consultancy Background Brief*, 5 December 2012, <http://scribd.com/doc/116955007/Thayer-South-China-Sea-China-s-Trifecta> (Date of visit 30 October 2014)

⁵¹ Ha Van Ngoan, ‘The Thematic Report on the South China Sea: Bilateral Relations between Vietnam and China and Maritime Security’, presentation at a meeting of the Central Propaganda Committee of the Communist Party of Vietnam in Ho Chi Minh City, 2012.

into political isolation] and Tránh bị lệ thuộc chính trị với nước ngoài [*Trans: Avoid political dependence on foreign countries*] (this motto is to show the independence perspective of the Vietnamese);

“6 Ks”: Kiên quyết đấu tranh bảo vệ chủ quyền lãnh thổ [*Trans: Determined struggle to defend national territory*], Kiên định độc lập dân tộc và giữ vững chủ quyền toàn vẹn lãnh thổ [*Trans: Consistent manner in defending national independence, sovereignty and territorial integrity*], Khôn khéo: vừa đấu tranh ngăn cản, vừa tránh va chạm và tuyên truyền đặc biệt [*Trans: Skilful tactic of preventing military conflict and using special propaganda*], Không khiêu khích: tạo cơ hội cho nước ngoài đánh chiếm, gây xung đột [*Trans: No provocative manner which can create reasons for powers to cause conflict or invasion*]; Không mắc mưu khiêu khích (rơi vào bẫy âm mưu của nước ngoài) [*Trans: Not tricked by provocation, which can be drawn into the plot of powers*]; Không gây bất ổn, giữ vững an ninh, chủ quyền quốc gia [*Trans: Not cause instability, and maintain security and national sovereignty*].

With reference to the long-term impacts to Vietnam from Chinese and American interaction in Southeast Asia, Vietnam believes that China’s leaders will attempt to control the region in an effort to progress towards world hegemony, and that the US is trying to contain the rise of China. As Mao Zedong stated in August 1965 during a meeting of the Political Bureau:

We are bound to recover Southeast Asia, which includes South Vietnam, Thailand, Burma, Malaysia and Singapore. Southeast Asia is very rich in minerals and to recover it is worth all the efforts we make. This region will be advantageous to China’s future industrial development, and will make up for all the losses. The east wind will prevail over the west wind when we have recovered Southeast Asia.⁵²

Indeed, Chinese rulers regard Southeast Asia as a natural region for Chinese expansion, for they consider all the land, sea and islands there as their territories. Southeast Asia has a fertile soil, a large population and it is rich in natural resources. Moreover, with a sea route going from east to west and linking the North and South Pacific Oceans and the Indian Ocean, it occupies a strategic position in Asia. Once this region is under Chinese control, the Chinese rulers will be able to increase their strength and assume hegemony in Asia, then in the world. Furthermore, Southeast Asia is considered as more vulnerable to Chinese expansion because it is comprised of small countries, and there is no great power like the Soviet Union, Japan, or India.

⁵² Quoted in Vietnam Courier (ed), *Chinese Aggression Against Vietnam*, p. 9.

China has two potential advantages in this region: the large overseas community of Chinese residents, and the so-called “revolutionary” Maoist organisations.

By channelling Chinese aid into Southeast Asia, the Chinese use it as a their bargaining chip with the world powers, including the US and Japan.⁵³ Thus, with Southeast Asia being the location of Chinese strategic region calculations, Vietnam is involved in Chinese plans for expansion to the south. This is the long-term impact that Vietnam risks. Meanwhile, in the American ‘pivot to Asia,’ Vietnam also figures in the calculations of the US to engage and counter balance China. In the long-term, Vietnam’s national stability and security is endangered if caught between the two giants.

7.2.3 Direct and Indirect Impacts

A more direct impact that Vietnam is likely to suffer from the triangular relationship with China and the US is a direct Chinese threat in the territorial disputes as a message to Vietnam communicating China’s strong disapproval of deeper US-Vietnam security ties. Since the normalisation of relationships with the US in 1995, Hanoi is still cautious about boosting its defence cooperation with Washington in order not to offend China. Thayer determined that there are two major obstacles holding back US-Vietnam cooperation. One is the fear held by conservatives in the CPV about any American support for peaceful evolution that could result in a change in its political system from a one-party state into a pluralist democracy. The other is Vietnamese leaders’ concern that “moving too close to the United States will incur costs in Vietnam’s relations with China.”⁵⁴

Thus, Vietnam has to be very cautious in the triangular relationship with China and the US to be clear of the type of Chinese threat that is more direct and dangerous so that it may adopt suitable tactics. The territorial dispute with China in the South China Sea is currently Vietnam’s biggest diplomatic and security concern. Vietnamese overtures to Washington are the consequence of a lack of direct military threats from the US.

⁵³ Vietnam Courier (ed), *Chinese Aggression Against Vietnam*, pp. 9-10.

⁵⁴ Thayer, C.A., ‘Background Briefing: Vietnam: Conference on Relations with the U.S.’, 30 January 2015, *Thayer Consultancy*, pp. 1-3 at 2.

The indirect impacts on Vietnam stem from Chinese and American interactions in Southeast Asia with the risk of economic downturn and social instability. Vietnam may suffer from environmental problems if China and the US could not agree on gas emission targets to mitigate the impact of climate change. New environmental worries arise over the impact of China's efforts to supply its southern provinces with much needed power, often through dam construction on the Upper Mekong River that are felt downstream. China's growing influence in ASEAN also affects US interests in both Northeast and Southeast Asia. With Southeast Asia containing some of the busiest sea-lanes in the world, it is an overstatement to claim that the US response to Chinese action will have an impact on global strategic and economic stability. Between 1999 and 2000, China has conducted a low-level, systematic campaign to restore ties and improve relations with each ASEAN nation individually. In every ASEAN country, Beijing forged agreements to strengthen cooperation over a broad range of areas, including trade, defence, culture and tourism. By the close of the 1990s, all ASEAN countries had deeper ties with China.⁵⁵

Moreover, in order to deal with a possibly aggressive northern neighbour while maintaining a relationship with its former adversary that is carrying out a policy of engaging and counter-balancing China, Vietnam is modernizing its military capacity for national defence. Thus, the Vietnamese budget for military and defence will be at the expense of other sectors, such as education and health care, adding more risks and difficulties for Vietnamese social stability. According to Hiebert and Phuong Nguyen⁵⁶, between 2004 and 2013, Vietnam boosted its military spending by 113%, which is the largest increase among Southeast Asian countries. Vietnamese total military expenditure was US\$3.3 billion in 2012 and US\$3.4 billion in 2013. Hiebert and Phuong Nguyen notes that since 2011, Vietnamese defence spending has been enhanced after the CPV Central Committee issued a detailed 2011-2020

⁵⁵ Dalpino, C. and Lin, J., 'China and Southeast Asia: The Difference of a Decade', *Brookings Northeast Asia Survey*, Brookings Institution, Washington DC, 2002, pp. 77-90 at 77-79.

⁵⁶ Hiebert, M. and Phuong Nguyen, 'Vietnam Ramps Up Defense Spending, but Its Challenges Remain', *Asia Maritime Transparency Initiative*, 18 March 2015. Available at <http://amti.csis.org/vietnam-ramps-up-defense-spending-but-its-challenges-remain/> (Date of visit 15 August 2015)

maritime strategy.⁵⁷ Consequently, the protection of Vietnamese maritime sovereignty and economy are key national security pillars. The Vietnamese government sees its largest threat from maritime security, as Vietnam has a long coastline of 3,260 kilometres facing the South China Sea and 50% of its population live along the coast.

7.2.4 Implications

What should Vietnam do to move forward while walking between two giants? Vietnam's words and deeds will have practical effects for its national independence and freedom to protect national sovereignty, to preserve national security and to foster national development. Vietnam's creative diplomatic activity will be a test of how well it serves the nation.

Vietnam could project a better image of the country through a national reconciliation with the overseas Vietnamese communities. These communities were created after the fall of Saigon in 1975. South Vietnamese officials and military officers had fled abroad; others followed later as "boat people." Overseas Vietnamese have been (and are being) welcomed back should they choose to return, especially if they bring skills and capital that can benefit the country. National reconciliation in this case also means the reconciliation of different voices, viewpoints and experiences.

Last but not least, national reconciliation also means the reconciliation of internal economic conflicts, such as the issues of land ownership that are addressed through the constitution. Overall, national reconciliation covers the reunification of people at all levels, both domestic and overseas. All economic perspectives must ensure the sustainable development of the nation with a view to make Vietnam become the beloved homeland for all Vietnamese. In order to achieve this goal, Vietnam needs to follow the value system that all progressive peoples in this world are following: the value of liberalisation for social stability. This is the fundamental

⁵⁷ The following discussion is drawn from Hiebert, M. and Phuong Nguyen, 'Vietnam Ramps Up Defense Spending, but Its Challenges Remain', *Asia Maritime Transparency Initiative*, 18 March 2015. Available at <http://amti.csis.org/vietnam-ramps-up-defense-spending-but-its-challenges-remain/> (Date of visit 15 August 2015)

basis to boost domestic strength, and it would give a solid impetus to conduct its external affairs.⁵⁸

The result of such integration will be 90 million united Vietnamese, from the officials to the people, from the central to the rural to create the overall consensus for national security, stability and development. Sharing this viewpoint, Deputy Foreign Minister and Chairman of the State Committee for Overseas Vietnamese, Nguyen Thanh Son, told *Thanh Nien News* in an interview that it is essential to unify Vietnamese people from all over the world, as overseas Vietnamese play an important part in the country's development, and unification should include those who fled the country after the Vietnam War ended on 30 April 1975.⁵⁹ The past feelings about the communist government must be put aside so as to build up the trust that "the overseas Vietnamese play a really important role in contributing to the protection and development of the country."

Indeed, annual remittances from overseas Vietnamese could be worth as much as US\$20 billion annually, which is one-fifth of the country's GDP or equivalent to the trade value between Vietnam and Europe. There are over 400,000 people of Vietnamese descent working in leading agencies across the world in various sectors, such as space technology, economy, education and health.⁶⁰ The remittances from the Vietnamese community living abroad (*Viet Kieu*), most of whom reside in North America, Australia, Europe, South Korea and Japan, fluctuates due to changing economic conditions over different time periods. Between 1975 and 1990, the *Viet Kieu* sent back to Vietnam was at least between six and eight billion dollars. According to the World Bank, 2.2 million *Viet Kieu* generated more than US\$42.8 billion in total remittance inflows between 2000 and 2010. However, the global economic crisis significantly affected remittances, recorded at US\$6 billion in 2009, down from US\$6.8 billion in 2008. When the global economy recovered,

⁵⁸ Interview Luong Van Ke, Hanoi, 24 January 2013

⁵⁹ <http://www.thanhniennews.com/special-report/unity-of-vietnamese-people-vital-for-national-development-deputy-foreign-minister-2332.html> (Date of visit 26 March 2014)

⁶⁰ Ibid

remittances bounced back to US\$8.2 billion in 2010 and an estimated US\$8.7 billion in 2011.⁶¹

In terms of foreign affairs, Vietnam needs to place its national interests as the highest strategic objective of its foreign policy.⁶² Accordingly, Vietnam needs to be vigilant when the Chinese leadership, under the guise of communist ideology and socialist orientation, attempts to limit the capacity of Vietnamese leaders to respond to developing issues. Indeed, despite the depth of comprehensive strategic partnership between Vietnam and China, under the 16 golden words and four goods motto as discussed in earlier chapters, China's aggressive actions towards Vietnam in the South China Sea as well as the unbalanced trade relations with Vietnam have revealed a changeable Chinese behaviour towards its southern neighbour.

The Vietnamese people are fully aware of a difference in words and actions but feel China's real ambition is to turn Vietnam into a satellite or quasi-satellite state. Both the Vietnamese people and their leaders are aware of this risk, but the similar political system and socialist model of development have affected how Vietnamese leaders respond. This is a worrisome point as it affects the unity and solidarity of the Vietnamese people under the leadership of the elite. Above all, Vietnam needs to be very cautious about the ideological dominance from China.⁶³

Meanwhile, in the rapprochement with the US in security affairs, Vietnam also needs to be alert to the inherent problems of engaging on democracy and human rights, as this may weaken its control of the state by allowing hostile forces to undermine the leadership of the CPV.⁶⁴ As a result, Vietnam should strictly obey the guidelines in the Political Report adopted at the 11th National Congress of the CPV in 2011⁶⁵ that defined major defence and security objectives and tasks relating to these risks namely, (i) protecting national independence, sovereignty, territorial integrity, (ii) protecting the Party, State, People and the Regime, ensuring political

⁶¹ Welle-Strand, A., Vlaicu, M., and Tjeldvoll, A., 'Vietnam-A New Economic Dragon in Southeast Asia?', *Journal of Developing Societies*, 29(2), 2013, pp. 155-187 at 170.

⁶² Interview 7, Southeast Asian Government Official, 20 September 2012.

⁶³ Interview Luong Van Ke, 24 January 2013

⁶⁴ Interview 7, 20 September 2012.

⁶⁵ <http://chinhphu.vn/portal/page/portal/chinhphu/NuocCHXHCNVietNam/ThongTinTongHop/noidungvankiendaihoidang?categoryId=10000716&articleId=10038382> (Date of visit 15 August 2015)

stability, social order and security, as well as actively preventing and defeating any hostile attempts and activities to damage the state and (iii) readily responding to global non-traditional security challenges.⁶⁶ In general, national interests and benefits are the most crucial goals that Vietnam needs for national establishment and development.

Secondly, Vietnam needs to integrate fully into the regional and global community to create a smarter way of dealing with major powers. According to Pham Binh Minh, as Vietnam integrates into the international community, it must be aware of the need to satisfactorily settle relations between international integration and ensuring independence, self-reliance, a firm maintenance of national sovereignty and national strength.⁶⁷ If China continues its assertive manner in the South China Sea territorial disputes, Vietnam may be forced into a security partnership or strategic partnership with the US. Such a security partnership between Vietnam and the US could also mean partnership with NATO. Vietnam will therefore not establish a security alliance with any power that opposes a third power. However, it is the legitimate right of Vietnam to seek partnership, not to oppose a third country, but to defend its national interest and benefits.⁶⁸

Thirdly, Vietnam needs to enhance its motto of being a friend and reliable partner to all foreign countries. According to Hoang Binh Quan, Head of the Party Central Committee's External Relations Commission, Vietnam has now established diplomatic relations with more than 200 political parties in various countries, including over 100 communist and workers' parties and nearly 80 others involved in national parliaments.⁶⁹ As Vietnamese Prime Minister Nguyen Tan Dung stated:

Vietnam consistently persists with a foreign policy of independence, self-reliance, multi-lateralisation and diversification of external relations, being a friend and reliable

⁶⁶ Quoted in Tran Truong Thuy and Nguyen Minh Ngoc, 'Vietnam's Security Challenges: Priorities, Policy Implications and Prospects for Regional Cooperation', *Security Outlook of the Asia Pacific Countries and Its Implications for the Defense Sector*, pp. 93-112 at 95.

⁶⁷ Pham Binh Minh, 'Vietnam's External Relations in Renovation Period: Some Theoretical and Practical Issues', *Tap Chi Cong San*, 24 October 2014 (Date of visit 16 August 2015)

⁶⁸ Interview Luong Van Ke, January 2013

⁶⁹ Hoang Binh Quan, 'Important Contributions of Party External Affairs to Achievements in Foreign Policy of the 11th National Congress of the Communist Party of Vietnam', 6 August 2014. Available at <http://www.english.vietnamnet.vn> (Date of visit 31 March 2014)

partner to all nations, and a responsible member of the international community. Vietnam wishes, and has spared no efforts to build and deepen, strategic partnership and mutually beneficial cooperative partnership with other countries. It is also our desire to establish strategic partnerships with all the permanent members of the UN Security Council on the principles of independence, sovereignty, non-interference in internal affairs of each other, mutual respect, equal and mutual beneficial cooperation are committed to and seriously implemented.⁷⁰

Fourthly, Vietnam should continue the high value strategy of contributing to ASEAN as the principal regional multilateral organization. Accordingly, Vietnam needs to combine its national interests with regional interests. The interests of ASEAN are also Vietnam's interests; any benefits to ASEAN will be benefits to Vietnam. This is a smart combination of national power and regional power. Vietnam should contribute effectively to multilateral fora and regional mechanisms, as when ASEAN has become an attractive partner of foreign major powers, then Vietnam, as an active member of the organisation, can profit from the general benefits of regional cooperation.⁷¹ Ha Hoang Hop claimed "a united and strong ASEAN is a top priority in Vietnam's foreign policy."⁷²

Indeed, in the modern time of globalization and international integration, Vietnam should take advantage of its positive relationship with other major partners to deal with China and the US. For this, an active role inside ASEAN is crucial. By going alone in the relations with the US and China, a smaller nation like Vietnam is likely to suffer from disadvantages, but within ASEAN it will be more protected. Indeed, the triangle of Vietnam, China and the US means the dilemma between the rock and a hard place is in three dimensions. First, Vietnam is being squeezed as a small nation between two major powers. Second, Vietnam has been suffering difficulties with China, with which it shares a similar political system but is facing territorial disputes. Vietnam has also been suffering grievances with the US, with

⁷⁰ Nguyen Tan Dung's Shangri-La Dialogue 2013 Keynote Address, 'Building Strategic Trust for Peace, Cooperation and Prosperity in the Asia-Pacific Region', 1 June 2013. Available at <https://www.iiss.org/en/events/shangri-la-dialogue/archive/shangri-la-dialogue-2013-c890/opening-remarks-and-keynote-address-2f46/keynote-address-d176> (Date of visit 16 August 2015)

⁷¹ Interview 4, 6 May 2013.

⁷² Ha Hoang Hop, *More Changes Awaits Vietnam's Political Economy*, Trends in Southeast Asia No. 4, Institute of Southeast Asian Studies, Singapore, 2013, pp. 1-41 at 24

which it has the chance to upgrade its bilateral relationship but faces significant institutional differences. Third, Vietnam also suffers from the dilemma of the triangular relationship between ASEAN, China and the US.

As a result, Vietnam has considered ASEAN as a crucial regional organization for the exercise of influence and has concentrated on building ASEAN's role and position.⁷³ This approach is in line with the speech of the CPV General Secretary at the 28th diplomatic conference in Hanoi on 16 December 2013:

Viet Nam has played up its role as an active member of regional and global mechanisms. Our country has participated deeper and wider in Southeast Asia and Asia-Pacific linkages through such organizations and fora as ASEAN, the ASEAN Regional Forum (ARF), the Asia Pacific Economic Council (APEC) and East Asia Summit (EAS). Viet Nam joins eight bilateral and regional free trade agreements and is negotiating six other agreements including two biggest ever agreements, which are the Trans-Pacific Strategic Economic Partnership (TPP) and the Regional Comprehensive Economic Partnership (RCEP). Viet Nam has together with other member countries made active contribution to the process of building the ASEAN community and enhanced its position and profile in the regional community. For the second time, Viet Nam has officially stood for non-permanent member of the UN Security Council for the 2020 - 2021 term; is ready to host the 32nd International Parliamentary Union General Assembly in 2015 and the APEC Summit for the second time in 2017.⁷⁴

Vietnam needs to continue a smart balancing act in its relationship between China and the US. Vietnam should do its best to prevent the bilateral relationship between China and the US from becoming a rivalry. If there exists a strain in that relationship then Vietnam should act to ease the tension. This is because when the competition between China and the US becomes worse, it will create instability and insecurity in the region, meaning none can benefit from the situation. Vietnam should establish an equally close and equidistant relationship with both powers. Indeed, China is now the comprehensive strategic cooperative partner of Vietnam and this places China at the top of Vietnam's hierarchy of strategic partners. The

⁷³ Interview Do Son Hai, 19 September 2012

⁷⁴ Nguyen Phu Trong, Full Remarks at the 28th Diplomatic Conference with the theme "Proactive International Integration Diplomacy", Hanoi 16 December 2013. Available at Nguyen Phu Trong, 'External Relation Work Should Consider Fundamental and Long-term National Interests the Foundation', 8 May 2014, <http://en.vietnamplus.vn/Home/28th-Diplomatic-Conference-convenes-in-Hanoi/201312/43551.vnplus> (Date of visit 16 August 2015)

bilateral relationship with the US has also improved through a number of cooperative mechanisms.

Vietnam's good relationship with China has created a favourable foundation to have better bilateral ties with the US. Similarly, Hanoi's improved cooperation with Washington in economic, political, defence and security affairs has created a better stance for Vietnam to maintain its relationship with China. Above all, the relationship between Vietnam with both China and the US is a relation of complementary support. Vietnam should not choose between the US and China because it derives different types of benefits from both relationships. Vietnam should stick to its national interests and protect national benefits from boosting the bilateral ties with both China and the US.⁷⁵

Regarding the territorial disputes in the East Sea (South China Sea), Vietnam does need creative diplomacy when faced with direct pressure from China, and should take advantage of American support.⁷⁶ This is because if the disputes escalate, Vietnam is in a situation where internally it has to introduce more effective measures to protect national territorial integrity, maritime interests and the welfare of its people, while externally it has to avoid making the situation worse. The difficulty also lies in how to demonstrate a firm position on national interests to its people while trying not to be seen as adopting a confrontational approach to other claimants. Vietnam faces the dilemma of national defence by investing more in military capabilities to effectively support its claim without losing track of the priority for national economic development and incur the risk of causing suspicion or military conflict with other claimants.

Thus, Vietnam needs to show the world it is willing to resolve the territorial dispute in a positive manner. As Vietnam's Deputy Defence Minister Nguyen Chi Vinh affirmed:

Vietnam is a party among others to the dispute in the South China Sea. The policy of the Vietnamese state and that of Vietnamese national defence is consistently trying to resolve the dispute through peaceful means while resolutely defending sovereignty and territorial integrity based on international laws and forging greater friendship and

⁷⁵ Interview Hoang Anh Tuan, 13 February 2012.

⁷⁶ Interview 5, 6 May 2012.

understanding between Vietnam and neighbouring countries, including those concerned to the South China Sea.⁷⁷

Vietnam needs to carry out a skilful approach in dealing with China, especially with the US pivot to Asia placing a greater focus on Southeast Asia. The triangular relationship of China-ASEAN-US in the South China Sea is, for the time being, unbalanced, due to China's aggressive activities in the territorial disputes area and its domination in regional forums.

However, China's assertiveness is more temporary than permanent because if China continues to be aggressive then it is likely to lose more than it will win. China is facing the biggest loss in regional trust and confidence. The Chairman's Statement of the 26th ASEAN Summit clearly mentioned this:

We, the Head of State/Government of ASEAN Member States, gathered in Kuala Lumpur and Langkawi, Malaysia for the 26th ASEAN Summit on 26-27 April 2015. ...We share the serious concerns expressed by some leaders on the land reclamation being undertaken in the South China Sea, which has eroded trust and confidence and may undermine peace, security and stability in the South China Sea.⁷⁸

The other loss that China may suffer is the suspicion from the region's people and the world community about China's peaceful rise. It is clear that virtually all countries in the region and the major powers in the international community are looking at China's behaviour in the South China Sea as a test for its "peaceful rise" – will it be a state that obeys international law, or a rogue state with an attitude that it can bend and break rules as it sees fit?

According to Kemp⁷⁹, the South China Sea territorial disputes are originally long-festering disputes over sovereignty among the littoral states (principally China,

⁷⁷ Quoted in Nguyen Vu Tung, 'Vietnam's Security Challenges: Hanoi's New Approach to National Security and Implications to Defense and Foreign Policies', *Conference themed "Conflicting Claims to the South China Sea"*, held on March 25, 2010 at the Centre for Vietnamese Philosophy, Culture and Society, Temple University, PA, USA, pp. 107-122 at 117-118.

⁷⁸ Full text of Chairman's Statement of the 26th ASEAN Summit, Kuala Lumpur and Langkawi, 27 April 2015. Available at http://www.asean.org/images/2015/april/26th_asean_summit/Chairman%20Statement%2026th%20ASEAN%20Summit_final.pdf (Date of visit 16 August 2015)

⁷⁹ The following discussion is withdrawn from Kemp, J., 'South China Sea Disputes Test China's Peaceful Rise', *The Japan Times*, Tokyo, 31 May 2015. Available at

Vietnam and the Philippines but also involving Malaysia, Brunei and Indonesia) that have been transformed into a dangerous confrontation between major powers (China and the US). Kemp analysed that the South China Sea has become the most important testing ground for the Sino-American relationship as it raised a raw contest for power and influence between an incumbent superpower and an emerging one. This territorial dispute also raised the questions about whether states can be bound by the decision from international tribunals against their will. When the Philippines wanted China to go for the arbitration, China insisted it would not consent to the arbitrators' authority. In the case of Vietnam, China allowed the China National Offshore Oil Corporation (CNOOC) to announce that the company would open foreign bids for nine oil and gas blocs located deep within Vietnam's continental shelf and overlap lots 128 to 132 and 145 to 156 where PetroVietnam has been operating for a long time.⁸⁰ It shows Beijing's disregard for international law.

Creative diplomacy by Vietnam can help resolve its territorial disputes with China, with a view of winning support from regional states and the international community. Domestically, there has been growing discontent in Vietnam over Chinese intrusions into the South China Sea. However, the government's prohibition of public demonstration on these matters and the arrest or jail sentences given to anti-Chinese demonstrators or protestors have shown Vietnam's intention to attempt a peaceful resolution to the territorial disputes that is based on international law, especially the 1982 United Nations Convention on the Law of the Sea (UNCLOS).⁸¹ There have been constant diplomatic attempts by Vietnam to prove its legal and historical claims to the islands to the international community. Vietnam's passing of

<http://www.japantimes.co.jp/opinion/2015/05/31/commentary/world-commentary/south-china-sea-disputes-test-chinas-peaceful-rise/#.VdAnvF4xHFI> (Date of Visit 16 August 2015)

⁸⁰ 'Vietnam Lawyers Up in Arms at Chinese Bid Invitation', VNA, 29 June 2012. Available at http://www.vnconsul-osaka.gov.vn/en/news_object_view?newsPath=/vnemb.vn/tin_hddn/ns120629042810 (Date of Visit 16 August 2015)

⁸¹ Ha Hoang Hop, *More Changes Awaits Vietnam's Political Economy*, Trends in Southeast Asia No. 4, Institute of Southeast Asian Studies, Singapore, 2013, pp. 1-41 at 25-26

the Sea Law to protect its sea and islands in Vietnam's 13th National Assembly session is a step towards ensuring its sovereignty over the islands.⁸²

In dealing with the “soft invasion” of the Chinese in the South China Sea territorial disputes, Vietnam needs to learn from China on how to harness the patriotism of the people in protecting national territory. China did not use naval or military forces, so Vietnam cannot respond militarily. Vietnam needs to expend funds on maintaining patriotic citizens to live in the islands day and night to protect the territory. One official noted that this is with a historically proven strategy of leaning on the people and raising their patriotism, which can result in national solidarity to protect the motherland.⁸³ Thayer has argued regional states should undertake an initiative to hold Senior Official-level discussions on the UNCLOS so as to further clarify unclear or disputed problems, such as the claims to extended continental shelves and the presence of foreign military vessels in another country's EEZ. He proposed the use of regional security mechanisms in the Asia-Pacific or in East Asia.⁸⁴

Finally, more research is required on Vietnam's international relations to develop thorough policy strategies and practical approaches in dealing with major powers. Vu Khoan argued that a deep and comprehensive assessment of the world situation is essential to map out a grand strategy and to reorganize a contingent of external relations researchers under unified leadership. In the common strategy, studies about great powers' policies and Vietnam's position in their calculations should be attempted, so as to deal with the question of which threat is the most direct and worrisome.⁸⁵ Such research will create the foundation for appropriate countering

⁸² Interview Le Minh Thong, Vice Chairman of the National Assembly's Committee for Legal Affairs, Hanoi, Vietnam, 25 September 2012.

⁸³ Interview Luong Van Ke, 24 January 2013.

⁸⁴ Thayer, C.A., ‘Recent Development in the South China Sea: Implications for Peace, Stability and Cooperation in the Region’, *East Sea (South China Sea) Studies*, 24 March 2011, <http://southchinaseastudies.org/en/conferences-and-seminars-/510-recent-developments-in-the-south-china-sea-implications-for-peace-stability-and-cooperation-in-the-region-by-carlyle-a-thayer> (Date of visit 2 April 2014)

⁸⁵ Vu Khoan, ‘Current International Status-quo and Challenges to Vietnam’, *Tap chi Cong san [The Communist Review]*, 30/6/2013, <http://english.tapchicongsan.org.vn/Home/PrintStory.aspx?distribution=362&print=true> (Date of visit 31 March 2014)

measures to be identified to safeguard national interests. Accordingly, territorial sovereignty and integrity should be linked to peace, stability and external relations. On that basis, Vietnam needs to be persistent in its policy of independence and self-reliance and to maintain a policy of multi-lateralisation and diversification to take advantage of the support and assistance of the broad international community. Vietnam is intrinsically connected with regional and global trade. An in-depth understanding of the world's situation is an indispensable condition for defining national tasks.⁸⁶

The dissertation's conclusions will recapitulate the main points: the recommendations of win-win approaches in foreign policy to manage the triangular relations of Vietnam between China and the US; the proposal to keep ASEAN centrality to retain balance of powers, and the smart balancing strategy of Vietnam to move forward.

⁸⁶ Nguyen Duc Hung, 'Vietnam's options during international trend', *Communist Review*, 14/11/2013, <http://english.tapchicongsan.org.vn/Home/Vietnam-on-the-way-of-renovation/2013/389/Vietnams-options-during-international-integration-trend.aspx> (Date of visit 1 April 2014)

CHAPTER 8. CONCLUSION

Since 1991, Southeast Asia has risen in importance in the triangular relationship with China and the US. This dissertation has examined the position of the Southeast Asian region and especially Vietnam within this triangular relationship to propose policy responses to issues that have multilateral and bilateral implications. On that basis, the dissertation has argued that Vietnam has not adopted a strategy of aligning closer to the US to counter China, and that a win-win solution is the most beneficial approach for all parties in any interactions with China and the US in Southeast Asia during the Post-Cold War era.

In the world today, despite its hegemony, the US has to recognize its inability to resolve global affairs unilaterally. By the end of the first decade of the twenty-first century, its hegemony was challenged by the combined efforts of China and, to a lesser extent, India, Brazil and a resurgent Russia. US global power has been negatively affected after its failure in 1994 to use trade as leverage in improving China's human rights record, and two very costly wars in Afghanistan and Iraq between 2002 and 2014. Despite American concerns, India, Pakistan, North Korea and Iran continue to develop nuclear weapons. The expenses of the wars in Iraq and Afghanistan coupled with the Global Financial Crisis (GFC) impacted globally, including Southeast Asia.¹

Thus, in the atmosphere of a relatively declining US and a rising China, the position of the region in general, and Vietnam in particular, has been calculated against this great power rivalry and the two major powers' strategic tactics. The Southeast Asian region has strategic importance as a bridge between the Indian and Pacific Ocean with vital sea-lanes that give China, Japan and the US access to the Middle East and the eastern coast of Africa.² In addition to its geographical significance, the main regional organisation of Southeast Asia, ASEAN, holds

¹ Yahuda, M.B., *The International Politics of the Asia-Pacific*, Routledge, London and New York, 2011, pp. 182-183.

² 'Southeast Asia: Heartland of Our Times', <http://www.asean.org/news/item/southeast-asia-heartland-of-our-times> (Date of visit 15 April 2014)

importance for major powers. ASEAN has achieved significant success in creating regional unity and solidarity against interference from outside powers. ASEAN has managed to avoid military conflict among its member states, despite rivalries, inter-ethnic tensions that cross national boundaries, and border disputes. It has also continued to be a successful diplomatic community acting as convenor, facilitator and regional architect for many regional groups involving the great powers, notably ARF, ASEAN+3, EAS, ADMM Plus and the EAMF (Enlarged ASEAN Maritime Forum).³

In terms of trade, Southeast Asia is beneficial to the US economy. As the US deepens its engagement with Asia, the ten Southeast Asian nations of ASEAN are prominent on its policy horizon. With a dynamic economy and nearly 600 million people located at the crossroads of huge markets, it straddles critical shipping lanes and controls substantial agricultural, mineral and energy resources. As a region it is strategically and economically significant. ASEAN is an emerging economic powerhouse. Its GDP exceeds US\$2 trillion (3% of world GDP) and is likely to grow at an average rate of 6% for the next two decades. After the Asian financial crisis of 1997-1998 and the GFC from 2008 to 2009, FDI inflows rebounded to a record US\$76 billion in 2010, exceeding flows into India and closing in on China. ASEAN is a major US trade partner in several important products. For example, the US exports 15% of its electrical equipment to Southeast Asia, especially the main markets of Singapore, the Philippines and Thailand. ASEAN exports mainly rice, apparel, footwear and manufactured goods. Vietnam is the second largest supplier of footwear to the US behind China.⁴

From China's perspective, Southeast Asia is viewed as a region within its sphere of influence and a potential market for its goods. Since the end of the Cold War, Chinese interest in Southeast Asia can be seen in three distinct phases. It started with normalisation of ties with each Southeast Asian nation from 1990 to the Asian Financial Crisis in 1997. This phase was followed by economic cooperation from 1997 to 2009. Since 2009, China has deepened its strategic partnership with ASEAN.

³ Yahuda, M.B., *The International Politics of the Asia-Pacific*, Routledge, London and New York, 2011, p.214

⁴ Petri, P.A. and Plummer, M.G., *ASEAN Centrality and the ASEAN-US Economic Relationship*, Policy Studies no. 69, East West Center, Honolulu, 2013, pp. 1-45 at 1-3.

China is now ASEAN's largest trading partner and ASEAN is China's fourth-largest trading partner.⁵ Among ASEAN members, Vietnam plays a crucial strategic role in the region amid Sino-American interactions in the region. Geographically, Vietnam's S-shaped coastline provides an easy access linking maritime and continental Southeast Asia. This position has made Vietnam an attractive destination of both China and the US. Through its economic reforms, Vietnam can deal with ambitious global powers from a position of independence and relative strength.

Continuing rivalry between China and the US offers both risks and rewards to the leaders in Hanoi, as the world's two most powerful countries seek deeper strategic and economic influence in Southeast Asia. Chinese Premier Li Keqiang's visit to Hanoi highlighted the importance of the Vietnam-China bilateral relationship:

China and Vietnam are linked by mountains and rivers, with cultural affinity, the same political system and in-depth development of exchanges and cooperation in all fields....Both sides agreed, based on enhancing political mutual trust and consolidating traditional friendship, to properly manage and control differences, not to let the South China Sea issue interfere with the big picture of bilateral cooperation, to effectively implement the consensus reached between both sides and to push the working group for consultations on joint maritime development and other cooperation mechanisms to make substantive progress as soon as possible, so as to promote bilateral practical cooperation in all fields, to implement the spirit of 'good neighbors, good friends, good comrades and good partners' and to bring tangible benefits to the people of the two countries and of the region.⁶

Meanwhile, Washington is also eager to bring Vietnam more firmly into its strategic Asian orbit. Despite the Vietnam War, Washington arguably has history on its side because for most of Vietnam's history, neighbouring China has been its most fearsome enemy. Vietnam can utilize its geopolitical advantage in the rising

⁵ Cao, Y.H. and Chen, J.R., *Changing Southeast Asia: The Role of China, the United States, Japan and ASEAN*, Asia Paper, Institute for Security and Development Policy, 2011, pp. 1-33 at 7-8.

⁶ Premier Li Keqiang Meets with General Secretary of the Communist Party of Vietnam (CPV) Central Committee Nguyen Phu Trong, Stressing to Consolidate China-Vietnam Traditional Friendship and to Push Forward Bilateral Comprehensive Strategic Cooperative Partnership to a New Height, 15 October 2013. Available at http://www.fmprc.gov.cn/mfa_eng/topics_665678/lkqzlcxdyldrxlhy_665684/t1090184.shtml (Date of visit 16 August 2015)

competition for influence between China and the US.⁷ The Americans worry about Chinese expansion and from historical experiences, they know Vietnam has been the biggest barrier against Beijing's southward drive.⁸ Indeed, Vietnam is considered as a testing ground for China's ambitions to the south in its global strategy.

Following modern economic reform in China and *Doi moi* (renovation) in Vietnam, both nations have continued their transitional path to a market-oriented economy putting industrialization and trade issues at the forefront, with territorial disputes generally left on the back burner. The year 2010 marked the 60th anniversary of the establishment of Sino-Vietnamese diplomatic ties with official normalization of relations being in place in the 1990s. China and Vietnam will remain intertwined because of geographic, economic and political realities.⁹

The dissertation has asked whether Vietnam has responded to the rise of China and Chinese aggression in the South China Sea by aligning itself with the US. Based on interviews the author conducted with 28 Southeast Asian government officials, the conclusion is that Vietnam is engaged in a balancing act. It is not getting closer to the US or China.

Although the US has security commitments to Asia and plays a role as a counterweight to China that is welcomed by ASEAN, ASEAN and China share important principles in their thinking about international relations, and China is both more active and more influential in the sphere of multilateral cooperation. ASEAN and the US have clashed on human rights issues on many occasions. Although ASEAN appreciates the US contribution to regional stability, the moral advice that it comes with is not appreciated.¹⁰ Vietnam is an active member of ASEAN, but an approach that favours either China or the US is not seen as a responsible regional foreign policy. Vietnam's foreign direction has tended towards multilateralism and

⁷ O'Reilly, B., 'China-Vietnam: more carrot, less stick', Asia Times, October 22, 2013. Available at http://www.atimes.com/atimes/Southeast_Asia/SEA-01-221013.html (Date of Visit 23 April 2014)

⁸ Chanda, N., 'The Slow Rapprochement', American Review. Available at <http://americanreviewmag.com/stories/The-slow-rapprochement> (Date of visit 24 April 2014)

⁹ McCornac, D.C., 'Vietnam's Relations with China: A delicate Balancing Act', China Research Center. Available at <http://www.chinacenter.net/vietnams-relations-with-china-a-delicate-balancing-act/> (Date of visit 25 April 2014)

¹⁰ Egberink, F. & Putten, F.P.V.D., 'ASEAN, China's Rise and Geopolitical Stability in Asia', *Netherlands Institute of International Relations*, 2011, pp. 1-64 at 31.

diversification. This means Vietnam wishes to cooperate with China, the US and other powers in defence and other sectors, while still retaining a sense of dynamic balancing: a maxim might be “keep them all equally close and equally distant.” ASEAN states can achieve maximum benefit if China and the US interact with each other in a cooperative manner, rather than engage in rivalry.

Any time China moves aggressively, Vietnam finds itself in a more precarious position. If the Vietnamese government is to continue to be successful in maintaining a balance, it must avoid close alignment with one country at the expense of ties with the other. This is a unique time in Vietnam’s history when it is unified with enough economic and political conditions to stand up to China in the region, though whether it will be successful in the long-term remains to be seen. Given the past history of both nations and in an effort to engage in global economic integration, Vietnam is pursuing a foreign policy of having “more friends, fewer enemies.” Stable, normalized economic and military relations with both China and the US are the current state of affairs. Vietnam has also placed an emphasis on general global integration, and this has resulted in political and economic engagement with a wider range of countries that is aimed at countering the influence of Beijing in the region.¹¹ This is the Vietnamese foreign policy of independence and self-resilience with multilateralism and diversification of diplomatic relations for national security and development amid the strategic calculation of major powers.

As a result, the claim that Vietnam is getting closer to the US to counter balance China is not persuasive. It is more the case that Vietnam is engaging multilaterally with as many states as it can. China is a large market and it is a source of financial assistance and a model of development for Vietnam.¹² Only when Washington and Beijing achieve a bearable approach towards one another in both the cooperative and competitive dimensions can bilateral ties between them achieve a win-win solution for all parties, including Vietnam. A devastating war between the two great powers is not likely to happen; if it does it will be a worst case scenario, as it is a disaster for all concerned parties, and Vietnam is no exception. On the other

¹¹ McCornac, D.C., ‘Vietnam’s Relations with China: A delicate Balancing Act’, China Research Center. Available at <http://www.chinacenter.net/vietnams-relations-with-china-a-delicate-balancing-act/> (Date of visit 25 April 2014)

¹² McCornac, ‘Vietnam’s Relations with China: A delicate Balancing Act’.

hand, if China and the US can handle the bilateral relationship in a cooperative manner, Vietnam in particular and Southeast Asia in general can gain more advantages and benefits.

So far the main response of the Southeast Asian countries to China's rise has been to encourage the US, Japan and India to remain involved in the region and to foster strong bilateral relations with China at the same time. The downside of this approach is that should China's relations with one or more of the other powers deteriorate, then the neutrality and relative unity of Southeast Asia could be at risk. A conflict among the great powers would also affect the economic prosperity of Southeast Asian nations. Therefore, ASEAN's direct interest to moderate relations between the region's great powers will test its best abilities.¹³ Balancing in a dynamic manner between China and the US is the best solution for regional nations, including Vietnam, amid the dilemma of sitting between the global power and the regional giant.

On the basis of an empirical analysis presented on the importance of Southeast Asia and Vietnam from Sino-American relations in Southeast Asia in the post-Cold War era, the author proposes policies for the region and Vietnam as to how to maximise the regional and individual benefits while mitigating the risks of rivalry between the two major powers. Regionally, ASEAN centrality is the key to solving the dilemma of regional countries while sitting between a global superpower and a regional power. ASEAN members are now increasingly stable and politically confident with the enhancement of ASEAN centrality in regional and global decisions. This new centralised approach requires coordination of members to further common interests. It is often seen as a benchmark for the region's external relationships, especially with partners like the US. Cooperation among ASEAN countries, following on the heels of serious conflicts among them, has already paid large dividends by generating political stability. In turn, stability has provided a platform for economic development and productive engagement with larger foreign powers. Consequently, ASEAN centrality can act in a positive manner for regional nations in dealing with the Sino-American interactions in Southeast Asia.

¹³ Egberink, F. and Van der Putten, F.P., 'ASEAN, China's Rise and Geopolitical Stability in Asia', Clingendael Paper No. 2, Netherlands Institute of International Relations, 2011, pp. 1-64 at 4.

Objectively, dynamic balancing is another solution for Southeast Asian states to get maximum advantages from both major powers. This is also the responsibility of regional nations to make efforts to nurture the relationship of China and America in the region so as not to be drawn into strategic rivalry. For Vietnam, the dissertation argues there are internal and external implications to avoid being squeezed between China and the US. Domestically, it is vital for Vietnam to consolidate its comprehensive strength that has derived from national independence and reconciliation. Externally, Vietnam needs to continue to stick to completing and developing the renewal direction approved during the 11th National Congress of the CPV with national interest as the highest priority. In order to maximise state benefits, Vietnam needs to fully integrate into the regional global economy, community and society under the motto of “being a friend and reliable partner of all foreign countries.” Simultaneously, Vietnam should contribute actively and pro-actively to the regional mechanism of ASEAN for regional strength against foreign invasion or interference.

Finally, Southeast Asia (and especially Vietnam) is gathering both rewards and risks with pros and cons in the triangular relationship with China and America. The important feature is how Vietnam and other Southeast Asian states will deal with the dynamic situation to be well adapted and responsive in a practical and positive manner.

This dissertation has covered the critical 24 years from 1991 to 2015 in the post-Cold War era to provide an analysis of the triangular relationship of Vietnam between China and the US in the context of Southeast Asia. During this timeframe, Vietnam normalised its diplomatic relationships with both major powers and then developed its separate bilateral relations with the two giants in a pro-active manner. Dynamic balancing kept both equally close and equally distant while maintaining a practical approach to enhance cooperation for national security and development. Smart and creative diplomacy in addressing issues in its foreign relations can enhance Vietnam’s future security. A sense of unity with other ASEAN states to build and strengthen ASEAN as the key regional mechanism will further boost Vietnam’s friendship and partnership to gain regional and international support for its claims in the South China Sea territorial disputes. A win-win solution can be achieved as long as the major powers of China and the US approach the relationship

in a measured and constructive manner. If they do, Vietnam and other regional states can benefit from a more stable regional environment as they continue to develop economically. This will lead to an enhanced security environment for Southeast Asia, which would be of benefit to all states and peoples.

BIBLIOGRAPHY

I. Primary Sources

Official Statements

Chairman's Statement, 26th ASEAN Summit, Kuala Lumpur and Langkawi, 27 April 2015. Available at http://www.asean.org/images/2015/april/26th_asean_summit/Chairman%20Statement%2026th%20ASEAN%20Summit_final.pdf (Date of visit 16 August 2015)

President Barack Obama of the United States of America and President Truong Tan Sang of the Socialist Republic of Vietnam, joint statement issued on 25 July 2013. Available at <https://www.whitehouse.gov/the-press-office/2013/07/25/joint-statement-president-barack-obama-united-states-america-and-preside> (Date of visit 2 August 2015)

China-U.S. Join Statement, Washington, 29 October 1997, <http://www.china-embassy.org/eng/zmgx/zysj/jzxfm/t36249.htm> (Date of visit 26 July 2015)

The Declaration of Independence: A Transcription', *The Unanimous Declaration of the Thirteen United States of America, In Congress*, 4 July 1776. Available at http://www.archives.gov/exhibits/charters/declaration_transcript.html (Date of visit 25 August 2015)

U.S.-China Joint Statement, The White House, 19 January 2011, <https://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement> (Date of visit 26 July 2015)

Thong cao chung Vietnam – Trung Quoc nam 1991 [Trans: Vietnam-China Joint Declaration 1991], Beijing, China, 10 November, 1991. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

Thong cao chung Vietnam – Trung Quoc nam 1994 [Trans: Vietnam-China Joint Declaration 1994], Hanoi, Vietnam, 22 November 1994. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

Thong cao chung Vietnam – Trung Quoc nam 1995 [Trans: Vietnam-China Joint Declaration 1995], Beijing, China, 2 December 1995. Available at <http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?to>

pic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

Thong cao chung Vietnam – Trung Quoc nam 2002[Trans: Vietnam-China Joint Declaration 2002]. Available at http://123.30.190.43:8080/tiengviet/tulieuvankien/tulieuvedang/details.asp?topic=168&subtopic=463&leader_topic=981&id=BT25121252011 (Date of visit 2 August 2015)

Annual Report

Bao cao Chinh tri cua Ban Chap hanh TW Dang khoa X tai Dai hoi Dai bieu Toan quoc lan thu XI cua Dang [Trans: Political Report of the 10th CPV Central Executive Committee at the 11th National Congress], <http://chinhphu.vn/portal/page/portal/chinhphu/NuocCHXHCNVietNam/ThongTinTongHop/noidungvankiendaihoidang?categoryId=10000716&articleId=10038382> (Date of visit 15 August 2015)

Quadrennial Defense Review Report, 30 September 2001, <http://defense.gov./pubs/qdr2001.pdf> (Date of visit 25 July 2015)

USCC, *2014 Report to Congress of the U.S.-China Economic and Security Review Commission*, Washington, November 2014.

Interviews

Cu Chi Loi, Director General of the Vietnam Institute of Americas Studies, Vietnam Academy of Social Sciences, Hanoi, Vietnam, 18 September 2012.

Do Son Hai, Head of International Politics and Vietnam Diplomacy, Diplomatic Academy of Vietnam, Ministry of Foreign Affairs, Hanoi, Vietnam, 19 September 2012.

Do Tien Sam, Director General of the Institute for Chinese Studies, Vietnam Academy of Social Sciences, Hanoi, Vietnam, 19 September 2012.

Hoang Anh Tuan, Director General of the Institute for Foreign Policy and Strategic Studies, Ministry of Foreign Affairs, Hanoi, Vietnam, 13 February 2012.

Le Khuong Thuy, Head of International Studies, Vietnam Institute of Americas Studies, Vietnam Academy of Social Sciences, Hanoi, Vietnam, 19 September 2012.

Le Minh Thong, Member of Vietnam National Assembly (Parliament), Vice-Chairman of the Law Committee, Hanoi, Vietnam, 25 September 2012.

Luong Van Ke, Head of Europea Studies, Faculty of International Studies, Hanoi, Vietnam 24 January 2013.

Nguyen Hong Thach, Director General, Department of General Political Affairs, The CPV Central Committee's Commission for External Relations, Hanoi, Vietnam, 21 September 2012.

Nguyen Nam Duong, Assistant Director General, Institute for Foreign Policy and Strategic Studies, Diplomatic Academy of Vietnam, Hanoi, Vietnam, 8 October 2012.

Nguyen Thai Yen Huong, Vice President of the Diplomatic Academy of Vietnam, Diplomatic Academy of Vietnam, Hanoi, Vietnam, 8 October 2012

Ta Minh Tuan, Visiting Professor, Diplomatic Academy of Vietnam, Hanoi, Vietnam, 22 September 2012.

Marzuki Alie, The 14th Speaker of the House of Representatives of the Republic of Indonesia, Jakarta, Indonesia, 12 June 2012.

Siswo Pramono, Director Centre of Policy Analysis and Development for Asia Pacific and Africa Regions, Ministry of Foreign Affairs., Jakarta, Indonesia, 11 April 2012.

Hazairin Pohan, Head of Centre for Education and Training, Ministry of Foreign Affairs, Jakarta, Indonesia, 12 April 2012.

Chalermphanupap Termsak, Director of Political and Security Directorate, ASEAN Political and Security Community Department, ASEAN Secretariat, Jakarta, Indonesia, 12 April 2012.

Caballero Anthony Mely, Director of External Relations, External Relations Directorate, ASEAN Political and Security Community Department, ASEAN Secretariat, Jakarta, Indonesia, 12 April 2012.

Pitono Purnomo, Director General, Head of Policy Analysis and Development Agency, Ministry of Foreign Affairs, Indonesia (Former Ambassador of Indonesia to Vietnam), Jakarta, Indonesia, 11 June 2012.

Rizal Sukma, Executive Director, Centre for Strategic and International Studies, Jakarta, Indonesia, 27 November, 2012.

Ikrar Nusa Bhakti, Research Centre for Political Studies, Indonesian Institute of Science, Jakarta, Indonesia, 27 November 2012.

Bantarto Bandoro, Post-Graduate School of Defence Strategy, Indonesian Defence University, Jakarta, Indonesia, 27 November 2012.

Hariyadi Wirawan, Department of International Relations, Faculty of Social and Political Sciences, University of Indonesia, Jakarta, Indonesia, 28 November 2012.

Speeches and remarks

President Barack Obama of the United States, remarks at the US-China Strategic and Economic Dialogue, Washington DC, United States, 27 July 2009. Available at <https://www.whitehouse.gov/the-press-office/remarks-president-uschina-strategic-and-economic-dialogue> (Date of visit 2 August 2015)

President Barack Obama of the United States, remarks in the Australian Parliament, Canberra, Australia, 17 November 2011, <https://www.whitehouse.gov/the-press-office/2011/11/17/remarks-president-obama-australian-parliament> (Date of visit 7 July 2015)

President Barack Obama of the United States and President Xi Jinping of the People's Republic of China, remarks before Bilateral Meeting at Sunnylands Retreat, Palm Springs, United States, 7 June 2013, <https://www.whitehouse.gov/the-press-office/2013/06/07/remarks-president-obama-and-president-xi-jinping-peoples-republic-china-> (Date of visit 26 July 2015)

President Barack Obama of the United States and CPV General Secretary Nguyen Phu Trong, remarks made in the Oval Office of the White House, Washington DC, United States, 7 July 2015. Available at <https://www.whitehouse.gov/the-press-office/2015/07/07/remarks-president-obama-and-general-secretary-nguyen-phu-troznng-vietnam>, (Date of visit 2 August 2015)

Secretary of Defense Donald H. Rumsfeld of the United States, remarks at Shangri-La Hotel, Singapore, 3 June 2006, <http://www.defense.gov/Speeches/Speech.aspx?SpeechID=11> (Date of visit 16 July 2015)

President George W. Bush of the United States, remarks made following a meeting with Prime Minister Nguyen Tan Dung of Vietnam, 24 June 2008. Available at <http://www.presidency.ucsb.edu/ws/?pid=77588> (Date of visit 2 August 2015)

Secretary of State Hillary Clinton of the United States speech at the celebration of the 15th Anniversary of US-Vietnam Relations, Hanoi, Vietnam, 22 July 2010, <http://www.state.gov/secretary/20092013clinton/rm/2010/07/145064.htm> (Date of visit 2 August 2015)

Secretary of State Hillary Clinton of the United States, speech at the National Convention Center, Hanoi, Vietnam, 23 July 2010, <http://m.state.gov/md145095.htm> (Date of visit 25 August 2015)

Secretary of State Hillary Clinton of the United States with Chinese Foreign Minister Yang Jiechi, remarks made at the Great Hall of the People, Beijing, China, 5 September 2012,

<http://www.state.gov/secretary/20092013clinton/rm/2012/09/197343.htm>
(Date of visit 26 July 2015)

Secretary of State Hillary Clinton of the United States with Vietnam Deputy Prime Minister and Foreign Minister Pham Gia Khiem, remarks at Government Guest House, Hanoi, Vietnam, 22 July 2010, <http://www.state.gov/secretary/20092013clinton/rm/2010/07/145034.htm>
(Date of visit 25 August 2015)

Vietnamese Declaration of Independence, Hanoi 2 September 1945. Available at 'Tuyen ngon doc lap nuoc Vietnam Dan chu Cong Hoa', 31 August 2007, <http://tuoitre.vn/tin/theo-guong-bac/20070831/tuyen-ngon-doc-lap-nuoc-vietnam-dan-chu-cong-hoa/217980.html> (Date of visit 26 August 2015)

President Hu Jintao of the People's Republic of China, speech at the BFA Annual Conference 2004, Boao, China, 24 April 2004, <http://www.china.org.cn/english/features/93897.htm> (Date of visit 6 July 2015)

Secretary of State John Kerry of the United States at the Joint Opening Session with Vice President Joe Biden, Chinese Vice Premier Liu Yandong, Chinese Vice Premier Wang Yang, Secretary of Treasury Jack Lew and Chinese State Councilor Yang Jiechi, remarks made during the US-China Strategic and Economic Dialogue/Consultation on People-to-People Exchange, Washington, DC, 23 June 2015, <http://www.state.gov/secretary/remarks/2015/06/244120.htm> (Date of visit 26 July 2015)

Prime Minister Nguyen Tan Dung of Vietnam, 'Building Strategic Trust for Peace, Cooperation and Prosperity in the Asia-Pacific Region', keynote address at the 14th Asia Security Summit, IISS Shangri-La Dialogue, Singapore, 1 June 2013, <https://www.iiss.org/en/events/shangri%20la%20dialogue/archive/shangri-la-dialogue-2013-c890/opening-remarks-and-keynote-address-2f46/keynote-address-d176> (Date of visit 16 August 2015)

CPV General Secretary Prime Minister Nguyen Phu Trong of Vietnam, remarks at the 28th Diplomatic Conference with the theme "Proactive International Integration Diplomacy", Hanoi 16 December 2013. Available at Nguyen Phu Trong, 'External Relation Work Should Consider Fundamental and Long-term National Interests the Foundation', <http://en.vietnamplus.vn/Home/28th-Diplomatic-Conference-convenes-in-Hanoi/201312/43551.vnplus> (Date of visit 16 August 2015)

President William J. Clinton of the United States, 'Remarks Announcing the Normalization of Diplomatic Relations With Vietnam', 11 July 1995. Online by Gerhard Peters and John T. Woolley, *The American Presidency Project*.

<http://www.presidency.ucsb.edu/ws/?pid=51605> (Date of visit 15 August 2015).

Vice-President Xi Jinping of the People's Republic of China, 'Remarks by H.E. Xi Jinping, Vice President of the People's Republic of China At Reception Marking 20th Anniversary of China-Singapore Diplomatic Relations', Singapore, 15 November 2010, <http://english.sccci.org.sg/Download.cfm?DObjID=2913&Mode=1&FN=/20101115%20Remarks%20by%20HE%20Xi%20Jin%20Ping%20at%20Lunch%20organised%20by%20SCCCI%20%28English%29.pdf> (Date of visit 26 July 2015)

President Xi Jinping of the People's Republic of China, speech at the Indonesian Parliament, Jakarta, Indonesia, 2 October 2013, http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm (Date of visit 24 August 2015)

II. Secondary Sources

Newspaper Articles and Websites (known authors)

Amer, R., 'Vietnam's Relations with China-A Multifaceted Partnership', China Policy Institute Blog, 17 March 2014, <http://blogs.nottingham.ac.uk/chinapolicyinstitute/2014/03/17/vietnams-relations-with-china-a-multifaceted-partnership/> (Date of visit 3 January 2015).

Arbuthnot, F., 'The Neocons' Project for the New American Century: "American World Leadership" – Syria next to pay the Price', 20 September 2012, <http://www.globasearch.ca/the-neocons-project-for-the-new-american-century-american-world-leadership-syria-next-to-pay-the-price/5305447> (Date of visit 6 October 2014).

Auslin, M., 'Why U.S. Should Embrace Vietnam?', *The Diplomat*, 12 April 2012, <http://thediplomat.com/2012/04/why-u-s-should-embrace-vietnam/> (Date of visit 6 July 2015)

Bower, E.Z., 'In Asia, the US Should Look beyond China and India', *The Christian Science Monitor*, 03 May 2010, <http://www.csmonitor.com/Commentary/Opinion/2010/0503/In-Asia-the-US-should-look-beyond-China-and-India> (Date of visit 5 January 2014)

Cabras, M.D. 'China-US Competition to Lead Asian Development', *The European Strategist: International Affairs from a European Perspective*, 20/11/2011, <http://www.europeanstrategist.eu/2011/11/china-u-s-zycompetition-to-lead-asian-development/> (Date of visit 20 August 2013)

- ‘China and America in Southeast Asia: Dance of the Giants’, *The Economist*, 21 November 2011, <http://www.economist.com/blogs/analects/2011/11/china-and-america-south-east-asia> (Date of visit 20 August 2013)
- Delisle, J., ‘9/11 and US-China Relations’, *Foreign Policy Research Institute E-notes*, 2011, <http://www.fpri.org/articles/2011/09/911-and-us-china-relations> (Date of visit 30 October 2014).
- Dittmer, L., ‘China’s Global Rise’, *Americas Quarterly*, 2012, <http://www.americasquarterly.org/China-Global-Rise> (Date of visit 6 January 2015)
- Flor, E., ‘The Debate about the SDR as a Global Reserve Currency and SDR Denominated Securities’, *The Federal Debate*, 1, 2012, <http://www.federalist-debate.org/index.php/component/k2/item/115-the-debate-about-the-sdr-as-a-global-reserve-currency-and-sdr-denominated-securities> (Date of visit 6 January 2015)
- Glaser, B.S., ‘Understanding Recent Developments in US-China-ASEAN Relations: A US Perspective’, [Date of article], www.nghiencuubiendong.vn (Date of visit 1 October 2013).
- Gross, D., ‘The United States Can Benefit from China’s Rise’, *World Policy Blog*, 10 December 2012, <http://www.worldpolicy.org/blog/2012/12/10/united-states-can-benefit-china%E2%80%99s-rise> (Date of visit 30 October 2014).
- Hoang Binh Quan, ‘Important Contributions of Party External Affairs to Achievements in Foreign Policy of the 11th National Congress of the Communist Party of Vietnam’, 6 August 2014. Availbale at <http://www.english.vietnamnet.vn> (Date of visit 31 March 2014)
- Hervandi, R., ‘US-Southeast Asia Trade Triples over Last Two Decades’, 24 May 2011, <http://www.asiamattersforamerica.org/asean/us-southeast-asia-trade-triples-over-last-two-decades> (Date of visit 15 October 2014).
- Hille, K. & Bland, B. & Dyer, G. ‘US and China vie for influence over Southeast Asia’, *Asia Pacific*, 23 November 2012, <http://www.ft.com/cms/s/0/a0566e9e-3493-11e2-8b86-00144feabdc0.html> (Date of visit 20 August 2013)
- Hribernik, M., ‘The Past and Present Sino-US Relations: Avoiding a Repeat of 1989-2000’, *International Security Observer*, 16 July 2012, <http://securityobserver.org/the-past-and-present-of-sino-us-relations-avoiding-a-repeat-of-1989-2001/> (Date of visit 14 August 2013).
- Huynh Phan, ‘Vietnam voi nuoc lon hay chuye long tin va loi ich’[Trans: Vietnam with major powers or belief and benefits], *TuanVietnam.net*, 7 December 2011, <http://tuanvietnam.vietnamnet.vn/2011-12-06-viet-nam-voi-nuoc-lon-hay-chuyen-long-tin-va-loi-ich> (Date of visit 9 December 2013)

- John, E.G., 'Indonesia: Positive Trends and the Implications For U.S. Strategic Interests', 15 September 2005, <http://2001-2009.state.gov/p/eap/rls/rm/2005/53275.htm> (Date of visit 23 December 2014)
- Jordan, C.W., Stern, L.M and Lohman, W., 'U.S.-Vietnam Defense Relations: Investing in Strategic Alignment', 18 July 2012. Available at <http://www.heritage.org/research/reports/2012/07/us-vietnam-defense-relations-investing-in-strategic-alignment> (Date of visit 10 August 2015)
- Kaisheng, L. 'Vietnam dancing between US alliance and Chinese Brotherhood', *Global Times*, 10 February 2014, <http://www.globaltimes.cn/content/841608.shtml> (Date of Visit 4 March 2014)
- Kemp, J., 'South China Sea Disputes Test China's Peaceful Rise', *The Japan Times*, Tokyo, 31 May 2015. Available at <http://www.japantimes.co.jp/opinion/2015/05/31/commentary/world-commentary/south-china-sea-disputes-test-chinas-peaceful-rise/#.VdAnvF4xHFI> (Date of Visit 16 August 2015)
- Le Hong Hiep, 'Vietnam: Under the Weight of China', East Asia Forum, 27 August 2011 <http://www.eastasiaforum.org/2011/08/27/vietnam-under-the-weight-of-china/> (Date of visit 12 June 2015)
- Le Thanh Long, 'Be Vigilant against New Plots of the "Peaceful Evolution" Strategy', *National Defense Journal*, 8 August 2014. <http://tapchiquptd.vn/en/events-and-comments/be-vigilant-against-new-plots-of-the-peaceful-evolution-strategy/6032.html> (Date of visit 24 September, 2014)
- Li, K.S., 'Vietnam Dancing between US Alliance and Chinese Brotherhood', *Global Times*, 10 February 2014, <http://www.globaltimes.cn/content/841608.shtml> (Date of visit 30 October 2014).
- Liu, F., 'Beijing's Regional Strategy and China-ASEAN Economic Integration', *China Brief: A Journal of Analysis and Information*, 8(10), 2008, http://www.jamestown.org/programs/chinabrief/single/?tx_ttnews%5Btt_news%5D=4916&no_cache=1#.VBlaTKN--Uk (Date of visit 8 September 2014)
- McCornac, D.C., 'Vietnam's Relations with China: A delicate Balancing Act', China Research Center. Available at <http://www.chinacenter.net/vietnams-relations-with-china-a-delicate-balancing-act/> (Date of visit 25 April 2014)
- Nehru, V., 'A Hard Choice for Southeast Asia', *The Jakarta Post*, 2 November 2011, <http://www.thejakartapost.com/news/2011/11/01/a-hard-choice-southeast-asia.html> (Date of visit 5 January 2014).
- Ngo Vinh Long, 'Charm and Harm Offensives: Impacts of Geopolitical Considerations by China and the United States on the South China Sea

Region', pp. 1-10 at 2, *Nghien cuu Bien Dong* [Trans: East Sea (South China Sea) Studies], 21 January 2013, <http://southchinaseastudies.org/en/conferences-and-seminars-/hoi-thao-quoc-te-4/773-charm-and-harm-offensives-impacts-of-geopolitical-considerations-by-china-and-the-united-states-on-the-south-china-sea-region-by-ngo-vinh-long> (Date of visit 13 December 2013).

Nguyen Duc Hung, 'Vietnam's Options During International Trend', *Communist Review*, 14/11/2013, <http://english.tapchicongsan.org.vn/Home/Vietnam-on-the-way-of-renovation/2013/389/Vietnams-options-during-international-integration-trend.aspx> (Date of visit 1 April 2014)

O'Reilly, B., 'China-Vietnam: more carrot, less stick', *Asia Times*, October 22, 2013. Available at http://www.atimes.com/atimes/Southeast_Asia/SEA-01-221013.html (Date of Visit 23 April 2014)

Ott, M., 'Vietnam's China Dilemma: Steering in New Strategic Environment', Woodrow Wilson International Center for Scholars, 3 April 2012, www.wilsoncenter.org/article/vietnam's-china-dilemma-steering-new-strategic-environment (Date of visit 30 October 2014).

Petty, M., 'Booming Southeast Asia in a quandary over U.S-China Rivalry', 8 July 8 2012, <http://www.reuters.com/article/2012/07/08/us-china-usa-asean-idUSBRE86702420120708> (Date of visit 20 August 2013).

Pham Binh Minh, 'Việt Nam tiếp tục đồng hành và phát triển cùng ASEAN vì mục tiêu xây dựng một Cộng đồng ASEAN gắn kết', Trans: Vietnam continues to accompany and develop with ASEA for a unified ASEAN Community] 28 July 2015. Available at <http://www.mod.gov.vn/> (Date of visit 2 August 2015)

Pham Binh Minh, 'Vietnam's Diplomacy Reaches New Height', <http://www.vietnambotschaft.org/vietnams-diplomacy-reaches-new-heights-2> (Date of visit 25 May 2015)

Pham Hieu and Nguyen Hung, 'Lieutenant General Nguyen Chi Vinh address the Vnexpress journalist' 'Việt Nam Không Chấp nhận Nền Hoà Bình Lệ thuộc (Vietnam will not accept a Dependent Peace), 10 January 2011, <http://vnexpress.net/tin-tuc/thoi-su/viet-nam-khong-chap-nhan-nen-hoa-binh-le-thuoc-2184972.html> (Date of visit 16 December 2013).

Roberts, J., 'The US-Vietnam Alliance against China', 30 July 2013, http://axisoflogic.com/artman/publish/Article_65866.shtml (Date of visit 14 January 2014)

R.G., 'China and America in Southeast Asia: Dance of the Giants', *The Economist*, 21 November 2011, <http://www.economist.com/blogs/analects/2011/11/china-and-america-south-east-asia> (Date of visit 20 August 2013)

- Rice, C., 'Promoting the National Interests', *Foreign Affairs*, January/February 2000
<http://www.cfr.org/world/campaign-2000-promoting-national-interest/p10456>
 (Date of visit 14 July 2015)
- Rudolf, J.C., 'Less than 50 Years of Oil Left, HSBC Warns', *The New York Times*, 30 March 2011, http://green.blogs.nytimes.com/2011/03/30/less-than-50-years-of-oil-left-hsbc-warns/?_r=0 (Date of visit 7 July 2015)
- Sarith, H. 'ASEAN: between China and America', East Asia Forum, 12 July 2013, <http://www.eastasiaforum.org/2013/07/12/asean-between-china-and-america/>
 (Date of visit 3 October 2013)
- Shishun, S., 'Back to Southeast Asia', *Beijing Review*, 27 August 2009, http://www.bjreview.com.cn/expert/txt/2009-08/22/content_213431.htm
 (Date of visit 10 March 2012)
- Simon, S.W., 'US-Southeast Asia Relations: US Pushes Security and Trade Interests in Southeast Asia', *Comparative Connections: A Quarterly E-Journal on East Asian Bilateral Relations*, http://csis.org/files/media/isis/pubs/0602qus_seasia.pdf (Date of visit 24 September, 2014)
- Thayer, C. A., 'Recent Developments in the South China Sea: Implications for Regional Security', <http://www.scribd.com/doc/42829909/Thayer-Recent-Developments-in-the-South-China-Sea-Implications-for-Regional-Security>
 (Date of visit 30 October 2014).
- Thayer, C.A., 'South China Sea: China's Trifecta', *Thayer Consultancy Background Brief*, 5 December 2012, <http://www.scribd.com/doc/116955007/Thayer-South-China-Sea-China-s-Trifecta> (Date of visit 30 October 2014).
- Thitinan Pongsudhirak, 'Obama's Southeast Asia Visit: Re-engaging with the Region', <http://www.eastasiaforum.org/2012/11/20/obamas-southeast-asia-visit-re-engaging-with-the-region/> (Date of visit 26 July 2015)
- Tiezzi, S., 'Vietnam, the US and China: A Love Triangle?', *The Diplomat*, 18 December 2013, <http://thediplomat.com/2013/12/vietnam-the-us-and-china-a-love-triangle> (Date of visit 30 October 2014).
- Tran, M., 'Vietnam, Unlikely US Ally', *The Guardian*, 1 September 2010, <http://www.theguardian.com/commentisfree/cifamerica/2010/aug/31/vietnam-us-military-china> (Date of visit 6 August 2014)
- Tran Cong Truc, 'China- A Hungry Dragon in the East Sea', *East Sea Studies*, 16 August 2012, <http://southchinaseastudies.org/en/publications/vietnamese-publications/724-china--a-hungry-dragon-in-the-east-sea> (Date of visit 13 December 2013)
- Van Cuong, 'Quan hệ Trung-Mỹ và Cục diện Khu vực Châu Á Thái Bình Dương', *Nghiên cứu Biển Đông*, [Trans: The Sino-US Relations and the Asia Pacific

- Situation] 13 December 2011, <http://nghiencuubiendong.vn/quan-h-quc-t/2265-quan-he-trung-my-va-cuc-dien-khu-vuc-chau-a-thai-binh-duong> (Date of visit 1 October 2013).
- Vu Duc Khanh, 'Between the Two Giants: Vietnam's Dilemma', *Asia Sentinel*, 27 April 2012, <http://www.asiasentinel.com/opinion/between-two-giants-vietnams-dilemma> (Date of visit 30 October 2014)
- Vu Khoan, 'Current International Status-Quo and Challenges to Viet Nam', *Tap chi Cong san [The Communist Review]*, 30 June 2013, <http://english.tapchicongsan.org.vn/Home/The-World-Issues-and-Events/2013/362/Current-international-statusquo-and-challenges-to-Viet-Nam.aspx> (Date of visit 30 October 2014).
- Wenzong, Z., 'How can China, the US and China's Neighbours Interact Positively', CIR's space, 18 June 2013, <http://bbs.chinadaily.com.cn/blog-1057682-10605.html> (Date of visit 20 August 2013).
- Womack, B., 'The United States and Sino-Vietnamese Relations', *The Asia-Pacific Journal: Japan Focus*, <http://www.japanfocus.org/-Brantly-Womack/2636> (Date of visit 23 March 2014)
- Xenakis, J.J., 'China's Media Describes 'Bottom Line Xenakis, J.J., 'China's Media Describes 'Bottom Line' for War with the U.S.' in 'World View: China Says War with US in South Chia Sea is Inevitable', 26 May 2015. Available at <http://www.breitbart.com/national-security/2015/05/26/world-view-china-says-war-with-us-in-south-china-sea-is-inevitable/> (Date of visit 10 August 2015)
- Xia, M. "'China Threat" or a "Peaceful Rise of China"?", *The New York Times*, 24 March 2006, <http://www.nytimes.com/ref/college/coll-china-politics-007.html> (Date of visit 30 October 2014).
- Xinhua, 'China-ASEAN Trade Increased 36 times In Past Two Decades', 17 December 2011, http://www.china.org.cn/business/2011-12/17/content_24178504.htm (Date of visit 10 March 2012)
- Yang, J., 'Promoting China-US Partnership through Mutual Respect and Win-Win Cooperation', Ministry of Foreign Affairs of the Republic of China, 18 March 2012, http://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t915511.shtml (Date of visit 5 January 2015)
- Yuen, Y., 'US Pledges \$18m to Help Vietnam Buy Patrol Boats', *Global Times*, 2 June 2015. Available at <http://www.globaltimes.cn/content/924846.shtml> (Date of Visit 10 August 2015)
- Zhang, J., 'How far away is China from TPP', *Pacific Economic Cooperation Council (PECC) General Meeting*, 25 November 2013 <http://www.pecc.org/resources/2018-how-far-away-is-china-from-tpp?path> (Date of visit 6 January 2015)

Newspaper Articles and Websites (anonymous)

- ‘A National Security of Engagement and Enlargement’, The White House, February 1995, pp. 1-41 at 20, <http://www.au.af.mil/au/awc/awcgate/nss/nss-95.pdf> (Date of visit 16 July 2015)
- ‘A New Type of US China Military Relationship’, 11 September 2013, <http://www.sino-us.com/34/A-new-type-of-US-China-military-relationship.html> (Date of visit 1 October 2013)
- ‘Can China Win at US Expense?’, 26 September 2013, <http://www.sino-us.com/34/Can-China-win-at-US-expense-.html> (Date of visit 1 October 2013).
- ‘Chapter 1: China’s Foreign Policy Aggressiveness’, The China Story, Australian Centre on China in the World, <http://www.thechinastory.org/yearbooks/yearbook-2012/chapter-1-chinas-foreign-policy-aggressiveness/> (Date of visit 10 September 2014)
- ‘China Top List of Vietnam Trade Partners’, 24 February 2014, <http://vietnamnews.vn/economy/251510/china-tops-list-of-viet-nam-trade-partners.html> (Date of visit 6 October 2014)
- ‘Chinese and American GDP Forecasts’, The Economist, 22 August 2014. Available at <http://www.economist.com/blogs/graphicdetail/2014/08/chinese-and-american-gdp-forecasts> (Date of visit 10 August 2015)
- ‘Countries Spending the Most on Military’, 12 July 2014, <http://www.usatoday.com/story/money/business/2014/07/12/countries-spending-most-on-military/12491639/> (Date of visit 6 October 2014)
- ‘Global Flow of Tertiary-Level Students’, 5 May 2014, <http://www.uis.unesco.org/Education/Pages/international-student-flow-viz.aspx> (Date of visit 6 October 2014).
- ‘History, Goals of the Shanghai Cooperation Organization’, *Voice of America*, 14 June 2011, <http://blogs.voanews.com/breaking-news/2011/06/14/history-goals-of-the-shanghai-cooperation-organization/> (Date of visit 23 December 2014).
- ‘Hop tac Quan su Viet-Nga Khong Nham Chong lai Nuoc Thu Ba [Trans: The Russian-Vietnamese Military Cooperation Not Threaten the Third Nation]’, 26 December 2013, <http://laodong.com.vn/doi-ngoai/hop-tac-quan-su-viet-ng-a-khong-nham-chong-lai-nuoc-thu-ba-169613.bld> (Date of visit 8 January 2014)
- ‘Military Spending: How Much Does the Military Cost Each Country, Listed’, *The Guardian*, 17 April, 2012,

<http://www.theguardian.com/news/datablog/2012/apr/17/military-spending-countries-list> (Date of visit 7 October 2014)

‘Southeast Asia: Heartland of Our Times’, <http://www.asean.org/news/item/southeast-asia-heartland-of-our-times> (Date of visit 15 April 2014)

‘The Dragon’s New Teeth’, *The Economist*, 7 April 2012, <http://www.economist.com/node/21552193> (Date of visit 14 July 2015); and “China’s Military Rise”, *the Economist*, 7 April 2012), p.13, (Date of visit 10 November 2012).

‘Unity of Vietnamese People Vital For National Development: Deputy Foreign Minister’, 5 May 2013. Available at <http://www.thanhniennews.com/special-report/unity-of-vietnamese-people-vital-for-national-development-deputy-foreign-minister-2332.html> (Date of visit 26 March 2014)

‘Unity of Vietnamese People Vital for National Development’, *Thanhniên News*, <http://www.thanhniennews.com/special-report/unity-of-vietnamese-people-vital-for-national-development-deputy-foreign-minister-2332.html> (Date of visit 26 March 2014).

‘US Engagement with ASEAN’, *United States Mission to ASEAN*, <http://asean.usmission.gov/mission/participation.html> (Date of visit 29 September 2014).

‘US-Vietnamese Rapprochement and Hanoi’s Dilemma’, 3 July 2012, <http://valdaicclub.com/asia/45600.html> (Date of visit 15 January 2014)

‘Việt Nam trước cuộc cạnh tranh Mỹ - Trung tại Châu Á’, 13 July 2012, <http://toquoc.vn/Sites/vi-vn/details/6/y-kien-binh-luan/109299/viet-nam-truoc-cuoc-canhh-tranh-chien-luoc-my-trung-tai-chau-a.aspx> (Date of visit 28 May 2013)

‘Vietnam Does Not Accept Dependent peace, Says General’, <http://en.baomoi.com/Info/Vietnam-does-not-accept-dependent-peace-says-General/3/104538.epi> (Date of Visit 9 August 2015)

‘Vietnam Seeks No Outside Help over China Issues’, 30 October 2011, <http://southchinaseastudies.org/en/publications/vietnamese-publications/621-vietnam-seeks-no-outside-help-over-china-issues> (Date of visit 16 December 2013)

Office of the Spokesperson, ‘The US-ASEAN Expanded Economic Engagement (E3) Initiative’, Washington, DC, 9 October 2013, <http://www.state.gov/r/pa/prs/ps/2013/10/215235.htm> (Date of visit 12 September 2014)

The Potential for China US Win-Win Cooperation- Focusing on the Mutually Beneficially Cooperation in Southeast Asia, South Asia, the Middle East and

Latin America', 2 August 2012, http://www.ciiis.org.cn/english/2012-08/02/content_5211672.htm (Date of visit 1 October 2013)

Vietnam, Malaysia lift relations to strategic partnership', 7 August 2015. Available at <http://en.nhandan.org.vn/politics/external-relations/item/3537602-vietnam-malaysia-lift-relations-to-strategic-partnership.html> (Date of visit 8 August 2015)

Voice of America, 'History, Goals of the Shanghai Cooperation Organization', 14 June 2011, <http://blogs.voanews.com/breaking-news/2011/06/14/history-goals-of-the-shanghai-cooperation-organization/> (Date of visit 23 December 2014).

Books and Articles

Adams, F.G. and Tran, A.L., 'Vietnam: From Transitional State to Asian Tiger?', *World Economics*, 11(2), 2010, pp. 177-197.

Amer, R., 'Assessing Sino-Vietnamese Relations through the Management of Contentious Issues', *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, 26 (2), 2004, pp. 320-345

Amer, R., 'Vietnam in 2010: Regional Leadership', *Asian Survey*, 51(1), 2011, pp. 196-201.

Anderson, K., 'The Future Agenda of the WTO' in World Trade Organisation Secretariat (ed.), *From GATT to the WTO: The Multilateral Trading System in the New Millennium*, Kluwer Law International, The Hague and London, 2000.

Ang, C.G., 'Vietnam-China Relations since the End of the Cold War', *Asian Survey*, 38(12), 1998, pp. 1122-1141.

Antolik, M., *ASEAN and the Diplomacy of Accommodation*, M.E.Sharpe, Armonk, NY, 1990.

Acharya A. & Tan, S.S., 'Betwixt Balance and Community: America, ASEAN and the security of Southeast Asia', *International Relations of the Asia-Pacific*, 6(1), 2006, pp. 37-59

Art, R. J., 'The United States and The Rise of China: Implications for the Long Haul' in R.S. Ross & F. Zhu (eds), *China's Ascent: Power, Security and the Future of International Politics*, Cornell University Press, Ithaca and London, 2008, pp. 260-290.

Ayerbe, L.F., 'The American Empire in the New Century: Hegemony or Domination?', *Journal of Developing Societies*, 21(3-4), 2005, pp. 301-320.

Ba, A., 'Systemic Neglect? A Reconsideration of US-Southeast Asia Policy', *Contemporary Southeast Asia*, 31(3), 2009, pp. 369-398.

- Ba, A.D. 'China and ASEAN: Renavigating Relations for a 21st Century Asia', *Asian Survey*, 43(4), 2003, pp. 622-647.
- Banlaoi, R.C., 'Southeast Asian Perspectives on the Rise of China: Regional Security after 9/11', *Parameters*, 33(2), 2003, pp. 98-107.
- Barkin, J.S., 'Realist Constructivism', *International Studies Review*, 5(3), 2003, pp. 325-342.
- Baviera, A.S.P., *China's Relations with Southeast Asia: Political Security and Economic Interests*, Philippine APEC Study Centre Network Discussion Paper No. 99-17, 1999.
- Baum, R., *The Fall and Rise of China*, The Teaching Company, Chantilly, VA, 2010.
- Bert, W., 'Burma, China and the USA', *Pacific Affairs*, 77(2), 2004, pp. 263-282.
- Bert, W., 'Chinese Policies and U.S. Interests in Southeast Asia', *Asian Survey*, 33(3), 1993, pp. 317-332.
- Blazevic, J.J., 'Navigating the Security Dilemma: China, Vietnam and the South China Sea', *Journal of Current Southeast Asian Studies*, 4, 2012, pp. 79-108.
- Bolt, P.J., 'Contemporary Sino-Southeast Asia Relations', *China: An International Journal*, 9(2), 2011, pp. 276-295.
- Boutin, J.D.K., 'Balancing Act: Competition and Cooperation in US-Asia Pacific Regionalism', *Japanese Journal of Political Science*, 12(2), 2011, pp. 179-194.
- Brinkley, D., 'Democratic Enlargement: The Clinton Doctrine', *Foreign Policy*, 106, 1997, pp. 110-127.
- Brown, F.Z., 'Rapprochement between Vietnam and the United States', *Contemporary Southeast Asia*, 32(3), 2010, pp. 317-342.
- Brown, F.Z., 'Vietnam and America: Parameters of the Possible', *Current History*, 109(726), 2010, pp. 62-169. Fred Brown has authored a book on US-Vietnam relations.
- Burghardt, R.F., 'The United States and Vietnam: Old Enemies Become Friends and Implications for the Future', *Journal of Macromarketing*, 32(1), 2011, pp. 152-154.
- Burgos, S. and Ear, S., 'China's Strategic Interests in Cambodia: Influence and Resources', *Asian Survey*, 50(3), 2010, pp. 615-639.
- Cao, Y.H. and Chen, J.R., *Changing Southeast Asia: The Role of China, the United States, Japan and ASEAN*, Asia Paper, Institute for Security and Development Policy, 2011.

- Capie, D., 'Between a Hegemon and a Hard Place: The 'War on Terror' and Southeast Asian-US Relations', *The Pacific Review*, 17(2), 2004, 223-248.
- Chace, J., 'The Balance of Power', *World Policy Journal*, 15(4), 1999, pp. 105-106.
- Chang, P.M., *The Sino-Vietnamese Territorial Dispute*, Praeger, New York, 1986.
- Chen, O., 'The US' Political Challenges on China's National Security in the 21st Century's First Decade', *Asian Social Science*, 7(6), 2011, pp. 103-109.
- Chen, Q.M., 'New Approaches in China's Foreign Policy: The Post-Cold War Era', *Asian Survey*, 32 (3), 1993, pp. 237-251.
- Christensen, T.J., 'Fostering Stability or Creating a Monster? The Rise of China and US Policy towards East Asia', *International Security*, 31(1), 2006, pp. 81-126.
- Clinton, H., 'America's Pacific Century', *Foreign Policy*, 189, 2011, pp. 56-63.
- Dalpino, C. and Lin, J.Y., 'China and Southeast Asia: The Difference of a Decade', *Brookings Northeast Asia Survey*, Brookings Institution, Washington DC, 2002, pp. 77-90.
- De Castro, R.C., 'Clashing American Images of an Emergent China and the 21st – Century China-ASEAN Relations: 2001-2008', *International Journal of China Studies*, 2(3), 2011, pp. 601-623.
- De Santibanes, F. 'An End to the U.S. Hegemony? The Strategic Implications of China's Growing Presence in Latin America', *Comparative Strategy*, 28(1), 2009, pp. 17-36.
- De Swielande, T.S., 'The Reassertion of the United States in the Asia-Pacific Region', *Parameters*, 42(1), 2012, pp. 75-89.
- Deng, Y., 'Managing China's hegemonic ascension: Engagement from Southeast Asia', *Journal of Strategic Studies*, 21(1), 1998, pp. 21-43.
- Do Minh Cao., 'The Geo-Strategic Value of the South China Sea at the Second Decade of the XXI Century', *The Chinese Studies Review*, The Chinese Studies Institute, Vietnam Academy of Social Science, 11(135), 2012.
- Dunn, L.A. (ed.), *Building Towards a Stable and Cooperative Long-Term U.S.-China Strategic Relationship*, Pacific Forum CSIS, Honolulu, 2012.
- Dunne, T. and Schmidt, B.C., 'Realism', in J. Baylis and S. Smiths (eds), *The Globalization of World Politics: An Introduction to International Relations*, third edition, Oxford University Press, New York, 2001.
- Easley, L.E. 'Middle-Power National Identity? South Korea and Vietnam in US-China Geopolitics', *Pacific Focus*, 27(3), 2012, pp. 421-442.

- Egberink, F. and Van der Putten, F.P., 'ASEAN and Strategic Rivalry among the Great Powers in Asia', *Journal of Current Southeast Asian Affairs*, 29(3), 2010, pp. 131-141.
- Egberink, F. with Van der Putten, F.P., 'ASEAN, China's Rise and Geopolitical Stability in Asia', Clingendael Paper No. 2, Netherlands Institute of International Relations, 2011.
- Emmers, R. 'The Changing Power Distribution in the South China Sea: Implications for Conflict Management and Avoidance', *Political Science*, 62(2), 2010, pp. 118-131.
- Evans, G. and Rowley, K., *Red Brotherhood at War: Vietnam, Cambodia and Laos since 1975*, revised edition, Verso, London, 1990.
- David W. P. Elliott, *Changing Worlds: Vietnam's Transition from Cold War to Globalization*. Oxford: Oxford University Press, 2012.
- Feng, H., 'ASEAN's relations with Big Powers', in S.C.Y. Ku (ed.), *Southeast Asia in the New Century: An Asian Perspective*, Center for Southeast Asia Studies, National Sun Yat-Sen University, Kaohsiung, 2002.
- Fravel, M.T., 'China's Strategy in the South China Sea', *Contemporary Southeast Asia*, 33(3), 2011, pp. 292-319.
- Fravel, M. Taylor. *Strong Borders, Secure Nation: Cooperation and Conflict in China's Territorial Disputes*. Princeton: Princeton University Press, 2008.
- Garrett, B., 'Sino-American Relations in the Era of Globalization – A Framework for Analysis', *Procedia, Social and Behavioral Sciences*, 2(5), 2010, pp. 7249-7267.
- Glaser, B.S., 'Sino-American Relations Beyond September 11', *American Foreign Policy Interests*, 24(3), 2002, pp. 223-229.
- Glaser, B.S., 'Sino-American Relations: A Work in Progress', *American Foreign Policy Interests*, 25(4), 2003, pp. 417-424.
- Glaser, B. and Billingsley, B., 'US-China Relations: US Pivot to Asia Leaves China off Balance', *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations*, 13(3), 2012, pp. 29-42.
- Glosny, M.A., 'Heading Toward a Win-Win Future? Recent Developments in China's Policy toward Southeast Asia', *Asian Security*, 2(1), 2006, pp. 24-57.
- Godement, F., 'The US and Asia in 2010: Uncertain Relations', *Asian Survey*, 51(1), 2011, pp. 5-17.
- Goh, E., 'Hierarchy and the Role of the United States in the East Asian Security Order', *International Relations of the Asia-Pacific*, 8(3), 2008, pp. 353-377.
- Goh, E., 'The US-China Relationship and Asia-Pacific Security: Negotiating Change', *Asian Security*, 1(3), 2005, pp. 216-244.

- Goldstein, L.J. 'Resetting the US-China Security Relationship', *Survival*, 53(2), 2011, pp. 89-116.
- Gong, G.W., 'China's Fourth Revolution', in B. Roberts (ed.), *Order and Disorder after the Cold War*, MIT Press, Cambridge, MA, 1995.
- Gowan, P., 'U.S. Hegemony Today', *Monthly Review*, 55(3), 2003, pp. 30-50.
- Gries, P.H., 'Forecasting US-China Relations, 2015', *Asian Security*, 2(2), 2006, pp. 63-86.
- Grinter, L.E., 'China, the United States, and Mainland Southeast Asia: Opportunism and the Limits of Power', *Contemporary Southeast Asia*, 28(3), 2006, pp. 447-465.
- Ha Hoang Hop, 'More Changes Awaits Vietnam's Political Economy', *Trends in Southeast Asia* No.4, ISEAS, Singapore, 2013, pp. 1-41.
- Harding, H., 'The Uncertain Future of US-China Relations', *Asia-Pacific Review*, 6(1), 1999, pp. 7-24.
- He, K., 'Institutional Balancing and International Relations Theory: Economic Interdependence and Balance of Power Strategies in Southeast Asia', *European Journal of International Relations*, 14(3), 2008, pp. 489-518.
- Hernandez, C.G., 'The Rise of China and Implications for Southeast Asia' in H.H.M. Hsiao and C.Y. Lin (eds), *Rise of China: Beijing's Strategies and Implications for the Asia-Pacific*, Abingdon, Routledge, 2009, pp. 252-269.
- Hill, H., 'Political Realignment in Southeast Asia', *Far Eastern Economic Review*, 172(3), 2009, pp. 8-13.
- Ho, K.L., 'Rituals, Risks and Rivalries: China and ASEAN in the Coming Decades', *Journal of Contemporary China*, 10(29), 2001, pp. 683-694.
- Hoang Anh Tuan, 'Bàn về chiến lược an ninh quốc gia mới của Mỹ' [Trans: About the new security strategy of the US], *Nghiên cứu quốc tế* [Trans: International Studies], 1(50), 2003, pp. 49-60.
- Hoang Anh Tuan, 'Rapprochement between Vietnam and the United States: A Response', *Contemporary Southeast Asia*, 32(3), 2010, pp. 343-349.
- Hoang Oanh, 'China's re-assertiveness: An analysis based on Prospect Theory', *Chinese Studies Review*, 10(134), 2012.
- Hodson, J., "'Intercourse in Every Direction": America as Global Phenomenon', *Global Networks*, 1(1), 2001, pp. 79-87.
- Howle, Roy C., Jr., 'An Evitable War: Engaged Containment and the US-China Balance', *Parameters*, 31(3), 2001, pp. 92-104.

- Hung, M.T. and Liu, T.T.T., 'Sino-US Strategic Competition in Southeast Asia: China's Rise and U.S Foreign Policy Transformation since 9/11', *Political Perspectives*, 5(3), 2011, pp. 96-119.
- Hung, M.T. and Liu, T.T.T., 'US Foreign Policy in Southeast Asia under the Obama Administration: Explaining US Return to Asia and its Strategic Implications', USAK Year Book), vol. 5, 2012, pp. 195-225.
- Hsing, S., 'China and the Territorial Claims in the South China Sea', Policy Paper Series, 2, 2012, pp. 1-8.
- Irish, C.R. and Irish, R.W., 'Misdirected Ire and Lost Opportunities: The False Crisis in Sino-American Relations', *Journal of World Trade*, 39(4), 2005, pp. 719-740.
- Jervis, R. 'Realism in the Study of World Politics', *International Organization*, 52(4), 1998, 971-991.
- Jetschke, A., 'Is ASEAN a Provider of Regional Security Governance?', Southeast Asian Studies at the University of Freiburg (Germany) Occasional Paper Series, no.4, 2011, pp. 1-18
- Jia, Q.G., 'The Impact of 9-11 on Sino-US Relations: A Preliminary Assessment', *International Relations of the Asia-Pacific*, 3(2), 2003, pp. 159-177.
- Johnston, A.I., 'Stability and Instability in Sino-US Relations: A Response to Yan Xuetong's Superficial Friendship Theory', *Chinese Journal of International Politics*, 4(1), 2011, pp. 5-29.
- Jordan, W., Stern, L.M. and Lohman, W., 'US-Vietnam Defense Relations: Investing in Strategic Alignment', *Backgrounder* (2707), 2012, pp. 1-13.
- Kegley, C.W., Jr., *World Politics: Trend and Transformation*, 12th edition, Wadsworth, Cengage Learning, 2009.
- David C. Kang, *China Rising: Peace, Power, and Order in East Asia*. New York: Columbia University Press, 2009.
- Kerkvliet, B., 'Review of *China and Vietnam: The Politics of Asymmetry* by Brantly Womack', *The China Journal*, 57, 2007, pp. 260-261.
- Khoo, N., Smith, M.L.R. and Shambaugh, D.L. 'China Engages Asia? Caveat Lector', *International Security*, 30(1), 2005, pp. 196-211.
- Knight, J. and Ding, S., *China's Remarkable Economic Growth*, Oxford University Press, Oxford, 2012.
- Koga, K., 'The US and East Asian Regional Security Architecture: Building a Regional Security Nexus on Hub-and-Spoke', *Asian Perspective*, 35(1), 2011, pp. 1-36.
- Kraehe, E. E., 'A Bipolar Balance of Power', *The American Historical Review*, 97(3), 1992, pp. 705-715.

- Kratoska, P. H., Raben, R., and Nordholt, H.S., 'Locating Southeast Asia', in P.H. Kratoska, R. Raben and H.S. Nordholt (eds), *Locating Southeast Asia: Geographies of Knowledge and Politics of Space*, Singapore University Press, Singapore, pp. 1-19.
- Kuik, C.C., Idris, N.A. and Md Nor, A.R., 'The China Factor in the US "Reengagement" With Southeast Asia: Drivers and Limits Converged Hedging', *Asian Politics & Policy*, 4(3), 2012, pp. 315-344.
- Lai, D., *The United States and China in Power Transition*, Strategic Studies Institute Book, 2011, pp. 1-265
- Lang, K., 'Did China's Foreign Policy Really Change in the Post-Cold War Era?', *Taiwan Journal of Political Science*, 21, 2009.
- Lanteigne, M., 'China's Maritime Security and the "Malacca Dilemma"', *Asian Security*, 4(2), 2008, pp. 143-161.
- Layne, C., 'China's Challenge to US Hegemony', *Current History*, 107(705), 2008, pp. 13-18.
- Layne, C., 'The Waning of U.S. Hegemony: Myth or Reality? A Review Essay', *International Security*, 34(1), 2009, pp. 147-172.
- Le Hong Hiep, *Vietnam's Strategic Trajectory: From Internal Development to External Engagement*, Strategic Insights 59, Australian Strategic Policy Institute, 2012.
- Le Hong Hiep, 'Vietnam's Hedging Strategy against China since Normalization', *Contemporary Southeast Asia*, 35(3), 2013, pp. 333-368.
- Le Thu Huong, 'The Anti-Chinese Riots in Vietnam: Responses from the Ground', ISEAS Perspective, Singapore 27 May 2014, pp. 1-8
- Le Thu Huong, *Vietnam: Straddling Southeast Asian's Divide*, Trends in Southeast Asia, Institute of Southeast Asian Studies, Singapore, 2014, pp. 1-50
- Le Dinh Tinh and Hoang Hai Long, 'Vietnam in ASEAN and ASEAN in Vietnam', *Asia Pacific Bulletin*, 242, 21 November 2013
- Lee, C.M., 'China's Rise, Asia's Dilemma', *The National Interest*, 81, 2005, pp. 88-94.
- Lee, J.H., 'China's Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean', *Contemporary Southeast Asia*, 24(3), 2002, pp. 549-568.
- Lee, J.T.H. and Nedilsky, L.V., 'Appeal and Discontent: The Yin and Yang of China's Rise to Power' in J.T.H. Lee, L.V. Nedilsky and S.K. Cheung (eds), *China's Rise to Power: Conceptions of State Governance*, Palgrave Macmillan, New York, 2012, pp. 1-29.
- Lim, Y.H., 'Locating Transition: the Prospect for a US-China Transition in Asia', *Journal of Contemporary China*, 19(67), 2010, pp. 913-914.

- Limaye, S.P., 'United States-Southeast Asia Relations', *Regional Outlook*, Singapore, 2009/2010.
- Limaye, S.P., 'Introduction: America's Bilateral Relations with Southeast Asia – Constraints and Promise', *Contemporary Southeast Asia*, 32(3), 2010, pp. 309-316.
- Manyin, M.E., 'The Vietnam-US Bilateral Trade Agreement' in V. Largo (ed.), *Vietnam: Current Issues and Historical Background*, Nova Science Publishers, New York, 2002, pp. 29-46.
- Mauzy, D.K. and Job, B.L., 'U.S Policy in Southeast Asia: Limited Re-engagement after Years of Benign Neglect', *Asian Survey*, 47(4), 2007, pp. 622-641.
- Majd, M. 'Southeast Asia Between China and the United States', *The New Geopolitics of Southeast Asia*, 2012, pp. 21-35.
- Misalucha, C.G., 'Southeast Asia-US Relations: Hegemony or Hierarchy?', *Contemporary Southeast Asia*, 33(2), 2011, pp. 209-228.
- Mitchell, D.J., 'U.S Security Strategy for the Asia-Pacific Region', *Asian Affairs: An American Review*, 28(3), 2001, pp. 159 -166.
- Morgenthau, H., 'Realism in International Politics', *Naval War College Review*, 51(1), 1998, pp. 16-25.
- Muzaffar, C., 'The Relationship between Southeast Asia and the United States: A Contemporary Analysis', *Social Research*, 72(4), 2005, pp. 903-912.
- Nathan, A.J. and Scobell. A., 'How China Sees America: The Sum of Beijing's Fears', *Foreign Affairs*, 91(5), 2012, pp. 32-47.
- Nathan, K.S., 'ASEAN and the Major Powers: Adjusting to New Power Realities towards the 21st Century', *Asian Journal of Political Science*, 5(1), 1997, pp. 102-117.
- Andrew J. Nathan and Andrew Scobell, *China's Search for Security*. New York: Columbia University Press, 2014.
- Nelson, T. and Carlson, M., 'Charmed by China? Popular Perceptions of Chinese Influence in Asia', *Japanese Journal of Political Science*, 13(4), 2012, pp. 477-499.
- Nexon, D.H., 'The Balance of Power in the Balance', *World Politics*, 61(2), 2009, pp. 330-359.
- Nguyen Co Thach, *Thế giới trong 50 năm qua (1945-1995) và thế giới trong 25 năm tới (1996-2020)* [Trans: The world in the last 50 years (1945-1995) and the world in the next 25 years (1996-2020)], Nhà xuất bản Chính trị quốc gia [Trans: The National politics Publisher], Hanoi, 1998.
- Nguyen Dinh Liem, *Mot so van de ve Quan he Viet-Trung 10 nam dau The ky XXI, Nghien cuu Trung Quoc* so 4 (116), 2011 [Trans: Some characteristics in the

relations of Vietnam and China in the first 10 years of the 21st Century], *Chinese Review*, 4 (116), 2011.

Nguyen Dinh Liem, 'Tìm hiểu logic địa-chính trị trong chiến lược đối ngoại của Mỹ sau Chiến tranh lạnh'[Trans:Examining the logic of geo-political strategy in US foreign policy after the Cold War], *Nghiên cứu quốc tế* [Trans: International Studies], 1(50), 2003, pp. 25-37.

Nguyen Hoang Giap, *Canh tranh chien luoc giua cac nuoc lon o khu vuc Dong Nam A trong hai thap nien dau the ky XXI vat tac dong doi voi Vietnam*'[Trans: *Strategic Rivalry among great powers in Southeast Asia in the first two decades of the XXI Century and its implications for Vietnam*], Bao cao Tong hop Ket qua nghien cuu De tai khoa hoc cap Bo nam 2011 [Trans: *The General Report of Ministerial Science Research Report, 2011*], ma so B11-03 [Trans: *Volume B11-03*], Hoc vien Chinh tri-Hanh chinh Quoc gia Ho Chi Minh [Trans: *Ho Chi Minh National Acedemy of Politics and Public Administration*], Hanoi, 2011.

Nguyen Manh Cuong, 'Cuc dien Khu vuc Chau A-Thai Binh Duong den 2020' [Trans: The Asia-Pacific situation till 2020], in *Cuc dien The gioi den 2020* [Trans: The global situation up to 2020], The National Politics Publisher, Hanoi, 2010, pp. 215-234.

Nguyen Thi Phuong Hoa, 'Nhin lai 20 nam binh thuong hoa quan he Viet-Trung: Tu Nhan thuc chung den thuc tien' [Looking forward 20 years of the normalisation of diplomatic relations between Vietnam and China: From mutual concept to fact]' in T.S.Do and H. Kurihara (eds), *Hop tac Phat trien 'Hai Hanh lang - Mot Vanh dai Kinh te* [Cooperation Development 'Two Corridors - One Economic Belt: Vietnam and China in the new situation'], Nha Xuat ban Khoa hoc Xa hoi, Hanoi, 2012.

Nguyen Manh Hung, 'Mot so dac diem moi cua Boi canh quoc te va Ham y doi voi Vietnam va Quan he Vietnam - Trung Quoc [Trans: Some Characteristics of the International Situation and Its Implications for Vietnam and the Vietnam - China Relationship]' in Do Tien Sam and Kurhara Hirohide (eds), *Hop tac phat trien: Hai Hanh lang Mot Vanh dai kinh te: Vietnam- Trung Quoc trong Boi canh moi* [Trans: Cooperative Development: Two Corridors, One Economic Belt: Vietnam-China in the new situation]', The Social Science Publisher, Hanoi, 2012, pp. 174 - 189

Nguyen Manh Hung, *Vietnam-US Relations: Past, Present and Future*, Asia Pacific Bulletin No. 69, East-West Center, Washington, DC, 2010.

Nguyen Thai Yen Huong, *Quan hệ Mỹ-Trung: Hợp tác và Cạnh tranh luận giải dưới góc độ Cân bằng quyền lực* [Trans: The US-China relationship: Cooperation and competition looking at the perspective of balance of power], Nha xuat ban Chinh tri Quoc gia-Su that [Trans: National Political Publisher, Truth], Hanoi, 2011.

- Nguyen Van Sanh, 'The Sino-American Relations till 2020' in Pham, B.M. (eds), *Cuc dien The gioi den 2020 [Trans: The global Situation up to 2020]*, The National Politics Publisher, Hanoi, 2010, pp. 336-366.
- Odgaard, L., 'The Balance of Power in Asia-Pacific Security: US-China Policies on Regional Order', *The Korean Journal of Defense Analysis*, 19(1), 2007, pp. 29-46.
- Ott, M., 'Southeast Asia Strategic Landscape', *SAIS Review of International Affairs*, 32(1), 2012, pp. 113-124.
- Pant, H.V., 'The Emerging Balance of Power in the Asia-Pacific', *RUSI Journal*, 152(3), 2007, pp. 48-52.
- Peng, Y., 'Sino-American Relations: New Changes and New Challenges', *Australian Journal of International Affairs*, 61(1), 2007, pp. 98-113.
- Petri, P.A. & Plummer, M.G., *ASEAN Centrality and the ASEAN-US Economic Relationship*, Policy Studies No. 69, East-West Center, Honolulu, 2013.
- Pham Binh Minh, 'Cuc dien The gioi, Cac Nhan to tac dong va Xu huong phat trien' [Trans: The global Situation, Impacting Factors and Development Trend], in *Cuc dien The gioi den 2020 [Trans: The global Situation up to 2020]*, National Politics Publisher, Hanoi, 2010, pp. 9-58.
- Pham Gia Khiem, 'Trien khai Chien luc Ngoai giao toan dien thuc hien thang loi Duong loi doi ngoai Dai hoi XI' [Trans: Deployment of a comprehensive foreign strategy in a successful implementation of the 9th CPV National Congress Foreign Policy] in '*Duong loi Chinh sach Doi ngoai Vietnam trong giai doan moi*' [Trans: Vietnam's foreign policy in the new situation], National Political Publisher, Hanoi, 2011, pp. 7-59.
- Pho Mong Ton, 'Chính sách của Bush đối với Trung Quốc và tương lai quan hệ Trung-Mỹ' [Trans: Bush's policy towards China and the future of China-US relations], in *Quan hệ quốc tế hiện đại [Trans: The modern international relations]*, 2003.
- Pholsena, V., 'US Rapprochement with Laos and Cambodia: A Response', *Contemporary Southeast Asia*, 32(3), 2010, pp. 460-466.
- Poon, J.P.H., Sajarattanachote, S. and Bagchi-Sen, S., 'The Role of US Defense Exports in Asia Pacific Regionalism', *Political Geography*, 25(7), 2006, pp. 715-734.
- Michael Pillsbury, *The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower*. 2015.
- Posen, B.R., 'Stability and Change in U.S Grand Strategy', *Orbis*, 51(4), 2007, pp. 561-567.

- Prueher, J. W., 'Asia-Pacific Security: The US Pacific Command Perspective', *RUSI Journal*, 143(2), 1998, pp. 10-14.
- Rabasa, A.M. 'Southeast Asia after 9/11: Regional Trends and U.S. Interests', Testimony Series CT-190, RAND, Santa Monica, 2001.
- Rachman, G., 'Think Again: American Decline', *Foreign Policy*, 184, 2011, pp. 59-63.
- Ravindran, M.S., 'China's Potential for Economic Coercion in the South China Sea Disputes: A Comparative Study of the Philippines and Vietnam', *Journal of Current Southeast Asian Affairs*, 31(3), 2012, pp. 105-132.
- Rice, C., 'Promoting the National Interests', *Foreign Affairs*, January/February 2000 in Dana Dillon and John J.Tkacik Jr., 'China's Quest for Asia', *Policy Review*, Dec 2005/June 2006
- Roberts, A., 'International Relations after the Cold War', *International Affairs*, 84(2), 2008, pp. 335-350.
- Rowan, J.P., 'The U.S.-Japan Security Alliance, ASEAN, and the South China Sea Dispute', *Asian Survey*, 45(3), 2005, pp. 414-436.
- Roy, D., 'Southeast Asia and China: Balancing or Bandwagoning?', *Contemporary Southeast Asia*, 27(2), 2005, pp. 305-322.
- Roy, D. *Return of the Dragon: Rising China and Regional Security*. New York: Columbia University Press, 2013.
- Saunders, P.C., 'Supping with a Long Spoon: Dependence and Interdependence in Sino-American Relations', *The China Journal*, 43, 2000, pp. 55-81.
- Scott, D., *China Stands Up: The PRC and the International System*, Routledge, New York, 2007.
- Shambaugh, D., 'A New China Requires a New US Strategy', *Current History*, 109(728), 2010, pp. 219-226.
- Shambaugh, D., 'Sino-American Strategic Relations: From Partners to Competitors', *Survival*, 42(1), 2000, pp. 97-115.
- Sharma, S.D., 'China as the World's Creditor and the United States as the World's Debtor: Implications for Sino-American Relations', *China Perspectives*, 84, 2010, pp. 100-115.
- Shen, S.S., 'Back to Southeast Asia', *Beijing Review*, 52(34), 2009, pp. 12-13.
- Sheng, L.J., 'China and ASEAN in Asian Regional Integration', in G.W.Wang and Y.N. Zheng (eds), *China and the New International Order*, Routledge, London, 2008, pp. 256-278.

- Sheng, L.J., 'China's relations with Southeast Asia', in A.I. Latif and P.O. Lee (eds), *Regional Outlook: Southeast Asia 2007-2008*, Institute of Southeast Asian Studies, Singapore, 2007.
- Shirk, S.L., *China: Fragile Superpower*, Oxford University Press, Oxford and New York, 2007.
- Shivakumar, M.S., 'A New Era for Vietnam and US?', *Economic and Political Weekly*, 40(31), 2005, pp. 3374-3376.
- Shuja, S.M., 'Post-Cold War International Relations: Trends and Portents', *Contemporary Review*, 278(1621), 2001, pp. 82-86.
- Simon, S., 'US-Southeast Asia Relations: Rebalancing', *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations*, 13(3), 2012, pp. 53-62.
- Simon, S.W., 'U.S Interests in Southeast Asia: The Future Military Presence', *Asian Survey*, 31(7), 1991, pp. 662-675.
- Singh, D., 'The United States and Southeast Asia', in A.I. Latif and P.O. Lee (eds), *Regional Outlook: Southeast Asia 2007-2008*, Institute of Southeast Asian Studies, Singapore, 2007, pp. 7-9.
- Singh, H. 'Prospect for Regional Stability in Southeast Asia in the Post-Cold War era', *Millennium-Journal of International Studies*, 22(2), 1993, pp. 279-300
- Singh, H., 'Vietnam and ASEAN: The Politics of Accommodation', *Australian Journal of International Affairs*, 51(2), 1997, pp. 215-229.
- Singh, U.B., 'Major Powers and the Security of Southeast Asia', *Strategic Analysis*, 24(2), 2000, pp. 315-342.
- So, T.L. and Kim, U., '*Chien luoc va Chinh sach Ngoai giao cua Trung Quoc*' [Trans: Diplomatic Policy and Strategies of China], Nha xuất bản Chính trị Quốc gia- Su that [Trans: The Political and Truth Publisher], Hanoi, 2013.
- Sokolsky, R., Rabasa, A. and Neu, C.R., *The Role of Southeast Asia in US Strategy towards China*, RAND Corporation, Santa Monica, 2001.
- Storey, I., *The United States and ASEAN-China Relations: All Quiet on the Southeast Asian Front*, Strategic Studies Institute, Carlisle, PA, 2007.
- Storey, I., 'China's Relations with Southeast Asia', in D. Nair and P.O. Lee (eds), *Regional Outlook: Southeast Asia 2008-2009*, Institute of Southeast Asian Studies, Singapore, 2008, pp. 12-14.
- Stuart-Fox, M., 'Southeast Asia and China: The Role of History and Culture in Shaping Future Relations', *Contemporary Southeast Asia*, 26(1), 2004, pp. 116-139.
- Stubbs, R., 'ASEAN Plus Three', *Asian Survey*, 42(3), 2002, pp. 440-455.

- Sutter, R., 'China's Rise in Asia: Are US interests in Jeopardy?', *American Asian Review*, 21(2), 2003, pp. 1-21.
- Sutter, R., *Chinese Foreign Relations: Power and Policy since the Cold War*, Rowman & Littlefield, Lanham, MD, 2009.
- Sutter, R., 'Military and Security Issues', in K.P. Kaup (ed.), *Understanding Contemporary Asia Pacific*, Lynne Rienner Publishers, Boulder, CO, 2007, pp. 104-116.
- Sutter, R., 'The Obama Administration and US Policy in Asia', *Contemporary Southeast Asia*, 31(2), 2009, pp. 189-216.
- Sutter, R., 'The United States and China in Southeast Asia: Conflict or Convergence', in D. Singh (ed.), *Southeast Asia Affairs 2010*, Institute of Southeast Asian Studies, Singapore, 2010, pp. 44-59.
- Sweeten, A.R., *De cuong bai giang "Quan he My-Trung: Benh hoang tuong, Chinh sach ngan chan va viec binh thuong hoa quan he"* [Trans: The Sino-American Relations: Delirium, Prevention and Normalization of Bilateral Relations] in T.B. Do and N.T. Van (eds), *Quan he Quoc te thoi hien dai: Nhung van de moi dat ra* [Trans: The modern International Relations: Newly appeared issues], Nha xuất bản Chính trị quốc gia [Trans: The National Political Truth Publisher], Hanoi, 2012, pp. 496-516.
- Robert G. Sutter, *Chinese Foreign Relations: Power and Policy since the Cold War*. Rowman and Littlefield, 2010.
- Michael Swaine, *America's Challenge: Engaging a Rising China in the Twenty-first Century* Washington: Carnegie Endowment for International Peace, 2011.
- Tammen, R.L., 'The Impact of Asia on World Politics: China and India Options for the United States', *International Studies Review*, 8(4), 2006, pp. 563-580.
- Tan, S.C., 'Changing Global Landscape and Enhanced US Engagement with Asia-Challenging and Emerging Trends', *Asia-Pacific Review*, 19(1), 2012, pp. 108-129.
- Tao, W.Z., 'Sino-American Relations During the George W. Bush Administration', *American Foreign Policy Interests*, 26(5), 2004, pp. 409-414.
- Tao, W.Z., 'U.S. Interests in the Asia-Pacific Region', *Peace Review*, 11(3), 1999, pp. 423-499.
- Taylor, B., 'US-China Relations after 11 September: A Long Engagement or Marriage of Convenience', *Australian Journal of International Affairs*, 59(2), 2005, pp. 179-199.
- Luong Ngoc Thanh., 'Vietnam in the Post-Cold War Era: New Foreign Policy Directions', *Journal of International Development and Cooperation*, 18(3), 2012, pp. 31-52.

- Thayer, C.A., 'Sino-Vietnamese Relations: The Interplay of Ideology and National Interest', *Asian Survey*, 34 (6), 1994, pp. 513-528.
- Thayer, C.A., 'Comrade Plus Brother: The New Sino-Vietnamese Relations', *The Pacific Review*, 5(4), 1992, pp. 402-406.
- Thayer, C.A., "Vietnam: Coping with China," in Daljit Singh, ed., *Southeast Asian Affairs 1994* (Singapore: Institute of Southeast Asian Studies, 1994, pp. 351-367.
- Thayer, C.A., "Vietnamese Perspectives of the 'China Threat'," in Herbert Yee and Ian James Storey, eds., *The China Threat: Perceptions, Myths and Reality*. London: RoutledgeCurzon Taylor & Francis Group, 2002, pp. 265-287.
- Thayer, C.A., "China's 'New Security Concept' and Southeast Asia," in David W. Lovell, ed., *Asia-Pacific Security: Policy Challenges*. Singapore: Institute of Southeast Asian Studies and Canberra: Asia Pacific Press, 2003, pp. 89-107.
- Thayer, C.A., "The Prospects for Strategic Dialogue," in Catharin E. Dalpino editor, *Dialogue on U.S.-Vietnam Relations: Ten Years After Normalization*. San Francisco: The Asia Foundation, 2005, pp. 26-30.
- Thayer, C.A., "China's International Security Cooperation with Southeast Asia," *Australian Defence Force Journal*. No. 172, 2007, pp. 16-32.
- Thayer, C.A., "The Structure of Vietnam-China Relations, 1991-2008," *Journal of International Culture* [Chosun University], 1(2), 2008, pp. 45-98.
- Thayer, C.A., "Southeast Asian Reactions to China's Peaceful Development Doctrine: Indonesia, the Philippines, and Thailand," *NBR Analysis* [Seattle: The National Bureau of Asian Research] 18(5), 2008, pp. 5-14.
- Thayer, C.A., "Cau Truc Quan He Viet Nam-Trung Quoc Giai Doan 1991-2008 [The Structure of Vietnam-China Relations, 1991-2008]," in Vu Minh Giang, et al., eds., *Viet Nam Hoc Ky Yeu Hoi Thao Quoc Te Lan Thu Ba* [Viet Nam Studies Proceedings of the 3rd International Conference], Vol. 6, *Viet Nam: Hoi Nhap va Phat Trien* [Viet Nam: Integration and Development]. Hanoi: National University of Hanoi Publishing House, 2010, pp. 728-751.
- Thayer, C.A., "US-Vietnam Relations: A Scorecard," *Asia Pacific Bulletin* (East-West Center, Washington, D.C.), No. 67, September 14, 2010.
- Thayer, C.A., "The United States and Chinese Assertiveness in the South China Sea," *Security Challenges* [Kokoda Foundation], 6(2), 2010, pp. 69-84.
- Thayer, C.A., "Vietnam's Relations with China and the United States," in *Ky Yeu Hoi Thao Quoc Te Vai Tro Cua Viet Nam Trong Khu Vuc Chau A-Thai Binh Duong* (Proceedings of International Workshop on The Role of Vietnam in the Asia-Pacific), co-sponsored by Rosa Luxemburg Stiftung and Khoa Quoc Te Hoc (Faculty of International Studies), Truong Dai Hoc Khoa Hoc Xa Hoi va Nhan Van (Social Sciences and Humanities University), Dai Hoc Quoc

Gia Ha Noi (National University of Vietnam Hanoi). Hanoi: Nha Xuat Ban The Gioi (The World Publishing House), 2011, pp. 7-66.

- Thayer, C.A., "The Tyranny of Geography: Vietnamese Strategies to Constrain China in the South China Sea," *Contemporary Southeast Asia*, 33(3), 2011, pp. 348-369.
- Thayer, C.A., "China and Southeast Asia: A Shifting Zone of Interaction," in James Clad, Sean M. McDonald and Bruce Vaughn, eds., *The Borderlands of Southeast Asia: Geopolitics, Terrorism, and Globalization*. Center for Strategic Research, Institute of National Strategic Studies. Washington, D.C.: National Defense University Press, 2011, pp. 235-261.
- Thayer, C.A., "Vietnam and the United States: Convergence but not Congruence of Strategic Interests in the South China Sea," Keynote Address to The Fourth Engaging With Vietnam – An Interdisciplinary Dialogue Conference, Australian Night, co-sponsored by the Australian Consulate General, Monash University, and the East-West Center, Wailana Room, The Hawai'i Imin International Conference Center, East-West Center, Honolulu, Hawaii, U.S.A., November 8-9, 2012.
- Thayer, C.A., "The U.S.-Vietnam Comprehensive Partnership: What's in a Name?," *The Strategist*, Australian Strategic Policy Institute Blog, July 31, 2013.
<http://www.aspistrategist.org.au/the-us-vietnam-comprehensive-partnership-whats-in-a-name/>.
- Thayer, C.A., 'Chinese Assertiveness in the South China Sea and Southeast Asian Response', *Journal of Current Southeast Asian Affairs*, 30(2), 2011, pp. 77-104.
- Thayer, C.A., 'Political Legitimacy in Vietnam: Challenge and Response', *Politics & Policy*, 38(3), 2010, pp. 423-444.
- Thayer, C.A., 'US Rapprochement with Laos and Cambodia', *Contemporary Southeast Asia*, 32(3), 2010, pp. 442-459.
- Thayer, C.A., 'Vietnam and Rising China: The Structural Dynamics of Mature Asymmetry', *Southeast Asian Affairs 2010*, Institute of Southeast Asian Studies, Singapore, 2010, pp. 392-409.
- Thayer, C.A., 'The United States, China and Southeast Asia', *Southeast Asian Affairs*, 1, 2011, pp. 16-25.
- Thee, M., 'US-Chinese Rapprochement and Vietnam', *Journal of Peace Research*, 9(1), 1972, pp. 63-67.
- 'Timeline: US-Vietnam Relations', *Contemporary Southeast Asia*, 32(3), 2010, pp. 350-353.

- Tønnesson, S., 'Vietnam's Objective in the South China Sea: National or Regional Security?', *Contemporary Southeast Asia*, 22(1), 2000, pp. 199-220.
- Tow, S., 'Southeast Asia in the Sino-US Strategic Balance', *Contemporary Southeast Asia*, 26(3), 2004, pp. 434-459.
- Tran Truong Thuy, 'Recent Development in the South China Sea: Unconstraints waves of tensions', *Tạp chí Nghiên cứu Quốc tế* [International Studies Review], 24, 2011, pp. 29-60.
- Tran Truong Thuy, 'Tam giác Trung Quoc-ASEAN-Mỹ tại Biển Đông: Lợi ích, Chính sách và Tương tác [Trans: The triangle China-ASEAN-America in the East Sea: Interests, Policies and Interactions]', *Nghiên cứu Biển Đông* [Trans: East Sea (South China Sea) Studies], 2013.
- Tran Truong Thuy & Nguyen Minh Ngoc, 'Vietnam's Security Challenges: Priorities, Policy Implications and Prospects for Regional Cooperation', in National Institute for Defense Studies (ed.), *Security Outlook of the Asia Pacific Countries and Its Implications for the Defense Sector*, NIDS Joint Research Series No. 9, Tokyo, 2013, pp. 93-112.
- Ta Minh Tuan, 'The United States in Asia', *Contemporary Southeast Asia*, 32(2), 2010, pp. 307-308.
- Turner, O., 'Sino-US Relations Then and Now: Discourse, Images, Policy', *Political Perspectives*, 5(3), 2011, pp. 27-45.
- US Department of Defense, 'The United States Security Strategy for the East Asia-Pacific Region', *American Asian Review*, 17(3), 1999, pp. 103-166.
- Van Ness, P., 'Alternative US Strategies with Respect to China and the Implications for Vietnam', *Contemporary Southeast Asia*, 20(2), 1998, pp. 154-170.
- Van der Putten, F.P., *China's Regional Security Relations and Interactions with the US: Trends, Challenges and Possible Scenarios*, NOREF Report, 2012.
- Vatikiotis, M.R.J., 'Catching the Dragon's Tail: China and Southeast Asia in the 21st Century', *Contemporary Southeast Asia*, 25(1), 2003, pp. 65-78.
- Vaughn, B. and Morrison, W.M., *China-Southeast Asia Relations: Trends, Issues and Implications for the United States*, CRS Report for Congress, Congressional Research Service, The Library of Congress, 2006.
- Vietnam Courier (ed.), *Chinese Aggression against Vietnam*, Vietnam Courier, Hanoi, 1979.
- Vo, X.V. (2012). 'Chiến lược cân bằng ảnh hưởng nước lớn của ASEAN và nhân tố An Đông' [Trans: ASEAN's Balance of Power Strategy] in T.B. Do and N.T. Van, *Quan hệ quốc tế thời hiện đại: Những vấn đề đặt ra* [Trans: Modern international relations: Current problems], The National Political Truth Publisher, Hanoi.

- Vu Khoan, 'Security, Development and Influence in Foreign Affairs', in V.T. Nguyen (ed.), *The Vietnamese Foreign Policy (Part II: 1975-2006)*, Hanoi, 2007, pp. 60-68.
- Vu Le Thai Hoang, 'APEC 2011 and the Future of Regional Architecture in Asia Pacific', *Tap chí Nghiên cứu Quốc tế* [International Studies Review], 24, 2011, pp. 203-219.
- Vu Le Thai Hoang, *Suc manh thong minh va The ky Thai Binh Duong: Nen tang chien luoc doi ngoai cua Chinh quyen My* [Trans: Smart power and the Asia Pacific Century: the foundation of the US Administration's foreign policy], Tap Chi Cong San [Trans: The Communist Review], 2012, pp. 1-29.
- Vuving, A.L. 'Strategy and Evolution of Vietnam's China Policy: A Changing Mixture of Pathways', *Asian Survey*, 46(6), 2006, pp. 805-824.
- Wang, Y. and S. Y.Tong, 'China-ASEAN FTA Changes ASEAN's Perspectives on China', *East Asian Policy*, 2(2), 2010, pp. 47-54.
- Wang, Y.W., 'Rethinking the South China Sea Issue: A Perspective of Sino-U.S. Relations', *Pacific Focus*, 21(1), 2006, pp. 105-135.
- Weidenbaum, M., 'The Future of Sino-American Relations', *Orbis*, 43(2), 1999, pp. 223-235.
- Welle-Strand, A., Vlaicu, M., and Tjeldvoll, A., 'Vietnam-A New Economic Dragon in Southeast Asia?', *Journal of Developing Societies*, 29(2), 2013, pp. 155-187
- Womack, B., 'China and Southeast Asia: Asymmetry, Leadership and Normalcy', *Pacific Affairs*, 76(4), 2003/2004, pp. 529-548.
- Wong, J., 'China's Economic Rise and Its Implications for Southeast Asia: The Big Picture' in L. Suryadinata (ed.), *Southeast Asia's Chinese Business in an Era of Globalization: Coping with the Rise of China*, Institute of Southeast Asian Studies Singapore, Singapore, 2006.
- Wong, K.S., 'The Ethnic Chinese in Southeast Asia and China' in L. Suryadinata (ed.), *Southeast Asian Chinese and China: The Politico-Economic Dimension*, Singapore, Times Academic Press, 1995.
- Wu, C.Q., 'International Structure, Threat and Public Opinion on Foreign Policy: Bush and Obama Foreign Policy Turns', *Chinese Journal of International Politics*, 4(3), 2011, pp. 311-343.
- Wu, X., 'US Security Policy in Asia: Implications for China-US Relations', *Contemporary Southeast Asia*, 22(3), 2000, pp. 479-497
- Yahuda, M., *The International Politics of the Asia-Pacific*, 3rd and revised edition, Routledge, London and New York, 2011.

- Yan, X.T., 'The Instability of China-US Relations', *Chinese Journal of International Politics*, 3(3), 2010, pp. 263-292.
- Yang, J. and Azizian, R., 'China-US Tensions: New Era or Old Pattern?', *New Zealand International Review*, 35(6), 2010, pp. 13-17.
- Yee, A., 'Maritime Territorial Disputes in East Asia: A Comparative Analysis of the South China Sea and the East China Sea', *Journal of Current Chinese Affairs*, 40(2), 2011, pp. 165-193.
- Yilmaz, M.E., 'The New World Order: An Outline of the Post-Cold War Era', *Alternatives: Turkish Journal of International Relations*, 7(4), 2008, pp. 44-58.
- Yueh, L., 'The US, China, and Global Imbalances', *China Economic Journal*, 3(1), 2010, pp. 33-48.
- Yuzhu, W. and Sarah, Y.T., 'China-ASEAN FTA Changes ASEAN's Perspectives on China', *East Asian Policy*, pp. 47-54.
- Zhao, H., 'The South China Sea Dispute and China-ASEAN Relations', *Asian Affairs*, 44(1), 2013, pp. 27-43.
- Zhao, Q.S., 'Chinese Foreign Policy in the Post-Cold War Era', *World Affairs*, 159(3), 1997, pp. 114-129.
- Zhao, S.S., 'Asia-Pacific Regional Multi-polarity: From Alliance to Alignment in the Post-Cold War era', *World Affairs*, 159(4), 1997, pp. 183-196.

Dissertations

- Ali, S.K., 'Reducing Sino-US Tensions and the Possibility of Confrontation in Maritime East-Asia', Masters Policy Paper, Boston University, 2011.
- Lee, B.H., 'Vietnam's Foreign Policy Reorientation', PhD thesis, Boston University, 2011.
- Lemon, D.W., 'Vietnam's Foreign Policy toward China since the 1970s', Master Thesis, Naval Postgraduate School, 2007.
- Lu, Y.C. 'From Confrontation to Accommodation: China's Policy toward the U.S. in the Post-Cold War Era', PhD thesis, George Washington University, 2009.
- Nguyen Hong Thach, 'Vietnam between China & the United States (1950-1995)', PhD thesis, University of New South Wales, 2001.
- Pham Cao Cuong, 'US Security Engagement with Southeast Asia during the Clinton and Bush Administrations', PhD thesis, University of New South Wales, 2009.

- Suryodipuro, S.R., 'Implications of Sino-American Strategic Competition on Southeast Asia's Post-Cold War Regional Order', MA Thesis, Naval Postgraduate School, California, 2003.
- Zhang, M., 'The Emerging Asia-Pacific Triangle', *Australian Journal of International Affairs*, 52(1), 1998, pp. 47-61.
- Zhang, X.S., 'A Realist Interpretation of U.S Relations with China', Master Thesis, University of Central Florida, 2010.

Conference Papers

- Ha Van Ngoan, 'The Thematic Report on the South China Sea: Bilateral Relations between Vietnam and China and Maritime Security', Presentation at a Meeting of the Central Propaganda Committee of the Communist Party of Vietnam in Ho Chi Minh City, 2012.
- Khoo, N., 'The Uncertain Promise of Economic Interdependence: Sino-US Relations in the Post-Cold War Era', paper presented at the New Zealand-India Track II Dialogue organized by the Asia New Zealand Foundation and held in Wellington, 3-4 October 2012.
- Le Linh Lan, 'The Changing Pattern of Interaction between Vietnam and the US: From Confrontation to Cooperation', paper presented at the *42nd Annual Convention of the International Studies Association* held in Chicago, 20-24 February 2001.
- Sutter, R., 'Recommendations for US Policy in an Uncertain Asia-Pacific Security Environment', paper presented at the 6th Berlin Conference on Asian Security (BCAS), organized by the Stiftung Wissenschaft und Politik and Konrad-Adenauer-Stiftung, and held in Berlin, 18-19 June 2012.
- Thayer, C.A., 'Can the Center Hold? ASEAN in the Midst of China-United States Strategic Rivalry', paper presented at 'The Asan China Forum 2012: China in Transition' organized by the Asan Institute for Policy Studies and held in Seoul, 11-12 December 2012.
- Thayer, C.A., 'Deference/Defiance: Southeast Asia, China and the South China Sea', paper presented at 'The Deer and The Dragon: Southeast Asia and China in the 21st Century' Workshop organized by the Southeast Asia Forum of the Shorenstein Asia-Pacific Research Center at Stanford University and the China Programme of the Institute of Defence and Security Studies of the S. Rajaratnam School of International Studies at Nanyang Technological University, and held in Singapore, 15-16 November 2012.
- Thayer, C.A., 'China's Naval Modernization and U.S. Rebalancing: Implications for Stability in the South China Sea', Paper to Panel on Militarization and Its Implications, 4th International Workshop on the South China Sea co-

sponsored by the Diplomatic Academy of Vietnam and the Vietnam Lawyer's Association, Ho Chi Minh City, November 18-21, 2012.

Thayer, C.A., 'Vietnam on the road to Global Integration: Forging Strategic Partnerships Through International Security Cooperation', Presentation to the Opening Plenary Session, Fourth International Vietnam Studies Conference, Vietnam Academy of Social Science and Vietnam National University, Hanoi, November 26-30, 2012.

LIST OF INTERVIEWEES¹

No.	Interviewee (by surname alphabetical order)	Position at Time of Interview	Date of Interview	Place of Interview
1.	Cu, Chi Loi	Director General of the Vietnam Institute of Americas Studies, Vietnam Academy of Social Sciences	18/9/2012	Hanoi, Vietnam
2.	Do, Son Hai	Head of International Politics and Vietnam Diplomacy, Diplomatic Academy of Vietnam, Ministry of Foreign Affairs	19/9/2012	Hanoi, Vietnam
3.	Do, Tien Sam	Director General of the Institute for Chinese Studies, Vietnam Academy of Social Sciences	19/9/2012	Hanoi, Vietnam
4.	Hoang, Anh Tuan	Director General of the Institute for Foreign Policy and Strategic Studies, Diplomatic Academy, Ministry of Foreign Affairs	13/2/2012	Hanoi, Vietnam
5.	Le, Khuong Thuy	Head of International Studies, Vietnam Institute of Americas Studies, Vietnam Academy of Social Sciences	19/9/2012	Hanoi, Vietnam
6.	Le, Minh Thong	Vice-Chairman of the Law Committee of the National Assembly	25/9/2012	Hanoi, Vietnam
7.	Luong, Van Ke	Head of European Studies, Faculty of International Studies, University of Social Sciences and Humanities, Vietnam National University	24/1/2013	Hanoi, Vietnam
8.	Nguyen, Hong Thach	Director General, Department of General Political Affairs, The CPV Central Committee's Commission for External Relations	21/9/2012	Hanoi, Vietnam
9.	Nguyen, Nam Duong	Assistant Director General, Institute for Foreign Policy and Strategic Studies, Diplomatic Academy of Vietnam	8/10/2012	Hanoi, Vietnam
10.	Nguyen, Thai Yen Huong	Vice President of the Diplomatic Academy of Vietnam, Ministry of Foreign Affairs	8/10/2012	Hanoi, Vietnam
11.	Ta, Minh Tuan	Visiting Professor, Diplomatic Academy of Vietnam	22/9/2012	Hanoi, Vietnam
12.	Marzuki Alie	The 14 th Speaker of the House of Representatives of the Republic of Indonesia	12/6/2012	Jakarta, Indonesia

¹ Names and positions of anonymous interviewees are not included in this list.

13.	Siswo Pramono	Director of Centre of Policy Analysis and Development for Asia Pacific and Africa Regions, Ministry of Foreign Affairs, Indonesia	11/4/2012	Jakarta, Indonesia
14.	Hazairin Pohan	Head of Centre for Education and Training, Ministry of Foreign Affairs, Indonesia	12/4/2012	Jakarta, Indonesia
15.	Chalermphanupap, Termsak	Director of Political and Security Directorate, ASEAN Political and Security Community Department, ASEAN Secretariat	12/4/2012	Jakarta, Indonesia
16.	Caballero Anthony, Mely	Director of External Relations, External Relations Directorate, ASEAN Political and Security Community Department, ASEAN Secretariat	12/4/2012	Jakarta, Indonesia
17.	Pitono Purnomo	Director General, Head of Policy Analysis and Development Agency, Ministry of Foreign Affairs, Indonesia. (Former Ambassador of Indonesia to Vietnam)	11/6/2012	Jakarta, Indonesia
18.	Rizal Sukma	Executive Director, Centre for Strategic and International Studies, Indonesia	12/6/2012	Jakarta, Indonesia
19.	Ikrar Nusa Bhakti	Research Centre for Political Studies, Indonesian Institute of Science	27/11/2012	Jakarta, Indonesia
20.	Bantarto Bandoro	Post-Graduate School of Defence Strategy, Indonesian Defence University	27/11/2012	Jakarta, Indonesia
21.	Hariyadi Wirawan	Department of International Relations, Faculty of Social and Political Sciences, University of Indonesia	28/11/2012	Jakarta, Indonesia