



**Testimony before the U.S. - China Economic and  
Security Review Commission**

***“CHINA’S RELATIONS WITH  
BURMA, MALAYSIA, AND VIETNAM”***

A testimony by:

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## **Political and diplomatic ties**

### *Background and current state of relations*

China and Vietnam this year celebrate 65 years of bilateral diplomatic relations. However, the two countries only normalized ties in 1991 following a period of hostility from 1978 to 1991. Following the unification of Vietnam under communist rule in 1975, the government oppressed and drove out many ethnic Chinese from southern Vietnam, fortified its alliance with the then Soviet Union, and launched an offensive in late 1978 to overthrow the Khmer Rouge regime in Cambodia, which was an ally of China. These actions prompted Beijing to consider Hanoi a threat to its regional influence and, in 1979, Chinese forces launched a punitive attack into northern Vietnam, prompting a brief but deadly border war.

Communist parties rule both countries today and the two cultures share a common Confucian heritage. But the dynamics of bilateral relations are extremely complex. Geographical proximity and economic dependence requires that Vietnam maintain amicable relations with China. At the same time, Vietnam's opening to the world since the late 1980s, coupled with a changing regional strategic environment, have caused an evolution of Vietnam's thinking about and policy toward China.

Under a new foreign policy framework agreed on by Vietnam's Communist Party Central Committee in 2013, Vietnam will treat China as an economic and ideological partner, but as its adversary with regard to disputes in the South China Sea. Conflict in the South China Sea remains the single largest obstacle in China-Vietnam relations. Vietnam claims sovereignty over the Paracel Islands, which China seized from the U.S.-backed South Vietnamese regime in 1974, and all the Spratly Islands, which China also claims.

Chinese and Vietnamese leaders upgraded ties to a strategic partnership in 2008, and elevated their relations to a comprehensive strategic cooperative partnership a year later.

### *Domestic political issues in Vietnam that affect China-Vietnam relations*

Two major domestic factors influence Vietnam's policy toward China: rising nationalism in the population with regard to maritime disputes with China and a debate among elites about China's position in Vietnam's future foreign policy.

Vietnamese leaders have been under mounting pressure from the population to show resolve in dealing with China in the South China Sea. According to a Pew Research Center survey on global attitudes in 2014, only 16 percent of Vietnamese surveyed said they have a favorable view of China, the second lowest level in Asia following Japan.<sup>1</sup> The government for the most part has kept a lid on anti-China sentiment and demonstrations for fear they would be hijacked by anti-government forces.

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<sup>1</sup> Pew Research Center, "Global Attitudes & Trends: Global Indicators Database – Opinion of China," <http://www.pewglobal.org/database/indicator/24/>.

However, in the wake of China's deployment of an oil drilling rig to waters off the Paracel Islands in May 2014, authorities gave implicit support to rallies by thousands of anti-Chinese demonstrators across Vietnam. Following an initial round of impromptu protests, mobs went on a rampage against foreign businesses believed to be Chinese-owned in two industrial zones in southern Vietnam. Several Chinese workers reportedly died during protests against a Taiwanese project in central Vietnam.

Amid the oil-rig crisis, some protesters and activists seized the opportunity to advocate for domestic political reforms as a way to garner Vietnam greater international support and leverage vis-à-vis China in the long run. These calls have been made in the past, but last year they were renewed in a slightly different context. A number of Vietnamese have attributed what they see as the government's reluctance to stand up more forcefully to China to the shared ideology between Hanoi and Beijing.<sup>2</sup>

Meanwhile, Vietnamese officials believe that they have defended the country's national interests and navigated the South China Sea issue to the best of their abilities. Hanoi recognizes that China will always be at its doorstep and prefers to avoid antagonizing China if possible. It has sought to find a balance between appeasing and hedging against Beijing, depending on the circumstances.

A serious debate has taken place within Vietnam's top leadership in recent years about how to deal with China's ambitions in the South China Sea more effectively. The focus of the debate is not about whether Vietnam should submit to or distance itself from China, but rather how and to what extent it can use its growing partnerships with countries such as the United States, Japan, and India to keep Chinese assertiveness in check.

Traditionally, senior party officials and military leaders, many of whom fought against the United States during the war, tend to be more skeptical about the prospects or utility of expanding Vietnam's ties with the West and the United States in particular. Hanoi also has concerns about how Beijing may respond if the U.S.–Vietnam military rapprochement proceeds too fast.

Nonetheless, the trend line in recent years shows that Vietnamese leaders continue to advance defense and economic cooperation with the United States as a way to improve Hanoi's strategic autonomy vis-à-vis Beijing.

In early 2016, Vietnam will hold a Communist Party congress to select a new leadership team. Against this backdrop, different political factions are becoming increasingly divided over how Vietnam should position itself – politically, economically, and geopolitically. China lies at the center of all these divides.

### *The importance of party-to-party ties*

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<sup>2</sup> Phuong Nguyen, "South China Sea Standoff Turns into Domestic Challenges for Hanoi," CogitAsia, May 15, 2014, <http://cogitasia.com/south-china-sea-standoff-turns-into-domestic-challenges-for-hanoi/>.

The longstanding ties between the communist parties in China and Vietnam continue to inform the relationship between the two countries and serve as the first and foremost channel through which bilateral disagreements are communicated and resolved. Party-to-party ties have acted as a key stabilizer in China-Vietnam relations in recent years, as Hanoi alternates between accommodating and standing up to Chinese maritime aggression.<sup>3</sup>

However, the oil-rig crisis in 2014 was a real turning point in this relationship. After China moved to station the rig off Vietnam's coast and amid the dangerous standoff between Chinese and Vietnamese forces at sea, senior Vietnamese party officials made multiple overtures to their counterparts in Beijing but to little avail. The crisis resulted in the sharpest deterioration of ties in decades between China and Vietnam. It is believed that Chinese president Xi Jinping even refused to meet with his Vietnamese counterpart, Communist Party secretary-general Nguyen Phu Trong. China also issued preconditions for sitting down with Vietnam, which included demands for Vietnam to stop harassing the rig with patrol boats and fishing vessels, drop its sovereignty claims over the Paracel Islands, renounce any plans to pursue legal action against China, and promise not to involve any third parties in the conflict. Hanoi did not budge, and China eventually withdrew the rig a month in advance of schedule.

As a result of the oil-rig crisis, even party stalwarts in Hanoi have become disillusioned with China's treatment of Vietnam. Strategic trust has been weakened. Yet following a weeks-long standoff, Hanoi and Beijing began patching up ties. Beijing resorted to calling on Hanoi not to use "megaphone diplomacy" and urged Vietnam to keep bilateral ties on the correct path – interpreted to mean a path preferred by China. But that did not stop Hanoi from filing a statement in late 2014 asking the Permanent Court of Arbitration in The Hague to consider Vietnam's rights when evaluating the legal case brought by the Philippines against China.<sup>4</sup>

Vietnam's Communist Party chief paid a high-level visit to China in early April, ahead of his much anticipated visit to the United States later this year. It has been reported that Beijing only extended an official invitation to Trong when it became clear that he would visit Washington.<sup>5</sup> During Trong's visit, Chinese state media raised concerns about so-called outsiders who sought to exploit recent developments to sow discord between China and Vietnam and those in Vietnam's leading political circles who it believed have become accomplices in this effort.<sup>6</sup>

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<sup>3</sup> Murray Hiebert, Phuong Nguyen, and Gregory B. Poling, *A New Era in U.S.-Vietnam Relations: Deepening Ties Two Decades after Normalization* (Center for Strategic and International Studies, June 2014), [http://csis.org/files/publication/140609\\_Hiebert\\_USVietnamRelations\\_Web.pdf](http://csis.org/files/publication/140609_Hiebert_USVietnamRelations_Web.pdf).

<sup>4</sup> Phuong Nguyen, "Vietnam's Careful Dance with the Superpowers," East Asia Forum, January 21, 2015, <http://www.eastasiaforum.org/2015/01/21/vietnams-careful-dance-with-the-superpowers/>.

<sup>5</sup> Phuong Nguyen, "Vietnam Party Chief's Visit to China Raises the Bar for U.S.-Vietnam Relations," CogitAsia, April 6, 2015, <http://cogitasia.com/vietnam-party-chiefs-visit-to-china-raises-the-bar-for-u-s-vietnam-relations/>.

<sup>6</sup> Deng Yushan, "Commentary: No Room for Wedge in China-Vietnam Relations," *Xinhua*, April 7, 2015, [http://news.xinhuanet.com/english/2015-04/07/c\\_134129188.htm](http://news.xinhuanet.com/english/2015-04/07/c_134129188.htm).

### **The South China Sea dispute in China-Vietnam relations**

The South China Sea remains the biggest area of tension in bilateral ties. While Vietnam and China stress the importance of ties between the two communist parties, each country has its own approach to the disputes.

#### *Vietnam's approach in the South China Sea*

Vietnam has sought to internationalize the South China Sea issue through regional and multilateral forums and increase cooperation with partners such as the United States, Japan, and India. It has also stepped up modernization of the Vietnamese Navy, Air Force, and Coast Guard, and developed a maritime strategy that will guide Vietnam's maritime policy until 2020. One critical element in Vietnam's South China Sea strategy is an emphasis on self-restraint in the case of a crisis or conflict.

In addition, Vietnam regards high-level defense and security engagement with the United States and garnering U.S. support for Vietnam and U.S. regional leadership over the South China Sea as extremely important. Toward this end, Hanoi for years called on Washington to lift its ban on the sale of lethal arms to Vietnam in order to normalize defense relations between the two countries. The United States partially lifted this ban in October 2014, but Vietnam continues to call for the full lifting of the ban.

In 2014, U.S. and Vietnamese navies for the first time conducted a joint search and rescue exercise off the coast of Danang in central Vietnam. Earlier this year, the two navies conducted a joint exercise to practice the Code for Unplanned Encounters at Sea off Danang, and the two air forces conducted a joint search and rescue operation. The Code for Unplanned Encounters at Sea was signed by 21 Pacific nations at the Western Pacific Naval Symposium in Qingdao, China, in April 2014.

However, there are perceived red lines that Vietnam will not cross in its relations with the United States out of fear of provoking China. There is also a perception among some Vietnamese elites that Hanoi is only a pawn in the U.S. rebalance to Asia and that Washington's great power calculus with regard to Beijing is real and Vietnam could easily get jettisoned if it became an issue in U.S.-China relations.

For instance, many in Vietnam see China's seizure of the western half of the Paracel Islands in 1974 from then South Vietnam as a byproduct of the U.S. withdrawal of troops from Vietnam and moves toward rapprochement with China two years earlier. Similarly, these sources believe the skirmish between China and Vietnam on Johnson South Reef in the Spratlys in 1988 was a byproduct of Soviet hints of withdrawal from Cam Ranh Bay, a deep-water harbor in central Vietnam overlooking the South China Sea developed by the United States during the war. Many in Hanoi believe the United States once again acquiesced to China's actions. This sentiment will likely linger for some time to come.<sup>7</sup>

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<sup>7</sup> Nguyen, "Vietnam's Careful Dance with the Superpowers."

The 10-nation Association of Southeast Asian Nations (ASEAN) also serves as a platform for Vietnam to internationalize and voice its concerns about Chinese actions in the South China Sea. Vietnam has quietly worked to persuade its ASEAN neighbors that they should take China's growing assertiveness in the maritime realm more seriously. While Hanoi does not regard ASEAN forums and meetings as a means to resolve the conflict, it has worked on cultivating members of the grouping to ensure that it sees that a threat to Vietnam could eventually be a threat to the region. ASEAN's support is especially important since Vietnam is a claimant state on the frontlines of the South China Sea dispute and yet it does not have any close or credible ally that will come to its defense in case of a conflict with China. Vietnam has emerged as one of the most proactive strategic voices within ASEAN in recent years.

Within ASEAN, Vietnam has cemented closer ties with member states that also share its concerns about maintaining stability in the South China Sea. Vietnam signed a strategic partnership with Indonesia in 2013, becoming the only country within the grouping to do so. It has been in talks with the Philippines, one of the six disputing countries in the South China Sea, to finalize a bilateral strategic partnership this year.

As of last year, Vietnam left open the possibility of pursuing legal action against China under the UN Convention on the Law of the Sea, as the Philippines has done. But it is unlikely Vietnam will decide to take China to court over the South China Sea disputes in the foreseeable future.

#### *China's approach to the South China Sea disputes*

As for China, it has urged bilateral talks and diplomacy among the disputing countries as a way to handle territorial disputes. China has been adept at exploiting Vietnam's strategic vulnerability in the South China Sea. This was demonstrated through China's deployment of the oil rig last year: Beijing was confident that Hanoi would have no credible means to respond to such action and that no foreign country would come to Vietnam's aid.<sup>8</sup> China's military calculus in the South China Sea, in addition to seeking to establish control of this maritime space, has aimed at keeping Vietnam's maritime posture in the contested Spratly Islands in check. This is because Vietnam by far controls the most islands in the Spratlys and, among Southeast Asian claimants, Vietnam currently possesses the most credible deterrence against China's military forces, therefore raising the costs for China's military actions against Vietnam.

The Vietnamese Navy and Air Force, which until the early 2000s had little capacity to protect Vietnam's maritime interests, have over the past decade undergone rapid modernization.<sup>9</sup> Vietnam's Navy will operate a fleet of six advanced Kilo-class submarines by 2017, and will be equipped with land attack missiles that analysts believe

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<sup>8</sup> See "Sino-Vietnamese Conflicts Can Be Contained Till Solution Found," *Global Times*, April 13, 2015, <http://www.globaltimes.cn/content/916658.shtml>.

<sup>9</sup> Murray Hiebert and Phuong Nguyen, "Vietnam Ramps Up Defense Spending, But Its Challenges Remain," Asia Maritime Transparency Initiative, Center for Strategic and International Studies, March 18, 2015, <http://amti.csis.org/vietnam-ramps-up-defense-spending-but-its-challenges-remain/>.

are designed to target China's submarine base on Hainan Island and disputed islands in the South China Sea. Vietnam's Air Force will operate 36 Su-30 MK2 fighter jets, which are anti-ship missile-capable, by the end of 2015, in addition to an older fleet of roughly 190 other Soviet-made aircraft.<sup>10</sup>

In 2011, China and Vietnam reached an Agreement on Basic Principles Guiding Settlement of Maritime Issues, which calls for, among other things, confidence building between the two countries' navies and coast guards.<sup>11</sup> In 2008, China's Navy was invited back to Vietnam for a port visit after a 17-year hiatus. Yet despite talks and confidence-building measures, both sides still forge ahead with advancing their own strategic interests in the South China Sea.

### **Other areas of tension in China-Vietnam relations**

The second major area of tension between China and Vietnam has to do with China's growing footprint in Cambodia and Laos, both of which share land borders with Vietnam. Because of their shared histories, Vietnam has long maintained close links at many levels with government and party organizations in Cambodia and Laos. Yet it finds itself increasingly unable to match China's growing political and economic footprint in these two countries. Hanoi worries that Chinese influence in its next-door neighbors, especially Laos, if left unchecked, could have geopolitical ramifications down the road. As a result, Vietnam has encouraged Laos to explore its options in cooperating with external partners such as Japan, South Korea, and the United States.<sup>12</sup>

Another major area of tension concerns dam construction along the Mekong River, which originates in Yunnan province in China and flows through Laos, Thailand, and Cambodia, before ending in Vietnam. Hanoi believes that China's construction of a series of upstream dams in Yunnan province paved the way for downstream countries to follow suit, and that China's role in supporting and financing the construction of dams in Cambodia and Laos is adverse to Vietnam's economic and environmental interests.

The lower Mekong region is home to approximately 240 million people, with some 70 million depending on the Mekong River for their livelihoods. China reportedly plans to build a total of 19 large dams on the Mekong.<sup>13</sup> The environmental effects of these planned dams, including damage to rice and fish production and increased risk of natural calamities, will be felt most strongly in the lower Mekong and the Mekong delta, which is Vietnam's rice basket.

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<sup>10</sup> Ibid.

<sup>11</sup> "China, Vietnam Pledge to Properly Settle Maritime Issues," *China Daily*, October 15, 2011, [http://usa.chinadaily.com.cn/china/2011-10/15/content\\_13906285.htm](http://usa.chinadaily.com.cn/china/2011-10/15/content_13906285.htm).

<sup>12</sup> Phuong Nguyen, "in Laos, A Strategic Opening the United States Cannot Miss," Center for Strategic and International Studies, April 2, 2015, <http://csis.org/publication/laos-strategic-opening-united-states-cannot-miss/>.

<sup>13</sup> Anchalee Kongrut, "China Should Set Good Example on the Mekong River," *International Rivers*, January 25, 2013, <http://www.internationalrivers.org/resources/china-should-set-good-example-on-the-mekong-river-7806>.

### Areas of security cooperation

Despite their differences, China and Vietnam have in recent years carried out talks on demarcating the mouth of the Gulf of Tonkin and have conducted joint fisheries patrols in this area. By mid-2014, the two countries' coast guards had conducted a total of 16 joint fisheries patrols. China and Vietnam agreed on the final demarcation of their land border in 2009.

The two governments continue to hold working group meetings on demarcating the Tonkin Gulf based on a principle known as "easy-first, difficult-later." Hanoi and Beijing last year agreed to launch joint surveys in this area and carry out cooperation on marine scientific research and environmental protection, search and rescue, and disaster prevention.<sup>14</sup>

China and Vietnam also have established mechanisms to cooperate on border security. These include management of border gates, monitoring the entrance and exit of people in each country, combating crime, and holding joint border patrols. The flow of Uighur Muslims from China to neighboring countries has not caused serious problems for China-Vietnam relations so far, but this could potentially emerge as an area that requires more bilateral coordination. In April 2014, Vietnamese authorities arrested a group of at least 15 individuals believed to be Uighurs who crossed into Vietnam and Chinese authorities asked Hanoi to repatriate them to China. This request led to a deadly gun fight in which a Uighur man reportedly shot dead at least seven people, including several Vietnamese border guards.<sup>15</sup> In January, another group of Uighurs were reportedly shot dead by Chinese police near the Vietnamese border.<sup>16</sup>

Human trafficking and bride buying present another challenging area in China-Vietnam border relations. Vietnamese women and children have been misled into China for fraudulent labor opportunities and later sold to brothels. In addition, many Vietnamese women who migrated to China as part of internationally brokered marriages have been subject to forced labor, forced prostitution, or both.<sup>17</sup> The practice of buying Vietnamese brides is common in many rural areas in China, where a wide gender gap and shifting socio-economic conditions have made it difficult for Chinese men to marry. There have been reported cases in which Vietnamese brides who were sold as wives to men in northern China have gone missing in what authorities believed may have been organized human trafficking operations.<sup>18</sup>

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<sup>14</sup> "Chinese Premier Li Keqiang Visits Vietnam," *VietnamNet*, October 14, 2013, <http://english.vietnamnet.vn/fms/government/86738/chinese-premier-li-keqiang-visits-vietnam.html>

<sup>15</sup> Nga Pham, "Vietnam Border Shoot-Out Raises Uighur Questions," *BBC News*, April 29, 2014, <http://www.bbc.com/news/world-asia-27200562>.

<sup>16</sup> "China police 'Shoot Two Uighurs Trying to Enter Vietnam'," *BBC News*, January 19, 2015, <http://www.bbc.com/news/world-asia-china-30875969>.

<sup>17</sup> U.S. Department of State, *Trafficking in Persons Report 2013*, <http://www.state.gov/j/tip/rls/tiprpt/2013/>.

<sup>18</sup> "China Police Search for Missing Vietnamese Brides: Paper," *Reuters*, December 11, 2014, <http://www.reuters.com/article/2014/12/11/us-china-vietnam-brides-idUSKBN0JP0R420141211>.

The Vietnamese government has begun sending officials on short-term assignments to China to take part in joint trafficking investigations. These efforts have led to rescue operations of trafficking victims and the arrest of hundreds of traffickers.<sup>19</sup>

The two governments have worked together to devise a joint action plan to combat drug trafficking and drug-related crimes on their shared border. Police, customs, and law enforcement officials from Vietnam's seven border provinces and China's Yunnan Province and Guangxi Zhuang Autonomous Region have held regular exchanges.<sup>20</sup> Vietnamese and Chinese organized crime groups have reportedly been responsible for the forced labor of Vietnamese children on cannabis farms in the United Kingdom.<sup>21</sup>

The ministries of public security of the two countries also maintain close ties. However, the extent of bilateral cooperation on matters of domestic security is opaque and much less understood.

### **Trade and investment relations**

In 2013, total two-way trade reached \$50 billion, an increase of 22 percent year-on-year, making China Vietnam's largest trade partner. Of this amount, nearly \$37 billion was Vietnamese imports from China. In particular, Vietnam's thriving export-led manufacturing sector, from garments to electronics and rice, depends heavily on imports of raw materials and inputs from China. Northern Vietnam also gets a considerable amount of its electricity needs from China. Bilateral trade is expected to reach \$60 billion in 2015.

However, China's investment in Vietnam has lagged far behind bilateral trade. While statistics vary widely, it is estimated that accumulated Chinese investments in Vietnam ranged somewhere between \$2.3 and \$4.8 billion in over 900 projects by the end of 2013. A surge in Chinese investment between 2012 and 2013 – Chinese foreign direct investment in 2012 was estimated to be only \$371 million – resulted from the signing of a project for the construction of a thermal power plant in southern Vietnam between Chinese and Vietnamese state-owned companies.<sup>22</sup>

Other major Chinese investments in Vietnam include two large-scale Chinese-Vietnamese joint ventures in bauxite mining and processing in the remote central highlands of Vietnam, which caused a backlash in Vietnam. A number of Vietnamese, including prominent intellectuals and former party officials, have expressed concern about the environmental impact caused by these projects and have questioned their

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<sup>19</sup> State, *Trafficking in Persons Report 2013*.

<sup>20</sup> "Vietnam, China Hold Meetings on Cooperation in Drug Prevention," *China Daily*, October 1, 2014, [http://www.chinadaily.com.cn/world/2014-10/15/content\\_18740895.htm](http://www.chinadaily.com.cn/world/2014-10/15/content_18740895.htm)

<sup>21</sup> State, *Trafficking in Persons Report 2013*.

<sup>22</sup> Nguyen Thi Hang Ngan and Zhang Jianhua, "Interview: More Chinese Investment Boosts China-Vietnam Trade Ties," *Xinhua*, January 16, 2014, [http://news.xinhuanet.com/english/indepth/2014-01/16/c\\_133050466.htm](http://news.xinhuanet.com/english/indepth/2014-01/16/c_133050466.htm).

commercial viability. They also complained about the use of thousands of Chinese workers brought to Vietnam to implement this project as economic exploitation and invasion of Vietnam's sovereignty.

Vietnam has joined the 12-nation Trans-Pacific Partnership (TPP) currently under negotiation to help the country diversify its economic ties so it is less dependent on China. A number of Chinese companies, recognizing that Vietnam will benefit from increased access to the United States, Japan, and other markets, have begun investing in garment and textile mills in Vietnam so that they can potentially benefit from the preferential terms of the TPP.<sup>23</sup>

### *Vietnam in China's planned Maritime Silk Road*

During Chinese prime minister Li Keqiang's visit to Vietnam in late 2013 as part of China's new economic charm offensive toward its neighbors,<sup>24</sup> the two countries agreed to boost bilateral economic relations in light of China's planned Maritime Silk Road initiative. Chinese state media hailed Vietnam as "a sparkling new state in the new ASEAN," and urged the Chinese government not to overlook a market of soon-to-be 100 million people in Vietnam.<sup>25</sup>

During Li's visit, Vietnam agreed to plans for the construction of a Chinese-invested industrial zone in southern Vietnam and implementation of the Shenzhen-Haiphong trade corridor, which, once realized, will link the northeastern port city of Haiphong to the major trading hub in southern China. It was announced after the April summit between Vietnam's party chief and his Chinese counterpart that China will help upgrade the port facility in Haiphong to accommodate large container ships, which could be completed as early as the end of 2017. Cargo bound for inland areas in southern and southwestern China could then be unloaded in Haiphong instead of Shanghai or Hong Kong, reducing the shipping time.<sup>26</sup>

China and Vietnam have recently set up working groups on infrastructure and monetary cooperation as part of China's new strategy of boosting cross-border connectivity with its neighbors. The two countries plan to begin construction of highways linking Vietnam's border province of Lang Son with Hanoi and the border city of Mong Cai with the popular tourist destination at Ha Long Bay. They also agreed to conduct a feasibility study for a proposed high-speed railway between Vietnam's border province of Lao Cai

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<sup>23</sup> Nigel Cory, "Impact of TPP Agreement on Vietnam's Garment Industry: Weak Spot Could Become Its Major Gain," CogitAsia, April 17, 2015, <http://cogitasia.com/impact-of-tpp-agreement-on-vietnams-garment-industry-weak-spot-could-become-its-major-gain/>.

<sup>24</sup> See Phuong Nguyen, "China's Charm Offensive Signals a New Strategic Era in Southeast Asia," Center for Strategic and International Studies, October 17, 2013, <http://csis.org/publication/chinas-charm-offensive-signals-new-strategic-era-southeast-asia>.

<sup>25</sup> Gu Yuanyang, "Vietnam Offers China Shared Ideology and Deeper Trade," *Global Times*, November 25, 2013, <http://www.globaltimes.cn/content/827512.shtml#.UpNansRebTo>.

<sup>26</sup> Tetsuya Abe and Atsushi Tomiyama, "China, Vietnam to Cooperate on New Trade Corridor," *Nikkei Asian Review*, April 8, 2015, <http://asia.nikkei.com/Politics-Economy/International-Relations/China-Vietnam-to-cooperate-on-new-trade-corridor>.

and the port city of Haiphong.<sup>27</sup> This building spree is in part a response to Japan's increase in assistance for infrastructure projects in Vietnam in recent years. Vietnam has emerged as the largest recipient of Japanese overseas development assistance.<sup>28</sup>

A less talked about aspect of China's Maritime Silk Road initiative is its efforts to boost people-to-people exchanges with youth in neighboring countries, including Vietnam, as a way to lay the foundation for China's future engagement with the region. There are currently over 13,500 Vietnamese students studying in China (compared to over 16,000 Vietnamese students studying in the United States). Hanoi and Beijing in 2013 reaffirmed their commitment to boost educational exchanges in coming years.<sup>29</sup>

### **Recommendations for the U.S. Congress**

Vietnam has emerged in recent years as one of the most promising partners for the United States in Southeast Asia. Yet, there is still much untapped potential in U.S.-Vietnam relations, both bilaterally and multilaterally. Fears of antagonizing China remain a major factor that has prevented Vietnam from moving closer to the United States.

Congress should continue its already robust and high-level engagement with Vietnam's National Assembly and government, and engage the rising crop of Vietnamese leaders and lawmakers. Ten of 16 members in Vietnam's Politburo will reach retirement age in 2016, and most of them will step down as a result. The leadership transition next year will be generational, allowing the United States an opportunity to cultivate relationships with future Vietnamese leaders. Although Vietnamese leaders will not abandon their longstanding party-to-party ties with China anytime soon, there may be opportunities to boost cooperation in many areas, including defense, with the United States if mutual trust can be established. The United States and Vietnam have held extensive defense talks since 2008, but the two sides have yet to develop a self-sustaining level of mutual trust.

Toward this end, veteran members of Congress can invest in raising awareness among rising U.S. legislators about the importance of U.S.-Vietnam relations. A so-called "America syndrome" still exists among an older generation of senior Vietnamese officials who fought against the United States during the war, which sometimes acted as a deterrent hobbling deeper bilateral cooperation.<sup>30</sup> When the Chief of General Staff of the Vietnamese armed forces visited the United States for the first time in 2013, he was warmly greeted by Congress, as well as many U.S. government agencies and military leaders. Visits like these are a great opportunity for Congress to help senior Vietnamese

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<sup>27</sup> "Chinese Premier Li Keqiang Visits Vietnam," *VietnamNet*.

<sup>28</sup> See Tom Wright and Mitsuru Obe, "Vietnam Plays Key Role in China-Japan Aid Battle," *Wall Street Journal*, March 27, 2015, <http://www.wsj.com/articles/vietnam-plays-key-role-in-china-japan-aid-battle-1427431451>

<sup>29</sup> "Chinese Premier Li Keqiang Visits Vietnam," *VietnamNet*.

<sup>30</sup> Murray Hiebert and Phuong Nguyen, "The Time is Right for President Obama to Visit Vietnam in 2015," Center for Strategic and International Studies, February 19, 2015, <http://csis.org/publication/southeast-asia-scott-circle-time-right-president-obama-visit-vietnam-2015>.

leaders feel more comfortable with the U.S. system and contribute to trust building between the two countries.

Vietnam's communist party chief Trong is slated to come to the United States later this year in a historic visit as the two countries celebrate the 20<sup>th</sup> anniversary of normalization of diplomatic ties. Those in Hanoi who advocate closer U.S.-Vietnam ties believe that this visit will be of paramount importance to the relationship going forward.<sup>31</sup> It will send a message to China that Vietnam will continue to deepen defense and economic ties with the United States to protect its strategic autonomy, in contrast to China's belief that Vietnam will not dare to stray far from its orbit. Congress should consider meeting the secretary-general and his delegation, and express U.S. support for resolution of disputes according to international law, the freedom of navigation, and non-use of force in the South China Sea.

Congress could also support efforts by the administration to explore the full lifting of the lethal arms ban against Vietnam. It remains to be seen whether Vietnam will decide to acquire any U.S. weapons platforms following the partial lifting of the ban. A full removal of the ban could go a long way in forging trust with the senior Vietnamese military leadership. This move, of course, will require that Vietnam makes concrete progress on human rights and the treatment of prisoners of conscience.

Congress can support efforts by the United States and Vietnam to expand both naval and Coast Guard cooperation, which would help Hanoi gain increased maritime domain awareness in the South China Sea. Similarly, the two countries could step up cooperation in intelligence, surveillance, and reconnaissance that would give Vietnam increased awareness about China's activities in the disputed sea. While Hanoi could be open to greater military cooperation with the United States, it still holds back due to concern about China's reaction.

Congress can make a significant impact on consolidating U.S.-Vietnam relations by boosting future funding for the clearance of unexploded ordnance left over from the Vietnam War. A fifth of Vietnam's land is contaminated with remaining bombs, and in central provinces, unexploded ordnance kills more than 1,500 people every year and injures thousands of others.<sup>32</sup> Stepping up efforts to assist Vietnam with war legacy issues, especially with regard to unexploded ordnance and the effects of Agent Orange/dioxin, will go a long way in sustaining the goodwill of ordinary people and future generations of Vietnamese toward the United States.

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<sup>31</sup> Ibid.

<sup>32</sup> "US to Provide \$8mn for UXO Removal in Central Vietnam," *Tuoi Tre News*, March 3, 2015, <http://tuoitrenews.vn/society/26416/us-to-provide-8mn-for-tackling-uxo-removal-in-central-vietnam>.