

China's perspective on the US-Vietnam rapprochement by Yun Sun

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President Barack Obama's trip to Vietnam last month and the lifting of the arms embargo is an important and historical turning point in US relations with Vietnam. While media and observers have generally interpreted the rapprochement as targeting China, Beijing's perception and assessment of the development of US-Vietnam relations has been largely missing. An analysis of Chinese perspectives helps map China's potential responses. More importantly, it will reveal key information about Vietnam's attempt to balance its domestic political agenda and policy goals, and less known facts about Vietnam's relations with China.

On the official level, China's reaction to the visit and lifting of the arms embargo was moderate and dispassionate. The Ministry of Foreign Affairs' response was that "As a neighbor to Vietnam, China is happy to see Vietnam develop normal relations with all countries including the U.S. And we hope this would be conducive to regional peace, stability and development." The reaction, or lack of reaction, seemed to disappoint some observers and analysts.

Knowing that a public display of displeasure will not change anything and will only make it look petty and bitter, Beijing tried to appear unemotional. Yet the Chinese policy community has been vocal about the trip and its implications for the regional balance of power. It is acknowledged that a US concerned with China's regional assertiveness and a Vietnam worried about national security and territorial integrity have much common ground. Other than the traditional concern about US containment strategy, the fact that Vietnam is a socialist country that had been China's fraternity brother and ideological comrade is particularly unsettling.

But China's concern needs to be qualified. Beijing is generally concerned about the deterioration of relations with Southeast Asian countries and identifies the US rebalance strategy as a fundamental factor undermining these relations. However, in the case of Vietnam, China's assessment is more complicated. On the one hand, China sees real reasons for worry about the development of US-Vietnam relations. However, on the other hand, China sees a number of constraints to cooperation between Washington and Hanoi.

For example, the most significant event during Obama's trip was the lifting of the arms embargo on Vietnam, which was seen as the final obstacle to complete normalization of ties between the two. Despite the drastic nature of the

announcement and the policy shift it indicates, China sees the announcement as more symbolic than militarily threatening. Russia has traditionally been the largest arms seller to Vietnam. It would take years for the People's Army of Vietnam to adapt to US equipment and systems. And this assumes that Vietnam can actually afford the more expensive US equipment, which Hanoi's current defense budget may not permit. Furthermore, given Vietnam's relations with Russia and China, the Chinese cannot but wonder how willing Washington is to sell advanced equipment to Vietnam, running the risk of it ending up in Russian or Chinese hands.

Trans-Pacific Partnership (TPP) perhaps presents a bigger concern for China. China sees TPP as a US policy instrument to enhance economic ties, promote market economy, social diversity, and potentially political liberalization in Vietnam. It also recognized that Vietnam has a strong interest in joining TPP to boost domestic growth and reduce economic dependence on China. Nevertheless, whether joining TPP will offset China's critical role in Vietnam's economy remains to be seen. China takes comfort in the fact that Sino-Vietnam trade is twice the size of US-Vietnam trade. Although China has not been a top investor in Vietnam in terms of cumulative investment, its FDI has been rising quickly. From 2012 to 2014, Chinese FDI soared from \$312 million in 2012 to \$7.9 billion in 2014. The Chinese policy community sees maritime disputes as the main obstacle to more investment, although it will likely be mitigated by the push from the Belt and Road initiative in mainland Southeast Asia.

China also believes Hanoi is pragmatic and will pursue a balancing diplomacy rather than align itself with one power. In the Chinese view, the recent history of Vietnam's foreign policy shows that Hanoi's most important goal is to maintain independence and maximize flexibility. To this end, Vietnam has not been hesitant to change policies on China and the US. Therefore, to China, Vietnam might turn to the US for comfort, but whether it will turn against China, especially beyond the issue of South China Sea, remains to be seen.

This skepticism has not touched on the most significant factor in China's assessment of Hanoi's relations with both Beijing and Washington: Vietnam's domestic politics. China believes that Vietnam, as a socialist country, faces fundamental constraints in developing ties with the US, which not only holds a critical view of Vietnam's human rights record, but also intends to change the Vietnamese political system through "peaceful evolution." In China's observation, the Communist Party of Vietnam has no intention to liberalize one-party rule in Vietnam in the near future, and therefore, its rapprochement with the US will be limited. At the same time, Washington's relations with an authoritarian/socialist country like Vietnam will also be fundamentally constrained by domestic constituencies, especially Congress and the human rights community.

China believes that as long as the Communist Party of Vietnam is rational, which in the Chinese dictionary means that it won't commit political suicide like the Soviet Union did under Gorbachev, relations with China will not be derailed. China sees no need to promote political liberalization in Vietnam. The same thing cannot be said about the US. Indeed, China attaches an unusually high level of importance to party-to-party solidarity and believes that this ideological anchor will ultimately help China and Vietnam navigate bilateral problems.

Americans will find the level of intimacy between the two communist parties incompatible with the narrative of a Vietnam trying to break away from China. In fact, the record of senior-level visits by Vietnamese leaders shows striking inconsistency between the Vietnam's desire to turn away from China and align with the US. Party Secretary General Nguyen Phu Trong visited Washington in July 2015, which was seen as an ice-breaking trip by many. However, people neglected to mention that he paid an equally significant visit to Beijing three months before he went to the US. And six months before Hanoi received President Obama, it celebrated a top-level state visit by Chinese President Xi Jinping.

In 2015, three of the four top leaders of Vietnam – Party secretary general, State president and chairman of the Parliament – visited Beijing. Their trips were reciprocated by visits by two Chinese Politburo Standing Committee members: President Xi and Vice Premier Zhang Gaoli. In 2016, Xi was the first leader to send his special envoy to congratulate Nguyen Phu Trong in person after the 12th Party Congress this January. And the special envoy of the Vietnamese Communist Party secretary general was the first foreign guest Xi met and greeted after the lunar new year.

Given the intimacy at the top level, the Chinese policy community generally sees the South China Sea disputes between China and Vietnam as bitter, but the understanding and management of the issue at the top level have significantly improved. Beijing understands that Vietnam is unlikely to succumb to Beijing's claims and will seek to balance China's strength through the US. But bilateral ties are manageable. China is also convinced that Hanoi has become much more careful about agitating domestic nationalist sentiment and not to repeat the anti-China protests in 2014. This is not necessarily for the sake of the health of the Sino-Vietnam relations, but rather for the regime security of Hanoi as some of the protests evolved to target Vietnam's socialism and communist government, both of which are closely associated with China.

If Chinese assessments are correct, Vietnam will have much soul searching to do and difficult decisions to make before it determines its utmost goals and best alignment choice. After all, in this case, its domestic and foreign policy agendas face key internal conflicts.

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