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**NAVAL WAR COLLEGE  
Newport, R.I.**

**Walking a Tightrope: Vietnam's Security Challenge in the South China Sea and  
Implications for U.S. PACOM**

by

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**A paper submitted to the Faculty of the Naval War College in partial satisfaction of the requirements of the Department of Joint Military Operations.**

**The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.**

**Signature: \_\_\_\_\_**

**1 November 2013**

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## ABSTRACT

*Walking a Tightrope: Vietnam's Security Challenge in the South China Sea and Implications for U.S. PACOM*

Vietnam considers China's assertiveness in the South China Sea as a threat to vital national security interests – inextricably linked to economic well-being and by extension, regime preservation. Since 1988, Vietnam has sought to overcome political isolation by expanding international relations and vigorously defending its claims to the Paracel and Spratly Islands on the basis on the United Nations Convention on the Law of the Sea (UNCLOS). The author posits that Vietnam will continue to hedge against a resurgent China in the South China Sea through its integration in Association of South East Asian Nations (ASEAN), military modernization, and expansion of political and economic ties to outside powers including a gradual and cautious development of its relationship with the United States. With respect to Vietnam and more broadly the ASEAN states, U.S. Pacific Command (U.S. PACOM) should conduct a broad range of military-military activities focusing on the areas of professional military education, joint doctrine assistance, joint and combined interoperability, logistics and maintenance support, and command and control. Humanitarian Assistance and Disaster Relief (HADR), peacekeeping operations, and areas of non-traditional security such as smuggling, piracy, and drug trafficking provide the common ground for cooperation. Finally, as part of a competitive strategy approach toward China, the author argues that the U.S. should consider lifting its ban on arms sales to Vietnam.

## **Introduction**

Vietnam considers China's assertiveness in the South China Sea as a threat to vital national security interests – inextricably linked to economic well-being and by extension, regime preservation. Since 1988, Vietnam has sought to overcome political isolation by expanding international relations and vigorously defending its claims to the Paracel and Spratly Islands on the basis on the United Nations Convention on the Law of the Sea (UNCLOS). Vietnam will continue to hedge against a resurgent China in the South China Sea through its integration in Association of South East Asian Nations (ASEAN), military modernization, and expansion of political and economic ties to outside powers including a gradual and cautious development of its relationship with the United States. With respect to Vietnam and more broadly the ASEAN states, U.S. Pacific Command (USPACOM) should conduct a broad range of military-military activities focusing on the areas of professional military education, joint doctrine assistance, joint and combined interoperability, logistics and maintenance support, and command and control. Humanitarian Assistance and Disaster Relief (HADR), peacekeeping operations, and areas of non-traditional security such as smuggling, piracy, and drug trafficking provide the common ground for cooperation. Moreover, as part of a competitive strategy approach toward China, the U.S. should consider lifting its ban on arms sales to Vietnam.

### **Vietnam's Security Outlook: Implications of a Rising China**

Since the 1970s and the conclusions of the Vietnam War, the South China Sea has emerged as an area of persistent competition that threatens regional security and represents a potential flashpoint between an emerging China and the United States. At stake are not only

China's claims of sovereignty over the islands and access to resources, particularly oil and gas, but China's prestige and its historical legacy as the dominant regional power. For centuries, China took its dominance over the South China Sea for granted, never feeling the need to occupy the islands when the Middle Kingdom was powerful and influential.<sup>1</sup> As China declined and was eventually dismembered by the European powers and Japan, China lost nearly all of its offshore territories, and they acquired European names (as in the case of the Paracels and Spratlys). As a result of the French ownership and ties to Indo-China, the Vietnamese were accorded the islands at the end of colonial rule.<sup>2</sup>

For China, attaining hegemony in the South China Sea links prestige and real interests. Fully one third of world maritime traffic moves through the South China Sea including 80 percent of China's crude-oil imports. The South China Sea, therefore, is China's lifeline, resembling in many ways America's position in the Caribbean basin in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries, which defined the Caribbean as the "American Lake" to the virtual exclusion of other powers. Hence, China asserts its claim to the South China Sea in a U-shaped loop commonly referred to as the "cows tongue" from Hainan Island to some 1,200 miles south to just north of the Riau Islands and back up to Taiwan. In the words of analyst Robert Kaplan, "geography propels China forward into the South China Sea."<sup>3</sup>

The bilateral dispute for territory between China and Vietnam began in 1974 when China seized part of the Paracel Islands. Following this incident, Vietnam vigorously began to defend its historical claims to the Paracels and Spratlys, with the Philippines, Malaysia, Taiwan, and Brunei also laying claim to the latter island group. In March 1988, the bilateral

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<sup>1</sup> Richard Sokolsky, Angel Rabasa, and C.R. Nue, *The Role of Southeast Asia in U.S. Strategy Toward China*. (Santa Monica, CA: RAND, 2000), 21. The Chinese date their claim to the second millennium B.C.

<sup>2</sup> David Lai, *Asia-Pacific: A Strategic Assessment* (Carlisle, PA: Strategic Studies Institute, 2013), 58-59.

<sup>3</sup> Robert Kaplan, "The South China Sea Is the Future of Conflict," *Foreign Policy* (Sep/Oct 2011): 5.

competition between China and Vietnam erupted into violence when 74 Vietnamese sailors died in an attempt to forestall Chinese occupation of the Spratly reefs.<sup>4</sup> Against this backdrop, two events occurred that were to have a significant impact on the Vietnamese outlook toward the South China Sea – the end of the Cold War and the era of *doi moi* (“renewal”) beginning in the mid-1980s.

### **Impact of the End of the Cold War and *doi moi* on Vietnam’s Security Outlook**

During the Cold War, neither China nor Vietnam possessed significant naval forces. The Vietnamese had allied themselves with the Soviet Union by offering the naval facilities at Cam Ranh Bay, while the Chinese were content with the offsetting presence provided by United States. The end of the Cold War disrupted this balance with a significantly reduced Russian presence, coupled with curtailed U.S. engagement in the region, particularly as the U.S. withdrew from bases in the Philippines in 1992. As a result of its unprecedented economic growth, more active diplomacy, growing trade relations, and increased naval power, China began to exert more influence in the region.<sup>5</sup> Fueled by China’s rise and sensing a power vacuum, ASEAN established the ASEAN Regional Forum (ARF), an Asian-Pacific cooperative framework that included the U.S. and China.<sup>6</sup> The ARF, first held in July 1994, represented a commitment to cooperative security and a venue to dialogue on security issues affecting the Asia-Pacific. The ASEAN countries, which eventually included Vietnam, preferred multilateral approaches for several reasons. First, the proliferation of transnational problems, such as piracy and drug-trafficking, required such an approach.

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<sup>4</sup> Background on the South China Sea dispute provided in Patrick M. Cronin, Peter A. Dutton, M. Taylor Fravel, James R. Holmes, Robert Kaplan, Will Rogers, and Ian Storey, *Cooperation From Strength: The United States, China and the South China Sea*. (Center for a New American Security, January, 2012), 34.

<sup>5</sup> Stein Tonnesson, “Vietnam’s Objective in the South China Sea: National or Regional Security?,” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs*, Vol. 22, Issue 1 (April 2000): 5.

<sup>6</sup> Tomotaka Shoji, “Vietnam, ASEAN, and the South China Sea: Unity or Diverseness?” *Journal of Defense and Security*, No.13 (2012): 5.

Second, the ASEAN states remained uncertain about the level of U.S. commitment to the region, and they viewed the ARF as a way of keeping the U.S. engaged. Finally, by banding together, ASEAN states felt that a collective approach would offer a greater voice in advancing mutual interests and provide a better chance in maneuvering China into a multilateral security arrangement that might constrain its ambitions.<sup>7</sup> Importantly, in 2002, ASEAN and China signed a Declaration of Conduct (DOC) of parties in the South China Sea which called for the peaceful settlement of disputes “without resorting to the threat or use of force.”<sup>8</sup> For its part, the end of Soviet aid, coupled with *doi moi* following a period of economic collapse, provided the impetus for Vietnam to end its political isolation and join ASEAN in 1995.

The impact of the economic collapse in the mid-1980s on the Vietnamese leadership and its implications concerning the country’s security cannot be understated. The economic collapse, which also threatened to collapse the regime, caused the country’s leadership to rethink its socialist market economy and adopt wide-ranging reforms, restructure market mechanisms, and integrate into the global economy. Cognizant of Tiananmen Square and how reform measures could undermine the security of the regime, Vietnam’s policymakers were careful to balance economic reform (and its attendant openness to external influences) on one hand while preserving the political and ideological foundations of the regime on the other. This was the essence of the era of *doi moi*. Since this time, Vietnam’s chief security objectives have been economic growth and regime preservation, providing a lens from which all other security concerns must be viewed, including the danger that emanates from a

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<sup>7</sup> Sokolsky, Rabasa, and Nue, 57.

<sup>8</sup> Truong Tran Thuy and Nguyen Minh Ngoc, *Vietnam’s Security Challenges: Priorities Implications and Prospects for Regional Cooperation*. (Tokyo, Japan: The National Institute for Defense Studies, 2013), 4

powerful, emergent China.<sup>9</sup> Since conflict with any country would be detrimental to these goals, Vietnam's foreign policy places great emphasis on diplomacy as "the first line of defense" for "maintaining a peaceful environment and creating favorable conditions for reforms."<sup>10</sup> A 2009 National Defense White Paper emphasized: "Vietnam's consistent policy is to solve both historical and newly emerging disputes over territorial sovereignty in land and sea through peaceful means on the basis on international law."<sup>11</sup>

Only within the context of *doi moi* can one appreciate why – despite historical enmities dating back centuries, an outright war in 1979, and China's incursions in the South China Sea – China and Vietnam normalized diplomatic relations in 1991, and in 2000 ended their long-standing border dispute with the signing of the Land Border Treaty. The two countries also rapidly expanded their economic relationship.

Although Vietnam considered the development of bilateral ties as essential to its security, diplomatic *rapprochement* with China was not without its drawbacks. For example, increased trade between the two countries has been accompanied by smuggling (including human smuggling), crime, corruption, and Chinese export of hazardous cheap products which, taken together, many Vietnamese interpret as a deliberate attempt by the Chinese to destabilize the market economy and hence the country.<sup>12</sup> China's development of the upper

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<sup>9</sup> See Thuy and Ngoc for analysis of the political report adopted by the 11<sup>th</sup> National Party Congress in 2011, 2-3. Also see Alexander Vuving, "Vietnamese Perspectives on Transnational Security Challenges," *Issues for Engagement: Asian Perspectives on Transnational Security Challenges*. (Honolulu, HI: Asia-Pacific Center for Security Studies, 2010), 168-169.

<sup>10</sup> Communist Party of Vietnam, *The 10<sup>th</sup> National Congress Documents*, p. 125 as quoted in Nguyen Tung Vu, "Vietnam's Security Challenges: Hanoi's New Approach to National Security and Implications to Defense and Foreign Policies," *Joint Research Series No 5: Asia Pacific Countries' Security Outlook and Its Implications for the Defense Sector*. (Tokyo, Japan: The National Institute of Defense Studies, 2010), 117. Vu stated "Diplomacy is the first line of defense [for Vietnam]."

<sup>11</sup> *Ibid*, 117.

<sup>12</sup> Vuving, 170-175.

Mekong River and widening trade surplus with Vietnam are two additional matters of growing concern in Hanoi.<sup>13</sup>

Additionally, the disputes over the Paracels and Spratlys, while taking on a non-violent form, continued nonetheless. Maritime security issues involving overlapping claims to a continental shelf and a 200 nautical mile Exclusive Economic Zone (EEZ) became a frequent source of tension, with clashes over fishing rights and oil and gas exploitation. The South Sea Region Fisheries Administration Bureau (SSRFAB) is the Chinese agency charged with enforcing domestic fishing laws, including a unilaterally imposed fishing ban in the disputed waters between May and August every year since 1999. Between 2005 and 2010, SSRFAB increased its presence in the Gulf of Tonkin and Paracels, detaining or seizing 63 Vietnamese boats and 725 fishermen.<sup>14</sup> During the period 2011-2012, China's Maritime Surveillance Force (MSF), which is part of State Oceanographic Administration, was involved in two separate confrontations to harass and sever the tow cables of seismic vessels operating within Vietnam's EEZ. In a third incident, a Chinese fishing boat (possibly SSRFAB), cut the towed cables of a Norwegian surveying ship off the coast of southern Vietnam.<sup>15</sup> Also in 2012, China National Offshore Oil Corporation (CNOOC) announced nine blocks within Vietnam's EEZ for tender of oil and gas exploitation. Finally, the Chinese government recently issued a new passport showing a map of China to include its claims within the U-shaped line.<sup>16</sup> Even so, given its history of continual struggle for independence, Vietnam is not about to succumb to Finlandization, cowed into acquiescence by its powerful neighbor to the north.

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<sup>13</sup>Thuy, 8-11. Also see Elizabeth Economy, "China's Rise in Southeast Asia: Implications for Japan and the United States," *The Asia-Pacific Journal: Japan Focus* (2005): 11.

<sup>14</sup> Cronin, et al., 38. See also Thuy, 4-5.

<sup>15</sup> Ibid., 39.

<sup>16</sup> Thuy, 5.

## **Vietnam's Comprehensive Approach to Counter Chinese Assertiveness**

Provided Vietnam's history, security outlook and objectives, maintaining regime stability required that these affronts to its rights and sovereignty did not go unchallenged. Vietnamese policymakers considered sea-borne trade and exploitation of the maritime environment (including of the EEZ) as essential to Vietnam's continued economic development and growth and, by extension, the viability of the regime.<sup>17</sup> In 2005, Vietnam's maritime economy contributed 48 percent to Vietnam's gross domestic product (GDP), a number that is expected to rise to 55 percent by 2020.<sup>18</sup> Consequently, any actual or perceived lack of response in dealing with China on maritime issues could potentially open the regime's performance to criticism. Conversely, the government's ability to demonstrate its effectiveness in handling South China Sea disputes could boost national unity and hence the regime's legitimacy.<sup>19</sup> While maintaining its core security interest of preserving a peaceful environment in furtherance of economic development, the Vietnamese response to these and other encroachments has been comprehensive and credible, albeit that of a weaker state in an asymmetric relationship. The following lines of effort characterize the Vietnamese approach: 1) Defense of maritime claims using UNCLOS 1982; 2) Conduct of bi-lateral negotiations with China to help reduce tensions and settle disputes; 3) Leverage membership in ASEAN to pursue a comprehensive Code of Conduct (CoC) with China for the South China Sea; 4) Upgrade of its deterrent capability; 5) Balance China by engaging internationally on issues of non-traditional security, and developing forces for international

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<sup>17</sup> Vu, 116.

<sup>18</sup> Cronin et al., 35.

<sup>19</sup> Vu, 115.

peacekeeping; 6) Cultivate a security relationship with the United States to offset China's regional dominance.<sup>20</sup>

First, the Vietnamese have vigorously defended their maritime claims using international law, particularly the UNCLOS 1982, thus gaining a degree of international legitimacy. UNCLOS includes provisions for the delineation of maritime zones, managing EEZs, and semi-enclosed seas, although these are frequently vague and open to interpretation. Since UNCLOS is evolving and is only legally binding on states which have ratified the convention, generally states follow one of two options regarding the convention. They can widely interpret UNCLOS and its provisions to maximize national interest, or they can use reasonable interpretation (supported by customary international law) to realize national interest. In the first course, the state comes off as an untrustworthy bully and risks becoming a pariah in the international community. On the other hand, because it relies on consensus forming, the second course establishes the state as a responsible, reliable partner and confers a degree of international legitimacy and prestige. Initially, Vietnam followed a loose interpretation of the Law of the Sea, which quickly proved counter-productive since this approach had the unintended effect of legitimizing the radical straight baselines drawn by China and other claimants. Since the advent of *doi moi* and the end of Vietnam's political isolation, however, the Vietnamese government has been of the consistent view that disputes should be settled by "peaceful means and through bilateral and multilateral negotiations among parties directly concerned, on the basis of full compliance with international law, especially the 1982 U.N. Convention on the Law of the Sea."<sup>21</sup>

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<sup>20</sup> Modified from Thuy, 6-7.

<sup>21</sup> Tonnesson, 8-9. Foreign Minister and Deputy Prime Minister Nguyen Manh Cam address to U.N. General Assembly 25 September 1999 as quoted in Tonnesson, 10.

Second, the Vietnamese have continued to keep the door open to bi-lateral negotiations with China to reduce tensions and settle disputes. In 2010, China and Vietnam held their inaugural Defense-Security Strategic Dialogue in Hanoi. A subsequent meeting in 2011, held at the deputy minister level in Beijing, led to an agreement on the exchange of military delegations and the establishment of a hotline between the two defense ministries. Also in 2011, Nguyen Phu Trong, General Secretary of the Vietnam's Communist Party, made a trip to Beijing during which China and Vietnam agreed to increased security cooperation and basic set of principles for the resolution of maritime issues.<sup>22</sup> More recently, in June 2013, Vietnam's President Truong Tan Sang visited Beijing to meet with General Secretary Xi Jinping. The topics of their discussions included; trade relations, increasing Chinese tourism and investment in Vietnam, and strengthening political trust. It is also likely that Sang urged the Chinese to move forward in its talks with ASEAN on the maritime Code of Conduct (COC) in the South China Sea.<sup>23</sup>

Third, Vietnam has leveraged its membership within ASEAN to engage China on DOC implementation and further push toward a full COC in the South China Sea. As an example, in 2010, as ASEAN Chair, Vietnam leveraged its role to internationalize the South China Sea issue.<sup>24</sup> Furthermore, at the ASEAN Ministerial Meeting in July 2012, Vietnam was able to overcome considerable Chinese pressure on ASEAN states, particularly Cambodia (the Chair at that time), by enlisting ASEAN's traditional leader, Indonesia, to

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<sup>22</sup>Cronin et al., 45. Also, Carlyle Thayer, "Vietnam's Security Outlook," *Security Outlook of the Asia Pacific Countries and Its Implications for the Defense Sector*. (Tokyo, Japan: The National Institute for Defense Studies, 2012), 75-76.

<sup>23</sup> Johan Boudreau and Rosalind Mathieson, "Vietnam Leader in China Seeks Export Gains Amid Sea Tension," *Bloomberg News*, (2013): 3.

<sup>24</sup> Thayer, "Vietnam's Security Outlook," 74.

advocate for a common position regarding the South China Sea. The result was the release of a joint communique on ASEAN's "Six-Point Principles on the South China Sea."<sup>25</sup>

Fourth, Vietnam has been upgrading its deterrent capability by improving maritime law enforcement capacity and modernizing its and naval forces, largely through the purchase of foreign weapons.<sup>26</sup> Vietnam has steadily increased its defense spending from 1.9 percent of GDP in 2005 to 2.4 percent of GDP in 2012.<sup>27</sup> Most notably, Vietnam made the decision in December 2009 to purchase six conventional diesel powered Kilo-class submarines from Russia for delivery in 2014. In 2011, Vietnam also took delivery of two Gepard-class frigates armed with Kh-35E anti-ship cruise missiles, and two Svetlyak-class missile patrol boats. Between 2004 and 2010, Vietnam took delivery of 41 fighter aircraft, including 28 Su-30MK2 multi-role jets equipped with Kh-59MK anti-ship cruise missiles with a range of 115 km. Overall, analysts expect the naval budget to rise to \$400 million by 2015. Vietnam also currently has on order additional advanced fighter aircraft, and from the Netherlands four Sigma-class corvettes, two of which will be constructed in Vietnam. Vietnam reportedly has been acquiring land-based anti-ship missiles and ballistic missiles to bolster its coastal defenses.<sup>28</sup>

Fifth, Vietnam has sought to balance China by engaging internationally on issues of non-traditional security, including developing forces for international peacekeeping.<sup>29</sup> Consistent with *doi moi* and the end of Vietnam's political isolation, Hanoi has sought common ground with like-minded states in the area of transnational security such as

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<sup>25</sup> Eiichi Katahara, ed., "Southeast Asia: ASEAN and Greater U.S. Engagement," *East Asian Strategic Review 2013*. (Tokyo, Japan: The National Institute of Defense Studies, May 2013), 234.

<sup>26</sup> Thuy, 6-7.

<sup>27</sup> Stockholm International Peace Research Institute (SIPRI), *Military Expenditure Database 2012*.

<sup>28</sup> Cronin et al., 40. See also Tomotaka Shoji, "Vietnam, ASEAN, and the South China Sea: Unity of Diverseness?" *Journal of Defense and Security*, No.13 (2012): 11. See also Thayer, "Vietnam's Security Outlook," 78-79.

<sup>29</sup> Thayer, "Vietnam's Security Outlook," 72.

trafficking in persons, drugs, weapons; illegal immigration; piracy; the spread of infectious diseases; and environmental issues. These issues are most pressing along Vietnam's porous land borders with Cambodia and Laos. In recent years, these countries have made some headway, including the signing of several agreements regarding border demarcation and an annual cooperation plan between Vietnam's Ministry of Public Safety and its Laotian and Cambodian counterparts.<sup>30</sup> On the maritime front, Vietnam and Singapore concluded a Defense Cooperation Agreement in 2009, which formalized areas of cooperation such as military exchanges, professional education and training, search and rescue and humanitarian assistance and disaster relief. Vietnam conducts combined naval patrols with China, Thailand, Cambodia and Malaysia to "improve the effectiveness in coordination in maintaining security in overlapping zones and bordering areas at sea."<sup>31</sup> ASEAN Defense Minister's Meeting Plus has provided a structure for multilateral security and cooperation in five areas: maritime security, medicine, peacekeeping, counterterrorism, and HADR.<sup>32</sup>

Vietnam's cooperation on non-traditional security issues has extended to non-Asian countries, particularly those that place a high value on human security, such as Australia and the United Kingdom, and countries also with sizable Vietnamese diaspora like the United States, Germany, Canada, and Russia.<sup>33</sup> Perhaps Hanoi's boldest initiative internationally took place in 2011, when after long debate; Vietnam finally decided to develop forces for UN peacekeeping. In doing so, Vietnam moved from national defense to international security – a significant step for an insular military and a challenge to its professionalism. Despite the obstacles and pressures involved with making a successful debut, Hanoi's decision to provide

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<sup>30</sup> Vuving, 177.

<sup>31</sup> 2009 Defense White Paper as quoted in Thuy, 13.

<sup>32</sup> Eiichi Katahara, ed., 239.

<sup>33</sup> Vuving, 177.

international peacekeepers makes perfect sense when viewed through the lens of *doi moi* and its goal of furthering Vietnam's international standing and legitimacy.<sup>34</sup> Moreover, since the United States is assisting Vietnam with the development of its capability, peacekeeping serves as an area of defense cooperation between Washington and Hanoi.<sup>35</sup>

### **U.S.-Vietnam Security Relationship**

Finally, as cooperation on the deployment of Vietnam's peacekeeping capability indicates, Vietnam is cautiously cultivating a budding security relationship with the United States. The relationship between the United States and Vietnam, two former adversaries at ideological opposite ends of the spectrum, can only be explained by the geostrategic turbulence generated by China's rise, and the *realpolitik* assessments made by Vietnamese policy-makers in the era of *doi moi*. Since the two countries normalized relations in 1995, bilateral ties have continued to bloom. For Vietnam, the United States provides a strategic counterweight to China in the region, particularly in the South China Sea. Additionally, expanding economic relations with the United States and other countries allow Vietnam to diversify its portfolio of trading partners and decrease its dependency on China, thereby contributing to the strategic goal of economic security.<sup>36</sup> Since the Bilateral Trade Agreement went into effect in 2001, two-way trade jumped from \$1.5 billion to \$21.8 billion in 2011.<sup>37</sup> The joint statement following President Truong Tan Sang's visit to the United States on July 25, 2013, reaffirmed the "critical value" of the bilateral partnership and the "importance of economic cooperation as a foundation" for the new U.S.-Vietnam

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<sup>34</sup> Thayer, "Vietnam's Security Outlook," 82.

<sup>35</sup> The White House, *Joint Statement by President Barack Obama of the United States of America and President Truong Tan Sang of the Socialist Republic of Vietnam*, The White House, Office of the Press Secretary, 25 July 2013.

<sup>36</sup> Rajaram Panda, "U.S. and Vietnam: Emerging Security Architecture in Southeast and East Asia." *Institute of Peace on Conflict Studies*, Article No. 4082 (2013): 2-3.

<sup>37</sup> U.S. Embassy Hanoi, *U.S. and Vietnam Celebrate 10<sup>th</sup> Anniversary of Bilateral Trade Agreement*, Press Release, 9 December 2011.

Comprehensive partnership.<sup>38</sup> The presidents also stressed their commitment to a comprehensive Trans-Pacific Partnership (TPP) agreement to “advance economic integration” among TPP countries.<sup>39</sup> The joint statement made special mention of a memorandum of understanding signed between Petro Vietnam and U.S. Export-Import Bank on trade and investment in the petroleum and energy sectors of Vietnam, and separate agreements made with Exxon Mobil and Murphy Oil Corporation for offshore development.<sup>40</sup>

Military-military relationships developed at a moderate pace after 1995. William Cohen became the first U.S. Secretary of Defense to visit Hanoi in 2000. Three years later, General Pham Van Tra, Vietnam’s Minister of National Defense, reciprocated, and in due course both countries agreed to continue the exchange of defense ministers every three years on an alternating basis. In 2006, Secretary of Defense Donald Rumsfeld paid a visit to his Vietnamese counterpart, Vietnam’s Defense Minister General Phung Quang Thanh, during which he emphasized continued cooperation on the recovery of missing U.S. servicemen and increased military-military cooperation. For his part, General Thanh queried Rumsfeld, without result, on the possibility that the United States relax its International Traffic in Arms Regulations (ITAR) ban on arms sales to Vietnam which the U.S. had imposed over concerns regarding Vietnam’s human rights record. 2009 proved to be a watershed year in U.S.-Vietnam military-military relations when, reacting to a series of confrontations with China in the South China Sea, the Obama administration outlined a four-point strategy to deal with

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<sup>38</sup> Joint Statement.

<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

Chinese harassment of U.S. maritime activity.<sup>41</sup> To many observers it seemed that U.S.-Vietnam interests in the South China Sea had finally converged.<sup>42</sup>

This momentum continued into 2010, the fifteenth anniversary of normalization. U.S. naval engagement activities were significantly ramped up, and in October, Vietnam's Prime Minister Nguyen Tan Dung announced that the commercial repair facilities at Cam Ranh Bay would be open to foreign navies.<sup>43</sup> The following year, 2011, the U.S. and Vietnam held their fourth Political, Security, and Defense Dialogue. The agenda included a wide-range of issues – developing Vietnam's peacekeeping capability, HADR, search and rescue, professional military education and training, and maritime security issues – which provided the basis of the first formal Memorandum of Understanding on defense cooperation signed between the two countries later that year. In 2012, U.S. Defense Secretary Leon Panetta made a widely publicized trip to Cam Rahn Bay, demonstrating just how far political relations between the U.S. and Vietnam had developed. Panetta's visit was the first by a U.S. Defense Secretary to this former U.S. base since the end of the Vietnam War. Addressing the crew of the USNS Richard E. Byrd which was undergoing minor repairs in the bay, Panetta used the opportunity to link the "Asia-pivot" announced in the new defense guidance,

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<sup>41</sup> Scher, Robert, *Testimony before the Subcommittee on East Asian and Pacific Affairs, Senate Committee on Foreign Relations*, 15 July 2009, 4. "In support of our strategic goals, the [Defense] Department has embarked on a multi-pronged strategy that includes; 1) clearly demonstrating, through word and deed, that U.S. forces will remain present and postured as the preeminent military force in the region; 2) deliberate and calibrated assertions of our freedom of navigation rights by U.S. Navy vessels; 3) building stronger security relationships with partners in the region, at both the policy level through strategic dialogues and at the operational level by building partner capacity, especially in the maritime security area, and 4) strengthening the military-diplomatic mechanisms we have with China to improve communications and reduce risk of miscalculation." In March 2009, Chinese civilian vessels had harassed the USNS Impeccable in waters of Hainan Island. The Chinese government was also pressuring U.S. oil companies engaged in legitimate exploration off Vietnam's coast and in the South China Sea.

<sup>42</sup> Carlyle Thayer, "Vietnam and the United States: Convergence but Not Congruence of Strategic Interests in the South China Sea." *International Relations Security Network*, 13 February 2013, 4.

<sup>43</sup> Examples include USS John McCain port call in 2010; naval exchange activities involving the USS Chung-Hoon, USS Preble, and USNS Safeguard in 2011; and USS Blue Ridge, USS Chafee, and USNS Safeguard port call and training activities in 2012. Thayer, "Vietnam and the United States," 5.

*Priorities for 21<sup>st</sup> Century Defense*, to elevating the partnership with Vietnam to the “next level.”<sup>44</sup> In his prepared remarks and during follow-on question and answer session, General Thanh entreated the U.S. to lift ITAR restrictions on military equipment and arms sales to Vietnam in order “to fully normalize relations between the two countries.”<sup>45</sup> Regarding Cam Ranh Bay, General Thanh stated that Vietnam would continue to welcome U.S. logistics ships in Vietnam’s commercial ports. Implied in this statement was that port visits by U.S. warships were not an immediate prospect.<sup>46</sup>

Vietnam’s caution in this regard is understandable. Vietnam will advance the relationship with the U.S., but it will not align with it against China. Vietnam analyst Carlyle Thayer has termed this the “policy of the three no’s.” As outlined in Vietnam’s 2009 Defense White Paper these include: “no foreign alliances, no foreign bases, and no bilateral relations directed against a third party.”<sup>47</sup> Vietnam will avoid antagonizing China by making formal alliances with other states, since the imperatives of *doi moi* drive it toward other less assertive forms of relationships in which diversification through bilateral and multilateral approaches, perceptions of legitimacy and the flexibility provided by benign non-alignment are the cornerstones. In any case, Vietnam's history dictates that it follow an independent course, one that respects but that does not necessarily kowtow to Beijing.

Nevertheless, in the joint statement issued by Presidents Obama and Sang, Vietnam and the U.S. “affirmed their commitment to opening a new phase of bilateral relations...based on mutual respect and common interest” by forming a U.S.-Vietnam

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<sup>44</sup> Panetta as quoted in Thayer, “Vietnam and the United States,” 6.

<sup>45</sup> *Ibid.*, 7.

<sup>46</sup> Thayer, “Vietnam and the United States,” 7.

<sup>47</sup> *Ibid.*, 10.

Comprehensive Partnership.<sup>48</sup> The Comprehensive Partnership will create mechanisms for cooperation in areas including diplomatic, economic and trade, science and technology, education, environment and health, defense and security, and human rights. Paradoxically, progress by Vietnam in the area of human rights could provide the impetus for the U.S. to lift ITAR restrictions on the sale of weapons. According to the joint statement, “President Truong Tan Sang affirmed that Vietnam was prepared to sign the United Nations Convention Against Torture by the end of the year, and stated that Vietnam would invite the Special Rapporteur on Freedom of Religion or Belief in 2014. Both sides reaffirmed their commitment to uphold the United Nations Charter and the Universal Declaration of Human Rights.”<sup>49</sup>

### **Recommendations for U.S. PACOM and Conclusion**

Given these developments, how might Vietnam’s military capability and contribution to security in the region be enhanced, and what is the role of U.S. PACOM? What are the U.S. defense and security objectives with respect to the Comprehensive Partnership with Vietnam? Clearly, the desire to counter Chinese assertiveness in the South China Sea is the driving factor behind the accelerated pace of defense cooperation between the United States and Vietnam. Within the larger U.S. strategy of the rebalance toward Asia, assisting its partners to build their own capabilities strengthens defense and deterrence while providing the U.S. with basing access and the ability to project power into the South China Sea to enforce freedom of navigation. Consequently, the U.S. objectives with regard to Vietnam have both a positive and negative aim; assuring U.S. access while simultaneously deterring Chinese access and freedom of action.

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<sup>48</sup> Joint Statement.

<sup>49</sup> Ibid.

First, as part of a U.S. competitive strategy toward China, regional actors would be knitted together in a networked system of advanced C4ISR, targeting, precision guided munitions, airborne early warning capabilities, air defenses, maritime domain awareness, undersea surveillance, and stand-off capabilities such as cruise and ballistic missiles. Policy analysts James Thomas and Braden Montgomery have dubbed these “mini anti-access/area denial (A2/AD)” complexes.<sup>50</sup> Though no individual state could defeat China, they could increase the costs of Chinese military adventurism so as to make it prohibitively expensive. The willingness of key partners, including Vietnam, to modernize their militaries, makes it a favorable time for the U.S. to implement such a strategy.<sup>51</sup>

Second, as discussed above, Vietnam is already enhancing its naval forces and stand-off capabilities such as ballistic and cruise missiles, and fighter aircraft armed with anti-ship cruise missiles. To operate as a modernized joint force, Vietnam needs to combine these capabilities together in a networked “system of systems” approach that has come to define the contemporary “revolution in military affairs.” This approach involves building a professional military and the defense institutions to support technology transfers and their integration into joint force including maintenance and logistics management. As part of this strategy, the United States should lift the ITAR ban on arms sales to Vietnam to provide capabilities and enhancements in key areas such as C4ISR and maritime domain awareness. USPACOM should focus its engagements with Vietnam on doctrine development, joint

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<sup>50</sup> James Thomas and Evan Montgomery, “Developing a Strategy For a Long-Term Sino-American Competition” in Thomas Mahnken, ed., *Competitive Strategies for the 21<sup>st</sup> Century*. (Stanford, CA: Stanford University Press, 2012), 266-267. From Mahnken, 7: “The competitive strategies approach focuses on the peacetime use of latent military power – that is, the development, acquisition, deployment, and exercising of forces – to shape a competitor’s choices in ways that favor our objectives.”

<sup>51</sup> Dan Blumenthal, “The Power Projection Balance in Asia,” 180-181, in *Ibid*.

operations, the integration of C4ISR, air and maritime integration, logistics and maintenance support, and building the defense institutions that support these.<sup>52</sup>

Finally, Vietnam's willingness to cooperate on transnational security threats provides the venue to work through these more difficult challenges in a multilateral context. To that end, USPACOM should continue to engage in an expanded set of multilateral activities and combined exercises that promote cooperation in HADR, search and rescue, maritime security, and countering piracy, drugs and illegal migration. China could be involved in such cooperative efforts as a "trust-building" measure. USPACOM should assist efforts to institutionalize regional cooperation, and encourage and enable its allies and partners to field serious capability that will give them the self-confidence to assert their sovereignty and balance China. USPACOM should also consider integrating regional partners, including Vietnam, into its headquarters at Camp Smith by creating a "coalition village" similar to the one found at U.S. Central Command.<sup>53</sup>

The recommended approach for USPACOM is compatible with how Vietnam perceives its own security through expanded international relations supported by a modernized military. Vietnam's first line of defense will continue to be bilateral and multilateral diplomacy with legitimacy rooted in international law and well-respected standing within the international community. As part of its hedging strategy, Vietnam will continue to walk a tightrope in its attempt to balance increased cooperation with the U.S. against its other security interests, particularly the ones concerning their powerful neighbor to the north.

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<sup>52</sup> Thayer, "Vietnam's Security Outlook," 85.

<sup>53</sup> Max Boot, "Topic: Southeast Asia Treaty Organization: Building and East Asian NATO," *Commentary Magazine*, 11 May 2010.

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