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in the Indo-Pacific:  
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# **Regional Rivalry in the Indo-Pacific: Vietnam's Role as the 2020 chair of ASEAN**

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## **Abstract**

With rivalry escalating between the US and China, the stability of the Indo-Pacific region is under threat. As a newly elected non-permanent member of the UN Security Council and the 2020 chair of ASEAN—the Association of Southeast Asian Nations—Vietnam will have an opportunity to help maintain peace and stability. At the same time, as one of the smaller countries, Vietnam will look for ways to use regional rivalries to promote its own national interest. Vietnam's perception of the balance of power between the US and China determines its foreign policy toward these two countries and toward ASEAN. In response to the China-US rivalry, Hanoi supports further US engagement in the region, not only to offset Beijing's influence but also to leverage the role of ASEAN and avoid any extreme outcomes.

Keywords: Vietnam, US, China, ASEAN, Indo-Pacific region, South China Sea

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## **The Changing Strategic Landscape**

Several developments have arisen that threaten peace and stability in the Indo-Pacific region. They include China's aggressive actions in the South China Sea, the US-China trade war, North Korea's nuclear weapons development, the renewal of tensions between Japan and South Korea, and mass demonstrations in Hong Kong.

Geopolitically, the South China Sea is a semi-closed sea in the center of Southeast Asia with the second highest volume of shipping in the world. Because of its location, Vietnam is regarded as a gateway within Southeast Asia. Simultaneously, Vietnam is strategically located in the center of both the horizontal (US-India) and the vertical (Japan-Australia) axes of the Quadrilateral Security Dialogue (the "Quad"), whose members have a vital stake in the stability of the region.

In terms of Vietnam's strategic interests, they include freedom of navigation, peaceful settlement of disputes, protection of territorial integrity and resources within Vietnam's Exclusive Economic Zone (EEZ), and maintenance of the existing liberal and rules-based order. Thus, Hanoi consistently protects these interests in multilateral platforms, including ASEAN and its institutions. At the same time, preserving the existing balance of power is an important component of Vietnam's foreign policy.

## **Regional Rivalries and Vietnam's Perceptions**

ASEAN, from Vietnam's perspective, has been playing a key role in addressing foreign-policy issues in Southeast Asia. In fact, for the past five decades, ASEAN has been doing well at avoiding serious contention. Even when conflicts have erupted, ASEAN has provided an open environment for peace talks and conflict resolution. Member states should be commended for abiding by the peaceful principles of ASEAN participation. Additional principles could be fostered within the framework of ASEAN and ASEAN-led institutions, however. These principles are constructed based on, if not contingent on, the existing rules-based order. Only a responsive and cohesive ASEAN can effectively operate the ASEAN-led institutions, which contribute to regional stability and order.

Recent changes in the world, especially increasing competition between the US and China, are severely undermining observance of the ASEAN-led rules and norms. Beijing has not only attempted to undermine the central role of ASEAN ("ASEAN centrality") but has also gained considerable benefit from a divided ASEAN. In particular, China uses economic inducements to influence policy in Cambodia, Laos, and the Philippines. Chinese initiatives, including the Belt and Road Initiative (BRI) and the Asian Infrastructure Investment Bank (AIIB), suggest that Beijing's goals include the rejuvenation of

the Chinese empire in the region. By so doing, Beijing could dominate ASEAN member states both politically and economically and minimize US influence in Southeast Asia.

In addition, Beijing's coercion and unilateral moves have negatively affected ASEAN's common norms and values. For example, the Philippines, Malaysia, and Vietnam have recently felt the impact of China's assertiveness in the South China Sea. Most noticeably, China's reclamation and military installations on disputed outposts in the South China Sea and its long-standing unlawful oil and gas activities close to Vanguard Bank—within Vietnam's EEZ—have demonstrated a growing recklessness. Generally speaking, China is the most worrisome threat to ASEAN's responsiveness and cohesion.

Yet Sino-American rivalry has led to expanded engagement of the US in the Indo-Pacific in recent years and thus has been advantageous for ASEAN countries, both politically and economically. First, both the US and ASEAN share common concerns about the escalating assertiveness of China, which seriously violates the rules-based order. The US presence has offset Beijing's predominance in the region. Second, contrary to what Beijing apparently believes, the US supports regional stability in Southeast Asia or at least does not oppose ASEAN centrality. Initiatives led by the US, including the Free and Open Indo-Pacific (FOIP) Vision, have more positive than negative implications for Southeast Asia. In other words, the significance of ASEAN in the region will be preserved, if not enhanced, by an expanded US presence.

Vietnam is an active member of ASEAN and works to ensure regional stability and prosperity. Since ASEAN, as an open and inclusive forum, welcomes as many states as possible to participate in ASEAN-led dialogues and institutions, both the US and China are invited to participate in ASEAN-led meetings. Hanoi considers the US to be a like-minded partner, with Vietnam in particular and with ASEAN in general, and genuinely supports cooperation with the US in both bilateral and multilateral platforms.

### **Prospects in 2020**

Bilaterally, Vietnam-US relations since 2017 have witnessed several achievements. In May 2017, the first Hamilton-class cutter Morgenthau (WMEC-722) was exported to the Vietnamese Coast Guard. Later in 2017, a Joint Statement between the United States and Vietnam was issued during the official visit of President Donald Trump to Vietnam on the occasion of the meeting of the Asia Pacific Economic Cooperation (APEC) Forum in Danang. In the same spirit, the US aircraft carrier USS Carl Vinson, with a strike group of 5,500 sailors, arrived in Danang in March 2018. This event represented a historical milestone in security cooperation between Vietnam and the US, which has been improving over the past four decades.

In early 2019, US President Trump again returned to Vietnam on the occasion of the North Korea-US Summit. In the same year, six US patrol boats, worth 12 million US dollars, were exported to the Vietnamese Coast Guard. Remarkably, although Vietnam is not a US ally, US Secretary of Defense Mark Esper visited Vietnam following his visits to South Korea, Thailand, and the Philippines in late November 2019. Once again, this visit signified good will and closer security ties between the two countries.

Soon afterwards, the 2019 Vietnam National Defense White Paper was issued. In addition to the “Three No’s” policy stated in the 2009 Defense White Paper—i.e., (i) No joining any military alliances, (ii) No siding with one country against another, and (iii) No giving other countries permission to set up a military base or use its territory to carry out military activities against other countries—the newly issued Defense White Paper added a “Forth No”—(iv) No using force or threatening to use force in international relations. However, it also stated that “Depending on circumstances and specific conditions, Vietnam will consider developing necessary, appropriate defense and military relations with other countries on the basis of respecting each other’s independence, sovereignty, territorial unity, and integrity as well as fundamental principles of international law, operation for mutual benefits, and common interests of the region and international community.”<sup>1</sup> In other words, although the two White Papers limit Vietnam’s military ties with other countries, the principles were amended to pave the way for further engagement with the US, especially in response to Beijing’s coercive conduct in the South China Sea.

The year 2020 is expected to be another special year in US-Vietnam bilateral cooperation. This is the year when the 25<sup>th</sup> anniversary of the normalization of US-Vietnam relations will be celebrated. The comprehensive partnership between the US and Vietnam is also anticipated to develop to a new level. Bilateral cooperation will be enhanced in regard to the Vietnam War Missing in Action (MIA) issue, dioxin cleanup at airbases, removal of unexploded ordnance, disaster rescue and relief, and other areas. In maritime cooperation, a second former US Coast Guard Hamilton-class cutter will be transferred to the Vietnamese Coast Guard, and the US aircraft carrier USS Carl Vinson will visit Vietnam for the second time.

Hanoi will also continue to actively support regional initiatives led by the US. In addition to ties with the US, Vietnam has developed substantial ties with the other three members of the “Quad”—Japan, Australia and India—in strategic dialogues, top-ranking official meetings, diplomatic backing, military

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<sup>1</sup> Ministry of National Defense, “2019 Viet Nam National Defense” (National Political Publishing House, November 2019).

engagement, and maritime capacity building. These ties are likely to become stronger in 2020, especially since Vietnam's geographic location places it at the center of the Quad's two geopolitical axes.

Threats may escalate, however. Vietnam and the South China Sea might become a flashpoint, or even a battleground, if any disputes between the powers turn into violent conflicts. That is why ASEAN and its forums, with the inclusion of as many states as possible, are still of great importance for Hanoi and why Vietnam strongly supports a stronger US presence in ASEAN-led institutions.

In multilateral fora, both Vietnam and the United States will remain like-minded in supporting ASEAN centrality. Hanoi will encourage Washington to engage in ASEAN-led institutions at the highest levels. At the same time, initiatives for regional connectivity will also be supported. These include the Lower Mekong Initiative (LMI), the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers Meeting (ADMM), and the ASEAN Defense Ministers Meeting-Plus (ADMM+). Furthermore, ASEAN's security ties with the US, including maritime cooperation, naval drills, disaster rescue and relief, anti-piracy, and other activities, will enhance ASEAN centrality. In September 2019, the ASEAN-US Maritime Exercise (AUMX)—the first-ever US-ASEAN joint military exercise—was launched with the participation of the US and all 10 ASEAN navies.

Ongoing efforts to achieve a peaceful resolution of disputes in the South China Sea mean that legal, geographic, and historical evidence will be taken seriously in regional forums. Since the US is not a stakeholder in the South China Sea dispute, Washington was excluded from the regional negotiations between China and ASEAN that led to the nonbinding Declaration on the Conduct of Parties in South China Sea (DOC) in the early 2000s and the binding but incomplete Code of Conduct (COC), first introduced in 1992. Instead of being a negotiating party, Washington could act as a third-party mediator to play a role and gain influence in the peace talks between ASEAN and China regarding the South China Sea dispute. By including the US as a mediator, ASEAN will benefit from a stronger free and open liberal order rather than being dominated by Beijing.

Given that the chairmanship of ASEAN is only a one-year post, Vietnam, as the 2020 chair, needs to act quickly to promote bonding between the US and other ASEAN member states, ensuring a positive trajectory for further US-ASEAN cooperation after 2020. To forge closer ties, early in 2020, Hanoi proposed five priorities to be pursued during its chairmanship. These are:

1. Promoting ASEAN's role and positive contributions to the maintenance of peace, security, and stability in the region on the basis of reinforcing intra-bloc solidarity, unification, and coordination to deal with regional and international matters

2. Enhancing regional connectivity and adaptation, optimizing opportunities from the Fourth Industrial Revolution to spur sustainable and inclusive growth in economy, finance, and society, narrow development gaps, build high-quality human resources, and increase social services for vulnerable groups
3. Raising public awareness about ASEAN's identity by creating common values of ASEAN and widely popularizing them among people
4. Bolstering partnerships for peace and sustainable development with all countries across the globe and promoting ASEAN's role in and contributions to the international community
5. Improving the adaptation and operational efficiency of ASEAN and its institutional reform.<sup>2</sup>

In practice, Vietnam will coordinate and chair around 300 conferences and activities in 2020 to create an inclusive environment for all countries to attend and discuss regional issues, especially security and the South China Sea dispute.

### **Hurdles in US-ASEAN Cooperation**

China's proximity and overwhelming power give it significant influence on several ASEAN member states, which also deepens the differences within the ASEAN community. Laos, Cambodia, the Philippines, and Myanmar are particularly likely to favor China due to economic considerations. The individual interests of these countries and their considerable dependence on Beijing tend to undermine the collective strength of ASEAN. In recent years, however, the United States has attempted to accommodate these countries, for example by reducing criticism of Cambodia.

The US is also pursuing a larger presence and corresponding influence in Southeast Asia by means of private investment, especially in infrastructure and soft power. It is pursuing this path rather than clearly taking sides against China, as it has done before. For Vietnam, the US involvement in its EEZ and Special Economic Zone (SEZ), the search for MIAs, and airbase clean-up, among other projects, are of great significance for regional stability and cooperation.

At the end of the day, ASEAN will side with principles rather than the interests of any specific country. These principles are based on the liberal and rules-based order. They will not take aim at any specific country but will instead target violations of common principles and norms. ASEAN's principles are in line with international norms such as those expressed in the United Nations Convention on the Law of the Sea (UNCLOS) and freedom of navigation. Rather than taking sides, ASEAN will take a position

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<sup>2</sup> "Vietnam's Five Priorities during ASEAN Chairmanship Year 2020," *The Voice of Vietnam*, November 18, 2019, <https://english.vov.vn/politics/vietnams-five-priorities-during-asean-chairmanship-year-2020-406339.vov>.

that is broadly like-minded with, and favored by, the US. In other words, any efforts to divide ASEAN and undermine its centrality, including Beijing's recent moves, will be deterred collectively.

In addition, US domestic politics are unpredictable in 2020 because of Trump's uncertain positions and the upcoming 2020 US presidential election. Recently, the US withdrawal from various multilateral agreements and Trump's absence from or unpredictable moves in several high-level summits call into question the credibility of the US commitment in the Indo-Pacific and to ASEAN centrality. Any power shift in American politics could be of great significance to Washington's friends and allies in Southeast Asia.

Finally, several concerns in the Indo-Pacific, such as the Hong Kong protests, North Korea issues, and escalating disagreements between Japan and South Korea, could have negative repercussions and distract US attention away from Southeast Asia.

### **Epilogue**

The US-China trade war presents a rare opportunity for ASEAN members to gain from their cooperation with the larger powers, especially in politics and security. ASEAN needs a stronger US commitment to maintain the current balance. Two extreme scenarios might diminish the role of ASEAN in general and of Vietnam in particular. In the first extreme, the escalating US-China rivalry could turn into violent conflict, and Southeast Asia could become a flashpoint. In the second extreme, a decline in the US-China rivalry could diminish the role of ASEAN, offsetting the economic benefits of de-escalation. As the 2020 chair of ASEAN, Hanoi will strongly support a stronger US presence in Southeast Asia and in ASEAN-led forums to consolidate ASEAN's strength.