

Escalation of Sino-Vietnamese South China Sea dispute poses longer term challenges to stability of Vietnam's government

EVENT

Vietnamese authorities announced on 26 June that 27 Vietnamese fisheries surveillance force ships have been intentionally rammed by Chinese vessels so far.



Chinese State Councillor Yang Jiechi, left, and Vietnamese Communist Party General Secretary Nguyen Phu Trong pose for photos in Hanoi, Vietnam, on Wednesday June 18, 2014, after talks were held about the South China Sea dispute. (PA)

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The maritime dispute escalated after China moved a deep-sea drilling rig (HYSY-981) into disputed waters near the Paracels. HYSY-



981's deployment triggered violent riots against Chinese, Taiwanese, and South Korean-owned factories in Vietnam's southern industrial zones, leaving 361 factories damaged. The scale of the riots has raised suggestions that some level of organisation was involved. The South China Morning Post reported witness accounts of groups of men on motorcycles instigating the riots, while the Vietnamese police claimed that the Viet Tan (branded an illegal 'terrorist organisation' by the government) instigated the riots in attempts to overthrow the ruling party.

FORECAST

Although a wholesale repeat of the May violence is unlikely, escalation of the dispute raises longer-term challenges to the government's mandate as Sino-Vietnamese relations become increasingly intertwined with Vietnamese domestic politics. The Communist Party of Vietnam's (CPV) identity has historically been based on national independence and struggle against foreign occupation. Criticism of the government has therefore been presented by activists as 'nationalism', as the CPV has greater difficulty justifying crackdowns on patriots. Although previous 2011-2012 protests were ostensibly 'anti-Chinese', they also raised inevitable questions over the CPV's ineptitude in dealing with Chinese aggression. In 2009, the government's controversial decision to approve Chinese bauxite-mining projects attracted united opposition against Chinese settlements and the 'economic colonisation' of Vietnam. The CPV will face more questions over its legitimacy (as it struggles to deliver economic growth), with greater policy paralysis and public opposition expected as the government comes under increasing pressure to demonstrate progress on issues such as Vietnam's expanding trade deficit with China, imports of sub-standard Chinese products, the maritime dispute, and diversification of foreign direct investment sources.

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