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ABN # 65 648 097 123



Background Briefing:

Vietnam: Relations with the U.S. After the 12th Party Congress

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January 9, 2016

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We request your comments on the likely outcome of Vietnam's 12th National Party Congress with respect to the following three questions:

Q1. Would you expect Vietnam's party congress and new leadership to further strengthen the hands of those advocating closer relationship with the US to counter China?

ANSWER: It is likely that the next Secretary General of the Vietnam Communist Party could be one of the senior members of the Politburo who would normally be expected to retire at this time. Persons who are over 65 years of age and/or who have served two terms in office are required to retire; but special exemptions can be given. In the past only one exemption has been given and that has gone to the person selected as party Secretary General.

No matter who becomes the new party leader Vietnam will continue to pursue "diversification and multilateralization" of its foreign relations and "proactive international integration." Vietnam will try to maintain a multipolar balance in its overall relations with the major powers: China, the United States, Japan, India, Russia and the European Union. Within this context Vietnam's new leaders will deepen its ties with the United States and other TPP partners to lessen its economic dependency and massive trade deficit with China.

Vietnam will develop closer security ties with the United States to strengthen its ability to cope with Chinese pressures in the South China Sea. Both the U.S. and Vietnam have flagged increased cooperation to build up Vietnam's Coast Guard.

Vietnam has yet to respond to the lifting of the U.S. ban on the sale of lethal weapons on a case by case basis. It is likely that in 2016 Vietnam will request access to communications and surveillance technology to step up its maritime domain awareness in the South China Sea. There are reports Vietnam is considering acquiring a maritime patrol aircraft such as the P3 Orion. But is likely to limit the scope and pace of direct defence interaction. Vietnam will continue to purchase its big ticket defence items from Russia.

At the same time Vietnam will seek to compartmentalize territorial disputes in the South China Sea in its relations with China.

Q2. Some say Nguyen Tan Dung could emerge as the top new leader? What's your assessment of him or what's your projection please?

ANSWER: Prime Minister Nguyen Tan Dung has served two terms as prime minister and is over 65 years. He is a strong contender for the post of party Secretary General. If he is elected this would be unprecedented. No high-ranking official who is required to retire has sought an exemption to serve in another high-level post. In other words, no one in Vietnam has done a Vladimir Putin who has served as prime minister and then president.

Dung would be the first Secretary General to come into office with extensive experience in foreign affairs and a sound grounding in international economic issues and would be well known by other government leaders. Dung would inherit the legacy left by the current party leader, Nguyen Phu Trong, of being able to visit western liberal democracies in Europe, Australia, Japan and significantly the United States. Dung is a strong promoter of Vietnam's development in to a "modern and industrialized country" by 2020. He can be characterized as a "Vietnam firster" who wants to promote the role of large general corporations that compete internationally in niche areas. Dung would push to ensure that Vietnam met its obligations under the TPP.

Vietnam's one-party state is not a "winner take all" system. If Dung were to become party Secretary General there would be some tough horse trading to ensure that his detractors were also represented at the highest level. The key contest would be over the next prime minister and whether or not that person would be a protégé of Dung.

Q3 Could TPP truly drive Vietnam to more reforms that will ease any resistance to the full normalization of US-Vietnam relations that include full lifting of arms sales restrictions?

ANSWER: Vietnam's has long sought the removal of all restrictions on the sale of arms for political reasons. Vietnam's conservatives have pushed to end what they see as discrimination. In other words this is a domestic issue in Vietnam. Those who push for closer relations with the United States are challenged by conservative who ask rhetorically, "what has the U.S. done for Vietnam?" They cite the arms embargo and the legacy of Agent Orange and unexploded ordnance as key issues. Although the U.S. is addressing the latter two issues, conservatives always argue for more U.S. assistance.

U.S. restrictions on the sale of arms are linked to human rights and religious freedom, areas not directly covered by the TPP. The TPP sets the requirement for workers to be able to form their own trade unions. Vietnam has accepted this requirement. As the least developed member of the TPP Vietnam has been given special extended deadlines to phase in its compliance. The TPP is vital for Vietnam's economic success. If the U.S. Senate ratifies the TPP Vietnam can be expected to accept U.S. assistance in implementing it. The U.S. and Vietnamese economies will become more integrated giving American businessmen and investors a greater stake in Vietnam's future.

Vietnam has a mixed record on human rights and religious freedom. The U.S. State Department has noted some progress.

Human rights and religious freedom are a heated domestic issue in Vietnam because party conservatives argue that the U.S. is promoting “peaceful evolution” or a “colour revolution” in Vietnam in order to overthrow rule by the Vietnam Communist Party. These concerns have been partly addressed when President Obama and Party Secretary General Trong met in the Oval Office at The White House last year. They issued a statement pledging to respect each other’s political systems. Since the May-July 2014 oil rig crisis between China and Vietnam, eight members of the fourteen member Politburo have visited the United States, including party conservatives.

In the past, when Vietnam has wanted something badly from the United States, such as Permanent Normal Trade Relations status or membership on the World Trade Organization, it has moderated in human rights policies to address U.S. concerns. Once the new Vietnamese leadership takes office following the 12th national party congress, to be held from 20-28 January, there should be less sensitivity to domestic dissident political activists. Nonetheless, Vietnam’s mixed record on human rights is likely to continue.

Suggested citation: Carlyle A. Thayer, “Vietnam: Relations with the U.S. After the 12th Party Congress,” *Thayer Consultancy Background Brief*, January 9, 2016. All background briefs are posted on Scribd.com (search for Thayer). To remove yourself from the mailing list type UNSUBSCRIBE in the Subject heading and hit the Reply key.

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