

Will We See a US-Vietnam Strategic Partnership?

Common concerns over China's have brought the United States and Vietnam together, but there are frictions, too.

By Bich T. Tran

In the context of U.S.-China strategic competition, Vietnam has become increasingly important in U.S. foreign policy as indicated in the 2017 U.S. National Security Strategy, the 2018 U.S. National Defense Strategy, and the 2019 Indo-Pacific Report. Once enemies, the United States and Vietnam became partners when they signed a comprehensive partnership in 2013. As 2020 marks the 25th anniversary of the normalization of diplomatic relations, will the two countries upgrade the relationship to a strategic partnership?

Common concerns over China's provocative and unilateral actions in the South China Sea have brought the United States and Vietnam together in a short time. As China has repeatedly used economic coercion to punish countries that challenge its territorial claims and foreign policy ambitions, the best way for the United States to compete with China strategically is to reduce Beijing's economic power by helping U.S. allies and partners lessen their economic dependences on the Chinese market.

Since the establishment of the U.S.-Vietnam comprehensive partnership, the two sides have committed to heightening diplomatic and political relations. Vietnamese leaders who paid official visits to the White House include President Truong Tan Sang (2013), General Secretary Nguyen Phu Trong (2015), and Prime Minister Nguyen Xuan Phuc (2017). From the U.S. side, former President Barack Obama and current President Donald Trump visited Vietnam in 2016 and 2017 respectively. When Trump came to Hanoi for the second North Korea-U.S. summit in February 2019, he also had an official meeting with General Secretary and President Trong.

Meanwhile, bilateral trade grew 261 percent between 2013 and 2019, from \$29.7 billion to \$77.6 billion. The United States is now Vietnam's third largest trading partner and biggest export market.

U.S.-Vietnam defense ties have also strengthened dramatically since 2014, when China deployed a state-owned oil rig on Vietnam's side of the hypothetical median line of their overlapping exclusive economic zones (EEZs). In 2016, Obama lifted the ban on lethal weapons sales to Vietnam during his visit to Hanoi. Since then, the United States has helped Vietnam improve its maritime capability, including the transfer of a Hamilton-class cutter to the Vietnamese Coast Guard in 2017 and the delivery of 18 "Metal Shark" patrol boats in the following years. Then-U.S. Defense Secretary Jim Mattis visited Vietnam twice in 2018. The U.S. Navy has sent two aircraft carriers to Vietnam's Da Nang port—the USS Carl Vinson in March 2018 and the USS Theodore Roosevelt in March 2020. Vietnam joined the Rim of the Pacific exercise in 2018 and planned to participate again in 2020.

Despite remarkable achievements, there are challenges in U.S.-Vietnam relations. Although Hanoi has improved its human rights record, concerns remain in several areas, including freedom

of expression and labor rights. Members of the U.S. Congress, especially those whose constituencies include large Vietnamese American populations, have put pressure on the U.S. government to criticize Vietnam over rights issues. This leads to suspicion from Hanoi about a perceived “peaceful evolution” — that U.S. support of pro-democracy dissidents and promotion of higher human rights standards aims at overthrowing the Vietnamese Communist Party.

Meanwhile, Trump’s decision to withdraw the United States from the Trans-Pacific Partnership (TPP), a comprehensive and high-standard free trade agreement between 12 countries in the Asia-Pacific region, removed a major plank of trade relations with Vietnam.

Besides the TPP issue, the two countries have other irritants in the trade relations. The U.S. trade deficit with Vietnam has grown steadily since 1997, surpassing \$20 billion in 2014. It increased a whopping 41 percent as the U.S.-China trade war escalated, going from \$39.5 billion in 2018 to \$55.8 billion in 2019. In February 2020, the Trump administration removed Vietnam from the list of self-declaring developing countries that receive preferential trade benefits under the World Trade Organization. It appears that the move was heavily based on the U.S. trade deficit with Vietnam.

Defense and security cooperation — despite impressive growth — has not matured as fast as U.S. expectations. Since the lift of lethal weapons ban, Vietnam has not made any purchase of American-made weapons. As more than 80 percent of Vietnam’s military equipment is from Russia, it would be a considerable challenge to incorporate U.S. weapons into the existing systems. Additionally, Russian-made weapons and equipment are seen as less expensive than American counterparts.

Another challenge in U.S.-Vietnam defense relations is Vietnam’s status under the 2017 Countering America’s Adversaries Through Sanctions Act, through which the United States imposes sanctions on countries that buy arms and military equipment from Russia. Although former U.S. Defense Secretary Mattis sought a waiver from Congress for Vietnam, the final decision has not been made.

Although problems exist, the prospects for a U.S.-Vietnam strategic partnership are largely positive. Unlike the U.S. Congress, the Trump administration appears to downplay human rights issue in its relations with Vietnam. It has not imposed any sanctions on Vietnam as it has done toward other countries.

In response to U.S. concern over its trade deficit, Vietnam has showed commitments to repair the trade balance. The Vietnamese government promised to increase its imports from the United States, especially farm products, and announced that it was also considering cutting tariffs on U.S. agricultural imports.

In Vietnam’s most recent defense white paper, published in November 2019, the country’s longstanding “three noes” principle (no military alliances, no siding with one country against another, and no foreign military bases) is now followed by a caveat: “depending on circumstances and specific conditions, Viet Nam will consider developing necessary, appropriate defense and military relations with other countries... regardless of differences in political regimes and levels of development.” This is the first time Vietnam has explicitly given room for interpretation of its “three noes” principle, which will pave the way for Vietnam to deepen defense cooperation with the United States.

However, the COVID-19 pandemic introduced new uncertainty to U.S.-Vietnam relations. Like the rest of the world, the United States and Vietnam are occupied by the domestic consequences of the outbreak. More importantly, the accusations between the United States and China about the virus' origin and their handlings of the crisis put Vietnam in an awkward position. Notwithstanding China's increasing aggression in the South China Sea, it remains Vietnam's most important partner. The decision to form a strategic partnership with the United States amid worsening U.S.-China competition could appear too sensitive. Thus, the likelihood of a U.S.-Vietnam strategic partnership too will "depend on circumstances."

Bich T. Tran is a Ph.D. candidate at the University of Antwerp, a researcher at the Global Affairs Research Center in Kyoto, and a former Asia Studies Visiting Fellow at the East-West Center in Washington.