

China's Growing Influence in Cambodia and Laos Has Vietnam on Edge

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In late September, the leader of Vietnam's ruling Communist Party, Nguyen Phu Trong, invited his Cambodian and Laotian counterparts—Hun Sen, who is also Cambodia's prime minister, and Thongloun Sisoulith, who is also Laos' president—to Hanoi for a meeting. According to Vietnam's official media, the three leaders talked about cooperation past and future, and the necessity of effective and close-knit relations among the ruling parties and governments of the three countries.

Such a banal readout for a rare in-person meeting raised some eyebrows and fueled speculation. Writing for Asia Times, [David Hutt reported that](#) “analysts and observers saw the Hanoi-hosted talks as a significant move as Vietnam attempts to reassert influence over its two historic allies, which have increasingly turned to China in recent years.”

Though that seems like a bit of a stretch, it's quite possible that, as Hutt suggests, China was the elephant in the room where the three leaders met. Chinese banks and businessmen have become hugely powerful in both Laos and Cambodia. Trong may have proposed that Vietnam help to sustain a more tolerable equilibrium.

If so, it says a lot about how far Vietnam has come in the past few decades. Defying the odds, [Vietnam has become a consequential country and a regional power](#). Vietnam is to Laos and Cambodia as Vietnam's neighbor to the north, China, is to Vietnam: far more populous, prosperous and powerful.

That wasn't always the case. After achieving Vietnamese unification in 1975, the doctrinaire Marxists who had steered their side to victory in the war against the U.S.-backed South proved remarkably inept at producing prosperity. Not until communism imploded in the Soviet Union and Eastern Europe did the leaders in Hanoi turn away from collectivization and a command economy.

A quarter of a century later, though still Marxist-Leninist in its politics, Vietnam is an increasingly sophisticated player in the global trading system, a formidable military power and a sought-after partner in enterprises of regional and global scope. “Market socialism,” Hanoi's name for the system it instituted in the 1990s, produces and spreads around enough wealth domestically that Vietnam's ambitious citizens would, in general, rather join the ruling Communist Party than topple it.

Vietnam's biggest problem now is its neighborhood, particularly China to its north, which has nearly 15 times its population and [more than twice its per capita GDP](#) as measured by purchasing power.

As every Vietnamese student learns in middle school, the nation's history is marked by recurrent and ultimately successful struggles against foreign invaders. Until the 19th century, those invaders were mainly Chinese. And though aid from their Chinese counterparts helped the Vietnamese communists wear down the French and then American armies in the decades-long struggle for independence and then unification, there's been little warmth the relationship since the two sides fought a bloody border war in 1979.

China's propagandists often refer to Vietnam as a "comrade and brother" country. But, intoxicated by Xi Jinping's "China Dream," Chinese leaders are more apt to think of Vietnam as an imperfectly sinicized former vassal, and a cheeky one at that. It dares to contest, for example, Beijing's imagined sovereignty over nearly all of the South China Sea. And it has been **a magnet for multinational corporations looking to diversify** their manufacturing operations out of China.

The rest of Vietnam's neighborhood comprises Cambodia and Laos on its borders, and the other seven members of the Association of Southeast Asian Nations, or ASEAN, which has proven to be a huge disappointment to the Vietnamese. The bloc claims the right to make the rules in Southeast Asia through the principle of "centrality." But another of its principles, that all decisions must be taken by consensus, renders ASEAN impotent when Chinese interests are at stake. Five ASEAN states have maritime claims in the South China Sea, but only Vietnam is inclined to stand up to Beijing. Cambodia, China's de facto stooge in ASEAN conclaves, regularly vetoes even anodyne statements of concern over the maritime territorial disputes.

Tensions have been building since 2009, when China tabled a crude map at the United Nations that claimed "indisputable sovereignty" over more than **80 percent of the South China Sea**. Since then, Beijing has labored to create "facts on the water" by fortifying reclaimed islets and deploying huge fishing fleets into ecologically fragile seas, and also by harassing oil and gas exploration vessels prospecting on Vietnam's continental shelf.

In 2016, **an international arbitral court sided with the Philippines** in a case brought by Manila, ruling that China had no valid claim to the rocks and islets in their disputed waters. Beijing refused to participate in the proceedings and to recognize the decision.

Meanwhile, ASEAN has carried on negotiating a "code of conduct" with China for naval encounters in the South China Sea since 2000, with little to show for it.

Another matter of huge concern to Vietnam is water management in **the Mekong River basin, where an ecological catastrophe is unfolding**. Hanoi has urged ASEAN to create a regional framework for Mekong issues, but the group's "maritime" members have refused to engage. Their failure to step up on a vital interest of its "mainland" members further reveals the emptiness of ASEAN's claim to set the regional agenda.

As with the South China Sea, China is the prime disrupter along the Mekong. Chinese state-owned enterprises have built dams on the river's headwaters in China—where it is known as the Lancang—and in Laos, on many of its tributaries. Seduced by the notion of becoming the "battery of Southeast Asia," Laos has been eager to generate and export hydroelectric power, even building dams on the Mekong's mainstream.

For Cambodia, the suppression of the Mekong's annual flood pulse has wreaked havoc on the fisheries in Tonle Sap lake that once supplied two-thirds of the animal protein in its citizens' diet. Neither Cambodia nor Vietnam can count any longer on annual floods to bring silt to enrich their rice fields and orchards, and, in Vietnam, to flush out saline intrusion.

Meanwhile, China's grip on the Lao and Cambodian economies should be a cautionary tale for all of ASEAN. Both would be failed states if they weren't propped up by international development aid and loans, but it's the private loans, chiefly by Chinese businessmen, that worry Hanoi most. A report from last year estimated that **45 percent of Laos' annual GDP** now goes to paying off **the cost of Chinese infrastructure projects**, including **dozens of Chinese-built dams**, a railroad from Yunnan to Vientiane, and countless other investments that, if nothing else, have created opportunities for government officials to profit handsomely.

Though not yet so alarmingly in hock to Chinese interests, Cambodia is equally worrisome to Hanoi because bilateral relations have historically been tense. The Cambodians regard Vietnam as a historic predator that continues to have designs on Cambodian territory. Now mining concessions, timber concessions and port privileges for China's navy all help bind Beijing to Phnom Penh.

The three leaders' recent meeting may turn out to have been a significant step toward more constructive Vietnamese engagement with both Laos and Cambodia. Making that happen is the harder part. There is abundant potential for cooperative planning on environmental protection in the Mekong basin. Vietnam can also share its experience in deploying renewable energy technologies. With Cambodia, which seeks secure borders, Vietnam can prioritize negotiations aimed at completing their demarcation. For Laos, which wants an outlet to the South China Sea, a route has reportedly been agreed for road and rail connections to Vung Ang port in north-central Vietnam.

That still leaves China as a headache for Hanoi. Officially, China and Vietnam describe their relationship as a "comprehensive strategic cooperative partnership," signifying, it seems, that the two nations do indeed have important common interests. In particular, they enjoy robust bilateral trade and close integration of the various cross-border supply chains that produce goods for consumption in the world's richer nations.

The two nations' rulers also share a common philosophy of governance. As in China, power in Vietnam is wielded by a Leninist party that claims superior insight and virtue, and as a result expects total allegiance.

Most important to keeping China-Vietnam ties on an even keel has been Vietnam's self-restraint with respect to the regional security environment, particularly **the so-called four no's** at the foundation of Hanoi's defense policy: no alignment with one country against another, no engagement in military alliances, no hosting foreign military bases on Vietnamese territory and no use of force to resolve disputes.

But scratch the surface and the picture gets less rosy. Chinese diplomats like to portray Vietnam and China as close friends who agree about everything except the South China Sea and can manage those differences. The problem, according to Beijing, is the interference of foreigners—in other words, the U.S. and its allies, with their "free and open Indo-Pacific" sloganeering and "freedom of navigation" exercises.

Vietnamese officials tend to show deference but little enthusiasm when meeting with their Chinese counterparts. They acknowledge the importance of the bilateral relationship and reiterate their readiness to maintain bilateral exchanges at all levels. But most worrisome from Hanoi's perspective is what looks like overconfidence on China's part and the possibility that Beijing may mistake Hanoi's consistent deference for lack of resolve.

Hanoi well understands the implications of creeping Chinese domination of the South China Sea and the Mekong River basin. Vietnam's defense and foreign policy establishment is certainly studying what lessons to take from China's subjugation of Hong Kong and its campaign to intimidate Taiwan.

Now, beyond any doubt, **Hanoi is also contemplating the merits of an informal realignment**. During visits to Vietnam by U.S. Secretary of Defense Lloyd Austin and Vice President Kamala Harris this summer, Washington signaled that it is open to a closer and broader relationship that goes beyond conventional notions of security to include comprehensive cooperation on environmental adaptation, health care and other human security needs.

As they consider all this, Vietnam's leaders can be sure of one thing: The ordinary people of Vietnam are eager, indeed recklessly eager, to stand up to China. Closer relations with the U.S. and its allies would be very popular. If things get nasty, however, Hanoi cannot be nearly as confident as its citizens that Washington will back it up.

On the plus side, over the past quarter-century, senior Vietnamese officials have built effective relationships with their counterparts in Washington, Tokyo, Canberra and other capitals. But the Trump presidency threw a spanner into that confidence-building process. Vietnam's diplomats and strategists, as well as the party leaders they report to, learned that the U.S. is not so predictable after all.

Like the Japanese, South Koreans and Taiwanese, the Vietnamese must now wrestle with the prospect that in a crisis, Washington may hesitate to engage China so close to its shores. And they must consider the possibility that President Joe Biden's successor might be willing to cede mastery of Vietnam's neighborhood to "rising China."

It's not an easy calculation for Hanoi at all.

David Brown is a freelance writer on contemporary Vietnam, covering its political and economic life, international relations, media culture and environmental challenges. His commentary frequently appears in Asia Sentinel, East Asia Forum and other regional publications, and he has written for Foreign Affairs, Yale Global and the Brookings Institution. His reportage also appears in translation in Vietnam's leading independent journal of news and opinion, Tieng Dan.