

# ***Between Superpowers: A Politico-economic Analysis of Vietnam's Engagement on Sino& American Trade Framework in Asia***

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**Abstract:** As a weaker polity, Vietnam is deeply influenced by China and United States in many aspects. In the context of politics in asymmetry, this paper explores the engagement of Vietnam on economic frameworks of China and US, as well as its strategy in diplomacy. Besides, this paper testifies the applicability of asymmetric theory in studying Vietnam's politico-economic condition by providing updated data. Cases of Vietnam's engagement on the Belt and Road Initiative (BRI) proposed by China and Trans-Pacific Partnership Agreement (TPP) and Indo-Pacific Economic Framework (IPEF) from the US are selected. It argues the logic of Vietnam's move as a weaker polity between China and US: Vietnam's engagement in trade framework from China and US respectively illustrates its purpose to maximize domestic interests and ensure its diplomatic independence. Vietnam wants access to AIIB funds to build its domestic infrastructure, and also the U.S. to squelch China's political influence. Recent scholarship in the filed has left a huge gap since Womack's masterpiece on Sino-Vietnam relationship in asymmetry. This paper tends to fill the gap.

**Keywords:** Sino-Vietnam relation, BRI initiative, asymmetric relationship

## **1. Introduction**

In East Asia, Vietnam's diplomatic initiatives have been influenced by the gravitation of other polities, including China and the United States of America. As geographic neighbors, China and Vietnam share a 1,300-kilometer border involving two Chinese provinces and eight Vietnamese provinces, and the two countries have a long history of diplomatic relation and shared culture. With China's policy of opening its doors and going out in 1978, China and Vietnam embarked on a new round of cooperation. Belt and Road Initiative (BRI) framed by China is a crucial policy for expansion of its politico-economic powers in the fast-growing Asian, and Vietnam is in a critical position within its political radiation. Besides, the influence of US also shapes Sino-Vietnamese relationship. In addition to Washington's implementation of the Trans-Pacific Partnership Agreement (TPP) framework and Indo-Pacific Economic Framework (IPEF) in Southeast Asia, the establishment and consolidation of the US-Vietnam alliance also reflects the strong intention of the US suppress China's aggressive expansion. Between its giant neighbor and the extra-regional superpower, Hanoi faces a dilemma posed by a treacherous political condition. By taking the theory of asymmetric international relations as its analytical framework, this paper testifies the applicability of the theory with updated data and

argues the diplomatic logic of Vietnam as a weaker body when facing stronger ones (US and China). By taking Vietnam's engagement and diplomacy towards China's BRI as well as the US-led TPP and IPEF as the analytical focus, this paper examines how Vietnam strategically seeks to maximize its domestic interests politically and economically.

## **2. Vietnam under Competitive Trade Proposition of Sino& America Framework**

Since the establishment of diplomatic relationship between US and China in 1979, it has experienced fluctuation, and the cycle of competition and cooperation has been its theme instead of direct conflict in the past decades. As the most powerful nation in the world, the US continues to mobilize its resources for maintaining its privileges and preventing China from further rising in Asia-Pacific region [1]. As 'mega-regional' trade, the U.S. trade framework in the Asia-Pacific has been interpreted as a strategy to primarily contain China, such as its participation in the TPP and its initiative for the IPEF [2]. On the day when President Obama signed the TPP agreement, he proposes that for the 21st century, TPP's function of enabling America instead of China to set rules in the Asia-Pacific is significant [3]. In the eyes of American elites and the public, China would threaten not only the traditional dominance of the United States in the Western Pacific and East Asia, but also the order set by the West globally [4]. However, both changing international forms and domestic political turmoil have made the U.S. incapable to maintain its influence abroad as usual. U.S. voter dissatisfaction with the fragility of the global economic order, the disruption of the production supply chain by the ravages of the epidemic, factory closures, cargo ship delays, port blockages, and worker layoffs have forced Washington to focus on its domestic issue. Driven by conservatism, the Trump administration relinquished its hold on the TPP. The subsequent Biden administration sought to rebuild U.S. prestige in the Asia-Pacific and proposed the IPEF initiative in 2022. However, the initiative has also been cautioned by domestic politicians not to abandon their insistence on prioritizing domestic economic market development and helping U.S. businesses gain a dominant share of the Asia-Pacific market [5].

Meanwhile, China is gradually expanding its geopolitical and economic influence. Initially, China proposed BRI to integrate the economies of other regions through infrastructure development [6, 7] in response to the TPP [8, 9]. The "Silk Road Economic Belt" and the "21st Century Maritime Silk Road," which are established under the BRI proposal in 2013, are made for cooperation in aspects of diplomacy, commerce, finance and the development of a global connection brought by funded programs of infrastructure in Eurasia and Africa [10]. Besides, the Asia Infrastructure Investment Bank (AIIB) is proposed under BRI in 2015 as financing arm for the construction abroad. This implies a shift in the role of the second largest economy from a substantial player to a governor of the economy [11]. It is believed and expected that there will be a rivalry between the TPP initiated by the US and the BRI initiated by China.

The Sino-America relationship greatly affects other countries in the Asian region, including Vietnam. With both shared land and sea borders, Vietnam is identified as critical polity for the US in curbing the burgeoning assertiveness of China's expansion due to its unique strategic location, which is considered as the main reason for the US to build and consolidate the U.S.-Vietnamese alliance [10]. Vietnam has participated in the two trade frameworks dominated by the US. Meanwhile, even China and Vietnam have a long and far-reaching geopolitical conflict, Vietnam's regional economic integration with other Southeast Asian countries such as Laos and Myanmar under Beijing's control is considered by the Chinese government to be an important target for its infrastructure investment.

A recent study argues how Vietnam participates in China's Belt and Road framework [12]. It discusses Vietnam's balancing, following the crowd, and hedging strategies in its relations with China from perspective of state, society, and market level. Vietnam has followed the engagement of other Southeast Asia countries on China's ambitious economic initiatives, while under the contest from

domestic nationalism, Vietnam attempts to hedge against China's economic interests in the framework of trade and its geo-hegemonic political expansionist ambitions. With China's reform and opening-up policies and its positive response to liberal markets, the competition between China and the United States in the context of globalization has been characterized by durability, China's confident initiatives and the hesitant involvement of the United States create variables in the region's long-standing Western-dominated political and economic landscape. It will be interesting to investigate Vietnam's engagement on an ongoing basis.

### **3. Analytical Framework on Asymmetric International Relations**

Asymmetric bilateral international relations and the state of Vietnam's diplomacy based on this theory are clearly presented in the masterpieces of Womack [13, 14]. The analytical toolkit is used to explore the exchanges as well as misunderstandings of politicians with different strengths. The relative relationship between states is placed under a clear binary matrix, in which the polity with the stronger political, economic, and military power is called the stronger side (referred as A), while the opposite is called the weaker side (referred as B). The parties differ significantly in terms of their vision, purpose of interaction, modalities, level of interest in each other, and approach to bilateral relations, and differ from the diplomatic model of symmetrical ones.

For B, sense of insecurity would lead to a constant focus on the A's move continually. The inability of the weaker party due to its relatively small capacity to make itself the main target of the foreign policy planning of the stronger party, often makes the stronger side ignore the needs and objectives of the weaker one in the bilateral relation, which are usually recognition of independence and protection of its domestic interests away from negative effects. Errors of concern on both sides would be reinforced in the negligence of A and the over-concern of B and might eventually lead to military conflict. For A, it does not need the weaker party to recognize its autonomy since it would not be threatened by the weaker party alone. Instead, the strong state's desire to put the weaker state in an inferior position represents the continuity and stability of the asymmetrical international relationship between the two sides in a hierarchical system. Resentment and resistance from the weaker party towards its subordinate status are seen by the stronger one as unwise. However, the bilateral relationship is not the only path for the weaker body towards recognition of national independence. By enhancing collective identity and strengthening cooperation among political bodies in multilateral relations, B might have more leverage to negotiate with the stronger one by bring influence of other polities into the relationship in asymmetry to reshape it. The weaker party in asymmetry often seek help from a more powerful polity (referred as C) with a great distance, which is another strong power to balance the asymmetry. It is glad for B to observe estrangement between A and C. Good relationship with C guarantees B's status of security from negative effects brought by A. Although B's relationship with C is even more asymmetric than its relationship with A, it relieves the tension in its pressing condition with A by complicating the situation with a variable.

The overall significance of asymmetric international relations is strongly applicable between neighbouring countries. By collecting, analysing, and decoding textual data, this paper argues the dynamics of Vietnam's diplomacy and political initiatives. By analysing the Sino-Vietnamese relationship under the asymmetric relationship model and the influence of the United States, this paper takes Vietnam's engagement in the trade framework between China and the United States as an analytical focus to discuss the rational logic of Vietnam as the weaker party in terms of its diplomacy.

#### 4. Vietnam's Flexible Engagement and Rational Strategy in Asymmetry

Learning to survive in the game between strong polities is the political wisdom that the weak body needs to manage. For Vietnam, tendency toward the US would irritate China, while more favouritism toward China would not only lose U.S. support but would put Vietnam in a dangerous position of falling prey to the hegemonic expansion of its giant neighbour. Over the decades, the multilateralization and diversification of Vietnam's foreign policy has allowed it to develop comprehensive relations with major powers without forming alliance. It is considered by scholars as a strategy for Vietnam to offset its political, economic, and security dependence on its giant neighbours, allowing it to be more flexible in dealing with the complexities of international relations and the impact of political struggles [10]. For example, Vietnam and the United States have dealt with their diplomatic relations through the Comprehensive Partnership Agreement in 2013. In addition, Vietnam has developed separate frameworks for handling its diplomatic relations agreements with strategic partners such as Russia (2001), India (2006), Japan (2007), and China (2009).

As superpowers, the US and China have their own trade narratives or frameworks in Southeast Asia respectively. Vietnam's game with the two strong polities is even more evident in its active initiatives towards the two giant polities in the Southeast Asian region. Vietnam's strategical diplomacy towards BRI reflects its flexible response to the changing political situation [12]. Balancing diplomatic measures in Sino-America relationship is used as an important lever, which is utilized by Vietnam to improve its engagement with Washington and Beijing to safeguard its domestic interests and national security. On the one hand, Vietnam tries to build a constructive and strategic relationship under trade framework like TPP, IPEF or CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) with the U.S and its western fellows. On the other hand, it also participates in China's land-based BRI initiative.

As for Vietnamese attitude towards China and the United States, according to a 2015 Pew survey, 74% of Vietnamese view the U.S. favourably, while only 19% view China favourably, which illustrates that Vietnamese favour and trust US more than China [15]. From the feudal era to the 21st century, Vietnam is stilling dealing with aggression and hegemony from the giant regimes from its North. In modern times, even though the two countries have the common ideology in political regimes, the trust is not built. In the 1954 Geneva Conference and the 1972 U.S.-China Declaration, Vietnam was perceived as having been "betrayed" by China. Worse still, deep divisions led to a breakdown in diplomatic relations, which led to the 1979 Sino-Vietnamese War, and in 1990, during negotiations with China for normalizing the Sino-Vietnam relationship, Pham Van Dong, the former Vietnamese Prime stated that Vietnam could not trust China because it was still the same as it had been in thousands of years [16]. Elite-driven contacts between China and Vietnam, as well as closed populations and blocked interactions, have led to the breeding and flourishing of domestic nationalisms. Tensions generated by the wave of nationalism has surged and even escalated, focusing on the conflict between the states in recent years. The anti-China incident that took place on May 13, 2014, had strong nationalist overtones. It brought great damage to factories funded by capital from China. Another important factor affecting stable diplomatic relations between China and Vietnam is the geopolitical situation that has grown tense over disputes of territories around the South China Sea. It is declared by Vietnam in 2014 that its right of navigation and maritime security were threatened by practices of oil rig exploitation and island militarization from China. The mass protests the draft law on administrative special economic zones are also a case in point. Vietnamese public claimed that only underprivileged countries would make contract like a 99-year lease with China, since the migration of Chinese people under the agreement might raise security concerns. Protests against the

agreement have erupted throughout Vietnam (including Hanoi, Ho Chi Minh City), leading to the National Assembly indefinitely suspending the draft law in 2018.

In Vietnam's view, it must show China that Vietnam has many friends. If Vietnam establishes a deep cooperative relationship only with China, the latter will consider Vietnam as being isolated by other states and weak. Under that circumstance, it is like for China to show a tough attitude on its issue with Vietnam [16]. The US is a critical partner of Vietnam, since it has a crucial role in containing China for Vietnam. As the world's strongest military and economic superpower, the US is capable to curb China's political-economic and military expansion in Asia, including its initiatives on economic frameworks and the aggressive actions of its fleet in the South China Sea. The U.S. and Vietnam are politically aligned, cooperating for their shared purpose of curbing China's growth. The U.S. influence on Sino-Vietnamese relations as a third power with significant influence outside of the bilateral relationship is reflected in Vietnam's attempts to remind China of the importance of Vietnam's assurance of self-sovereignty in its foreign relations, as opposed to total submission to the economic order and even hidden geopolitical hegemonic ambitions that China brings to the table. Influence of the U.S. in East Asia has faltered in the midst of domestic governmental turnover, with Trump launching the TPP and the Biden administration inspiring the economic advocacy of the IPEF in order to remain influential in the Asia-Pacific. However, even with the waning of US power, Vietnam has not given up on the US as its saving grace in the Sino-Vietnamese relationship and has actively participated in the economic framework under the US order.

Despite the tension in diplomacy, Vietnam remains dependent on trade and investment economically from its giant neighbour. Vietnam has a great need for infrastructure development, which makes AIIB's funding under BRI very attractive to Hanoi, and joining the latter would also strengthen Vietnam's political position in the international arena [10]. A wiser option for Vietnam would be to build and improve its own infrastructure through Chinese proposal and would not forgo integration with the US market through the TPP framework. A vacuum of US trade proposal has been left in East Asia since Washington's withdrawal from TPP. The US executive order from then President Donald Trump to quit the TPP in January 2017 left Vietnam no choice but to focus on China's trade framework. Joining the AIIB has offered Vietnam an alternative channel to absorb fundings for developing its domestic infrastructure [10]. As part of the BRI, ASEAN countries will have more opportunities to join the AIIB in addition to integrating into the larger regional community. In addition to this, there may also be opportunities for the people of ASEAN and China to strengthen their ties, thus creating greater possibilities to revitalize the ancient cultural heritage shared by the people of the region. Meanwhile, as China's diplomatic intentions towards Vietnam, Beijing tries to seek its stable political and economic influence in Southeast Asia. In 2013, the then Chinese Premier Li Keqiang visited Vietnam, which brought the economic charm offensive of the huge neighbouring country to Vietnam. In Chinese media reports, the Chinese government should not ignore Vietnam's huge market of almost 100 million people. As Chinese President, Xi's enthusiastic speech during his stay in Vietnam in 2015 emphasized the importance China attaches to its political identity as a socialist comrade in the Sino-Vietnamese relationship. Pleasant and decent meetings with Beijing do not seem to have jeopardized Vietnam's close relationship with the United States [10]. Beijing tried to work firmly with Hanoi on the BRI and the "Two Corridors and One Economic Circle" link.

However, with a millennia long history of being the underdog in the tribute system, differentiation in diplomacy of Vietnam and China leads to zero-sum struggle. As shown in Table 1, China continually strives to integrate the Vietnamese economy and expand its influence. In contrast to China's diplomatic aims, Vietnam seeks more trade agreement from other partnerships to avoid over-dependence and over-concentration on China. As China's small neighbour, the views of the Vietnamese political elite are heavily influenced by Chinese expansionist and Sinophobic sentiments.



Table 1: Sino-Vietnam relation in asymmetry.

Bilateral Relations under Asymmetric International Relations	Vietnam (weaker side as B)	China (Stronger side as A)
Economic intention	An access to abroad fundings on domestic infrastructure construction	Integration of Vietnamese trading market
Political intention	Acknowledgement of sovereignty (to safeguard its national security and domestic interests from infringement)	Obedience (enjoying Vietnam's politico-economic inferiority)
Diplomatic strategies	1. Multilateral and diversified diplomacy 2. Introducing the United States into Sino-Vietnam relations for containing China	Integrating Vietnamese trading market through trade framework

Unlike the multilateral cooperation of the EU-ASEAN FTA, the Belt and Road strategy seems to adopt a centre-periphery framework, with China at the centralized position. Vietnam's policy of flexibility differs from China's diplomatic preferences. China looks forward to the building of economic integration with Vietnam, and its immense politico-economic clout has absolute ruling power over the relationship. However, this is exactly what the flexible policy pursued by Vietnam hopes to circumvent. The dominant diplomacy of Vietnam aims to hedge against political influence of China brought by the ambitious BRI framework. Protection against potential risks would be insurance when an international and standardized order is introduced to the Sino-Vietnam relationship in asymmetry for stimulation. The hedging strategy is a good expression of the Vietnamese rational consideration of the comparative power and position of China and their country in the region and internationally. Smaller states intend to play in the game managed by larger states for combined benefits, while attempting to protect their weaker positions through well-thought-out and well-managed measures [12]. Besides, the Vietnamese is aware of that a strong China with similar political system and developed strength would benefits Vietnam in various perspectives. This complex perception plays a guiding role, leading to the implementation of strategically hedging in the face of the opportunities and challenges posed by China, which provides opportunities for trade-offs in necessity and deliberation. Through flexible application, Vietnam aims at its goal of developing its domestic infrastructure and defending its integrity and sovereignty.

## 5. Conclusions

This article analyses Vietnam's political tendencies and intentions between China and the United States by using a theoretical approach to asymmetric international relations. As a small country sandwiched between a regional neighbouring giant and an extra-regional superpower, Vietnam deliberately update its position in the context of a volatile fluctuating and mutually exclusive situation in Sino-America relationship over time. Even though infrastructure under BRI in Vietnam is fraught with a series of problems like corruption, Vietnam would not pass up the opportunity of potentially greater availability of funds. Vietnam needs Chinese investment though still deliberately maintains ties with the United States because, in a way, Vietnam's political inclination is aligned with the United States even though Vietnam prefers China's cooperation in terms of economy. Overall, Vietnam

expects to get its desired portion of the political main propositions and economic initiatives of China and the United States respectively. This paper examines Vietnam's foreign strategy as a political community, ignoring the internal political struggles of domestic political parties. Subsequent research could examine the relationship between Vietnam's domestic party struggles and diplomatic preferences between China and US.

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