

Why Vietnam Holds the Trump Card in the US-Vietnam Partnership

Hanoi enjoys considerable leverage as a frontline state in Washington's strategic competition with Beijing.

By Khang Vu

Shortly after assuming his post as the new U.S. ambassador to Vietnam, Marc Knapper gave an extended interview with the local media. In the interview, Knapper affirmed the U.S. priority to elevate U.S.-Vietnam relations from a comprehensive partnership to a "strategic partnership" during his tenure. Just six months earlier, in August 2021, Vice President Kamala Harris also proposed to upgrade the bilateral relationship to a strategic partnership when she visited Hanoi. The Donald Trump administration, despite its anti-alliance rhetoric, also committed to elevating ties with Vietnam. Former Secretary of Defense James Mattis once referred to the United States and Vietnam as "like-minded partners," regardless of the differences in political systems. Former U.S. ambassador Daniel Kritenbrink said Washington considered Hanoi to be "one of the most important partners in the world."

However, Vietnam's responses to the U.S. proposal have been lackluster. While welcoming the U.S. outreach, it did not agree to improve the relationship to a strategic partnership. Harris failed to persuade Hanoi to change its mind during her visit. The newly appointed Vietnam ambassador to the U.S. Nguyen Quoc Dung also left out "strategic partnership" as a goal of his tenure. Some Vietnamese officials have described the partnership as strategic in all but name, but officially, the U.S. is not one of Vietnam's 17 strategic partners, putting it behind Australia, Japan, and India, the three other countries in the Quadrilateral Security Dialogue (Quad).

Certainly, one of the reasons behind Vietnam's refusal is the pressure from China. However, such an explanation needs to take the unique dynamics of U.S.-Vietnam relations into consideration. The fact that it is the U.S., not Vietnam, that keeps pushing for an upgrade is puzzling in two aspects. First, Vietnam, as a weaker state adjacent to China, needs the U.S. for its security more than the U.S. needs Vietnam. If Vietnam does not want to confront China alone and desires more U.S. presence in the South China Sea, it should not have waited for Harris' offer of a strategic partnership. Washington could have waited for Vietnam to reach out first instead of making the first move, as it has been doing.

Second, the U.S. has been the party that has conceded to Vietnam on major issues in order to improve the overall bilateral relationship, including breaking its diplomatic protocol to host Vietnamese Communist Party (VCP) General Secretary Nguyen Phu Trong in the White House in 2015 and staying silent as Vietnam continued to purchase Russian arms in technical violation of the Countering America's Adversaries through Sanctions Act (CAATSA). It is worth noting that the U.S. sanctioned its treaty ally Turkey for buying Russia's S-400 missile system. In short, Vietnam seems to hold the trump card in the bilateral relationship despite the huge power imbalance vis-à-vis the United States. This defies the conventional expectation that the relatively stronger partner has more bargaining leverage over the weaker partner.

The answer to this puzzle lies in the nature of Vietnam being an “ally of convenience.” The essence of any improvements in U.S.-Vietnam relations is to check the rise of China, which allows the two ideological enemies to conveniently cooperate against the most immediate common security threat. Such convenient cooperation, however, is not built on the mutual political trust seen in other U.S. Asian allies, which reflects the convenient feature of the partnership. In major aspects, the convenient U.S.-Vietnam partnership is similar to the U.S.-China “quasi alliance” in the 1970s and 1980s, during which Washington and Beijing worked together to check the Soviet Union. Hanoi still perceives Western influence as posing challenges to its regime security. And to complicate matters further, under the pressure of the anti-communist Vietnamese American community, the U.S. condemns Vietnam’s poor human rights practices and may sanction Vietnamese officials under the Global Magnitsky Act.

However, it is exactly these weak spots in U.S.-Vietnam relations that afford Vietnam a strong bargaining leverage in the bilateral relationship. Although Vietnam is an autocratic state like China, the United States perceives Vietnam to be too important to its Indo-Pacific strategy to let issues concerning human rights or political differences derail the upward trajectory of the partnership. This creates a contradiction in U.S. foreign policy: it wants to condemn China as an autocratic rival and to mobilize an alliance of democracies to check its rise, but it cannot alienate Vietnam at the same time. Consequently, Washington is actively trying to improve its ties with Hanoi, even to the point of overselling Vietnam’s importance like Mattis did, to be able to protect it from U.S. condemnations of other “different-minded” autocratic states. The U.S. wants to send a signal that Vietnam is not just another communist autocratic state, it is a close friend of Washington.

The U.S. efforts to improve the relationship to a strategic partnership is one of many concessions that it has made to Hanoi to solve the contradiction, as Washington can create legitimate exemptions to autocratic Vietnam when Vietnam is not treated as a U.S. adversary. For example, the U.S. has not sanctioned Vietnamese officials the way it has sanctioned Chinese officials for alleged human rights violations under the Magnitsky Act. It does not denounce the VCP the same way it has denounced the Chinese Communist Party or communism as a whole. The U.S. official motto is to build a “strong, independent, and prosperous Vietnam,” not a democratic one.

The U.S. remarkably has not sanctioned Vietnam under CAATSA even though Vietnam was among the top five Russian arms buyers from 2015 to 2019. On the contrary, Washington seems to be fine with its important partners using Russian arms, as in the case of its transfers of Soviet-made arms to Ukraine, if the partners use those arms to balance against U.S. adversaries. The U.S. wants Vietnam to buy more of its arms, but if Hanoi can better use Russian equipment than American due to the legacy of relying on Soviet-made arms, the U.S. will not put great pressure on it to switch.

Where conflicts arise, the U.S. tended to quietly work with Vietnam or to turn a blind eye rather than publicly challenge it. In January 2021, the Trump administration labelled Vietnam a currency manipulator, risking tensions. However, the U.S. Trade Representative shortly announced it would not take any punitive actions such as raising tariffs on imports from Vietnam. Six months later, the U.S. and Vietnam released a statement claiming that the two countries had solved the issue after “enhanced engagement.” In December last year, Vietnam along with Taiwan again exceeded the U.S. Treasury’s thresholds for possible currency manipulation, but Washington did not label it as a manipulator this time. The U.S. also largely

overlooked the increasingly huge trade deficit with Vietnam while it was publicly upset with the deficit with China. Again, these special treatments are possible only when the U.S. actively tries to single out Vietnam as an important security partner from its avowed hatred for autocratic states.

Vietnam seems to well understand its strong bargaining leverage and thus its refusal to raise the relationship to the level of a strategic partnership is based on the confidence of its importance in the U.S. Indo-Pacific strategy. In other words, Vietnam's reluctance does not hurt the positive outlook of U.S.-Vietnam relations. As U.S. State Department Counselor Derek Chollet put it in his recent visit to Vietnam, bilateral exchanges show "the ever growing strength of the United States-Vietnam relationship." This explains why some Vietnamese officials claimed the partnership is already strategic in practice thanks to the current level of cooperation.

Vietnam needs such leverage since it does not want to be perceived by China to be aligning with the U.S., while still wanting to keep its options open with the United States. It also wants to hedge against U.S. abandonment. The U.S. has maintained its neutrality in the South China Sea, and Vietnam does not expect Washington to risk a naval confrontation with China over the islands not vital to the survival of Vietnam or its other allies such as the Philippines. It is worth noting that South Vietnam did not receive U.S. military support when China occupied the Saigon-controlled Paracel Islands in 1974.

All in all, the U.S. special treatment to Vietnam fit its long tradition of prioritizing security interests over ideology in foreign policy, as the U.S. is willing to embrace autocratic regimes if it perceives those regimes to be sharing its security interests. If the U.S.-Vietnam partnership is important enough, the seemingly weak points in U.S.-Vietnam relations are counterintuitively beneficial to Hanoi because Washington will have to concede on those points as a part of its broader efforts to shield Hanoi from its attacks on other autocratic regimes. It is highly likely that the U.S. and Vietnam will address their differences quietly while publicly emphasize the progress made in the past three decades.

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