International Relations Theory and Vietnam

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Despite Vietnam's propaganda of following a revolutionary, international proletarian policy line, Hanoi's foreign policy has always been firmly based on Realist assumptions. With the advent of doi moi, or renovation, there has been a fundamental shift in Vietnam's world-view: Hanoi has firmly embraced the principles of complex interdependence and integration into the global economy. This transformation is most clearly seen in Hanoi's relationships with ASEAN and China. This article argues that as coping with China in traditional Realist terms is no longer tenable, and as Vietnam is too small to engage China in any degree of interdependence, Vietnam hopes to moderate Chinese behaviour through indirect complex interdependence, through membership in ASEAN, an organization Beijing deems essential to its own economic development.

Introduction

In the face of historical enmity, continual Chinese attempts at domination, mistrust of Chinese intentions, recurrent disputes over borders, trade, and ethnic Chinese, and the threat of the sheer power of China (economically, demographically, and militarily), how does Vietnam cope with China? What strategy can Vietnam employ to manage its relations with its northern neighbour? What does the Sino-Vietnamese relationship say about small state power?

This article begins with the assertion that Vietnamese foreign
policy-making was formerly based on Neo-Realist notions: first, as capabilities in the international system are distributed inequitably, Vietnam had to adopt policies to enhance its limited capabilities. This was done through the adoption of guerrilla tactics and by balancing against its enemy at each particular time — at first with the USSR and China against America, then with the USSR against China.

Secondly, power was an end in itself, not just a means. Vietnam forged a “special relationship” with Laos and Kampuchea, dominating their politics, economics and militaries. Indeed, it tried to establish its own vision of Southeast Asian relations in the late 1970s.

Thirdly, Vietnam behaved as a unitary, rational actor that operated in a state-centric system. Although it had ties with both China and the USSR during the 1960s, Vietnam tried to maintain its independence. Besides ties to countries in the Soviet-controlled COMECON (Council for Mutual Economic Assistance), Vietnam had few ties to other countries. And clearly, the Vietnamese leaders acknowledged that it was a self-help system. Realist necessity led to Vietnam’s allies selling it down the river twice, first in 1954, then in 1971. The Soviet’s subdued reaction to the Chinese punitive invasion in 1979 further reinforced the notion of a self-help system.

Finally, Vietnam was able to separate domestic politics from international politics as foreign policy and national security decision-making was monopolized by just a handful of autonomous leaders.

It can be argued on two grounds that Vietnam rejected Neo-Realist notions. First, Neo-Realism posits that functionally similar states derive their position in the international system from their capabilities. Yet, Vietnam defeated three states which were far more powerful and technologically advanced. Secondly, Neo-Realism argues that states and statesmen cannot be bound by morality. But an analysis of Vietnamese diplomatic negotiating behaviour indicates a continuous strain of morality and obligation (what Henry Kissinger described as “ferocious self-righteousness”); which in the end truly hurt the country.

But on the whole, one would have to argue that the Vietnamese strategic paradigm meshed more closely with Neo-Realism. This is not to say that Vietnam fully supported Neo-Realism with all its implications. But, the constant threat for national survival forced the leadership to perceive the world in zero-sum terms. Despite having allies, Hanoi could not always depend on them. And the mere acceptance of the “two-camps” paradigm forced Vietnam into an alliance against the greater enemy for over a decade.
Transformation of Paradigms: Stage One

Vietnam’s world-view began to change as early as 1986, though in earnest by 1988, when Vietnam became committed to the resolution of the Cambodian conflict and began to develop an outward-oriented economic reform programme, doi moi. The adoption of doi moi represented a fundamental change in the world-view of the Vietnamese leaders. As Gareth Porter notes, they no longer saw the world in terms of two mutually antagonistic camps and began to advocate the need to link Vietnam’s economy to the global economy by taking advantage of Vietnam’s position in the global division of labour.²

The main proponent of this approach was then Foreign Minister Nguyen Co Thach. At the Sixth Party Congress, in December 1986, Thach spoke of “interdependence”, rather than asserting that “capitalism had exhausted its capacity for development”. In May 1988, the Politburo secretly passed Resolution 13 which officially embraced Thach’s arguments for interdependence and Vietnam’s inclusion in the world capitalist economy. Resolution 13 provided a new holistic paradigm for national security: one that included a strong economy, a peaceful international situation, “sufficient” defence³ and an increase in bilateral relations with countries in all three “worlds”.

However, Thach fell out of favour in 1991 due to his handling of the Cambodian affair, which despite the Vietnamese withdrawal did not bring an end to the international community’s political and economic isolation of Hanoi, and his staunch resistance to normalization of relations with China, which, in the wake of the collapse of socialism in Europe, was clearly not in line with Vietnam Communist Party (VCP) General Secretary Nguyen Van Linh’s agenda.

If one looks at this in another way, Thach had attempted to move Vietnam theoretically from Neo-Realism to a system of Complex Interdependence with the West and the ASEAN states. The problem was that he could not abandon the Realist notion that there should be a counterweight to China. After abandoning the “special relationship” with Laos and Cambodia, the power assumption of Neo-Realism was worthwhile in order to improve ties with the West and ASEAN, which would have the effect of boosting Vietnam’s sagging economy, and providing a counter-weight to China. This was at a time when Soviet aid and commitment to Vietnam was ebbing as Sino-Soviet relations were normalized with the 1989 Deng-Gorbachev summit.

In sum, Thach understood the need for Vietnam to move into a system of Complex Interdependence, both to strengthen the country internally, through economic growth and development, and externally
by improving relations with ASEAN and the West. But because of the overarching fear of China, Thach remained wedded to some realist notions.

Transformation of Paradigms: Stage Two
At the Seventh VCP congress in 1991, Thach was forced to step down as his embrace of the West and forceful advocacy of the need to resolve the Cambodian issue in order to integrate Vietnam into the world economy were bearing little fruit. But with the settlement in Cambodia, the resumption of ties to multilateral economic institutions, an increase in trade and foreign direct investment (FDI), a general improvement in the economy in 1991, and with the collapse of the Soviet Union, efforts were made to learn from Thach's strategy. Since 1992, the Vietnamese leadership has adopted the Comprehensive Security Approach (CSA). The CSA, like Chinese zhoubian diplomacy, has three components:

— To foster good bilateral relations with all countries, including "former enemies" (that is, the United States and China);
— To have no alliances, nor a reliance on a superpower; and
— To maintain a peaceful external environment so that all resources can be spent on developing the economy.

The CSA cannot be considered a whole-hearted embrace of Complex Interdependence; but it has evolved. The first question, then, is why? Secondly, why was Neo-Realism rejected, especially in the face of continued Chinese threats, and ambivalence over Chinese intentions among the Vietnamese leadership?

Explaining the Transformation
Current research into the perceptions of Vietnamese leaders towards China indicates that there is continued enmity and mistrust towards their northern neighbour. If this is true, Neo-Realism tells us that we should expect balancing behaviour on the part of Hanoi. Simply, Vietnam should find a partner to balance against China as it did with the USSR for over a decade, from 1978 to 1991. If China is a threat that is not easily mollified, should Vietnam not be hostile without being provocative?

Neo-Realism also assumes that Vietnam will attempt to increase its own power, and avoid any interdependent linkages. Waltz argues that states are unitary actors that seek, at a minimum, to preserve themselves and, at a maximum, to dominate others if possible. They strive to do so through internal efforts (increasing resources and capabilities)
and external efforts (building alliances). States operate in a self-help system with no superior referee, and thus the tendency towards equilibrium is automatic and not dependent on rational actors. Vietnam, furthermore, should attempt to increase its wealth through mercantilism and limited engagement in the world economy.

But the Neo-Realist model has been rejected for a number of reasons. First, even if the leadership decided that it should find a counterweight to China, there is currently no one to balance with. The United States is still politically unthinkable. Despite talk in Washington, it is unrealistic to think that the United States is out to contain China and would do so through an alliance with Vietnam.

ASEAN is too small and, for the most part, has good relations with China. Although some analysts argue that Vietnam’s membership of ASEAN will improve its diplomatic and security position vis-à-vis China, others are more cautious and argue that Vietnam must conform to ASEAN’s position and not vice versa. As one official stated, “ASEAN will not allow Vietnam to come in and undermine relations with China. Our interests are tied up in long-term relations with China. We won’t do anything to upset that”. Moreover, the decision-making within ASEAN and the ARF (ASEAN Regional Forum) are based on consensus; thus not every security concern of a single member state can be deliberated by the grouping.

Furthermore, in joining ASEAN, Vietnamese officials have downplayed any notion that their membership is directed at China. In an interview in *Nhan Dan*, Foreign Minister Nguyen Manh Cam stated: “Joining ASEAN will not affect our relations with other countries and will not affect the interests of any third country whatsoever”. Similarly, Deputy Foreign Minister Le Mai indicated that Vietnam’s primary interest in ASEAN is economic rather than security:

If we don’t join ASEAN it will be very difficult for Vietnam to enter the world economy .... There are people who think we are joining ASEAN because we want to get together with other ASEAN countries to oppose somebody else. That’s not true. Joining ASEAN is part and parcel of our overall strategy of diversifying relations with all countries.

Vietnam expects that membership in ASEAN will give it more than traditional military security through strength in numbers. Hanoi is looking for security through interdependence with ASEAN, an institution that China deems essential for its own economic growth. The ASEAN states have invested US$2.7 billion, comprising over 20 per cent of all foreign direct investment in Vietnam, making ASEAN the second largest investor behind Taiwan. Hanoi hopes that China, which views
the ASEAN states as important economic partners, will now be more respectful of its new member. Economic linkages will constrain China's behaviour. As one Foreign Ministry official stated:

Sino-Vietnamese relations will be meshed within the much larger regional network of interlocking economic and political interests. It is an arrangement whereby anybody wanting to violate Vietnam's sovereignty would be violating the interests of other countries as well. This is the ideal strategic option for Vietnam. It is also the most practical.9

It is unclear, at this point, how Vietnam's membership of ASEAN will affect relations with Beijing. Clearly, Beijing's calculations must take into account Hanoi's membership in an economic-political grouping that is essential for its own economic development. To what extent remains to be seen. Some analysts argue that China is very perturbed by ASEAN's acceptance of its former enemy. Evidence of Beijing's displeasure may be discerned in the confrontational approaches towards the Philippines and Indonesia recently.10 Previously, China had targeted its actions in the South China Sea solely at Vietnam. Although the Vietnamese acknowledge that China may be angry "in private", several officials have indicated that ASEAN is too important for China's long-term development for it to get into a row over Vietnam's entry; or so the leadership hopes.

The three other main assumptions of Neo-Realism — the power assumption, the rational unitary actor assumption, and economic independence — are also being challenged by current Vietnamese policy. Since 1988, and especially since 1992 when Vietnam adopted the Comprehensive Security Approach, Hanoi has abandoned the Realist assumption that states seek power (both the ability to influence others and the control of resources that can be used to exercise influence); and that they calculate their interests in terms of power, whether as an end or a means. As noted above, Vietnam unilaterally abrogated its special relationship with Cambodia and Laos. It has shifted from a "revolutionary" state to a "status quo" state. It is committed to non-interference in the internal affairs of other states.

Secondly, although Vietnamese decision-making can still be said to be rational and fairly unitary, it is no longer a state-centric system. Vietnam wants to get involved in as many international organizations and regional bodies as possible, which implicitly constrains its independence. This issue is hotly debated within the Party leadership. How much sovereignty should be sacrificed? How much will Vietnam have to give-in on issues such as human rights, trade liberalization,
and peaceful evolution? How much debt should Vietnam take on? How should Vietnam respond to conditionality, whether regarding human rights, most-favoured nation (MFN) status, intellectual property rights or the return of economic migrants?

Clearly, Vietnam’s willing participation in multilateral fora with respect to the South China Sea (such as the Indonesian-sponsored workshops), the ARF, and support for the Singapore and Manila declarations, indicate that Hanoi is willing to link its own interests with those of other states. Indeed, following the stern rebuke China received at the Hangzhou conference in 1995 from a very unified and angry ASEAN, many Vietnamese officials believe that China will act more cautiously.

Thirdly, Neo-Realism posits that states should try to avoid economic dependence or even interdependence, because of concern over relative gains. Whereas trade and investment might lead to absolute economic gains, Vietnam’s economic partners may be gaining more relative to Vietnam. For Neo-Realists, relative gains lead to an increase in relative capabilities. Yet, the leadership in Hanoi has not only rejected an autarkic mode of economic development, but also the “dual camps” thesis. Vietnam acknowledges its place in the global division of labour and seeks to exploit its comparative advantage. There is an acceptance of Kenichi Ohmae’s statement that “Growth depends on inviting the global economy in, not keeping it out”.11 As Deputy Foreign Minister Le Mai stated:

We are now in an era where geo-economics is an overwhelming factor that enables us all to move beyond ideological boundaries in order to sustain mutually beneficial cooperation.12

If we look at Vietnam’s record since 1989, all indicators point to a commitment to an interdependent growth strategy and a willingness to accept absolute gains.

Foreign trade has been expanding rapidly. In 1993, Vietnam’s total trade reached US$6.35 billion — US$2.85 billion in exports and US$3.5 billion in imports — leaving it with a US$650 million trade deficit. Total trade represented 49 per cent of gross domestic product (GDP) in 1993 (exports comprised 22 per cent of GDP, while imports comprised 27 per cent). That year the trade deficit equalled 5 per cent of GDP. Trade in the first half of 1995, amounting to US$4.6 billion, surpassed the figure for all of 1994. Exports in the first nine months of 1995 alone reached US$3.7 billion, a 36.9 per cent increase over the same period in 1994, while imports stood at US$4.37 billion.13 By the end of 1994, the volume of Vietnamese–ASEAN trade had increased
six times the 1989 level and, at present, accounts for 25 per cent of Vietnam's trade.

As of August 1995, Vietnam has received US$16.2 billion in FDI for 1,240 projects from 49 countries. And every indication is that Vietnam will increase its participation in the global economy. Indeed, in 1996, two bourses will be established to further attract foreign capital and link Vietnam to global capital markets.

Vietnam has been the recipient of substantial amounts of bilateral and multilateral assistance, comprising 3 per cent of GDP in 1993. At the November 1993 Paris Donor's Conference, 22 countries and 17 multilateral agencies pledged US$1.8 billion. That year, bilateral assistance amounted to US$163 million, or 57 per cent of total overseas development assistance, or ODA (US$287.5 million). Not including the US$359 million Japanese grant in 1992, bilateral ODA increased 33 per cent from 1992 to 1993. Total multilateral disbursements reached US$163.3 million in 1993, of which 75 per cent, or US$85.5 million, came from U.N. agencies and multilateral economic institutions such as the World Bank, Asian Development Bank, International Monetary Fund. In 1995, the World Bank disbursed US$510.7 out of US$739.5 million pledged to Vietnam.14

Vietnam's external debt, in convertible currencies, has increased from US$1.8 billion in 1989 to US$3.8 billion in 1992 to US$4.0 billion in 1993; approximately 39 per cent and 30 per cent of GDP in 1992 and 1993 respectively.15

The results have been significant as Vietnam has had an annual average growth of 7.4 per cent from 1989 to 1994. Growth in 1994 alone was 8.7 per cent, but this growth has been, and will continue to be, contingent on Vietnam's integration into the global economy.

Indirect Complex Interdependence

Some argue that Vietnam did join ASEAN in order to balance China. But one can argue that Vietnamese actions fall less under the sway of balancing than an attempt to engage China in an interdependent relationship. By joining ASEAN, an organization where good ties are deemed absolutely essential for China's economic development, Vietnam is simply trying to moderate Chinese behaviour through interdependence, though indirectly.16 Simply, Vietnam is too small to influence China through direct linkages.

Hanoi cannot raise the price of Chinese "adventurism" alone by threatening to disrupt Chinese economic development. Although there is significant official and border trade with China, much of which
fuels southern China's industrial development, it is not enough to temper China's behaviour. Indeed, of the US$532.8 million in trade in 1995, Vietnam had a deficit of US$150 million. Any disruption of trade would hurt the localities themselves, rather than have any national effect.

The very fact that Hanoi is willing to accept absolute gains, that is, trade with China even if it entails accruing a deficit, and foregoing relative gains, is telling. Moreover, if one looks at the flow of commodities between the two states, one sees that Vietnam exports raw materials while importing manufactured goods from China. This again raises concerns over who gains more.

The Vietnamese leadership is cognizant of its limitations, which is why relations with ASEAN are deemed so important. Only through full participation in ASEAN, including the ASEAN Free Trade Area (AFTA) which many in the country oppose, can Vietnam attempt to engage China in a degree of interdependence. To this end, the government established the National ASEAN Committee under the leadership of Deputy Prime Minister Tran Duc Luong in October 1995. Being a national committee, it is above the line ministries and is thus able to enforce inter-ministerial co-operation.

Moreover, Vietnam will continue to try to use ASEAN to support its own agenda. Hanoi will support the annual ASEAN Foreign Minister's meeting, the ARF's multilateral approach to security issues, and the resolution of the South China Sea disputes against China's wishes. Vietnam will also embrace the ARF's call for more military transparency and confidence-building measures. As every ASEAN state has a bilateral military relationship with its partners, so too should Vietnam be expected to engage in such relationships.

But the security aspects of the relationship should not over-shadow the far more important economic relationship. ASEAN is essential for China's economic development: as a source of foreign investment, and technology imports, as an export market, and as a model for economic reforms. Despite Chinese attempts to deal with the ASEAN states on a bilateral basis, Beijing will have to work with the grouping as a whole. The organization is too influential, both regionally and globally, for China to ignore. Vietnam is poised to take advantage of this to redefine its traditional Neo-Realist security paradigm.

The Complex Interdependence school of Robert Keohane and Joseph Nye challenges the three assumptions of Neo-Realism, namely, the state-centric, unitary, rational actor model; the utility of military force; and the hierarchy of issues in world politics, dominated by military-security issues (high politics) over economic issues (low politics).
1. Multiple channels (inter-state, trans-governmental, and transnational) connect societies. States are not the only actors as other players, such as international organizations and regimes, and multinational corporations become enfranchised and limit state actions;

2. Secondly, the relative utility of military force declines in conditions of interdependence; and

3. The agenda of inter-state relationships consists of multiple issues that are not arranged in a clear and consistent hierarchy; thus, military issues do not dominate the agenda. Economic issues are as salient as security issues.

The theory of Complex Interdependence cannot be adopted verbatim. There are clearly limitations to its application for small states confronting much larger ones, which is why one would argue that Vietnam must engage China in "indirect" Complex Interdependence.

Vietnam very clearly fulfils the three assumptions of Complex Interdependence. First, with regard to multiple channels, Vietnam can no longer be considered a unitary actor. Provincial governments, through trade and foreign investment, now have contacts abroad, and their own interests in the open policy. Individual ministries and large state-owned enterprises, particularly those which have foreign trade licences, are now important actors with their own interests which they try to promote. Even citizens are becoming more enfranchised. Public opinion has diminished the autonomy of the state, and there is clearly a greater flow of people abroad.

Nor can the international system be considered as solely state-centric. Through its membership in organizations and regimes such as ASEAN, ARF, AFTA, WTO (World Trade Organization), UNCLOS (United Nations Conference on the Law of the Sea), Hanoi loses a degree of sovereignty. These regimes and institutions constrain state behaviour. Neither Vietnam, nor any other state, can flaunt them without facing certain consequences. In addition, the efficacy of any one state in an interdependent world is limited. The Vietnamese leadership is cognizant of this and sees ASEAN as an important means through which Vietnam can promote its position. As Foreign Minister Cam said, "ASEAN has become an increasingly influential organization in both regional and global forums".19

Secondly, because of interdependence, the relative utility of force has declined. We can see this manifestation in a number of ways. First, the size of the Vietnamese armed forces has been substantially reduced, indicating, among other things, that the military cannot always be used to settle political and diplomatic issues. In addition,
rather than trying to be more militarily assertive in the South China Sea, Vietnam has tried to legitimize its claim to the Spratly Islands through economic means. It has granted exploration rights to foreign petroleum firms, constructed lighthouses and fishing ports, and has offered tax breaks for aqua-products and sea-ventures based in the islands in order to increase the population. According to one Vietnamese official:

We have a lot of islands, but up to now they haven’t been occupied. We had sovereignty in principle but no people. That left the opportunity for them to be occupied by others. Now our policy is to have a presence on all of them. Not a military presence — we don’t want to shock the Chinese. Economic means are more subtle.20

Vietnam is, moreover, committed to settling the territorial dispute peacefully and in accordance with international law. In sum, the use of military force would have grave repercussions for Vietnam’s development.

Thirdly, there is no evidence whatsoever that military-security issues take precedence over economics and other low-political issues. If anything, economic development is the single most important issue facing the Vietnamese leadership. To this end, it is almost ironic to see the great warriors so engaged in business. That a country which has been fighting for almost its entire existence is now putting economic issues on a par with, if not above, national security concerns is truly a remarkable indicator of a shift in the reigning paradigm.

Vietnam and the Future of Neo-Realism

Is Neo-Realism obsolete for Hanoi in this age of interdependence? Here one would have to provide an unequivocal no. First, the Complex Interdependence school suggests that states co-operate because they cannot afford not to. Neo-Realism argues that states co-operate because it is in their interests. As Jonathan Mercer notes, “Sometimes the best way to compete is to co-operate” — what he calls “defensive cooperation”.21 But when non-cooperation is more beneficial, they will defect. “To say that we can do well by doing good (competing by co-operating) represents a change in strategy, not a change of heart”.22 The Vietnamese leadership must be prepared to accept changes in the strategy of others especially when it has never assumed a change of “heart”.

Secondly, despite the growth, importance, and efficacy of international organizations, it is still a state-centric world. Moreover, it
remains an anarchic world in which some states will continue to seek power and hegemony. And it will always be a self-help world, as self-help is a consequence of state egoism, the quest for a positive identity, and inter-group relations under the conditions of anarchy. A state continues to be the final guarantor of its security and survival. Additionally, even under conditions of interdependence, the security dilemma is still relevant.

Thirdly, whereas Constructivists and Neo-Liberal Institutionalists believe that even under anarchy, rules, norms and institutions can fundamentally change state interests, this is based on the assumption that states will forego concerns over relative gains. Neo-Realists argue that this is impossible because states are "self-interested". There is truth to this. Relative gains are politically sensitive to leaders of all states. No leader is immune from criticism that other states are gaining more. Although states are more willing to tolerate absolute gains from in-group members, as Vietnam may with its ASEAN partners, there are still limits.

Finally, the conclusion of John Mercer, that "The more we identify with a group, the more likely we are to discriminate against out-groups",

has tremendous implications for Asia-Pacific security. Whereas Alexander Wendt suggests that a more developed collective self will lead to "another-help" security policies, Mercer argues that there is a positive relationship between collectivist culture and inter-group discrimination. Although this remains to be seen in the case of Sino-ASEAN relations, it could manifest itself if the threat of China lingers.

Hanoi must remain cognizant of these Neo-Realist concerns, especially in its relationship with China, although this is not to say that Vietnam should re-adopt its Neo-Realist paradigm. Rather, it should juxtapose Neo-Realist concerns onto its current interdependent outlook.

Conclusion

In sum, there is ample evidence that Vietnam has adopted a policy of Complex Interdependence. For reasons stated above, the Neo-Realist paradigm was untenable, unrealistic, and costly. The international system is as favourable to Vietnam as it has ever been and Hanoi is poised to take advantage of that. It does have security concerns, notably China. But the only realistic way for Vietnam to cope with this is by engaging China in indirect interdependence through its membership of ASEAN, and increasing the economic development of the country.
A poor country is not a strong one. For these reasons, one must consider the second Vietnamese revolution to be the transformation of its strategic paradigm from the Realist battlefield to the interdependent market-place.

NOTES

3. During the 1980s, Vietnam had the fourth largest army in the world. Military expenditures, in addition to massive Soviet military assistance, represented nearly one-third of the central budget. The size of the military was cut immediately following the withdrawal from Cambodia in September 1989, from approximately 1 million men to 572,000.
8. VET, September 1995, pp. 11.
16. Chinese trade with ASEAN increased 9.5 per cent annually from 1990 to 1992. In 1993, Sino-ASEAN trade increased 26 per cent to S$10.7 billion. Moreover, in 1992, 10–15 per cent of FDI (or US$3.2 billion) in China came from the ASEAN countries.
22. Ibid., p. 234.
23. Ibid., p. 251.

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