

VIETNAM, THE UNITED STATES, AND JAPAN IN THE SOUTH CHINA SEA



Dr. Alexander L. Vuving

Paper for the Workshop on "U.S.-Japan Relations and Maritime Security in the East and South China Seas" at Meiji University, Tokyo, 22 October 2014

Between May and July 2014, China unilaterally deployed a giant drilling rig in waters claimed by Vietnam as its exclusive economic zone (EEZ). The move led to a fierce confrontation between Chinese and Vietnamese government vessels and shrank relations between the two countries to the lowest point since 1988. The standoff also served as a litmus test to identify who will side with whom in this conflict. While most of the world remained neutral, several states came out to support Vietnam in one form or another. Among these supporters, the United States and Japan stood out as the most powerful and staunchest. The fault line between Vietnam, the United States, and Japan on one side and China on the other can be seen as one between status quo and revisionist powers. The former share the same objective of maintaining the balance of power that has kept the region in peace for the last two decades. China, with a long period of rapid economic growth in the last three decades, appears to be determined to use its newfound power to assert its sovereignty claims, which in end effect would amount to its dominance of the region. The prospects of regional security hinges heavily on how these actors relate to the South China Sea issue. This paper will focus on the three status quo powers; particularly, I will examine the strategies of Vietnam, the commitment of the United States, and the role of Japan regarding the South China Sea issue.

What's at Stake in the South China Sea

The prevailing narrative portrays the South China Sea issue as a territorial dispute driven by conflict over natural resources between the littoral states. This provides a very truncated picture that fails to illuminate the identity and motives of the stakeholders. Besides its economic value, the South China Sea also has an enormous strategic value for several countries and an increasing symbolic value for some of the disputants. In this section, I will examine the main value of the South China Sea for China, Vietnam, the United States, and Japan.

China claims a vast area of the South China Sea that lies within a unilaterally drawn U-shape line as its own territories and waters, while Vietnam claims sovereignty over the Paracel and Spratly Islands and the EEZ and continental shelf surrounding its mainland's coasts. The South China Sea is believed to be rich in fish stocks, energy reserves and mineral ores. Some estimates put the oil and gas reserves in the South China Sea at about 80 percent of Saudi Arabia's. With roughly ten percent of the world's catch, the region also has one of the largest fishing stocks in the world.

The South China Sea constitutes one of the inner seas that lie within what China's strategic planners and analysts term the "first island chain." As they provide easy access to the industrial centers of the country, these maritime zones are critical to the defense of the Chinese homeland against invaders coming from the seas. The South China Sea is even more critical to the defense of Vietnam. If it is sometimes likened to China's backyard, it is literally the front door of Vietnam.

The South China Sea has strategic value not only for the littoral states but also for other regional and major powers from outside. The shortest shipping routes between the Indian and the Pacific Ocean, the sea lines of communication that pass through the South China Sea carry nearly one-third of world trade and a half of the global oil and gas shipping. Not only the economies of Southeast Asia but also those of Northeast Asia are extremely dependent on these trading routes. About 80 percent of the oil and gas imports of China, Japan, South Korea, and Taiwan are shipped through the South China Sea.

While all players in the South China Sea issue share a large stake in its waterways, powers with hegemonic ambitions such as the United States and China have an additional interest based on the strategic value of those sea lines. Given its location as a chokepoint on

the Asian lifeline and one of the global arteries, control of access to the South China Sea is a sine qua non for naval supremacy in the Western Pacific, which in turn is a critical pillar of regional primacy in East Asia.

Besides its economic and strategic value, the South China Sea also has an enormous symbolic value for China and Vietnam. Conflicts and stakes in this region have made it a strong symbol of identity for both nations. Vietnam, for example, has declared the Paracel and Spratly Islands to be its territories in the new constitution of 2013.

Table 1 summarizes what is at stake in terms of vital or core interests in the South China Sea for China, Vietnam, Japan, and the United States.

Table 1. What is at stake in the South China Sea

	Homeland Defense	Natural Resources	National Sovereignty	SLOCs	Regional Primacy
China	X	X	X	X	X
Vietnam	X	X	X	X	
Japan				X	
United States				X	X

Vietnam’s Strategies in the South China Sea

No single strategy can describe how Vietnam is dealing with the South China Sea issue. Instead, Vietnam pursues a multitude of strategies that employ a wide range of mechanisms stretching from hard to soft power. At least seven distinct strategies can be identified with regard to Vietnam’s approach to the South China Sea dispute since the end of the Cold War.

At the hard extreme of the spectrum, Vietnam tries to strengthen its presence and forces, both military and non-military, in the South China Sea. During the “scramble for the Spratlys” in 1988, when Beijing and Hanoi competed for foothold on the Spratly Islands, Vietnam set up permanent military garrisons on 11 land features in the archipelago,

increasing its possessions here from 10 to 21 land features. From 1989 to 1991, Vietnam went out to occupy six underwater shoals on its continental shelf southwest of the Spratlys by putting permanent high-pillar structures here and manned them with garrisons. Slowly but surely, Vietnam continues to consolidate and increase its presence in these areas with more troops, facilities, equipment, and civilians. Since 2007, Vietnam started to populate the largest of its possessions in the Spratly Islands with permanent civilian inhabitants. Taking a leaf from China's playbook, Vietnam decided in 2012 to create a fisheries surveillance force as a third force, after the navy and the coast guard, to patrol its maritime waters, and in 2014, after the oilrig crisis, to lightly arm these vessels. To build a minimum deterrent force on the sea, Vietnam continued to modernize its navy and air force. A key element in this deterrent force is a submarine fleet it is building with six Kilo-class vessels.

Vietnam is well aware that it cannot rely on military force alone to deter China. One strategy to compensate for this deficit is to get powerful third parties involved. Vietnam's application of this strategy is, however, limited to the oil and gas industry in the South China Sea only. But perhaps Hanoi has no other option as to give concessions in the oil blocks that lie within China's U-shaped line to large companies from major powers—which it did so far to ExxonMobil from United States, ONGC from India, and Gazprom from Russia. It is remarkable that Vietnam refrains from pursuing this strategy broadly; it has repeatedly pledged that it will not form an alliance with any other country against a third party, a coded statement to reassure China of Vietnam's non-aligned posture.

Instead of forming alliances with powerful partners, Vietnam puts more emphasis on internationalization of the issue to interlock and deter China. During most of the 1990s and 2000s, Vietnam remained largely modest in its attempt to internationalize the South China Sea issue. But responding to Chinese assertiveness in the region since 2008, Vietnam has increasingly become more proactive and determined in bringing the issue to the world's attention and enlisting the support of foreign partners. For example, international conferences on the South China Sea issue have become a thriving industry in Vietnam since 2009. Hanoi has also tried to include the South China Sea issue as an agenda item in its discussion—and as a rhetoric device, in the joint statements—with most other foreign governments. Starting with the ASEAN and ARF meetings, international forums such as EAS, APEC, the UN, and ASEM have become diplomatic battlegrounds for Vietnam over the South China Sea dispute.

Vietnam's effort to internationalize and multilateralize the issue does not come at the expense of its bilateral dialogues with China. Not only does Vietnam take advantage of all possible channels to talk with China, it is also proud of being able to maintain those channels. Besides the government-to-government channel, Vietnam also cultivates ties between the two Communist Parties and the two militaries to keep special access to China. The uniqueness of the party-to-party and the military-to-military relations between Vietnam and China lies in the fact that both sides emphasize their ideological bonds and, particularly for the militaries, their common interests in opposing the West. With regard to negotiation to resolve the territorial disputes, Vietnam accepts a bilateral approach to the Paracel Islands while insisting on a multilateral approach to the Spratly Islands, arguing that the multilateral nature of the dispute over the latter requires multilateral negotiation.

Toward the soft end of the spectrum, self-restraint and self-constraint to reassure China is also a key element in Vietnam's approach to the South China Sea. Hanoi's political leaders and military strategists reason that China, mindful of its superior forces, will seize the moment when Hanoi lets itself provoked to escalate the conflict and overwhelm Vietnam. But for Hanoi, self-restraint and self-constraint is not only a tactic to avoid being provoked; it is also a systematic approach based on the belief that it can convince Beijing of Hanoi's benign intentions. Hanoi has, for example, tried to erase public memories of the military conflicts with Communist China, both on the land borders and in the South China Sea during the 1970s and 1980s. To reassure Beijing, Hanoi also unilaterally set tight limits to its room of action. One example is its "three no's" policy, according to which Vietnam vows not to participate in any military alliance, not to allow any foreign military bases on its soil, and not ally with any other country against a third country.

Softer than self-restraint, deference is also a main element of Vietnam's strategy toward China. Many Vietnamese leaders and strategists argue that combining resistance with deference is a key to Vietnam's survival success in China's shadow for thousands of years. Acts of deference are to signal Vietnam's acceptance of its subordinate position to China in a hierarchy of states. Hanoi continued to show deference to Beijing even after being hurt heavily by the latter. Two recent examples include Foreign Minister Pham Binh Minh's and Defense Minister Phung Quang Thanh's visits to China in the wake of the oilrig crisis. Minh used a trade fair in Nanning, China to go to China before traveling to the United States in September 2014. In October, Thanh led a delegation of thirteen high-ranking military

officers to China. With six members of the Vietnam Communist Party Central Committee, the delegation boasted an unusually large number of high-ranking Vietnamese leaders in a visit to a foreign country. Apart from other purposes, the visit was also an act of deference to China as it preceded the long-planned visit to Vietnam by the U.S. secretary of defense in November.

While preparing for the contingency of a military showdown with China in the South China Sea, Vietnam hopes that ideological bonds between the two Communist Parties and the two militaries will serve to prevent the worst and to isolate, compartmentalize, and soften the conflict. Predicated upon solidarity between the two communist regimes, this strategy has found powerful lobby groups in the military leadership and the Communist Party conservatives. The underlying idea is best articulated by General Le Van Dung, then-head of the Political General Directorate of the Vietnam People's Army, in an interview in December 2009. He said: "As concerns our issue with China in the East Sea, we are trying our best to resolve it, and in the near future we will be discussing, negotiating, and delimit the maritime borders with our friend. So the situation will be gradually stabilized and we keep strengthening our relations with China in order to fight the common enemy."¹ Although China's increasing assertiveness in the South China Sea, most notably its deployment of the HSYS-891 drilling rig in Vietnamese waters during the summer of 2014, has shattered much of Vietnam's trust in Beijing, the military leadership in Hanoi continues to cling to solidarity as a strategy to deal with Beijing and the South China Sea issue.

Vietnam's approach to the South China Sea issue is a combination of these seven strategies. It is worth noting, however, that none of these strategies have been pursued to the full capacity and the intensity and scope with which they were practiced varied over time. During most of the period between 1990 and 2008, Vietnam did little to internationalize the issue. The strategies most salient in this period include a gradual and low-key consolidation of presence and forces, self-restraint and self-constraint, and solidarity. The rising tide of tensions since 2009 has changed the intensity and scope of Vietnam's strategies. In this period, strengthening of presence and forces and internationalization became the most salient. Overall, the main tenet of Vietnam's approach to the South China Sea issue is to combine deterrence with reassurance. While having

¹ "Tim moi cach giai quyet van de Bien Dong" [Making every effort to solve the East Sea issue] (interview with General Le Van Dung), *Tuoi Tre*, 22 December 2009, <http://tuoitre.vn/tin/chinh-tri-xa-hoi/20091222/tim-moi-cach-giai-quyet-van-de-bien-dong/354571.html>

stabilizing effects, this “hedging” approach also generates self-destruction—the credibility of both deterrence and reassurance is thrown into question as a result of their combination. With the increasing tension in the last few years, this hedging approach has increasingly proved ineffective, creating growing frustration with the policy.

U.S. Commitment to the South China Sea

The United States stands out among outside stakeholders to the South China Sea with its intense interest in the region. Since 2010, American leaders have repeatedly declared that Washington has a “strong national interest” in freedom of navigation and a “strong interest” in the peaceful and lawful settlement of the disputes there.² Both the U.S. economy and U.S. global power and regional primacy in the Asia-Pacific depend to various extents on freedom and peace in the waterways running through the South China Sea. The impact of a blockade in the South China Sea on the U.S. economy is significant but not extremely high. Less tangible but more important is the role of the South China Sea for U.S. global power. U.S. naval supremacy in the Western Pacific, of which the South China Sea is a critical part, is a key to its regional primacy in the Indo-Pacific, which in turn is a major pillar undergirding the U.S.-led liberal world order. Important as it is, this link from the South China Sea to U.S. interests is not direct and not very visible and tangible. This fact makes it harder to convince the American public of the significance of the South China Sea to their interests.

American commitment to the South China Sea is presently not very high as the United States badly needs a breathing space after two expensive wars and a deep economic recession. Taking advantage of this virtual power vacuum, China is intensifying its revisionist actions in the region. However, as China’s revisionist actions in the South China Sea become more visible to the American public, these will increase U.S. commitment to this critical region.

² Secretary of State Hilary Clinton’s Remarks at Press Availability, Hanoi, 23 July 2010, <http://iipdigital.usembassy.gov/st/english/texttrans/2010/07/20100723164658su0.4912989.html>; Secretary of State John Kerry’s Remarks at the U.S.-ASEAN Ministerial Meeting, Bandar Seri Begawan, 1 July 2013, <http://www.state.gov/secretary/remarks/2013/07/211377.htm>

Japan's Role in the South China Sea

Japan's interests in the South China Sea are derived primarily from its dependence on the waterways there and its preference for the U.S.-led regional order. If China dominates this chokepoint, it will be able to switch at will about 60 percent of Japan's energy supplies, and it will likely replace the United States as the sponsor and leader of a new regional order. A Chinese-led regional order will most likely be far less liberal and favorable to Japan than the current U.S.-led order. Japan, therefore, shares with both the United States and Vietnam a strong interest in maintaining the status quo in the region. What role can Japan play in maintaining stability in the South China Sea?

First, Japan—and the United States, for that matter—is ill-suited to act as an honest broker to the dispute. The honest broker must be trusted as such by both sides of the dispute, but Japan is one of the countries that are most distrusted by the Chinese and, with its own conflict with China in the East China Sea, it can hardly be a neutral party to the South China Sea dispute.

Second, Japan is unable to play the role of an external deterrer. Lacking nuclear weapons and perhaps being more dependent on China economically than vice versa, Japan is simply unable to deter China in general.

Balancing, therefore, remains the only possible role for Japan to play. Japan is willing to support Vietnam against China, as evidenced by Tokyo's provision of coast guard ships as gifts to Vietnam during its oilrig crisis with China recently. But does Japan, even when joining forces with Vietnam, have the capacity to balance China? This is an interesting question that needs more study, but a look at the combined military and economic power of the two suggests that they cannot. China holds several key advantages to a Japan-Vietnam coalition, the most obvious of which are its nuclear weapons and its central role in Asia's economy.

The best role for Japan to play in the South China Sea is to promote and join a coalition with the United States, Vietnam, the Philippines, and some other countries that share a common interest in maintaining the status quo. The main reason for this is that only a U.S.-led coalition can balance Chinese power in the region. Given Japan's high stakes in the South China Sea and the perception of them by the Japanese elite, Japan is likely to be willing to play this role. However, there is an issue with the coalition leader—given its

geographic and psychological distance to the South China Sea, Washington may be the least willing among this coalition's members. This may be a factor to prevent this coalition from unilaterally escalating the conflict, but it may also be a factor to encourage China to underestimate the resolve of its rivals and thus be dangerously provocative. The South China Sea appears to be heading toward a new era of instability and tension, and the stakeholders will be playing very subtle roles in it.

The views expressed in these articles are those of the author and do not reflect the official policy or position of APCSS, the U.S. Pacific Command, the U.S. Department of Defense, or the U.S. government.

October 2014