

JOURNAL OF

INDO-PACIFIC

VOL. 6, NO. 2 SPECIAL ISSUE (MARCH 2023)

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ISSN 2576-5361 (Print) ISSN 2576-537X (Online)

Published by the Air University Press, *The Journal of Indo-Pacific Affairs (JIPA)* is a professional journal of the Department of the Air Force and a forum for worldwide dialogue regarding the Indo-Pacific region, spanning from the west coasts of the Americas to the eastern shores of Africa and covering much of Asia and all of Oceania. The journal fosters intellectual and professional development for members of the Air and Space Forces and the world's other English-speaking militaries and informs decision makers and academicians around the globe.

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Elevating the US–Vietnam Economic Relationship

AMBASSADOR MARC E. KNAPPER

Abstract

The following is a transcript of US Ambassador to Vietnam Marc E. Knapper’s 24 March 2023 address to the students and faculty of Vietnam’s Foreign Trade University. The ambassador talked about the growth of the US–Vietnam economic relationship and the opportunities to strengthen and elevate it. He highlighted the development of the Comprehensive Partnership between the two nations and the diverse initiatives taken by Washington to strengthen the relationship. The speech focused on the growth of the economic ties between the two countries, specifically the growing trade relationship. Ambassador Knapper discussed how the trade relationship has become more dynamic, diverse, and complex with Vietnam becoming a significant supplier of products to the United States. The speech also highlighted Vietnam’s position on the world stage as a member of the global, interconnected economy. Finally, he mentioned the bilateral trade agreement signed between the United States and Vietnam, which paved the way for Vietnam’s accession to the World Trade Organization and highlighted the significant reforms that Vietnam has made in its legal and regulatory regime.

Dear students, faculty, administrators, and guests. Good morning and thank you for welcoming me here today at the Foreign Trade University (FTU). It is wonderful to see such a tremendous audience representing the full range of programs at the university. I am delighted to have this chance to speak with you today about the growth of the US–Vietnam economic relationship and the opportunity we have before us to strengthen and elevate that relationship.

As you may know, this year marks the 10-year anniversary of the Comprehensive Partnership between our two nations. As we look back on the past, it is stun-

ning to see just how far we have come. While our conversation today will focus primarily on economic issues, we cannot ignore the myriad ways in which the United States and Vietnam have been able to forge a deep, meaningful relationship. This relationship was the result of dedicated effort by both nations. It developed through patient and persistent efforts to rebuild trust and discover the deeply felt values and common aspirations that unite our two peoples. What we share together is much greater than what divides us.

Working to address the legacies of war, facilitating people-to-people exchanges, combating infectious disease, conserving forests and biodiversity, modernizing higher education, strengthening local leadership: the breadth of these US initiatives in Vietnam speak to the comprehensive nature of our commitment. Given the depth of impact associated with those activities, as well as our belief in Vietnam as a strong, prosperous, and independent nation, it is impossible to think of our partnership with Vietnam as being anything other than fundamentally strategic in nature.

Economic ties between the United States and Vietnam have flourished since the mid-1990s. Today, the expansion of our economic ties is perhaps most visible in our growing trade relationship. Since we're here at the Foreign Trade University, it seems only appropriate that we should take a few minutes to discuss how that trade relationship has flourished throughout the years. In 2022, the level of bilateral trade—USD 139 billion—was more than 300 times greater than it was in 1995. Last year, Vietnam was the eighth largest trade partner for the United States. This is a far cry from when I was last here in Vietnam working at the US Embassy in 2004, when bilateral trade stood at less than USD 7 billion.

Not only has our trade grown, it has become more dynamic, diverse, and complex. Exports from the United States now include a dizzying assortment of products, including machinery, computers and electrics, textiles, agricultural products, and more. Similarly, Vietnam has become a significant supplier of products to the United States, including apparel, footwear, furniture, seafood, and electronics.

Vietnam is also a key node in supply chains for goods that are vital to the American economy: from the semiconductors that power everything from our phones to our cars, to the solar panels driving the clean energy revolution and fight against climate change. And our supply chain linkages are not a one-way street: Vietnam's import of American-made computer chips, hardwood, cotton, and animal feed fuel its production of electronics, furniture, apparel, livestock, and seafood.

Vietnam now occupies a central place on the world stage as a member of a global, interconnected economy, serving customers in countries near and far. The growth of trade relative to the size of Vietnam's economy—from 18 percent of

GDP in 1988 to 186 percent in 2021—is a clear indicator of how Vietnam’s economic success over the past three decades has been inextricably linked to trade.

The United States has been Vietnam’s steadfast partner in helping create the conditions for this explosion in trade and the deepening of economic relations between our two countries. When the US and Vietnam signed a bilateral trade agreement near the dawn of this century, it was the most comprehensive trade agreement Vietnam had ever signed. The agreement was not merely symbolic. It was—and remains—a comprehensive, technical document that paved the way for Vietnam’s accession to the World Trade Organization. It laid out the commitments by both the United States and Vietnam to create necessary conditions for the products, businesses, and people of each side to have fair access to compete in both markets.

So, what did this mean in practice? For our side, the United States opened its market to Vietnamese goods and companies, allowing them to compete on the same basis as other countries. On the other side, Vietnam committed to reforming its trade and investment regime to create a more level playing field for US companies and goods seeking to enter Vietnam. As a result of the signing of the bilateral trade agreement, Vietnam took on the difficult but necessary work of making significant reforms to its legal and regulatory regime, bringing Vietnam into compliance with international norms. From these combined efforts to define the rules of the road for economic cooperation, Vietnam has shown its determination to be a responsible member of the global economic community and maintain a trade and investment environment that is open, transparent, inclusive, and predictable.

The result of these efforts has been the overall economic miracle we have seen in Vietnam. In just a few decades, Vietnam has covered an enormous distance, achieving greater prosperity through trade liberalization, significant investment in human and physical capital, and broad structural reform. Legal reforms increased clarity in the business environment, spending on education and skills training created jobs and attracted foreign capital, and investment in infrastructure laid the groundwork for important sectors like manufacturing and information technology. These changes have taken place alongside tremendous developmental gains in terms of poverty reduction, better health outcomes, and increased connectivity.

Since the bilateral trade agreement went into force, the United States and Vietnam have signed numerous other agreements, deepening cooperation on trade and related issues like investment, textiles, air transport, customs, and maritime affairs. While these agreements are significant in their own right, they are important for what they represent more broadly. They reflect not just the outcome of

work undertaken by political leaders and diplomats, but more importantly, the desires and aspirations of our peoples to strive toward an ever-closer relationship.

Alongside the agreements we have signed, US assistance has played a critical role, providing Vietnam with the tools it seeks to make good on its commitments to the United States and other international partners. For instance, technical assistance and capacity building efforts were central to implementing the terms of the bilateral trade agreement. It is also worth noting that the first major USAID technical assistance project in Vietnam following the normalization of diplomatic relations was focused specifically on trade. Together with our work to address the legacies of war, engagement on trade has been a particularly significant channel for building trust between our countries.

Today, US assistance efforts focus on consolidating gains to ensure sustainable economic development while promoting good governance and the rule of law. Our programs are deepening regulatory reforms, improving the capacity and independence of Vietnam's judicial and legislative bodies. We are promoting more effective participation in law- and regulation-making processes. We are helping Vietnam to bring its laws and practices into compliance with international labor standards and uphold workers' rights. These practical efforts serve to keep Vietnam on an ever-upward trajectory, raising the bar for international commerce and encouraging peers in the region to keep their sights high.

We are also encouraging and supporting reforms in areas and sectors that have become increasingly critical for supporting continued bilateral prosperity and driving sustainable and inclusive economic growth well into the future. For example, we are investing in efforts to promote women- and ethnic-minority-owned enterprises, supporting the transition to a digital economy, working collaboratively to combat pandemic threats, and partnering to advance the adoption of renewable energy and discover solutions for mitigating the effects of climate change.

The United States is excited to work with Vietnam to collectively address global issues and strengthen the pillars that will bolster our economic relationship in the decades to come. Looking to that future, we draw confidence from the fact that Vietnam has proven itself open to embracing change and uncertainty in its pursuit of economic security. The history of Đổi Mới's transformative legacy has been told countless times already, but it is worth recalling for how it reflects Vietnam's capacity to commit to and invest in necessary reforms.

It is in consideration of that spirit of commitment and adaptability that the United States places special emphasis on Vietnam being an active participant in efforts that will support not just bilateral prosperity but international economic security. The task of achieving greater economic security around the world begins

right here in the Indo-Pacific region. Vietnam occupies a central role in the world's most consequential region, one that is home to more than half the globe's population and contributes to two-thirds of global economic growth. This region will continue to be the leading contributor to global growth in the decades to come. Through its determination and dynamism, Vietnam will help drive that engine of economic growth.

However, it is innovation that will determine Vietnam's economic success and our shared economic future. Our success in the years to come will depend greatly on how well Vietnam harnesses innovation to support foundational transformations—including in the clean energy, digital, and technology sectors—that can serve as new springboards to prosperity. Existing models of economic governance and engagement will not drive growth forever. And despite all we have already achieved, there is tough but necessary work still to be done in protecting businesses, workers, and consumers.

The United States welcomes Vietnam's active participation in efforts we are leading to define high-standard rules of the road that will contribute to economic prosperity at home and across the Indo-Pacific region. Through the Indo-Pacific Economic Framework for Prosperity, or IPEF, the United States is working with 13 partner nations, including Vietnam, to develop standards to ensure that our economies are connected, resilient, clean, and fair.

What does this mean in practice? To create more interconnected economies, we need to define rules on cross-border data flows and data localization, ensure small and medium sized enterprises can access the rapidly growing e-commerce sector, and address issues such as online privacy and the discriminatory and unethical use of artificial intelligence. To increase economic resilience, we need to map critical mineral supply chains and develop early warning systems that can anticipate and prevent the kinds of disruptions that have spiked costs and created uncertainty for consumers in recent years. To build clean, green economies, we must pursue concrete, high-ambition targets that will meet the challenge of the global climate crisis. This means developing renewable energy sources, adopting energy efficiency standards, cutting emissions, and removing carbon from the atmosphere. To ensure our economies remain fair to all participants, we must make good on commitments to enact and enforce effective tax, anti-money laundering, and anti-bribery regimes in line with multilateral obligations.

All of these are challenging, complex topics. However, we derive confidence from the fact that Vietnam and our other IPEF partners share our overarching goals, interests, and ambitions for the Indo-Pacific region. There is a collective sense that our economic policy interests in the region are intertwined, and deepening economic engagement among partners is crucial for continued growth,

peace, and prosperity. We see clearly how IPEF will advance resilience, sustainability, inclusiveness, economic growth, fairness, and competitiveness for our economies. Working together toward these common goals, we are committed to collaborating with our partners in a manner that delivers tangible benefits for our citizens.

In order to achieve these lofty goals, education is essential to producing globally astute graduates ready for the challenges of the 21st century. It is no longer enough that graduates are prepared for life and work within a single country's borders. Graduates now must be able to transcend linguistic, cultural, and commercial barriers to compete successfully in today's global economy.

FTU is one of the most active Vietnamese institutions in developing joint programs with US partners, promoting mutual understanding between our two countries, and giving students an extra advantage in preparing for their future careers. I understand that many teachers and administrators here have dedicated your professional lives to developing such programs and opportunities for your students. We know how much work goes into establishing and managing these programs and we are grateful for your efforts.

To the university leadership, faculty, and staff, I learned last week that you organized a very successful Forum on Innovative Models for the internationalization of higher education institutions. This is just one example of why FTU consistently ranks so high among the Vietnamese universities most committed to innovation in higher education. As I said earlier, it is that very innovation that will determine Vietnam's economic success. Innovation in education helps train the best and brightest, who in turn will lead innovative initiatives that will power the world's economies.

The United States is proud that we remain a top destination for international students with nearly one million international students choosing to study in our country each year. We are also proud that despite the challenges of the global pandemic, recently Vietnam moved into the top five leading countries of origin for all international students in the United States, with nearly 30,000 Vietnamese students choosing to study in the United States over the past year. Among them there were many students from the Foreign Trade University who traveled to the United States for an exchange semester, academic year, or internship.

To the students pursuing studies here at the Foreign Trade University, I hope you will consider the enormous potential you have to contribute to our bilateral economic relationship, drawing on the knowledge and skills you have already acquired and will continue to develop. Whether they are working in the public or private sector, FTU graduates are creating real impact on the issues that matter to both the United States and Vietnam. They are the partners with whom we inter-

act every day in our diplomatic work, the source of new ideas, the people with the know-how and drive to get things done. They are leaders in both the public and private sector, and I personally know many brilliant individuals who proudly call FTU their alma mater. They bring to the table not only business acumen and a depth of knowledge about a full range of economic-related fields, but also a respect for the complex, shifting dynamics that define foreign affairs. We can't wait to see what the future graduates of FTU will do to strengthen the US–Vietnam partnership and benefit the people of both of our nations.

Thank you. I look forward to your questions and comments. 🌟

Ambassador Marc E. Knapper

Marc E. Knapper is a member of the Senior Foreign Service of the US Department of State and the current Ambassador to Vietnam. He previously served as Deputy Assistant Secretary for Korea and Japan from August 2018 to July 2021. Prior to assuming this position, Knapper was Chargé d'Affaires ad interim in Seoul from 2017 to 2018 and Deputy Chief of Mission from 2015 to 2016. Earlier assignments include Director for India Affairs, Director for Japan Affairs, and Seoul, Baghdad, Tokyo, and Hanoi. Ambassador Knapper is a recipient of the Secretary of State's Distinguished Service Award, the nation's highest diplomatic honor. He has also received a Presidential Meritorious Service Award and the Department of State's Linguist of the Year Award. Knapper is a *summa cum laude* graduate of Princeton University, and studied at the University of Tokyo, Middlebury College's intensive Japanese program, the Army War College, and the Massachusetts Institute of Technology's Seminar XXI program. He speaks Korean, Japanese, and Vietnamese.

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From Foe to Friend

Explaining the Development of US–Vietnam Relations

AMBASSADOR SCOT MARCIEL

Abstract

This article discusses the journey of the United States and Vietnam in developing a strong partnership from being former enemies. It highlights the challenges that the two countries faced in their journey toward normalized ties. It also presents how the two governments showed willingness to cooperate, building trust through addressing sensitive issues, including maritime security, POW/MIA cooperation, and refugee resettlement. Furthermore, it emphasizes the importance of commercial diplomacy and business constituencies in building a stronger relationship between the two countries. The article concludes that the development of US–Vietnam ties is remarkable, and their partnership is marked by regular and constructive engagement.

Over the past three decades, the relationship between the United States and Vietnam has undergone a remarkable transformation from foes to friends.¹ Today, Vietnam ranks as the United States' tenth-largest trading partner,² and the two countries have established a broad range of bilateral cooperation that spans traditional diplomacy, health and education, and even more sensitive areas such as maritime security. The partnership is characterized by regular and constructive engagement at all levels, demonstrating levels of trust and confidence that were unimaginable not so long ago. Though there is still progress to be made, the US–Vietnam relationship is a testament to the power of reconciliation and the potential for cooperation between former foes.

¹ This article is derived from Ambassador Marciel's recently published book, *Imperfect Partners: The United States and Southeast Asia* (Lanham, MD: Walter H. Shorenstein Asia-Pacific Research Center, Stanford University and Rowman & Littlefield, 2023).

² Office of the US Trade Representative, "Vietnam," 9 March 2023, <https://ustr.gov/>.

The development of the relationship was not inevitable. In the aftermath of the Vietnam War, the two nations seemingly shared nothing but mistrust and antipathy toward one another. Initial postwar efforts to normalize relations stalled due to Washington's belief that Vietnam was not cooperating in accounting for missing Americans from the war and Hanoi's demand for reconstruction assistance that it claimed Washington had promised. Moreover, Vietnam's 1978–1979 move into the Soviet bloc, invasion of Cambodia, continued use of reeducation camps, the plight of the “boat people” refugees further deteriorated the relationship and pushed each government to view the other as being on the wrong side of the Cold War.³

Geopolitical Change and Pressing Issues to Address

In the mid-to-late 1980s, a shift began to occur as Vietnam initiated economic reforms and sought to reduce its dependence on a faltering Soviet Union. Then-Foreign Minister Nguyễn Cơ Thạch played a key role in this transformation, as Hanoi intensified its efforts to diversify its economic and broaden its diplomatic relationships, demonstrating a greater willingness to cooperate with the United States.

With the easing and ultimate end of the Cold War, the George H.W. Bush administration saw an opportunity to bring about a peace agreement in Cambodia, which would require Hanoi's support. The prospect of improved Vietnamese cooperation on POW/MIA accounting and the hope to encourage Vietnam to empty its reeducation camps and expedite the movement of refugees to the United States also played a role. These issues provided the two governments with a reason to increase dialogue and begin limited cooperation.

A Confidence-Building Road Map

In 1991, after much internal debate, the Bush administration offered Vietnam a “road map” toward normalization. The document proposed that, as Vietnam bolstered POW/MIA cooperation, emptied reeducation camps, allowed refugees to leave for the United States, completed its withdrawal from Cambodia, and helped achieve a Cambodian peace agreement, Washington would respond with increased humanitarian assistance, gradual easing of its economic embargo, and other measures important to Vietnam. Although Vietnam never officially ac-

³ Richard C. Holbrooke, “Statement before the Asian-Pacific Subcommittee of the House Committee on Foreign Affairs,” 13 June 1979, reprinted in *Department of State Bulletin* 79, no. 239 (October 1979), <https://heinonline-org.stanford.idm.oclc.org/>.

cepted the road map, it largely followed it in practice, leading to a positive cycle of increased cooperation on issues of concern to the United States and concrete steps toward establishing diplomatic relations.⁴

This process yielded consistent outcomes. In 1991, Vietnam permitted the United States to establish a POW/MIA accounting office in Hanoi and shortly thereafter joined Washington in supporting the long-sought Cambodian peace agreement. The United States delivered humanitarian assistance to Vietnam, reduced restrictions on Vietnamese diplomats at the United Nations, and loosened constraints on US citizen travel to Vietnam.⁵ As Vietnamese cooperation on POW/MIA accounting grew, the following year, Washington provided additional humanitarian assistance, allowed telecommunications links between the two countries, and permitted US companies to assist in meeting basic human needs in Vietnam.⁶ In 1993, the Clinton administration ended US opposition to multilateral development bank lending to Vietnam and opened the first US Department of State office in Hanoi.⁷

Normalization

With growing trust between the two countries, the pace of progress toward normalized ties depended heavily on improved Vietnamese cooperation on POW/MIA accounting. Although some influential groups in the United States continued to argue that Vietnam was not cooperating sufficiently, a growing number felt otherwise. Essential political cover for movement toward normalization was provided by influential members of Congress, led by former POW Senator John McCain (R-AZ) and Vietnam veteran Senator John Kerry (D-MA).

In early 1994, President Bill Clinton lifted the embargo and announced the opening of liaison offices in each other's capitals, which was a significant step toward establishing full diplomatic relations. These moves came were made possible by the further expansion of POW/MIA cooperation and continued US humanitarian assistance.

⁴ Marciel, *Imperfect Partners*, 134–35.

⁵ Marciel, *Imperfect Partners*, 135; and Steven Greenhouse, “U.S. Open to Talks on Ties with Vietnam,” *New York Times*, 23 October 1991.

⁶ Mark E. Manyin, “The Vietnam-U.S. Normalization Process,” CRS Issue Brief for Congress (Washington: Congressional Research Service, 17 June 2005), 3, <https://fas.org/>.

⁷ Thomas Lippman, “U.S. Drops Opposition to Loans to Vietnam,” *Washington Post*, 3 July 1993. The author opened the Department of State office in Hanoi in August 1993.

Leading with Commercial Ties/Building Business Constituencies

The establishment was a major milestone, but it was just the beginning of a continuing effort to strengthen the relationship between the United States and Vietnam. Commercial diplomacy was a driving force in this process, marked by the signing of a bilateral trade agreement in 2001 and Vietnam's subsequent accession to the World Trade Organization in 2007. These steps led to a considerable surge in trade and US investment, creating a strong business constituency that continues to support closer ties between the two countries.

Addressing War Legacies

Addressing issues stemming from the Vietnam War has been another essential ingredient of the improving relationship between Vietnam and the United States. Vietnam's increased cooperation on accounting for missing Americans was essential to early progress, including President Clinton's 1995 decision to normalize relations, and remained a critical element in the subsequent strengthening of the relationship. Moreover, regular and close cooperation on the issue proved critical in building personal relationships and trust between the two governments. Remarkably, an issue that had deeply divided the two countries ended up being the catalyst for bringing them together.

Vietnam's leadership also needed to see that Washington would address legacy issues affecting the Vietnamese people, particularly the continuing impact of unexploded ordnance and the health and environmental effects of the Agent Orange defoliant that US forces widely sprayed during the war. Senator Patrick Leahy (D-VT) played a crucial role in supporting Washington's provision of assistance, beginning in 1989, to help victims of landmines and unexploded ordnance. While the response was slower on Agent Orange, the United States steadily increased assistance starting in the mid-2000s. The programs initially focused on helping individuals with disabilities and later expanded to include significant assistance to address so-called chemical "hot spots" in former US military bases.⁸ This was important for the Vietnamese people and demonstrated Washington's willingness to address issues that were critical to Vietnam's domestic audience.

⁸ Michael F. Martin, *U.S. Agent Orange/Dioxin Assistance to Vietnam* (Washington: Congressional Research Service, 21 February 2019), <https://crsreports.congress.gov/>; and Michael F. Martin, *U.S. Agent Orange/Dioxin Assistance to Vietnam* (Washington: Congressional Research Service, 15 January 2021, <https://fas.org/>).

Managing the Irritants

The United States has consistently raised concerns, both publicly and privately, about Vietnam's human rights record and its respect for religious freedom, which has been an ongoing source of tension in the relationship. In turn, Hanoi has expressed concern about US-based Vietnamese groups that have advocated for regime change, in some cases labeling them "terrorists."⁹

Importantly, while the two governments have regularly discussed and even clashed over human rights and related issues, they have not let them define the entire relationship. In other words, the governments have not ignored these issues but have not prevented broad progress in the overall relationship. This reflects the view in Washington that changing Vietnam's communist political system was infeasible and the recognition in Hanoi that the benefits from the relationship far outweighed concerns about US political goals.

China and the Beginnings of a Security Relationship

Although analysts today often consider shared concerns over China a key factor in the US–Vietnam relationship, security cooperation lagged behind the overall relationship for many years due to Vietnamese suspicion of US intentions and Washington's human rights concerns. It was only when China became increasingly assertive in the South China Sea that the two countries began regular low-level dialogue on security matters in the early 2000s. Over the next decade, cooperation gradually increased, bolstered by China's growing aggression and the Obama administration's decisions to provide security-related assistance with a focus on the maritime arena.¹⁰

Regular High-Level Engagement/Quality Diplomacy

A crucial but often overlooked factor in the strengthening of the US–Vietnam relationship has been a combination of regular high-level meetings and skillful diplomacy. From early on, senior Vietnamese officials have been actively seeking high-level meetings with US leaders, setting themselves apart from other Southeast Asian diplomats who have taken a more low-key approach. Even after John McCain lost the 2008 presidential election to Barack Obama, Hanoi wasted no time in reaching out to the new administration and securing a series of high-level

⁹ "Vietnam Declares California-based Group Terrorist," *Reuters*, 7 October 2016, <https://www.reuters.com/>.

¹⁰ See: Marciel, *Imperfect Partners*, 161–62.

visits that ultimately led to the announcement of a “comprehensive partnership” in 2013.¹¹ When Donald Trump was elected in 2016, Vietnam made a concerted effort to be the first Southeast Asian government to secure a meeting with the new president.¹² These regular top-level bilateral meetings are crucial in keeping the busy Washington foreign policy community focused on Vietnam.

Another factor contributing to the strengthening of the US-Vietnam relationship has been Hanoi’s adeptness at working Washington. Vietnamese diplomats have actively engaged key players in the US capital, while top officials in Hanoi have made it a point of welcoming and working productively with US visitors. Vietnam has also cultivated a reputation in the United States for being pragmatic and results-driven, which is hugely important when dealing with senior US officials or business executives who may be hesitant to invest significant time and effort in engagement unless they are confident it will yield tangible benefits.

The Limits of Partnership

Over the past 30 years, a pragmatic approach, shared interests, and sustained effort have propelled the US–Vietnam relationship forward, resulting in a partnership that benefits both countries. However, the consistently positive trajectory of the relationship has at times led analysts to become overly optimistic about its potential, with some suggesting the United States might gain regular access to the Cam Ranh Bay naval base or establish a significant security partnership with Vietnam.¹³ Vietnam’s reluctance to elevate the relationship to a strategic partnership should serve as a reminder that while bilateral ties have advanced, Hanoi remains concerned about antagonizing China and is wary of how Washington views its one-party system. Similarly, US concerns about Vietnam’s human rights record continue to limit how far the relationship can progress. While this may disappoint some, the reality remains that the journey from former foes to current friends has been a remarkable achievement and serves as a case study in successful diplomacy.

¹¹ “Joint Statement by President Barack Obama of the United States and President Truong Tan Sang of the Socialist Republic of Vietnam” (press release, The White House, 25 July 2013), <https://obamawhitehouse.archives.gov/>.

¹² Mark Landler, “Trump Hosts Prime Minister Phuc of Vietnam and Announces Trade Deals,” *New York Times*, 31 May 2017.

¹³ See, for example, John R. Wilkinson, “U.S.-Vietnamese Security Cooperation for Access to the SCS” (student paper, US Naval War College, 16 June 2015), <https://apps.dtic.mil/>; and Dov S. Zakheim, “America’s Presence in Cam Ranh Bay Should Be More than Occasional,” *The Hill*, 29 September 2020, <https://thehill.com/>.

Conclusion

In conclusion, the journey of the United States and Vietnam from foes to friends has been a remarkable one, marked by significant progress in diplomatic and economic relations. Despite initial mistrust and antipathy after the Vietnam War, the two countries were able to build a constructive partnership through a confidence-building road map, improve cooperation on issues of concern, and develop a willingness to address war legacy issues. The establishment of normalized ties, commercial diplomacy, and addressing war legacies were all essential ingredients of this process. The ongoing cooperation and growing partnership between the United States and Vietnam highlight the power of diplomacy and the potential for nations to put aside past conflicts and work together toward a shared future. ✪

Ambassador Scot Marciel

Scot Marciel is the Oksenberg-Rohlen Fellow at Stanford University's Walter H. Shorenstein Asia Pacific Research Center and a Senior Advisor at BowerGroupAsia. He retired from the U.S. Foreign Service in April 2022 after a 37-year career that included assignments as Ambassador to Myanmar, Ambassador to Indonesia, and Ambassador for ASEAN Affairs, as well as Principal Deputy Assistant Secretary of State for East Asia and the Pacific. He was the first U.S. diplomat to serve in Hanoi after the Vietnam War, opening a State Department office there in 1993 and leading the US Embassy's political-economic section after the establishment of diplomatic relations in 1995.

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US–Vietnam Trade Ties

Challenge Ahead

HANH NGUYEN

Abstract

This article offers an overview of the history of US–Vietnam trade relations, focusing on the most contentious issue, Vietnam’s trade surplus with the United States. Since the normalization of bilateral relations in 1995, trade has become the fastest-growing and most critical aspect of the relationship. The article explains how Vietnam became a major supplier of goods to the United States, while many US companies gained a foothold in Vietnam’s market. However, Vietnam’s growing trade surplus with the United States is a cause for concern. The article examines the reasons for this surplus, including the compatibility between each country’s trade structure and Vietnam’s export-led growth model, and explores the potential impact of a protectionist turn in US international trade policy. Overall, the article provides valuable insights into the complex dynamics of US–Vietnam trade.

Since the normalization of bilateral relations in 1995, trade has evolved into the fastest-growing and most critical aspect of US–Vietnam relations. Over time, Vietnam has become a major supplier of goods for the US market, while many US companies have become household names in Vietnam. Despite concerns over weakening demand, the prospects for bilateral trade remain bright. However, a major challenge in the relationship is Vietnam’s ballooning trade surplus with the United States, which is driven by the compatibility of each country’s trade structure. This essay provides an overview of the history of US–Vietnam trade relations and examines the most contentious issues in bilateral trade. It is essential to recognize that a shift in US international trade policy toward protectionism, contrary to the previously pro–free trade consensus, could further worsen the situation and trigger possible frictions.

A History of US–Vietnam Trade Relations

Following the end of the Vietnam War, Washington imposed a trade embargo and severed diplomatic ties with a reunified Vietnam. For 19 years, both countries had virtually no trade relations until 3 February 1994, when the United States lifted the trade embargo following notable progresses in reconciliation. This move opened the way for the normalization of relations between the two former enemies. In July 2000, Hanoi and Washington reached a significant milestone with the signing of a bilateral trade agreement that granted Vietnam temporary most-favored-nation (MFN) status, which reduced tariffs on Vietnam's exports.¹ Six years later, the two sides signed a Trade and Investment Framework Agreement, which established a US–Vietnam Council on Trade and Investment, jointly chaired by the Office of the United States Trade Representative (USTR) and Vietnam's Ministry of Trade.²

Vietnam's participation in the Trans-Pacific Partnership (TPP), a proposed trade agreement that aimed to connect the US economy with 11 countries in the Pacific Rim, was anticipated to be a significant moment in the country's trade relations with the United States. However, President Donald Trump's decision to withdraw the United States from this landmark agreement was a disappointment to Vietnamese leaders. Despite several trade disputes during Trump's term, bilateral trade continued to flourish during the Trump administration. In 2021, the trade volume exceeded USD 138 billion, with Vietnam exporting more than USD 129 billion in goods to the US.³ Moreover, Hanoi joined consultations for the Indo-Pacific Economic Framework for Prosperity (IPEF), a regional initiative proposed by the Biden administration to promote cooperation, economic integration, and sustainable development in the region.⁴ The growing influx of investment by US businesses in Vietnam, driven by worsening US–China relations and growing uncertainty in doing business in China, suggests a positive outlook for bilateral trade.

¹ *The U.S.–Vietnam Bilateral Trade Agreement* (Washington, DC: Congressional Research Service, 9 September 2002), 1, <https://www.everycrsreport.com/>.

² Office of the United States Trade Representative, *2007 Trade and Investment Framework Agreement between the Government of the United States of America and the Government of the Socialist Republic of Vietnam* (Washington, DC: United States Trade Representative, 2007), 3, <https://ustr.gov/>.

³ United States Census Bureau, "Trade in Goods with Vietnam," n.d., <https://www.census.gov/>.

⁴ "Statement on Indo-Pacific Economic Framework for Prosperity" (press release, The White House, 23 May 2022, <https://www.whitehouse.gov/>).

Vietnam’s Growing Trade Surplus with the United States

Vietnam’s ballooning trade surplus with the United States is a significant aspect of bilateral trade, with the country ranking as the US’s sixth-largest supplier of goods imports in 2020⁵ and the twenty-eighth-largest goods export market.⁶ In 2022, total US trade in goods with Vietnam was estimated to be worth USD 138 billion, with imports from Vietnam accounting for USD 127.5 billion and exports to Vietnam amounting to USD 11.3 billion.⁷ This has resulted in a substantial trade imbalance and large trade deficits for the United States, primarily in goods trade. Over the past decade, Vietnam’s trade surplus with the United States has grown exponentially, increasing from USD 39 billion in 2012 to USD 116 billion in 2022 (table 1).

The compatibility between each country’s trade structure, in which Vietnam’s export-led growth model provides consumer products, electric machinery, and equipment to a consumption-oriented American economy, can explain Vietnam’s ballooning surplus. Vietnam’s export sector accounted for 93.3 percent of its GDP in 2021, while this figure is only 10.9 percent in the United States. Since 2012, the export sector has accounted for more than 60 percent of Vietnam’s GDP, and its share keeps growing. In contrast, since 2012, the US export sector has been below 15 percent and continues to fall (table 2). Vietnam is poised to become a major supply-chain hub in the region, as international businesses diversify their manufacturing lines to Vietnam as a hedge against US–China political and economic tensions, pandemic-related supply-chain bottlenecks, and uncertainty in China’s Zero-COVID policies.⁸ This investment wave will accelerate demand for products assembled in Vietnam. At the same time, the United States has become Vietnam’s most important export market. The share of Vietnam’s exports to the United States has climbed precipitously from one-fifth to more than one-quarter of Vietnam’s total exports, while the share of other partners rose more slowly, for example, China, or declined—i.e., Japan and South Korea (table 3).

⁵ Office of the United States Trade Representative, “Vietnam,” n.d., <https://ustr.gov/>.

⁶ Office of the United States Trade Representative, “Vietnam.”

⁷ United States Census Bureau, “Trade in Goods with Vietnam.”

⁸ Govi Snell, “Vietnam Eyes China’s Tech Crow as Firm Tire of ‘Zero COVID,’” *Aljazeera*, 6 October 2023, <https://www.aljazeera.com/>.

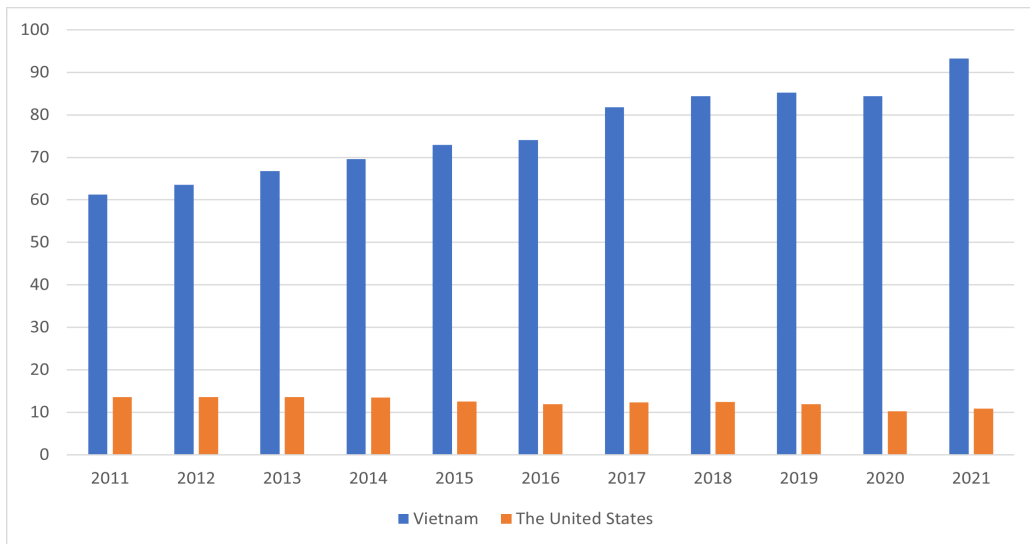
Table 1. US–Vietnam trade balance (2012–2022)



Source: The US Census Bureau

Note: All figures are in millions of US dollars on a nominal basis, not seasonally adjusted.

Table 2. Exports of goods and services as percentage of GDP: Vietnam and the United States (2012–2022)



Source: World Bank Data

Table 3. Vietnam’s top-five export partners (2018–2020)

Export Partners	Shares in Vietnam’s Total Export Volume (as a percentage)		
	2018	2019	2020
United States	19.52	23.21	27.38
China	16.97	15.66	17.37
Japan	7.73	7.72	6.85
South Korea	7.48	7.46	6.8
Other partners	48.3	45.95	41.6

Source: World Integrated Trade Solutions (WITS), Vietnam’s export partner share by countries

Trade Frictions

Despite the significant growth in bilateral trade, the relationship between the US and Vietnam was occasionally disrupted by trade disputes, most notably over catfish imports. The Catfish Farmers of America (CFA) became concerned about declining profits due to increased catfish imports from Vietnam and therefore lobbied the US Department of Commerce to impose a ban. The CFA alleged that Vietnamese catfish was raised under unhygienic conditions in the Mekong River and that Vietnamese farmers did not comply with strict food safety regulations.⁹ The CFA later accused Vietnam of “dumping” its catfish in the US market at a lower price due to government subsidies.¹⁰ Hanoi rigorously protested all such claims, arguing that these actions represented unfair and protectionist trade practices.¹¹ Despite Vietnam’s objections, the CFA won its case in 2003, resulting in tariffs of up to 64 percent on Vietnamese catfish.¹² A quality inspection requirement for all catfish production also subjected Vietnamese catfish to costly inspection rounds.¹³ However, the dispute did not lead to a setback in bilateral relations, thanks to a convergence of strategic interests between the two countries in countering China in the South China Sea. Furthermore, bilateral trade continued to expand, with Vietnam posting an even higher trade surplus with the United States.

⁹ Seth Mydans, “Americans and Vietnamese Fighting over Catfish,” *New York Times*, 5 November 2002, <https://www.nytimes.com/>.

¹⁰ Mydans, “Americans and Vietnamese Fighting over Catfish.”

¹¹ “Bộ Ngoại giao Việt Nam phản đối quyết định của USITC [Vietnam’s Ministry of Foreign Affairs opposes USITC’s decision],” *VnExpress*, 25 July 2003, <https://vnexpress.net/>.

¹² “Cá basa thua kiện tại Mỹ [Vietnamese firms lose case on catfish in the U.S.],” *VnExpress*, 24 July 2003, <https://vnexpress.net/>.

¹³ Bill Tomson, “Vietnam Takes Grips on USDA Catfish Inspection to WTO,” *Agri Pulse*, 30 March 2016, <https://www.agri-pulse.com/>.

This particular aspect of bilateral trade became a contentious issue during the Trump administration, which pursued a highly protectionist trade agenda. During his 2017 visit to Da Nang, President Trump emphasized that “the United States will no longer turn a blind eye to violations, cheating, or economic aggression.”¹⁴ In his meeting with Vietnam’s President Trần Đại Quang, Trump emphasized that “all countries must play by the rules” in trade and he was “seeking two-way trade with Vietnam that will benefit both countries.”¹⁵ Concerned about Trump’s tariff threats, Vietnam quickly offered to buy more US goods and services, including high-profile deals with General Electric and Boeing to purchase aircraft engines and technologies, power generation, and services.¹⁶ Yet, Trump continued to attack Hanoi on the trade deficit, branding Vietnam as “the single worst abuser” in trade during an interview with Fox Business News in September 2019.¹⁷ In October 2020, the USTR initiated two investigations on Vietnam’s acts, policies, and practices related to the import and use of illegal timber and currency valuation under Section 301 of the 1974 Trade Act.¹⁸ In December 2020, the US Department of the Treasury identified Vietnam as a currency manipulator.¹⁹

Bilateral trade disputes between the United States and Vietnam have persisted during the Biden administration. However, most of them have been settled bilaterally. In October 2021, the USTR announced a bilateral agreement to resolve the timber dispute, which includes Vietnam’s commitments to prevent illegal timber

¹⁴ “Remarks by President Trump at APEC CEO Summit” (press release, The White House, 10 November 2017), <https://trumpwhitehouse.archives.gov/>.

¹⁵ Steve Herman, “Trump Touts Benefits of Trade with Vietnam,” *Voice of America*, 12 November 2017, <https://www.voanews.com/>.

¹⁶ See, “Vietnam to Sign Deals for up to \$17 Billion in U.S. Goods, Service: Prime Minister,” *CNBC*, 31 May 2017, <https://www.cnn.com/>; and Rebecca Morin, “Trump Hails \$20 Billion in Boeing Orders by Vietnam,” *Politico*, 27 February 2019, <https://www.politico.com/>.

¹⁷ “Trump Says Vietnam Worse than China on Trade,” *Business Standard*, 26 June 2019, <https://www.business-standard.com/>.

¹⁸ See, Office of the United States Trade Representative, “Initiation of Section 301 Investigation: Vietnam’s Acts, Policies, and Practices Related to the Import and Use of Illegal Timber,” 8 October 2020, <https://ustr.gov/>; and Office of the United States Trade Representative, “Initiation of Section 301 Investigation: Vietnam’s Acts, Policies and Practices Related to Currency Valuation,” 8 October 8, 2020, <https://ustr.gov/>.

¹⁹ Office of the International Affairs, US Department of Treasury, *Report to Congress: Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States* (Washington, DC: U.S. Department of Treasury), 4 December 2020, <https://home.treasury.gov/>.

from entering the commercial supply chain.²⁰ Additionally, the USTR determined that no further action should be taken regarding the currency-manipulation investigation. This decision was based on an agreement between the US Department of Treasury and the State Bank of Vietnam, in which Hanoi committed to refrain from the “competitive devaluation” of its currency to gain export advantages.²¹

The Biden administration may have realized that pursuing a hardline approach on trade issues could undermine Washington’s growing relations with Vietnam. This is particularly relevant at a time when Washington is courting Hanoi to join its network of allies and partners to counter China’s growing influence in the Indo-Pacific.

The Risk of Disputes Flaring Up Again

Although most trade disputes were resolved, potential frictions could arise again. The US trade deficit with Vietnam has continued to grow at a rapid pace (table 1) and may increase in the future due to two factors: (1) the influx of manufacturing investments in Vietnam, and (2) the absence of imminent changes in the trade structures of either country. The US domestic outlook is another concern, as the country’s trade priority have shifted noticeably from trade promotion to trade rules enforcement due to the growing negative sentiment toward trade at home.²² Despite President Joe Biden’s promise of a more predictable America after the Trump era, his administration is pursuing trade policies that are strikingly similar to Trump’s protectionist agenda. The Biden administration has not lifted many of tariffs implemented under the previous administration and has continued to block the appointments of new judges to the Appellate Body, a dispute-settlement mechanism within the World Trade Organization.²³ The US has also taken a hardline approach to sensitive and critical technologies like semi-

²⁰ Office of the United States Trade Representative, “USTR Announces Agreement between the United States and Vietnam to Resolve Timber Section 301 Investigation,” 1 October 2021, <https://ustr.gov/>.

²¹ Office of the United States Trade Representative, “Determination on Action and Ongoing Monitoring: Vietnam’s Acts, Policies, and Practices Related to Currency Valuation,” 28 July 2021, <https://ustr.gov/>.

²² Hanh Nguyen, “Why Is the U.S. Ambivalent about Trade Engagement in the Indo-Pacific,” *The Diplomat*, 9 June 2022, <https://thediplomat.com/>.

²³ See, “Biden Administration to Maintain China Tariffs while Reviews Continue,” *Reuters*, 3 September 2022, <https://www.reuters.com/>; and Simon Lester, “Ending the WTO Dispute Settlement Crisis: Where to From Here?” International Institute for Sustainable Development, 2 March 2022, <https://www.iisd.org/>.

conductors, using entity lists and export restrictions.²⁴ Several newly approved legislations, including the CHIPS and Science Act and the Inflation Reduction Act, offer tax breaks and incentives to businesses willing to raise the share of American parts and components in their manufacturing lines, which may become a contentious issue between the United States and its European Union partners.²⁵

Looking ahead, US international trade policy will continue to be viewed through the domestic lens, which mainly concerns the hollowing manufacturing sector and loss of jobs as this approach resonates with US voters across the political spectrum. As a result, the US trade deficit with Vietnam may once again become a key issue. Any renewed trade disputes with the United States could create more confusion on Vietnam's part, leading Hanoi to view Washington as acting unfairly by demanding more trade concessions while simultaneously asking for support in containing China. This dynamic risk undermining the strategic trust between the two countries, especially given the ongoing skepticism within the Vietnamese Communist Party regarding Washington's promotion of democratic and liberal values. In the past, Vietnam has tried to ease trade tensions by wooing Trump and buying more US products. This approach may work again with the Biden administration, but it is only a temporary fix for a more long-term, structural issue that requires significant changes in both countries' trade structure and development trajectories.

Conclusion

The history of US–Vietnam trade relations has been complex, with both countries benefiting from increased trade but also facing challenges related to trade imbalances and policy changes. Vietnam's significant trade surplus with the United States has become a contentious issue, raising concerns about fair trade practices and the potential impact of protectionist policies. However, the relationship between the two countries remains strong, and there is potential for further growth in bilateral trade. As Vietnam continues to develop and modernize its economy, it will be essential to address the structural issues that contribute to the trade surplus while also ensuring that both countries benefit from increased trade. The future of US–Vietnam trade relations will depend on continued dialogue,

²⁴ Matt Sheehan, "Biden's Unprecedented Semiconductor Bet," Carnegie Endowment for International Peace, 27 October 2022, <https://carnegieendowment.org/>.

²⁵ See, "Explainer: Why the U.S. Inflation Reduction Act has rattled Europe," *Reuters*, 2 February 2023, <https://www.reuters.com/>; and Sarah Kreps and Paul Timmers, "Bringing Economics Back into EU and U.S. Chip Policy," *Brookings*, 20 December 2022, <https://www.brookings.edu/>.

cooperation, and a shared commitment to fair and mutually beneficial trade practices ✪

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Friendship in the Shadow of the Dragon

The Challenge of Upgrading US–Vietnam Ties amid Tensions with China

DR. ACHALA GUNASEKARA-ROCKWELL

Abstract

The United States' effort to upgrade diplomatic relations with Vietnam this year to coincide with the tenth anniversary of their comprehensive partnership is facing resistance from Hanoi. Experts suggest that Vietnam is hesitant to upgrade its diplomatic status with the United States due to concerns that China could interpret it as a hostile move amid the ongoing tensions between Beijing and Washington. Despite being Vietnam's largest export market, the United States is currently ranked as a third-tier diplomatic partner for Hanoi, while China, Russia, India, and South Korea belong to the top tier. Vietnam's reluctance to upgrade its partnership with the United States stems from its fear of possible retaliation from China, which is its biggest trading partner and a vital source of imports for its manufacturing sector. The two neighbors have a long history of conflict and mistrust, particularly over territorial disputes in the South China Sea. High-level meetings could offer a chance for a last-minute breakthrough on the US–Vietnam ties, but it is unlikely to happen this year. This article aims to provide insights into the factors that contribute to Vietnam's hesitation in upgrading its diplomatic ties with the United States.

The United States' effort to upgrade its diplomatic relations with Vietnam is facing a hurdle as Vietnam is hesitant to upgrade its partnership due to concerns that China could interpret it as a hostile move amid the ongoing tensions between Beijing and Washington. Washington is hoping to upgrade its

relationship with Vietnam this year, ideally coinciding with the tenth anniversary of their comprehensive partnership. Despite being Vietnam's largest export market, the United States is currently ranked as a third-tier diplomatic partner for Hanoi. The United States hopes to join the second tier, which includes European countries and Japan, but Vietnam's leaders are hesitant due to concerns that China could interpret it as a hostile move amid the ongoing tensions between Beijing and Washington.¹ China is Vietnam's biggest trading partner and a vital source of imports for its manufacturing sector. This article aims to delve into the history of the postwar US–Vietnam relationship and provide insights into the factors that contribute to Vietnam's hesitation in upgrading its diplomatic ties with the United States.

Past as Prologue

The relationship between the United States and Vietnam has been a complex and tumultuous one, marked by decades of war, political tension, and economic isolation. Following the US withdrawal from Vietnam in 1973, the two nations remained estranged for many years, with the United States imposing an economic embargo on Vietnam and not recognizing its communist government until the mid-1990s. This embargo severely impacted Vietnam's ability to trade with the outside world, hindering its modernization and development. However, in the late 1970s, the United States began to reassess its relationship with Vietnam, and over the next several decades, the two countries worked to improve diplomatic and economic ties. While there were challenges along the way, the US–Vietnam relationship continued to evolve and deepen, paving the way for greater cooperation and collaboration in the twenty-first century.

The 1970s

Following the US withdrawal from Vietnam in 1973, the relationship between the United States and Vietnam remained strained for many years. In the aftermath of the war, the United States imposed an economic embargo on Vietnam and did not recognize the communist government in Hanoi as the legitimate government of the country until 1995. This embargo severely impacted Vietnam's economy and limited its ability to trade with the outside world.

The embargo limited Vietnam's ability to import goods and services from the outside world, including critical technologies, industrial goods, and consumer

¹ Francesco Guarascio, "Vietnam May Resist Diplomatic Upgrade with Washington as U.S.-China Tensions Simmer," *Reuters*, 23 March 2023, <https://www.reuters.com/>.

products. This made it difficult for Vietnam to modernize its economy and industrial base, which was already lagging behind its neighbors in Southeast Asia. Additionally, the embargo made it difficult for Vietnam to attract foreign investment, as investors were wary of investing in a country that was economically isolated from the rest of the world.

The embargo also had a significant impact on Vietnam's ability to export its goods and services. Vietnam's main exports were agricultural products, such as rice, coffee, and rubber, but the embargo limited its ability to sell these products on the global market. This had a negative impact on Vietnam's balance of trade, which exacerbated the country's economic difficulties.

In the late 1970s, the United States began to reassess its relationship with Vietnam. One of the key factors that led to this shift was the changing geopolitical landscape in Southeast Asia. In particular, the rise of China and its growing assertiveness in the region had raised concerns among American policy makers about the need to establish closer ties with other countries in the region.

Additionally, there were increasing calls within the United States to normalize relations with Vietnam. Many Americans believed that the ongoing trade embargo and travel restrictions were counterproductive and hindered the ability of the two countries to engage in constructive dialogue.

In 1977, President Jimmy Carter took the first steps toward improving relations with Vietnam by lifting the embargo on travel to the country. This decision was a significant milestone in the history of US–Vietnam relations, as it marked the first major step toward normalizing diplomatic relations between the two countries.

On 25 December 1978, Vietnam invaded Cambodia and overthrew the Khmer Rouge regime, which had been backed by China. Beijing became increasingly concerned about Vietnam's growing influence in Southeast Asia and saw it as a threat to Chinese regional power. Thus, on 17 February 1979, Chinese forces launched a military invasion of Vietnam's northern border in February 1979, which was met with resistance from the Vietnamese army. The conflict lasted for about a month, with both sides suffering significant losses. Eventually, China withdrew its troops, but tensions between the two countries remained high for several years.

The 1980s

During the Reagan administration, US–Vietnam relations remained strained due to the legacy of the Vietnam War. In response to Vietnam's continued exploits in Cambodia, Washington imposed economic sanctions on Vietnam in 1985, which included a trade embargo and a freeze on Vietnam's assets in the United

States. Washington also imposed restrictions on aid and loans to countries that traded with Vietnam. The sanctions were intended to pressure Hanoi to withdraw its forces from Cambodia and to respect human rights, but they remained in place until 1994, long after the Vietnamese withdrawal from Cambodia in 1989.

Despite the sanctions, Vietnam sought to improve its relations with the United States, as Hanoi recognized the importance of the United States as a potential trading partner and as a counterbalance to China, with which Vietnam had a tense relationship.

In 1986, Vietnam began to implement a series of economic reforms known as *Đổi Mới*, which opened up the country to foreign investment and trade. This, in turn, created new opportunities for US businesses to engage with Vietnam and paved the way for further normalization of diplomatic relations between the two countries.

In 1988, the United States and Vietnam signed an agreement to locate and repatriate the remains of US service members who were missing in action (MIA) in Vietnam. This was a significant step toward improving relations between the two countries, as it showed a willingness to cooperate on a sensitive and emotional issue.

Overall, while there were some small steps toward improving relations between the United States and Vietnam in the 1980s, progress was slow and often hindered by regional conflicts and political tensions.

The 1990s

In the early 1990s, the United States and Vietnam took steps toward normalizing their relations. In April 1991, the George Bush Administration presented Hanoi with a “roadmap” plan for phased normalization of ties. The two sides agreed to open a US government office in Hanoi to help settle MIA issues, and the United States Office for MIA Affairs opened officially for business in Hanoi in July 1991. Later that year, Vietnam supported a UN peace plan for Cambodia, and Secretary of State James Baker announced that Washington was ready to take steps toward normalizing relations with Hanoi.

In the following years, the two countries continued to make progress toward normalized relations. The ban on organized US travel to Vietnam was lifted in December 1991, and the US Congress authorized the United States Information Agency (USIA) to begin exchange programs with Vietnam. The Joint Task Force—Full Accounting was established in February 1992 with the goal of achieving the fullest possible account of Americans missing from the Vietnam War. In July 1993, the Clinton administration cleared the way for the resumption of interna-

tional lending to Vietnam, and in February 1994, President Bill Clinton lifted the US trade embargo against Vietnam.²

In May 1995, Vietnam gave the US presidential delegation a batch of documents on missing Americans, later hailed by the Pentagon as the most detailed and informative of their kind to date. On 11 July 1995, President Clinton announced “normalization of relations” with Vietnam, and in August 1995, Secretary of State Warren Christopher officially opened the US Embassy in Hanoi while Vietnam opened an embassy in Washington.

The two countries continued to take steps toward normalized relations in the following years. In April 1997, US Treasury Secretary Robert Rubin and Finance Minister Nguyễn Sinh Hùng signed an accord in Hanoi for Vietnam to repay debts of USD 145 million from the former government of South Vietnam.³ Later that same month, the Senate confirmed Douglas “Pete” Peterson, a Vietnam War veteran and former prisoner of war (POW), as Ambassador to Vietnam. In June 1997, Secretary of State Madeline Albright arrived in Vietnam on an official visit, and on 27 June 1997, the United States and Vietnam signed a Copyright Agreement. In August 1997, the US government passed special legislation permitting the US Agency for International Development (USAID) to assist Vietnam in improving trade through a commercial law and trade policy technical program.

In 1998, President Clinton issued a waiver of the Jackson-Vanik Amendment for Vietnam, which paved the way for various US government agencies to conduct activities in Vietnam, including the Overseas Private Investment Corporation (OPIC), Export-Import Bank (Ex-Im), Trade and Development Agency (TDA), United States Department of Agriculture (USDA), and Maritime Administration (MARAD).⁴ Later that year, Minister of Planning & Investment Trần Xuân Gia and Ambassador Peterson finalized the signing of the OPIC Bilateral Agreement. In July 1998, the US Senate voted 66–34 to continue funding for the US Embassy in Vietnam based on ongoing cooperation on the POW/MIA issue.

In July 1999, USTR Ambassador Richard Fisher and Vietnam Trade Minister Trương Đình Tuyển agreed to a Bilateral Trade Agreement in principle in Hanoi,

² Andrew Glass, “Clinton Ends Vietnam Trade Embargo: Feb. 3, 1994,” *Politico*, 3 February 2017, <https://www.politico.com/>.

³ “United States and Vietnam Sign Debt Agreement” (press release, US Department of the Treasury, 7 April 1997), <https://home.treasury.gov/>.

⁴ Reuters, “Clinton Eases Trading Status of Vietnam,” *New York Times*, 11 March 1998, <https://www.nytimes.com/>.

Vietnam.⁵ In August of the same year, Secretary of State Madeleine Albright and Ambassador Peterson dedicated the Consulate General in Ho Chi Minh City, and it officially opened for business.

In September 1999, the USAID began a technical program to the Ministry of Trade to support the acceleration of negotiations for the Bilateral Trade Agreement. Finally, in December 1999, the Export-Import Bank and the State Bank of Vietnam completed the framework agreements, allowing Ex-Im to begin operations in Vietnam. These events signify a deepening of the US–Vietnam relationship, as the two countries continued to work together on issues such as POW/MIA cooperation and trade.

US–Vietnam relations continued to improve in the 1990s, setting the stage for even greater cooperation in the years to come.

The Early 2000s

The early 2000s saw a significant shift in US–Vietnam relations, with several events marking their growing cooperation. In March 2000, Secretary of Defense William Cohen visited Vietnam, marking the first visit by a US Defense Secretary since the end of the war.⁶ In July of the same year, Vietnam Trade Minister Vũ Khoan and USTR Ambassador Charlene Barshefsky signed a Bilateral Trade Agreement, with President Clinton announcing the agreement at a White House ceremony. Later in November, Clinton himself visited Vietnam with a delegation that included Secretary of Commerce Norman Mineta and USTR Ambassador Charlene Barshefsky. During the trip, a memorandum of understanding on labor cooperation was signed, and the USAID opened an office in Hanoi. Congress also passed the Vietnam Education Foundation Act, which provides funding for Vietnamese students to study in the United States.⁷

During the George W. Bush administration, Vietnam and the United States engaged in various diplomatic efforts, including trade agreements and visits by high-level officials. Kicking off such efforts in 2001, Secretary of State Colin Powell visited Vietnam, and the Bilateral Trade Agreement was signed into law.

⁵ “U.S., Vietnam announce trade agreement,” *Tampa Bay Times*, 26 July 1999, <https://www.tampabay.com/>.

⁶ Jamie McIntyre, “Cohen Begins Historic Visit to Vietnam,” *CNN*, 13 March 2000, <https://www.cnn.com/>.

⁷ “Vietnam Bilateral Trade Agreement: Historic Strengthening of the U.S.-Vietnam Relationship” 13 July 2000, <https://clintonwhitehouse4.archives.gov/>.

Deputy Prime Minister Nguyễn Tấn Dũng also led a high-level delegation to the United States to promote trade relations.⁸

In March 2002, the first Vietnamese-US scientific conference on Agent Orange was held in Hanoi, bringing together researchers from both countries. However, in April 2002, the Ministry of Justice reported that around 150 Vietnamese laws were inconsistent with the provisions of the Bilateral Trade Agreement (BTA), leading to a Joint Committee being opened in Hanoi in May 2002 to address the issue. Vice President Nguyễn Thị Bình visited Washington, DC, in May 2002, followed by a trade delegation led by Vice Minister of Trade Lương Văn Tự. Minister of Justice Nguyễn Đình Lộc visited the United States in June 2002 for meetings on the implementation of the BTA, and Deputy Prime Minister Nguyễn Mạnh Cầm made a visit to several US cities in June 2002.⁹ In April 2003, the Vietnam Human Rights Act was reintroduced into the US House of Representatives by Congressman Chris Smith (R-NJ). The act was later added as an amendment to the House Foreign Relations Authorization Act, which passed in the House on 15 July 2003, and was sent to the Senate. On 17 July 2003, the Vietnam-US Garment and Textile Agreement was signed in Hanoi by Vietnamese Minister of Trade Trương Đình Tuyển and US Ambassador Raymond Burghardt. In September 2003, Minister of Trade Trương Đình Tuyển visited the United States, followed by Minister of Planning & Investment Võ Hồng Phúc in October 2003 and Minister of Defense Phạm Văn Trà in November 2003. The USS *Vandegrift*, the first US Navy ship to dock in Vietnam since the end of the war, arrived in Ho Chi Minh City in November 2003, symbolically boosting relations between Vietnam and the United States. In December 2003, Vietnam Deputy Prime Minister Vũ Khoan visited Washington, DC, and other US cities, during which the two countries signed a Bilateral Aviation Agreement. Additionally, in December 2003, negotiators from both countries participated in a Working Party Meeting in Geneva regarding Vietnam's entry into the World Trade Organization (WTO), and the Letter of Agreement on Counternarcotics Cooperation was signed by Le Van Bang and Ambassador Burghardt.¹⁰

⁸ "Visit of Deputy Prime Minister Nguyen Tan Dung to the U.S." (press release, Embassy of the Socialist Republic of Vietnam, 6 December 2001), <https://vietnamembassy-usa.org/>.

⁹ Ang Cheng Guan, "VIETNAM: Another Milestone and the Country Plods On," *Southeast Asian Affairs* (2002): 345-56, <https://www.jstor.org/>.

¹⁰ Richard Boucher, "United States - Vietnam Sign Bilateral Counternarcotics Assistance Agreement" (press statement, US Department of State, 12 December 2003), <https://2001-2009.state.gov/>.

In February 2004, Admiral Thomas Fargo, commander of the US Pacific Command, visited Vietnam for two days, stopping in Hanoi and Danang. Later that month, the first American Corner opened in Danang, signaling the increasing interest in strengthening cultural and educational ties between the two countries. In April 2004, the Congressional US–Vietnam Caucus was formed, seeking to monitor and support normalized relations. This was followed by a visit from Vietnam’s Minister of Trade Trương Đình Tuyển to discuss Vietnam’s accession to the WTO and implementation of the US–Vietnamese BTA. In June, Vietnam held the eighth round of WTO accession negotiations and was designated by President Bush as one of 15 “focus countries” for the President’s Emergency Plan for AIDS Relief. However, the US Congress passed the Vietnam Human Rights Act, which highlighted concerns about human rights violations in Vietnam. Several other visits by US and Vietnamese officials followed, including discussions on BTA implementation, trade, and consular affairs. In December 2004, United Airlines’ inaugural flight from San Francisco to Ho Chi Minh City marked a significant milestone in bilateral economic relations.

In addition, Deputy Secretary of State Robert Zoellick visited Hanoi and Ho Chi Minh City in May 2005, and Prime Minister Phan Văn Khải visited President George W. Bush in Washington, DC, in June 2005. The two countries signed an Economic and Technical Cooperation Agreement, as well as agreements on international adoptions, intelligence, and military cooperation. In October 2005, US Secretary of Health Michael Leavitt visited Vietnam to discuss avian influenza and cooperation on combating HIV/AIDS through the US President’s Emergency Plan for AIDS Relief (PEPFAR).¹¹

In 2006, a bilateral partnership was established to prevent HIV/AIDS in Vietnam, and talks on human rights resumed after a three-year break. The United States and Vietnam also signed an agreement-in-principle on Vietnam’s accession to the WTO, and legislation was introduced to grant Vietnam Permanent Normal Trade Rights. The two countries broadened defense cooperation and signed an agreement on counternarcotics cooperation. Additionally, visits by US officials such as Secretary of Veterans Affairs R. James Nicholson and Secretary of Defense Donald Rumsfeld further solidified the relationship between the two nations.¹²

¹¹ “U.S. Official Announces \$25M in 2005 PEPFAR Funding for Vietnam,” *KHN Morning Briefing*, 9 May 2005, <https://khn.org/>.

¹² Michael R. Gordon, “Rumsfeld, Visiting Vietnam, Seals Accord to Deepen Military Cooperation,” *New York Times*, 6 June 2006, <https://www.nytimes.com/>.

In 2007, Vietnam became the 150th member of the WTO, signaling its growing integration into the global economy. This was accompanied by a series of diplomatic engagements between Vietnam and the United States, under the George W. Bush administration. Admiral Gary Roughead, commander of the US Pacific Fleet, visited Vietnam and met with Vietnamese Navy officials, while Deputy Prime Minister Phạm Gia Khiêm visited the United States to discuss bilateral cooperation.¹³ The US–Vietnam Bilateral Maritime Agreement was also signed, and President Nguyễn Minh Triết visited the United States to discuss economic and trade cooperation. The USS *Peleliu* also docked in Danang to support humanitarian projects.¹⁴ However, the US House of Representatives also passed the Smith Bill to promote human rights reform in Vietnam, indicating some tension in the bilateral relationship. Meanwhile, Vietnam sought to increase its global profile by attending the UN General Assembly and being elected as a nonpermanent member of the UN Security Council for the 2008–2009 term. Finally, Ambassador Lê Công Phụng was appointed as the Vietnamese Ambassador to the United States., cementing the diplomatic ties between the two nations.

In January 2008, Congressmen Steny Hoyer (D–MD) and Roy Blunt (R–MO) visited Vietnam, meeting with high-ranking officials and attending a reception given by the National Assembly Chairman.¹⁵ The same month, the Vietnamese Ambassador Extraordinary and Plenipotentiary presented a Letter of Credentials to President Bush, and an agreement was signed regarding Vietnam’s acceptance of its citizens who are deported for violating US law. In March, the US Assistant Secretary of State visited Vietnam to find ways to strengthen the relationship, and in June, Prime Minister Nguyễn Tấn Dũng visited the United States as a guest of President Bush, signaling a new step forward in bilateral relations. Other significant events included a hearing on Agent Orange in the US House of Representatives, the deployment of the USNS *Mercy* for a 10-day humanitarian mission in Vietnam, and the first-ever strategic dialogue between the United States and Vietnam.

¹³ Robert E. Lucius, “Pacific Partnership Visits Vietnam: setting the Standard for Sea-based Humanitarian Cooperation,” *Naval War College Review* 60, no. 4 (Autumn 2007): 1–9, <https://digital-commons.usnwc.edu/>.

¹⁴ “USS *Peleliu* sails on in Pacific Partnership,” *Stars and Stripes*, 28 July 2007, <https://www.stripes.com/>.

¹⁵ Vietnam News Agency, “United States House of Representatives Majority Leader Visits Vietnam,” Embassy of the Socialist Republic of Vietnam, n.d., <https://vietnamembassy-usa.org/>.

In January 2009, a delegation from the Vietnam National Assembly Committee for External Affairs visited the United States and had meetings with government officials and businesses. In April of the same year, US Senator John McCain (R–AZ) visited Hanoi and met with Prime Minister Nguyễn Tấn Dũng and National Assembly Chairman Nguyễn Phú Trọng. Later in the year, Deputy Secretary of State James Steinberg led a US interagency delegation to Hanoi to discuss ways to strengthen bilateral ties and security issues.¹⁶ The United States and Vietnam also signed a memorandum of understanding on implementing health and environmental remediation programs related to Agent Orange/Dioxin in December 2009.¹⁷ There were also several cultural events, including the New York Philharmonic’s visit to Hanoi and the Meet Vietnam 2009 Expo in San Francisco, aimed at promoting mutual understanding and boosting economic and trade cooperation between the two countries.

The 2010s

In the first few months of 2010, US–Vietnam relations under the George W. Bush administration saw several significant events. These events included US Senator Christopher S. Bond’s (R–MO) visit to Hanoi, where he met with several officials including the Deputy Prime Minister and Foreign Minister.¹⁸ The US Embassy in Hanoi held the third annual Education Conference, which attracted over 600 educators from the United States and Vietnam to discuss educational goals. Several officials, including Deputy Assistant Secretary of State for East Asian and Pacific Affairs and Ambassador for Association of Southeast Asian Nations (ASEAN) Affairs, Scot Marciel,¹⁹ and Treasury Deputy Assistant Secretary for Asia, Robert Dohner, visited Hanoi to meet with officials from various Vietnamese ministries and organizations. The US Consul General and Agricultural Attaché also visited Phu My Port in Bà Rịa–Vũng Tàu province to welcome the largest shipment of US soybean meal to Vietnam. The United States and Vietnam conducted their first formal meeting on climate change in Hanoi, and the Vietnamese prime minister participated in the Nuclear Security Summit in

¹⁶ T. Nam, “US Deputy Secretary of State visits Vietnam,” trans. Truc Thinh, *Saigon News*, 28 September 2009, <https://en.sggp.org.vn/>.

¹⁷ Matthew Palmer, *Agent Orange in Vietnam: Recent Developments in Remediation*, Testimony before the Subcommittee on Asia, the Pacific, and the Global Environment Committee on Foreign Affairs, Washington, DC, 15 July 2010, <https://2009-2017.state.gov/>.

¹⁸ Dale Singer, “Bond promotes Midwest-China hub—and predicts ‘sea change’ in Congress,” *St. Louis Public Radio*, 20 January 2010, <https://news.stlpublicradio.org/>.

¹⁹ See Ambassador Marciel’s senior leader perspective article in this same issue.

Washington, DC. In addition, the two nations signed a memorandum of understanding concerning cooperation in the field of civilian nuclear energy, and USAID-sponsored MTV EXIT concerts were held in several Vietnamese cities to raise awareness about human trafficking.

Under the Obama administration, the relationship between the United States and Vietnam continued to strengthen, with a focus on trade, security, and human rights. In 2013, during President Barack Obama's visit to Vietnam, the two countries agreed to establish a comprehensive partnership, which would broaden and deepen their cooperation in a range of areas.²⁰

One of the main areas of focus was trade. In 2015, the United States and Vietnam reached an agreement on the Trans-Pacific Partnership (TPP), a trade deal involving 12 countries in the Indo-Pacific region. The TPP aimed to reduce tariffs and other trade barriers, as well as establish rules for labor and environmental protections. However, the TPP faced opposition in both the United States and Vietnam, and in 2017, President Donald Trump withdrew the United States from the agreement.²¹

Security cooperation was also an important aspect of the US-Vietnam relationship under the Obama administration. In 2016, the United States lifted its decades-long arms embargo on Vietnam, which had been in place since the end of the Vietnam War. The move was seen as a way to boost Vietnam's defense capabilities and to counterbalance China's growing military presence in the region.

At the same time, the United States and Vietnam continued to work together to address human rights issues. The Obama administration urged Vietnam to release political prisoners and to allow greater freedom of expression and assembly. In 2016, President Obama met with Vietnamese civil society leaders to discuss these issues, and he also announced the creation of a new Fulbright University in Vietnam, which aimed to promote academic freedom and critical thinking.²²

During the Trump administration, US-Vietnam relations saw both cooperation and tensions. In 2017, President Trump visited Vietnam for the Asia-Pacific Economic Cooperation (APEC) summit, where he met with Vietnamese leaders and expressed his desire to strengthen economic ties between the two countries.

²⁰ "U.S.-Vietnam Comprehensive Partnership" (fact sheet, US Department of State, 16 December 2013), <https://2009-2017.state.gov/>.

²¹ Mireya Solís, "Trump withdrawing from the Trans-Pacific Partnership," *Unpacked* (blog), 24 March 2017, <https://www.brookings.edu/>.

²² Daniel Harsha, "President Obama Formally Announces Opening of Fulbright University Vietnam," Ash Center, 24 May 2016, <https://ash.harvard.edu/>.

Trump also praised Vietnam for its economic progress and expressed his support for Vietnam's efforts to achieve regional stability and security.²³

However, the Trump administration also took a tougher stance on trade issues with Vietnam. In 2019, the US Trade Representative's office launched an investigation into whether Vietnam was manipulating its currency to gain an unfair trade advantage. The investigation resulted in the imposition of tariffs on certain Vietnamese goods, including seafood, furniture, and tires.²⁴

In addition to trade issues, the Trump administration also expressed concern about Vietnam's human rights record. In 2017, Trump raised the issue of human rights during his meeting with Vietnamese leaders, and in 2018, the US Department of State expressed concern over the arrest and sentencing of Vietnamese human rights activists.

Despite these tensions, the Trump administration also continued to deepen defense ties with Vietnam. In 2018, the US Navy aircraft carrier USS *Carl Vinson* visited Vietnam for the first time since the end of the Vietnam War, and the two countries signed a memorandum of understanding to deepen defense cooperation.²⁵ The Trump administration also supported Vietnam's efforts to enhance its maritime security and capacity through the transfer of excess defense articles and the provision of training and equipment.

Current Situation

In May 2022, the Indo-Pacific Economic Framework for Prosperity (IPEF) was launched between Australia, Brunei, Fiji, India, Indonesia, Japan, Malaysia, New Zealand, the Philippines, Singapore, South Korea, Thailand, the United States, and Vietnam. IPEF is a framework centered around four pillars, namely Connected Economy, Resilient Economy, Clean Economy, and Fair Economy. The US government views the IPEF as central to its commitment in the Indo-Pacific region. The framework has a modular approach with a reliance on tailored initiatives such as technology, harmonization, focused investments, and joint projects.

The IPEF is not a traditional trade agreement but has a specified focus on labor standards and issues, which is likely to impact labor regulations and trends among

²³ Steve Herman, "Trump Touts Vietnam as 'One of the Great Miracles of the World,'" *Voice of America*, 11 November 2017, <https://www.voanews.com/>.

²⁴ Ana Swanson, "Trump Administration Opens Investigation Into Vietnam's Trade Practices," *New York Times*, 2 October 2020, <https://www.nytimes.com/>.

²⁵ Jim Garamone, "Aircraft Carrier USS Carl Vinson Makes Vietnam Port Call," *DOD News*, 5 March 2018, <https://www.defense.gov/>.

partner countries, including Vietnam. The first pillar, “Connected Economy,” focuses on reducing nontariff trade barriers and promoting trade facilitation, with a focus on digital trade and the digital economy, cross-border data flows, and cybersecurity. This pillar also envisions high standard commitments in the labor and environment fields, which demonstrates a renewed focus on labor issues and standards throughout the region and in member states, including Vietnam.

The second pillar, “Resilient Economy,” aims to achieve supply chain resilience through encouraging supply chain diversification and fostering favorable market conditions. This is an area of crucial importance to Vietnam, which has been a net beneficiary of supply chain diversification efforts. The third pillar, “Clean Economy,” focuses on green technology and infrastructure development and is indicative of the potential for investments in Vietnam’s infrastructure and renewable energy sectors. The fourth pillar, “Fair Economy,” aims to introduce horizontal benefits to the private sector via an overall improvement to the regional business environment.

IPEF places a strong emphasis on close collaboration with the private sector, and there is ample opportunity for companies in the region to shape and influence policy decisions and direction. Technology is also set to play a crucial role, particularly in relation to supporting a low carbon transition through R&D and infrastructure, as well as joint support for relevant projects in member countries. Opportunities for development are evident in the trade pillar, as well as the increased opportunities for investment, infrastructure expansion, and connectivity through digital trade and joint projects. Although IPEF does not address tariff reductions or currently involve binding commitments in relation to Vietnam, it is envisioned as a precursor for continued negotiations in this context. Various initiatives will have the capacity to foster Vietnam’s continued integration into global supply chains and impact issues of importance to Vietnam, such as infrastructure development, renewable energy, and foreign investment.²⁶

On 23 March 2023, Deputy spokeswoman of the Vietnamese Foreign Ministry, Phạm Thu Hằng, expressed Hanoi’s readiness to collaborate with the Biden administration to further enhance bilateral ties in an effective and sustainable way, which would lead to peace, stability, cooperation, and development in the region and the world. Hằng stated that since its establishment a decade ago, the US–Vietnam comprehensive partnership has developed extensively, effectively, and substantially in bilateral, regional, and international aspects. The two countries

²⁶ “In Asia, President Biden and a Dozen Indo-Pacific Partners Launch the Indo-Pacific Economic Framework for Prosperity” (fact sheet, The White House, 23 May 2022), <https://www.whitehouse.gov/>.

have maintained contacts, dialogues, and exchange of delegations at all levels, especially high-level visits. Hanoi and Washington have consistently affirmed their commitment to respecting the UN Charter, international law, as well as independence, sovereignty, territorial integrity, and political regime of each other in joint statements and meetings between the two countries' leaders.

Hãng noted that the two sides have been working increasingly effectively at multilateral forums such as the ASEAN, the United Nations, APEC, and the Mekong subregion to address regional and global issues of common concern related to sustainable development and climate change. The recent visit of a major US business delegation to Vietnam indicated the strong willingness of the two countries to further promote their mutually beneficial comprehensive partnership. Hãng concluded that Vietnam hopes that the United States becomes its biggest investor in the future.²⁷

So, why the reluctance on Vietnam's to upgrade the relationship?

Vietnam is heavily reliant on China for imports of raw materials and components for its manufacturing industry. Moreover, China is a significant investor in Vietnam, with Chinese businesses investing in various industries in the country, from real estate to infrastructure.

Despite the economic benefits of its relationship with China, Vietnam's leaders are wary of China's growing assertiveness in the region, particularly its territorial claims in the South China Sea. Vietnam, like many other Southeast Asian countries, is concerned about China's increasing military presence in the region, which it sees as a threat to its sovereignty.

At the same time, Vietnam sees the United States as a critical strategic partner. The United States is an important market for Vietnamese exports, particularly textiles and electronics, and Vietnamese businesses are increasingly looking to expand their presence in the US market. The United States is also a significant investor in Vietnam, particularly in the technology and manufacturing sectors.

Vietnam's leaders recognize the strategic importance of their relationship with the United States as a counterbalance to China's growing influence in the region. However, they are also keenly aware that taking any action that could be perceived as hostile toward China could result in economic repercussions, which could hurt Vietnam's economy.

Therefore, Vietnam's leaders must delicately balance relationships with both China and the United States. They must maintain strong economic ties with

²⁷ Vietnam News Agency, "Deputy spokeswoman: Vietnam ready to cooperate with U.S.," *People's Army Newspaper*, 23 March 2023, <https://en.qdnd.vn/>.

China while also cooperating with the United States on security and strategic issues. This delicate balancing act requires Vietnam to navigate complex geopolitical dynamics and carefully manage its relationships with both major powers.

Florian Feyerabend, the representative in Vietnam for Germany's Konrad Adenauer Foundation, has stated that a formal upgrade of ties between Vietnam and the United States is "not considered realistic anymore."²⁸ This move would be largely symbolic, and Vietnam's leaders are not keen on taking any action that could put their economic relationship with China in jeopardy. In fact, Bich Tran, an adjunct fellow at the Washington's Center for Strategic and International Studies, has noted that Vietnam's leaders may be reluctant to upgrade their comprehensive partnership with the United States, given the intensifying competition between China and the United States, as well as the proximity between China and Vietnam—particularly in light of the 1979 Sino-Vietnamese War, even older encounters with imperial China, and Beijing's increasingly belligerent foreign policy and irredentist tendencies.²⁹

It is understandable why Vietnam is hesitant to upgrade its partnership with the United States at this time. The country does not want to be caught in the middle of the ongoing rivalry between China and the United States, which could have serious economic and political repercussions. However, it is also important for Vietnam to maintain its strong ties with the United States, which is a major investor in the country and an important market for its exports. It is a delicate balancing act, and Vietnam's leaders will need to carefully navigate their country's relationships with both the United States and China to achieve their strategic goals.

US Efforts to Assuage Hanoi's Concerns

On 30 December 2022, Carol Spahn, the Director of the Peace Corps, swore in the first group of US volunteers to serve in Vietnam. The ceremony was attended by government representatives from both Vietnam and the United States, as well as administrators and teachers from the schools where the volunteers will co-teach. Vietnam is the 143rd partner country of the Peace Corps, and the country's Ministry of Education and Training established a collaborative partnership with the Peace Corps in July 2020 to create an English education program in Vietnam. The nine English education volunteers arrived in Vietnam in October

²⁸ Guarascio, "Vietnam May Resist Diplomatic Upgrade."

²⁹ Bich T. Tran, "A Better Approach to Promoting Human Rights in Vietnam and Southeast Asia," *Indo-Pacific Perspectives* (February 2022): 15–19, <https://media.defense.gov/>.

and underwent comprehensive training to co-teach alongside Vietnamese teachers for two years. This program adds Vietnam to the list of 45 countries where nearly 900 Peace Corps volunteers are currently serving in support of government and community priorities across Africa, Europe, Asia, and the Americas. The event highlights the positive bilateral relations between the United States and Vietnam, particularly in the area of education, and serves as a step forward in strengthening their ties.³⁰

On 6 January 2023, a transfer ceremony was held for the newly constructed Trinh Viet Bang Primary School in Dinh Trung commune, which was a joint effort between the US Office of Defense Cooperation Vietnam and Ben Tre province. The US Indo-Pacific Command funded the construction project, which includes eight fully furnished classrooms, two teacher's rooms, and a handicap accessible ramp, under the Overseas Humanitarian Disaster Assistance and Civic Action Program. The ceremony was attended by US Defense Attaché Colonel TJ Bouchillon, Acting Deputy Principal Officer in Ho Chi Minh City Graham Harlow, and Vice Chairwoman of Ben Tre Provincial People's Committee Nguyễn Thị Bé Mười, who acknowledged the support of the US Mission in Vietnam and the US Indo-Pacific Command. Colonel Bouchillon emphasized the project's significance, which supports the local development strategy by improving primary education facilities in Dinh Trung and providing safe shelter during natural disasters. The project reflects on the continued cooperation between the United States and Vietnam since normalizing diplomatic relations and exemplifies the approaching 10-year anniversary of the comprehensive partnership between the two countries in 2023.³¹

US Ambassador to Vietnam Marc Knapper's visit to Lào Cai City and Sa Pa on 21–22 February 2023 highlighted the importance of US–Vietnam cooperation in countertrafficking efforts, sustainable economic development, environmental sustainability, health initiatives, and English language programming. During his visit, Ambassador Knapper met with local leaders, NGO representatives, and frontline workers to discuss the progress made in countertrafficking projects supported by the US Embassy, such as the Meeting Targets and Maintaining Epidemic Control project, which provides training to frontline workers in Lào Cai on best practices for supporting trafficking survivors. He also visited Compassion House, a government-owned shelter for trafficking survivors run by the NGO

³⁰ US Embassy & Consulate in Vietnam, "Peace Corps Director Swears-in First-ever Volunteers in Viet Nam," 30 December 2022, <https://vn.usembassy.gov/>.

³¹ US Embassy & Consulate in Vietnam, "U.S. Mission to Vietnam Builds Primary School in Ben Tre Province," 6 January 2023, <https://vn.usembassy.gov/>.

Pacific Links Foundation, and attended an awareness-raising event on the risks of trafficking for students at Kim Đồng Junior Secondary School in Sa Pa. In addition, Ambassador Knapper learned about the economic opportunities provided by social enterprise Ethos Spirit, which works with ethnic minority communities to provide cultural tours, and the work being done to protect Hoàng Liên National Park's fragile ecosystem and promote sustainable tourism in Sa Pa. The visit highlights the continuing importance of US–Vietnam cooperation in addressing shared challenges and achieving common goals.³²

In March 2023, a group of 52 US firms, including Boeing and Netflix, visited Vietnam as part of the biggest business mission ever organized by the US–ASEAN Business Council. The move highlights how Vietnam has emerged as an attractive potential alternative to China for US firms seeking to diversify their markets and supply chains. However, Vietnam's rapid economic growth and rising middle class are also attracting investors, despite the nation facing heightened risks due to the continued effects of the economic slowdown. Oxford Economics predicts Vietnam's GDP growth will slow to 4.2 percent in 2023, citing a weak outlook in its global trading partners and rising financial risks.³³

Lingering Concerns in Washington

The recent removal of key officials in Hanoi has sparked concerns among foreign diplomats that Vietnam's foreign policy may be tilting toward China. The removal of deputy prime ministers Phạm Bình Minh and Vũ Đức Đam from the Politburo and their government posts over graft allegations, as well as the near-unprecedented departure of former state president Nguyễn Xuân Phúc, has led to fears that the United States is losing an important friend in Vietnam. Minh was seen as a driving force behind closer cooperation with Washington, while Phúc was trusted by the foreign business community at a time when Vietnam was benefiting from US “decoupling” from China.

However, most independent analysts believe that fears of a conservative-leaning reshuffle in Hanoi fundamentally altering Vietnam's foreign policy away from the West and toward China and Russia are exaggerated. There has also been something approaching “detente” between Vietnam and China for several years, with Vietnam reaping more benefits from a continuation of a friendly relationship

³² US Embassy & Consulate in Vietnam, “Ambassador Knapper Makes First Official Visit to Lào Cai Province,” 22 February 2023. <https://vn.usembassy.gov/>.

³³ Michelle Toh, “US Companies including Netflix and Boeing Join “Biggest” Business Mission to Vietnam,” *CNN*, 21 March 2023, <https://www.cnn.com/>.

with China than an upgrade in the relationship with the United States. The stall in US–Vietnam relations reflects Hanoi’s attempt to signal to China that if Beijing does not provoke, Hanoi will not upgrade ties with the United States and hurt China’s interests in the process.

Vietnam is not easily categorized as pro-US or pro-China. On the one hand, the Vietnamese Communist Party has more in common politically with Beijing, while on the other, China is viewed as the bugbear of Vietnamese nationalists. Whether the leadership reshuffles and purges impact Vietnam’s foreign policy is another matter, but economically, Hanoi has to maintain cordial ties with China and the West, with US–Vietnam trade worth almost USD 140 billion last year.³⁴

Conclusion

In conclusion, Vietnam’s leaders are facing a delicate balancing act in managing their relationships with both China and the United States. While the United States is an important strategic partner for Vietnam, particularly in terms of security and counterbalancing China’s growing influence in the region, Vietnam’s strong economic ties with China mean that any actions that could be perceived as hostile toward China could have economic repercussions. Despite this, there have been indications that Vietnam is willing to collaborate with the Biden administration to further enhance bilateral ties in a sustainable way. The recently launched IPEF is also likely to impact Vietnam, particularly in areas such as labor standards, supply chain diversification, green technology, and infrastructure development. Overall, Vietnam’s leaders face a complex set of geopolitical dynamics, and managing relationships with both major powers will require careful navigation and delicate management. 🌟

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Strengthening US–Vietnam Relations in the Context of Human Rights

MARK S. COGAN

Abstract

The article examines the prospects of America renewing its human rights legacy in Southeast Asia. Despite the restoration of US diplomatic ties with Vietnam in 1995, the two countries continue to have a tense relationship in the context of human rights. While progress has been made regarding Vietnam’s ratification of the UN Convention against Torture and the release of some prisoners, significant challenges remain. The US State Department’s annual human rights reports are seen as excessively critical, while state-run media in Vietnam have condemned US criticism of the country’s human rights record. The article suggests that Washington needs to engage in multiple strategies to improve human rights dialogue with Vietnam, including fostering trust among members of Vietnamese civil society, addressing war legacies, and scaling up related development projects. The article also notes the difficulties of consistency in foreign policy due to political polarization, as well as the challenges of making amends through public apologies for past human rights violations.

Can the United States revive its human rights legacy in Southeast Asia? Human rights atrocities have long been a divisive and substantive topic ingrained in the intergenerational collective memories of millions, even before US military involvement in Vietnam. In 1966, antiwar activist Bertrand Russell initiated the Russell Tribunal to hold the Johnson administration accountable for war crimes and to incite opposition in “the smug streets of Europe and the complacent cities of North America.”¹ Over the course of the war, the US

¹ Tor Krever, “Remembering the Russell Tribunal.” *London Review of International Law* 5, no. 3 (2017): 483–92, <https://doi.org/>.

military sprayed more than 19 million gallons of Agent Orange,² a chemical herbicide and defoliant containing dioxin, which exposed between 2.1 and 4.8 million Vietnamese villagers³ and resulted in birth defects and health problems in more than 100,000 children born after the war.⁴ The March 1968 massacre of My Lai village was another example of the United States' troublesome legacy in Vietnam. Journalists and scholars have extensively documented how Charlie Company, a unit of the 11th Brigade, 20th Infantry, slaughtered nearly 500 Vietnamese, including women and children, with some being raped, tortured, and mutilated before being executed.⁵ With the passage of time, however, US relations with Vietnam have transformed. In July 1995, diplomatic ties were formally resumed, culminating in the opening of a US embassy in Ho Chi Minh City, formerly Saigon, where the US retreat in 1975 marked the end of the Vietnam War.

However, despite the resumption of diplomatic ties between the Washington and Hanoi, their relationship remained strained, especially in the area of human rights. While the lifting of the US trade embargo in 1994 led to some progress in trade liberalization, there was little to no progress in human rights. In 2002, the George W. Bush administration suspended the Bilateral Human Rights Dialogue due to the lack of progress made by Vietnam.⁶ Hanoi's interest in joining the World Trade Organization (WTO) jumpstarted compliance on certain aspects of freedom of religion and granting a US request to release several prisoners of concern.

While relations have improved in the context of security and China's rise, many aspects of bilateral relations with respect to human rights have not. The Vietnam News Agency (VNA), a state-run agency, has published editorials condemning US criticism of Hanoi's human rights record, with a recent January 2023 suggest-

² Jeanne Mager Stellman, et al., "A Geographic Information System for Characterizing Exposure to Agent Orange and Other Herbicides in Vietnam." *Environmental Health Perspectives* 111, no. 3 (2003): 321–28.

³ Charles Schmidt, "Is Agent Orange Still Causing Birth Defects?," *Scientific American*, 16 March 2016, <https://doi.org/>.

⁴ Ash Anand, "Agent Orange Deformities: The Children of Vietnam's Horrific Legacy," *news.com.au*, 25 May 2015, <https://www.news.com.au/>.

⁵ Seymour M. Hersh, "The My Lai Massacre," *New Yorker*, 14 January 1972, <https://www.newyorker.com/>.

⁶ *The Human Rights Dialogue with Vietnam: Is Vietnam Making Significant Progress? : Joint Hearing Before the Subcommittee on Africa, Global Human Rights, and International Operations and the Subcommittee on Asia and the Pacific of the Committee on International Relations, House of Representatives*, 109th Cong., 2nd sess., 29 March 2006, vol. 4 (Washington, DC: U.S. Government Printing Office, 2006).

ing that the US Commission on International Religious Freedom (USCIRF) has issued “wrongful, one-side and ungrounded comments” about the limitation of religious freedom in Vietnam.⁷ Likewise, Hanoi views the US Department of State’s annual human rights reports as excessively critical.⁸ The *2022 Country Report on Vietnam* details significant human rights challenges, including arbitrary killings at the hands of the government; torture and cruel, inhumane, or degrading treatment, arbitrary detention and arrest, the politicization of the judiciary, excessive curbs on free expression and media, and more. In tandem however, in Vietnam’s *Third Cycle Universal Periodic Review* (UPR) in 2019, the United Nations Country Team in Vietnam (UNCT) also reported that as many as 150 human rights defenders were languishing in prison. The environment for human rights activists in Vietnam was bleak, as many were “harassed, attacked, arrested, detained and ill-treated in custody for criticizing the Government or its policies.” According to the UN, between 2014 and 2017, more than 70 defenders were arrested and detained under Vietnam’s vaguely worded penal code.⁹

Improving human rights dialogue with Vietnam requires the United States to employ multiple strategies, some of which are short-term, while others have no clearly visible time horizon. Overcoming trust deficits, in general, is difficult, and some in closed circles view the promotion of democratization and Western human rights standards as hostile to the Communist Party, as evidenced by its 1996 Political Report, where the Party rejected attempts to use “democracy” or “human rights” to cause “political disturbances, oppose the regime or interfere in the internal affairs of our country.”¹⁰ Despite the lack of progress among segments of the population living memories of the conflict, the United States must continue to engage in activities that foster trust among members of Vietnamese civil society, particularly among younger generations. Addressing issues of the past—such as war legacies—is key to an honest and transparent bilateral dialogue.

⁷ Vietnam News Agency, “OP-ED: Ensuring and Protecting Human Rights a Focal Point in Vietnam,” *VietnamPlus*, 2 January 2023, <https://en.vietnamplus.vn/>.

⁸ Thinh Duc and Phan Ngoc Phuc, “The Absurdity of the U.S Annual Human Rights Reports,” *National Defence Journal*, 10 October 2022, <http://tapchiquptd.vn/>.

⁹ “Compilation on Viet Nam: Report of the Office of the United Nations High Commissioner for Human Rights,” United Nations General Assembly, 15 November 2018, <https://documents-dds-ny.un.org/>.

¹⁰ “Báo Cáo Chính Trị Của Ban Chấp Hành Trung Ương Đảng Khóa VII Tại Đại Hội Đại Biểu Toàn Quốc Lần Thứ VIII Của Đảng, [The Political Report of the Central Executive Committee of the 7th tenure presented at the 8th National Congress of the Party]” *Báo điện tử Đảng Cộng sản Việt Nam*, 1996. <https://tulieuvankien.dangcongsan.vn/>.

Past work on human rights, public health, and environmental issues created by Agent Orange are a welcoming start. Between 2007 and 2021, the United States dedicated nearly USD 400 million to this effort, including USD 60 million managed by the US Agency for International Development (USAID) for clean-up near the Bien Hoa airbase.¹¹ However, due to political difficulties, Washington has struggled to make amends through public apologies to Vietnamese citizens and US war veterans affected by the toxic chemicals.¹² Unfortunately, shifts in language and strategy among different US administrations over the past two decades have also affected consistency in foreign policy, as seen with Vietnam’s enthusiasm for the Trans-Pacific Partnership Agreement (TPP) and US lawmakers’ reservations about labor conditions and opposition to union rights.¹³ Under the Trump administration, a speech by then–Secretary of State Mike Pompeo, condemning communists as liars in reference to China, also offended the Vietnamese, undermining built-up trust and prior investments in dialogue and mutual cooperation.¹⁴

The nexus of human development and human rights presents the United States with additional opportunities for partnership with Vietnam. Scaling up related development projects, such as addressing Vietnam’s high rates of maternal mortality and infant mortality through bilateral cooperation, could significantly contribute to making amends for the harmful human rights legacy of the Vietnam War. USAID’s training programs for healthcare professionals have helped address the critical shortage of healthcare services to persons with disabilities. The Vietnam Federation on Disability reported that approximately 6.2 million people are disabled in Vietnam, including more than 700,000 children.¹⁵ Through the Leahy War Victims Fund (LWVF), the United States has increased access to several programs that benefit people with disabilities in conflict-affected countries in Southeast Asia,¹⁶ but such aid is clearly insufficient. Disability and poverty are

¹¹ Michael F. Martin, *U.S. Agent Orange/Dioxin Assistance to Vietnam* (Washington, DC: Congressional Research Service, 15 January 2021), <https://sgp.fas.org/>.

¹² Joseph Clark, “Lawmakers Introduce Resolution to Give Formal Apology for Treatment of Vietnam Vets,” *Washington Times*, 17 February 2023, <https://www.washingtontimes.com/>.

¹³ Chris Smith and Zoe Lofgren, “Human Rights Abuses in Vietnam Make TPP Unacceptable,” *The Hill*, 13 May 2015, <https://thehill.com/>.

¹⁴ Mike Pompeo, “Communist China and the Free World’s Future” (speech, United States Department of State, 23 July, 2020), <https://2017-2021.state.gov/>.

¹⁵ Vietnam News Agency, “More Data Needed on People with Disabilities in Vietnam,” *VietnamPlus*, 7 October 2022, <https://en.vietnamplus.vn/>.

¹⁶ US Agency for International Development, “Persons with Disabilities | Vietnam,” 28 December 2022, <https://www.usaid.gov/>.

interrelated, which increases the likelihood of malnutrition and limits access to safe drinking water basic health services.¹⁷ Moreover, basic health services across Vietnam are inadequate, with many hospitals lacking services for people with disabilities. Bilateral development cooperation could fill these gaps and improve the situation.

Unexploded ordnance (UXO) presents further opportunities for cooperation. Ambassador Bonnie Jenkins, Under Secretary for Arms Control and International Security, stated that the United States has provided more than USD 665 million to remove UXO across the Indo-Pacific, with a particular focus on Vietnam, Cambodia, and Laos.¹⁸ The UN Protocol on Explosive Remnants of War (Protocol V) holds parties involved in armed conflicts responsible for removing explosive remnants of war in their own territory and cooperating with other states to remove or destroy such remnants.¹⁹ By increasing funding and cooperation in related areas, such as disabilities, the United States can enhance the impact and value of its relationship with Vietnam.

However, Washington cannot ignore its normative obligations regarding human rights, despite its own poor record in Southeast Asia. The Bilateral Human Rights Dialogue took place after Vietnam was elected to a three-year term on the UN Human Rights Council (UNHRC) in October 2022.²⁰ The UNHRC has received heavy criticism since its inception (replacing the old UN Human Rights Commission), with many questioning how UN member states with dubious human rights records have managed to secure a seat on the body. Consequently, Vietnam finds itself in a vulnerable yet influential position, underscoring the need for transparency and accountability. For example, Hanoi received criticism when it voted against suspending Russia from the Council, while state-run media downplayed the decision.²¹ The United States should aim to engage Vietnam through institutional bodies such as the UN, as well as through bilateral means,

¹⁷ Michael Palmer, et al., “The Economic Lives of People with Disabilities in Vietnam,” *PLoS ONE* 10, no. 7 (2015): e0133623. <https://doi.org/>.

¹⁸ Bonnie Jenkins, “Under Secretary Jenkins’ Remarks at the USIP Dialogue on War Legacies and Peace” (speech, United States Department of State, 12 October 2022), <https://www.state.gov/>.

¹⁹ United Nations Office for Disarmament Affairs, “CCW Protocol V on Explosive Remnants of War – UNODA,” n.d., <https://www.un.org/>.

²⁰ Sebastian Strangio, “Vietnam Wins Seat on UN Human Rights Council,” *The Diplomat*, 12 October 2022, <https://thediplomat.com/>.

²¹ “Vietnam Briefing: Vietnam Votes Against The Suspension Of Russia’s Membership In The UN Human Rights Council,” *Vietnamese Magazine*, 11 April 2022, <https://www.thevietnamese.org/>.

rather than limiting engagement to pre-selected topics during the annual Dialogue. In a potential negotiation for a Strategic Partnership, which would benefit both nations, human rights should be part of the negotiation process, similar to earlier discussions regarding Vietnam's entry into the now-defunct TPP trade agreement.²²

In more than four decades since the fall of Saigon and the beginning of the end of a painful human rights legacy, US–Vietnam relations have undergone a significant transformation through economic, political, and some security cooperation. However, discussions on critical human rights issues have yet to be adequately addressed. Key to achieving progress is consistent constructive engagement, supported by foreign policy coherence and results-oriented development. Despite the United States' legitimate criticism of Vietnam's human rights record, some progress has been made. For example, Vietnam ratified the United Nations Convention against Torture (UNCAT) in February 2015. Additionally, progress has been made in providing clean water and sanitation services, and the country's surge in economic development and potential graduation to upper-middle income country status by 2030 have the potential to create a broader middle class while lifting many from poverty.²³ Where there is rightful critique, there must also be an abundance of support. ✪

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²² Zoe Lofgren, "Vietnam and the Trans-Pacific Partnership," 9 May 2018, <https://lofgren.house.gov/>.

²³ "Vietnam's Human Rights Record Is Poor but Improving, HRMI Says," *Radio Free Asia*, 24 June 2022, <https://www.rfa.org/>.

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From Bitter Enemies to Strategic Partners

The Remarkable Transformation of US–Vietnam Relations Since the 1973 Withdrawal

DR. PERRIN ATREIDES

Abstract

The Vietnam War was a highly divisive conflict that left a lasting imprint on both the United States and Vietnam. After years of enmity and isolation, the two countries have evolved into partners, with a focus on economic cooperation and regional security. The challenges and opportunities in the relationship between the two countries include ongoing human rights concerns, a complex trade relationship, and China's growing influence in the region. Additionally, Vietnam has the potential to play a larger role in the Quad Plus construct, a grouping that includes the US, Japan, Australia, India, and other regional powers working together on common interests. The evolving relationship between the United States and Vietnam is an important component of regional stability in the Indo-Pacific.

The Vietnam War was a significant conflict in American history that had a profound impact on the United States and Vietnam. After years of bitter fighting and immense casualties, the withdrawal of American troops on 29 March 1973, marked the end of American involvement in the conflict. Despite the war's divisive legacy, the relationship between the United States and Vietnam has evolved considerably over the years. Today, the two countries enjoy a constructive partnership that focuses on economic cooperation and regional security. This article will examine the historical context of the US–Vietnam relationship, exploring the long and complex road that led from enmity to partnership. It will then examine the current state of relations between the two nations, including

their ongoing economic cooperation and joint efforts to maintain peace and stability in the region.

The Road to Partnership

The end of the Vietnam War in 1975 was marked by bitterness on both sides, but particularly so in the United States, where the conflict had divided the nation and led to significant loss of life and resources. In the years following the war, diplomatic relations between the two countries were nonexistent, and Vietnam was isolated from the international community.

After the fall of Saigon in 1975, Vietnam was left in a state of political and economic turmoil. The country was ruled by the Communist Party of Vietnam, and the new government's policies aimed to eliminate the remnants of the old regime and consolidate power. This led to a period of political repression and economic mismanagement, which contributed to Vietnam's international isolation.

Moreover, the United States was reluctant to establish diplomatic relations with Vietnam, as the war had left a bitter legacy on both sides. The US government believed that Vietnam had violated the Paris Peace Accords, which had ended the war in 1973, and had not fulfilled its obligation to account for American prisoners of war. As a result, Washington imposed a trade embargo on Vietnam, which lasted until 1994.

In addition to US sanctions, Vietnam also faced challenges in gaining acceptance from the international community. Its human rights record and lack of political freedom were major points of contention, and many countries were reluctant to engage with Vietnam diplomatically or economically.

China's invasion of Vietnam in 1979 further complicated the situation. Although the United States did not intervene directly, the Vietnamese government viewed Washington as a potential ally against China. However, the Chinese invasion also demonstrated to the Vietnamese that they could not rely on the Soviet Union for protection, leading to a gradual shift in Vietnamese foreign policy. Over time, Vietnam began to pursue a more independent foreign policy, seeking to balance its relationships with major powers such as China, the Soviet Union, and the United States. This helped to lay the groundwork for improved relations with the United States in the 1990s and beyond.

Vietnam's economy struggled in the years following the war. The country's leaders realized that they needed to find ways to integrate Vietnam into the global economy, and that meant establishing relations with the United States and other countries. It was not until the 1990s that Vietnam began to take steps to improve relations with the United States, including allowing the search for missing US

soldiers and signing a bilateral trade agreement. These efforts paved the way for the eventual normalization of diplomatic relations between the two countries in 1995.

Today, the US–Vietnam relationship is characterized by a focus on economic cooperation, particularly in the areas of trade and investment. Vietnam has become an important trading partner for the United States, with bilateral trade reaching more than USD 90 billion in 2021. Additionally, the two countries have also cooperated on regional security issues, particularly in the context of the Quad Plus grouping.

Challenges and Opportunities

As we look at the future of US–Vietnam relations, there are both challenges and opportunities that lie ahead. One major challenge is China’s ongoing territorial claims in the South China Sea, which overlap with those of Vietnam and other countries in the region. The United States has expressed support for Vietnam’s stance on these disputes, and the two countries have conducted joint naval exercises in the region to demonstrate their commitment to freedom of navigation.

Another challenge is the issue of human rights in Vietnam. Despite some progress in recent years, the Vietnamese government still restricts political dissent and freedom of expression, and there are concerns about the treatment of ethnic minorities and the independence of the judiciary. The United States has pushed Vietnam to improve its human rights record, and some progress has been made, but there is still a long way to go.

On the economic front, Vietnam has made significant strides in recent years, becoming one of the fastest-growing economies in the world. The country has opened to foreign investment and trade, and the United States has been one of Vietnam’s top trading partners. The two countries signed a bilateral trade agreement in 2019, which is expected to increase trade and investment between them.

There is also potential for Vietnam to play a larger role in the Indo-Pacific. The Quad is a strategic partnership among the United States, Japan, India, and Australia. The Quad Plus expands the partnership to include other countries in the Indo-Pacific region that share similar concerns about regional security, trade, and maintaining the liberal rules-based international order. The grouping provides an opportunity for like-minded countries to work together on issues of mutual concern, including freedom of navigation in the Indo-Pacific and promoting free trade. Vietnam’s strategic location and growing economy make it an attractive partner for the Quad Plus, and there is potential for Vietnam to play a larger role in this construct. By doing so, Vietnam could contribute to the Quad Plus’s efforts

to counterbalance China's growing influence in the region while promoting regional stability and prosperity.

Vietnam's potential role in the Quad Plus can bring several benefits. Firstly, it can enhance Vietnam's security and stability, particularly in the South China Sea, where tensions with China have been mounting in recent years. As a member of the grouping, Vietnam can have a stronger voice in shaping the region's security architecture, ensuring that its own interests are well represented. Secondly, Vietnam can benefit from increased economic cooperation with the Quad Plus members, as these countries are among the largest trading partners and investors in the region. The grouping can provide Vietnam with greater access to technology, capital, and expertise, which can help accelerate its economic development.

However, there are also potential challenges to Vietnam's participation in the Quad Plus. For instance, Vietnam may face pressure from China to limit its engagement with the grouping, which could strain its relations with Beijing. Moreover, some in Vietnam may be hesitant to join a grouping that is perceived as being led by the United States, given the country's history of involvement in the Vietnam War. Additionally, the Quad Plus is still a nascent grouping, and it remains to be seen how effective it will be in countering China's rise in the region.

Overall, the US–Vietnam relationship has come a long way since the end of the Vietnam War. While there are still challenges to be addressed, there are also many opportunities for the two countries to work together on issues of mutual interest and benefit.

Conclusion

The US–Vietnam relationship has come a long way since the tumultuous years of the Vietnam War. Despite initial hostility, the two countries have gradually developed a cooperative partnership focused on economic ties and regional security. However, there are still challenges that must be addressed, such as Vietnam's human rights record, which has strained relations with the United States. Additionally, China's growing influence in the region poses a threat to both countries, and Vietnam's strategic location and growing economy make it an attractive partner for the Quad Plus grouping.

Looking ahead, the United States and Vietnam have opportunities to deepen their relationship through continued economic cooperation, increased military exchanges, and expanded cultural and educational exchanges. Vietnam has made significant strides in recent years, and as its economy continues to grow, it will undoubtedly play an increasingly important role in the region. The United States must navigate the delicate balance of supporting Vietnam's rise without undermining its sovereignty or human rights. The Quad Plus grouping provides a po-

tential framework for such cooperation and could serve as a counterbalance to China's influence in the region.

As the US–Vietnam relationship evolves, it is important to remember the lessons of the past and the sacrifices made by both countries during the Vietnam War. Through continued dialogue and cooperation, the two countries can build a constructive partnership that benefits the Indo-Pacific region and the world as a whole. ✪

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A US–India–Vietnam Trilateral

More Than the Sum of Its Parts

DR. MONISH TOURANGBAM

Abstract

The article discusses the potential for a trilateral partnership between the United States, India, and Vietnam, given the growth in their respective bilateral relationships and shared concerns over China’s rising power. The article notes that Vietnam and India are dealing with territorial claims by China, and both believe in multidirectional foreign policies to balance different poles of power. The author suggests that a trilateral partnership would be useful in building a truly multipolar Asia, with no single power dominating the region. Defense partnerships are already growing between the United States and Vietnam, as well as India and Vietnam, and a trilateral partnership could focus on maritime cooperation and securing sea lines of communication. The article notes that the world order is changing rapidly, and a trilateral partnership could help balance different powers in the region.

The Cold War-era intervention of the United States in Vietnam brought to light the limitations of US power and its role in Southeast Asia’s geopolitics, leading to a period of introspection. Today, the relationship between the United States and Vietnam has improved significantly. Moreover, the trajectory of US–India relations has undergone a notable strategic shift, coinciding with an upswing in bilateral India–Vietnam partnerships, as well as India’s ties with the Association of Southeast Asian Nations (ASEAN).

Given the similarities in growth patterns among these three dyads and their shared goal of building an “inclusive, free and open Indo-Pacific,” the time is ripe for a trilateral relationship between the United States, India, and Vietnam, in line with other such permutations and combinations among Indo-Pacific stakeholders. New Delhi and Hanoi share a vision for a genuinely multipolar Asia, and a multipolar Indo-Pacific would not be possible without a multipolar Asia. As

China continues its unilateral advances in the region, Washington should be prudent in teaming up with like-minded countries in the area.

Dealing with Multidirectional Foreign Policies

Interstate relations are dynamic, and the contours of US–Vietnam relationship is proof of this age-old reality in international relations. A country where America fought one of its most unpopular and longest wars is today a strong partner of the United States in Southeast Asia. After the withdrawal of US forces from Vietnam, it took another two decades, until 1995, for the two countries to open normal diplomatic relations.¹ From becoming an important plank in the Obama administration’s Asia rebalancing strategy to the US Indo-Pacific strategy; the US–Vietnam partnership has acquired strategic overtones.² It took until the final leg of the Clinton administration to really kick-start a positive arc in the US–India relationship, and the Bush administration charted a new strategic partnership that has grown comprehensively over the years.³ Simultaneously, the India–Vietnam relationship has blossomed into a strategic partnership.⁴ No bilateral relationship is indispensable or sacrosanct, but the trajectory of growth in these three dyads—US–Vietnam, US–India, and India–Vietnam relations—portends a trend for mutual reinforcement of ties in the context of the geopolitics and geoeconomics of the Indo-Pacific. The time is ripe for a trilateral arrangement among the three countries.⁵ China’s comprehensive rise is clearly the common thread stitching these three relationships together. There is a growing great-power rivalry between the United States and China. Both Vietnam and India are respectively dealing with Chinese territorial claims in the South China Sea and the India–China Line of Actual Control (LAC).

Both New Delhi and Hanoi believe in multidirectional foreign policies to balance different poles of power. Washington, which is more accustomed to dealing with formal allies, must find ways to build comprehensive strategic partnerships

¹ USIP Staff, “We Can Heal War’s Traumas; U.S. and Vietnam Show How,” *United States Institute of Peace*, 1 March 2023, <https://www.usip.org/>.

² “U.S.-Vietnam Comprehensive Partnership” (fact sheet, US Department of State, 16 December 2013), <https://2009-2017.state.gov/>.

³ C. Raja Mohan, *Crossing the Rubicon: The Shaping of India’s New Foreign Policy* (New York: Palgrave, 2004).

⁴ Press Information Bureau (Defence Wing) Government of India, New Delhi, June 08, 2022, https://www.mod.gov.in/sites/default/files/pr_113622.pdf

⁵ Sanjay Pulipaka, “India and Vietnam: Time for Trilaterals with the US and Japan,” *The Diplomat*, 1 September 2016, <https://thediplomat.com/>.

without forcing these countries to pick sides in twenty-first-century rivalries.⁶ The world order currently undergoing transformative geopolitical, geoeconomic, and technological changes. The post–World War II US-led security order in Asia, defined by its strict network of allies, is weakening and becoming irrelevant to the challenges posed by a rising China.⁷ Both Vietnam and India have unique geographic locations that influence their national strategies toward China. Balancing in the twenty-first-century reflects the interdependence of economies with China’s expanding economic footprints in Asia and beyond. While New Delhi and Hanoi intend to increase their security and economic ties with Washington, they have their own home-grown methods for dealing with a rising China and want to maintain their respective autonomies and multidirectional foreign policies.⁸ Vietnam’s latest defense white paper promotes “defence cooperation with countries to improve its capabilities to protect the country and address common security challenges.”⁹ However, it also acknowledges that “strategic rivalries between major powers have become increasingly acute, sometimes turning the East China Sea into a “flash point,” potentially leading to conflict.¹⁰

Building a Multipolar Asia through Deterrence

China’s assertive rise and its expansive claims in the Indo-Pacific region have sparked concern among many countries. Beijing’s unilateral actions have prompted these nations to come together and collaborate on the pursuit of a truly multipolar Asia, where no single power can dictate the agenda. India’s Act East policy, the US Indo-Pacific strategy’s push for a “free, open, and inclusive” Indo-Pacific, and Hanoi’s vision for peace and stability in its region are all aligned in this direction.¹¹ India has been strengthening its defense ties with Vietnam, and both the US–Vietnam and US–India partnerships are rapidly expanding.

⁶ Nguyễn Khắc Giang, “U.S.-Vietnam Partnership Goes Beyond Strategic Competition with China,” *United States Institute of Peace*, 19 April 2022, <https://www.usip.org/>.

⁷ Scott W. Harold, et al., *The Thickening Web of Asian Security Cooperation* (Santa Monica, CA: RAND, 2019), 4, <https://www.rand.org/>; Giang, “U.S.-Vietnam Partnership Goes Beyond Strategic Competition with China.”

⁸ Giang, “U.S.-Vietnam Partnership Goes Beyond Strategic Competition with China.”

⁹ *2019 Viet Nam National Defence* (Hanoi: Ministry of National Defence, 2019), 24 <https://srfi.fr/>.

¹⁰ *2019 Viet Nam National Defence*, 19.

¹¹ *Indo-Pacific Strategy Report, Preparedness, Partnerships, and Promoting a Networked Region* (Washington: Department of Defense, 1 June 2019), <https://media.defense.gov/>; *2019 Viet Nam National Defence*; and Narendra Modi, “PM’s Keynote Address at Shangri La Dialogue” (speech, Government of India, 1 June 2018, <https://www.pmindia.gov.in/>).

The relationship between the United States and Vietnam has shifted toward a focus on defense partnership, with US aircraft carriers making port visits and the transfer of US-made defense articles increasing.¹² Similarly, New Delhi and Hanoi have signed the “Joint Vision Statement on India–Vietnam Defence Partnership towards 2030,” with the aim of “significantly enhance the scope and scale of existing defence cooperation.” They have also signed a “Memorandum of Understanding on Mutual Logistics Support” and are working on building the capability and capacity of the Vietnamese Armed Forces.¹³ The security of sea lines of communication (SLOC) is a shared concern for the United States, Vietnam, and India, making maritime cooperation a promising area for trilateral cooperation.

Both Washington and New Delhi see ASEAN as an alternative platform, in addition to bilateral engagement, to discuss regional issues. However, a trilateral approach can provide extra leverage to discuss common issues toward developing deterrent capabilities to manage China’s assertiveness in the region. Nevertheless, while there is a broad strategic convergence between Washington, New Delhi, and Hanoi on managing China’s rise, each country has its own distinct bilateral trajectory, and aligning them will be a task for the future.¹⁴

Both India and Vietnam prefer to maintain autonomy and pursue a multidirectional foreign policy that allows them to maximize gains and minimize losses without relying on military alliances.¹⁵ With diplomatic relations spanning over half a century, India and Vietnam stand to benefit from geopolitical and geoeconomic changes in the Indo-Pacific. As India aligns its Act East policy with its broader vision of partnerships in the region, Vietnam is a consequential partner in Southeast Asia. Additionally, the US–Vietnam and US–India partnerships have been growing robustly with a focus on developing a comprehensive defense part-

¹² “U.S. Security Cooperation With Vietnam.”

¹³ Press Information Bureau (Defence Wing) Government of India, New Delhi, op. cit.

¹⁴ Derek Grossman and Christopher Sharman, “How To Read Vietnam’s Latest Defense White Paper: A Message to Great Powers,” *War on Rocks*, 31 December 2019, <https://warontherocks.com/>; Rajiv Bhatia, “India, Vietnam tied by strategic trust,” *Gateway House*, 24 July 2017, <https://www.gatewayhouse.in/>; Ministry of the Foreign Affairs, “Wang Yi Speaks with Vietnamese Foreign Minister Bui Thanh Son on the Phone,” Ministry of the Foreign Affairs of The People’s Republic of China, 14 April 2022, <https://www.fmprc.gov.cn/>.

¹⁵ Pulipaka, “India and Vietnam”; Khang Vu, “China’s Wedge Strategy Towards the US–Vietnam Partnership,” *The Diplomat*, 25 August 2021, <https://thediplomat.com/>; Nicholas Chapman, “Mechanisms of Vietnam’s Multidirectional Foreign Policy,” *Journal of Current Southeast Asian Affairs* 36, no. 2 (2017): 31–69, <https://journals.sagepub.com/>; and Shivshankar Menon, “India’s Foreign Affairs Strategy,” *Brookings*, 3 May 2020, <https://www.brookings.edu/>.

nership.¹⁶ The distinct trajectories of China’s relationship with all three countries present constraints, but also provide enough reason for Washington, New Delhi, and Hanoi to seriously consider a trilateral arrangement aimed at jointly managing China’s rise.

Conclusion

Hanoi and New Delhi share a common goal of building a regional security architecture in the Indo-Pacific that avoids great-power conflicts while developing enough deterrents to counter China’s intransigent behavior. Both countries prioritize autonomy and independent agency in their foreign policies, even as they seek partnerships with a range of nations. While each country has its own strategies for dealing with China’s proximity, they have found common ground with the United States to develop habits of cooperation.

Growing defense cooperation with the United States is crucial for closing the military gap with China and achieving greater defense preparedness. For the United States, supporting the development of independent powers’ deterrent capabilities in the region is a prudent step toward jointly managing China’s strategic rise. Despite China’s perception of coordinated frameworks as containment efforts, a US–India–Vietnam trilateral would be a significant signal to Beijing and worth the effort despite the challenges. 🌟

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¹⁶ Rajeev Ranjan Chaturvedy, “India-Vietnam Ties, from Strong To Stronger,” *The Hindu*, 21 July 2022, <https://www.thehindu.com/>; Dipanjan Roy Chaudhury, “50 Years of India-Vietnam Diplomatic Ties a Trove of Opportunities for the Coming Decades,” *Economic Times*, 1 November, 2021, <https://economictimes.indiatimes.com/>; and USIP Staff, “We Can Heal War’s Traumas.”

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