

Visit of USI Delegation to Vietnam - A Report

Brigadier Arun Sahgal (Retd)*

Background

A four member USI Delegation visited Vietnam from 01 - 06 Dec 2008 at the invitation of the Institute of Defence International Relations (IDIR), Ministry of National Defence, Vietnam. This visit was part of an ongoing dialogue with the strategic community of Vietnam, initiated in May 2006.

The aim of the visit was to discuss issues of mutual concern to gain an understanding on contemporary issues as also to share Indian perceptions related to its 'Look East Policy'. The Vietnamese interlocutors were from the IDIR, set-up in 2003. The IDIR complements the work of 'Military Strategy Institute' which is involved in transformation of the Vietnamese Armed Forces. Due to recent 'redefining of turf' between the Ministry of Foreign Affairs and the Ministry of National Defence, the IDIR's primary responsibilities now relate to 'defence and military diplomacy'.

The IDIR has made an impressive beginning in terms of dialogues with South Korea, Japan, Australia, and now India. It interacts with Australia, the USA, Japan, South Korea, Malaysia, and Singapore, amongst others. The Institute provides inputs to their Ministry of National Defence (MND) on the outcome of these interactions. In addition, they also attend Asian Regional Forum (ARF), Council for Security Cooperation in the Asia Pacific (CSCAP) and other security related meetings and seminars, in the context of the ASEAN. It is manned by serving Vietnamese Armed Forces officers primarily from the intelligence branch. Most of the senior officers are former defence attachés or deputy defence attachés. Many have side-stepped from the General Staff Department-II. The Institute, an autonomous "think-tank", in reality is an institutionalised body providing researched inputs to the MND. It is one of the very few defence organisations that have been permitted to interact with foreign institutions and foreigners, independent of the 'External Relations Department'.

The IDIR, its Director and staff went out of their way to provide all courtesies alongwith impeccable arrangements to make the visit a success. Simultaneously, personal interest taken in facilitating USI Delegation's visit by the Indian Ambassador to Vietnam and the Defence Attaché, were also commendable.

The USI delegation was led by Vice Admiral SP Govil, PVSM, AVSM (Retd), member USI Executive Council and comprised Air Marshal S Inamdar, PVSM, VSM (Retd), Lt Gen VK Jetley, PVSM, UYSM (Retd) and Brig Arun Sahgal (Retd), Deputy Director (Research), USI Centre for Strategic Studies and Simulation. The Vietnamese Delegation comprised Senior Colonel Nguyen Duc Thinh, Director IDIR, Senior Colonel Phung Quang Tao, Deputy Director, Senior Colonel Le Nhan Cam, Deputy Director, Sub Lt Chu Xuan Tuan, Researcher and Sub Lt Dao Trong Thien, Researcher.

Deliberations

Three main topics discussed in the formal interaction on 2 Dec 2008 included: "Asian Political and Security Environment post Olympics and post Bush Administration", "India and Vietnam's Role in Evolving ARF Strategy and Cooperation between India and Vietnam" and "The Political Situation in Thailand and Myanmar, Its Impact on Regional Security and the View of Vietnam".

The dialogue on security issues was followed by a courtesy call on the Vice Minister National Defence, Nguyen Huy Hieu. He was effusive in his remarks about warm and close relationship highlighting the fact that both were old civilisations. He mentioned that he was looking forward to his forthcoming visit to India in later part of 2009, to sign Memorandum of Understanding on Indo-Vietnam Strategic Partnership.

Interaction on Security Issues - Major Aspects

There was agreement that the globalisation trend is likely to continue; resulting in intensification of inter-dependence among nations. Secondly, mutual relationships between major nations such as the USA, China and Russia have the characteristics of co-operation and rivalry; but unlikely to result in direct confrontation. The US-Russia relationship continues to be tense post declaration of Independence by Kosovo, South Ossetia conflict and American attempt to undermine Russian natural sphere of influence through deployment of Ballistic missile defences in the former East European republics, as also NATO's eastward expansion.

Besides traditional security issues, the Vietnamese side laid greater focus on non-traditional security challenges such as terrorism, drug trafficking and piracy. They also highlighted the issues of climate change, global warming, and food and energy security as more pressing problems.

A point reiterated was that whereas Northeast Asia, Taiwan Strait and Southeast Asia remained relatively stable and peaceful, Central Asia and South Asia (Afghanistan, Pakistan, Bangladesh and Sri Lanka) remained unstable due to terrorist and separatist activities. The Vietnam delegation asserted that their country was free from any terrorist or separatist violence.

On global financial crisis, the Vietnamese opined that despite its serious consequences for the world, the Asian economies are likely to remain dynamic. In short, despite turbulence in the geopolitical landscape, marked by

historical legacies and disputes, growing threat of terrorism, ethnic and religious conflicts; stability, peace and dynamic development constitute mainstream trends in Asia. The Asian order is making a great impact on the political security environment in the region.

The US Factor. The Vietnamese viewpoint on major actors impacting regional dynamics in Asia, was that Asia has gained more importance in the US global strategy. Rising Asian nations, especially China and Russia, remain primary concerns of the USA. In their view Obama administration was unlikely to make many adjustments to the US Asian strategy and their main goal would remain that of “maintain(ing) its influence and mastering the regional political and security issues”.

In order to achieve this, the USA will continue to maintain and strengthen good relations with its Asian allies. The US-Japan-Australia security forum is a new focus and it will be consolidated in the post Bush administration. The financial crisis may cause economic recession; however, the US military re-arrangement in the Pacific, Japan, South Korea and the US missile defence plans with Japan and Australia are likely to continue. In their view, the USA will play a decisive role in “burden sharing activities”. Obama administration will focus its efforts in dealing with global war on terror, particularly in Afghanistan and Pakistan besides Middle East. This region will continue to be a hot spot in the post Bush administration. In addition, the US will further deepen its anti-terrorism relations with Asian countries particularly Indonesia, Malaysia and the Philippines. They also highlighted that, typical Democratic Party concerns like trade and human rights, will continue in the Obama administration. An interesting point made was that, entanglement between the US and Asian developing countries related to above problems will increase and could be deepened by the US economic recession.

China. The Vietnamese are extremely diffident and careful while talking about China. An interesting point made was that, “despite problems in Tibet, China has gained its target of enhancing its image in this region and globally, by successful hosting of 2008 Olympic Games”. Acknowledging that China has suffered from global financial crisis, in terms of narrowed export markets for instance, they however, believed that China will probably still achieve a high economic growth rate in 2009, touching 7 to 8 per cent.

In contextualising China’s peripheral policy, China continues to influence the region through its bilateral and multilateral economic, political, cultural and security relations; and highlighted growing Chinese military capability through persistent military modernisation, particularly in naval, air and space assets development. They also pointed out that “China is shaping the operation mode of local war in high tech operation situation” and has increased the 2008 defence budget by 17.8 per cent. These military developments, are a major concern to its neighbours.

Russia. The Vietnamese see Russia reasserting its status in the international fora. Power competition with the USA has become fiercer, especially after the Caucasus event. Russia and China are also seen as promoting their bilateral co-operation, especially within the framework of Shanghai Co-operation Organisation, to balance the US policies particularly in Central and East Asia.

Japan is recognised as an economic superpower and perceived as a country enhancing its political role in the region and the world. The Vietnamese appeared concerned about their ambitions to become ‘a normally developed country’ particularly in terms of building strong military capability and laying legal foundations to develop into a major military power in Asia.

Similarly, India’s rapid economic development and enhanced political and economic role are recognised; as are its strides in science and technological advances such as Information Technology, Genetics, Biological and Space Research. The Vietnamese see India’s “Look East” policy as means to becoming an Asian and a global player.

ASEAN. The Vietnamese have put a lot at stake in the ASEAN, and see most political and economic issues from a multilateral perspective. They believe that establishment of an ASEAN Community by 2015, based on the ASEAN Charter, will become a close political-economic entity. The ASEAN was repeatedly mentioned as playing an important role in maintaining a stable and peaceful environment in the region.

In a broader framework, relationships between major nations have the characteristics of co-operation and competition. They take advantage of their opponents’ difficulties to gain greater influence in the region, but avoid confronting each other directly. They stressed that a number of global issues such as climate change, food and energy security, and non-traditional security issues cannot be solved by a nation alone. In the not so distant future, they would have to co-operate to overcome the harsh consequences of the global financial crisis.

The final prognosis from the Vietnamese was that Asia will remain diversified in both co-operation and competition, with basic stability being maintained. ARF was reflected upon as an important forum, which is used by many countries to settle a number of regional security issues.

India and Vietnam’s Role in Evolving ARF Strategy and Cooperation

Following India’s Look East Policy, India-ASEAN relationship has developed in many fields. In the Vietnamese perspective this was a strategic shift in Indian foreign policy and recognition of common interests in creating a peaceful and prosperous Asia - Pacific region. India became a partial dialogue partner of the ASEAN in 1992 and a full partner in 1995. An important mark in relations was India becoming a full dialogue member of ARF in 1996, which provided India with a political base to further promote relations with the ASEAN.

India and the ASEAN implemented the strategy of security cooperation at two levels. By participating in ARF, India signed the Treaty of Amity and Cooperation (TAC). At the 2nd Summit (2003), both sides signed a joint

statement on anti-terrorism. At the 3rd Summit, the two made a commitment to promote security and defence cooperation. India signed the Friendship and Cooperation Agreement, and the TAC; and supported the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ), etc.

The trade relations between India and the ASEAN have been developing steadily. They have been negotiating to create the India-ASEAN Free Trade Area (AFTA) and have finalised the Goods Agreement - with the Services Agreement to be finalised soon. At the 5th India-ASEAN Summit in 2007, both sides agreed to speed up and finish AFTA negotiations at the earliest. In the frame of the Annual ASEAN Minister of Trade and Partner's Meeting (ASEAN plus 1) and ASEAN-India (Aug 2008), both sides completed documents at the Summit in Thailand in early 2009.

The economic cooperation between both sides is to create a stable environment to enhance their role in international arena and reaching their strategic goals. Trade turnover between India and ASEAN rapidly increased from \$18 billion in 2005 to \$ 23 billion in 2006 and \$ 38.37 billion in 2007. Bilateral trade is expected to reach \$ 50 billion by 2010. Besides trade relations with the ASEAN, India has also promoted bilateral trade with respective ASEAN members.

India has signed many cooperation agreements with Vietnam in fields such as trade, science and technology, agriculture, defence, visa exemption, information technology and culture. India has implemented big projects in education and information technology. In addition, the Mekong-Ganga cooperation project is seen as an engine for developing tourism, culture, education and communication.

On India's role in ARF, full membership is seen as an important voice that attracts more notice from regional nations. India's participation in the forum makes it more prestigious and influential. This in a manner is nuanced to mean that Indian presence is a political counterweight to growing Chinese influence. Vietnam on the other hand has participated in ARF since its inception in 1994. It has made significant contribution to fulfil its responsibility, actively contributing to the ASEAN development process in general and ARF in particular.

Vietnam was the ARF's chair during 2000-2001, the period when the ASEAN was seriously impacted by the Asian financial crisis in 1997 and faced unstable internal political situation in the region. Vietnam made efforts to maintain regional peace and stability through ARF, actively implemented forum's activities and contributed to ARF's solidarity and consensus. Vietnam believes that its recent efforts have significantly contributed to the ASEAN's role in the region and the world.

Hanoi Programme Action (HPA), approved by The 6th ASEAN Summit in December, 1998, was described by the Vietnamese side as an important landmark. Based on this, many projects and plans have been actively carried out. Important cooperation areas included working with other countries in resolving urgent social problems such as drug-addiction among the youth, tourism and culture. On security front, Vietnam took significant initiatives such as promotion of regional peace and cooperation through TAC and converting it into the "Code of Conduct"(COC) in the South China Sea, and boosting Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ).

Vietnam - India Cooperation.

On this important issue following perspectives emerged:-

- (a) Political Cooperation:** Traditionally good relations exist between Vietnam and India. Both signed an Agreement on comprehensive strategic partnership in July 2007. The Vietnamese side emphasised that in international relations, they support India to enhance its role in the ASEAN and ARF, and identifying its role and position in Pacific region. However, the Vietnamese also conveyed that there was a tendency to take Vietnamese political support for granted. Another impression gathered was that Vietnam will be hesitant on any action that ran the risk of antagonising China.
- (b) Economic Cooperation:** Trade relations between the two countries are developing firmly. Bilateral trade reached a figure of \$ 1.2 billion in 2007. Despite this there was lament that economic relations were not developing at the rate the Vietnamese desired. They have much higher expectations and believe that trade relations currently are at sub optimal level, even though India is one of the 10 biggest FDI investors in Vietnam. India's FDI into Vietnam reached \$ 583 million in 2006. 2007 saw a steep rise in Indian investment; with ESSAR establishing a joint venture with Vietnam Steel Company (VSC) and General Rubber Company (GERUCO) building a hot steel-rolling company in Ba Ria, Vung Tau province with total investment of \$ 527 million. There are good opportunities for India to invest in the fields of energy, oil supply and oil exploration. However, relations are being hampered by what Vietnam believes: Indian protectionist policies, lack of direct flight connections and general lack of information on business opportunities.
- (c) Defence Cooperation.** Good relations between India and Vietnam have been consolidated particularly in terms of defence cooperation. Both signed the Protocol on Defence Cooperation in September 1994, the Agreement on Vietnam-India Defence Cooperation in March 2000 and the Joint Statement on Strategic Partnership in July 2007. Over the years, Service establishments of two countries have exchanged high-ranking military visits and carried out annual "security dialogue" at Deputy Minister level. Further development of relations is constrained by geographical distance, availability of funds and Vietnamese sensitivity towards China. India will do well to engage more extensively with Vietnam both at strategic, and military to military levels.

In short, India's ASEAN policy through ARF is seen as aimed at seeking support of the multilateral organisation to strengthen its position in Asia-Pacific region. Within the above context, close Indo-Vietnam relationship is seen as a constructive enabling factor.

Political Situation in Thailand

Giving background to the current crisis, the Vietnamese side highlighted that political situation in Thailand remains unstable and unpredictable. Opposite factions are indulging in anti-government activities to force the current Prime Minister, from The Party of People Power (PPP), to resign, dissolve the House of Representatives and form a new national coalition government.

People's Alliance for Democracy (PAD) accused former PM Samak Sundaravej of violating the constitution and wanted the Parliament to hold a confidence vote against him. After Mr Samak's resignation, Deputy Chairman of PPP, Mr Somchai Wongsawat was voted to be the new PM. He has negotiated with the opposite faction to seek a solution to stabilise the situation in Thailand. Despite above political efforts, the situation has not improved.

Outlook on Thailand's Political Situation. In Vietnamese perception, political situation will remain complicated as long as Thailand does not have a Prime Minister from pro-Thaksin, PPP party. Concern was that, if the opposite faction was to overthrow the current government and hold an early election, the pro-Thaksin faction was likely to win. In the current scenario, Thailand is still to find an acceptable political leader who can resolve the difficulties. Meanwhile, Mr Thaksin who lives in exile continues to exercise strong influence on the Thai political arena. As a consequence of above developments, there is broad consensus that Thai politics will remain in a state of flux, in the short term.

Situation in Myanmar

Myanmar, a member of the ASEAN and India's important Eastern neighbour, is strategically located at the gateway to the Indian Ocean and South East Asia. Myanmar is considered a doorway for China and India to approach South East Asia. From Vietnam's viewpoint, political situation in Myanmar remains complicated due to West's sanctions. Consequently, political situation arising out of economic difficulties remains complicated, which the opposition Party, National Party for Democracy (NPD) and other internal and external forces have sought to exploit. The Administration's referendum on new draft constitution and negative consequences of hurricane 'Nargis' have resulted in increased anti-governmental activities.

The Vietnamese asserted that the situation remained complicated. People continue to face difficulties in the aftermath of hurricane 'Nargis'. In their belief, with assistance from international community, friendly countries and the ASEAN; the government in Myanmar will be able to overcome consequences of natural disaster, and deal with political and economic situation – allowing Myanmar Federation to continue the process of democracy and people's harmony. Overall, the view was that the situation in Myanmar continued to harbour elements of unpredictability. Interestingly, the Vietnamese did not comment on the growing Chinese political influence in the region and their likely consequences – nor did they comment on ASEAN's role in dealing with Myanmar.

Thailand and Myanmar's Influence on Regional Security. Vietnamese delegation highlighted that, although instabilities in Thailand and Myanmar were their internal affairs, the negative impact of these developments on regional security could not be ignored. The ASEAN's problem was that the group could merely give suggestions and advice, with no active arrangements either for intervention or support. Differing views among members and lack of consensus could lead to fissures among ASEAN partners. Vietnam always respected independence, sovereignty, integrity and non-interference in internal affairs and expected that these two countries would be able to deal successfully with their internal challenges.

General Observations on Strategic and Security Issues Based on Informal Interaction

An important perspective to take note of is that it would be wrong to view Vietnam's position on China from the Indian prism, given the fact that both are China's neighbours and have an acrimonious past. Vietnam, once a tributary of China, is much more circumspect and nuanced about their relationship. Interestingly, whereas the China factor looms large on their subconscious, they are careful not to make an overt expression of the same. Vietnam is conscious of China's regional role, and the fact that it is important for it to maintain cordial relations with China, during its current developmental phase. China is a major player in current economic and infrastructural development of Vietnam and they are keen to maintain steady relationship sans tensions.

However, problems with regard to territorial dispute persist. Whereas they have resolved their land borders, including delineation of boundary, dispute persists with regard to maritime boundary in South China Sea. This is of serious concern given the fact that it is an important oil bearing area. Last year, Hanoi orchestrated street protests against China over placement of new boundary markers by China on the Spratley and Paracel islands. Similarly, there is disquiet in Vietnam over China pressurising oil majors for reaching oil exploration agreements with Vietnam.

The USA factor too becomes obvious, particularly in terms of balancing role it can play and also as an important alternate source of investment and markets. It is important to note that while the USA is recognised as a player of importance, China has the advantage of both geographical and to a limited extent ideological (both being communist systems) proximity.

There is an interesting tendency at play among Southeast Asian states, wherein given their size and strategic location, they are keen to invite wider presence in terms of cooperation with regional and extra regional players. This is seen in terms of regional leverage and flexibility. Yet, they are nervous about being embroiled in balance of power machinations of big players.

A significant perspective gleaned was the changing role of Asian players, which includes China, the USA, Japan

and India. China is clearly seen as a predominant Asian power with the strategic goal of being a leading political, economic and military power in Asia. Yet, it is seen as a ‘responsible stakeholder’ involved in establishing comprehensive, cooperative relationship with all countries in the region. The USA on the other hand is seen as strategically overstretched, although continuing to remain relevant – the word used was “inattentive power”.

Another perspective is the relevance of the ASEAN as a dominating identity for Southeast Asia. Given the fact that the Southeast Asian countries are small and do not carry much economic and political clout on their own, except perhaps Indonesia, the ASEAN is seen as means for collective bargaining with major Asian actors, extra regional players and above all Northeast Asia. Importantly, South Asia does not easily come into their psyche, with the sole exception of India, which is gaining increasing salience on account of economic development and growing political stature. India is seen as a potential security counterweight, given its growing military power and strategic relationship with the USA. Nonetheless, there is a perception that India is performing much below par in terms of regional strategic engagement.

Observations on Bilateral Relations

Despite excellent political amity between Vietnam and India, relations remain relatively underdeveloped and are marked by sporadic exchanges, although 2008 was notable by the visit of President of India, among others.

The Indo-Vietnamese relations have undergone three phases of development; from mutual engagement during cold war , to relative neglect of the 1990’s and renewed energy from early 2000 to the present. Whereas, both sides maintain strong interest in enhancing economic and strategic ties, the expectations require better management, e.g. trade balance with Vietnam is in India’s favour by factor of five to one – an area of major frustration for the Vietnamese.

Although ‘strategic partnership’ agreement was signed in 2007, there is uncertainty in the Vietnamese mind as to what it actually means? Issues like defence supplies, joint projects and training, although mentioned, have not met expectations. Similarly, there is a nuanced belief that India is taking Vietnamese political support for granted, and frustration that India is not doing more on the economic front.

There is also greater expectation from the military to military relationship. Although much has been achieved, there is more scope in areas such as; English language training, information technology, net-centric warfare and training of Vietnamese Air Force, including maintenance assistance. Notwithstanding the above, there is a certain degree of diffidence on more open relationship with India, owing to extreme sensitivity to China and to some extent constraints of geographical distance.

Conclusion

On the whole, the visit was very productive and useful in providing insight into the Vietnamese security thinking and perceptions; and above all – how modern Vietnam is building itself. There were clear signs of both infrastructural development and economic boom dictated by market forces in this socialist economy. An interesting feature was the high degree of literacy and the spirit to excel, backed by strong sense of nationalism.

The IDIR Delegation as also the Vice Minister, National Defence evinced keen interest in continuation of the dialogue on aspects of mutual interest on a regular basis. There was also a proposal for mutual exchange of research scholars on a reciprocal basis. USI Delegation while thanking their Vietnamese hosts for their gracious hospitality and immaculate arrangements extended invitation to the IDIR to send a delegation to USI in 2009 at a mutually convenient date.

***Brigadier Arun Sahgal (Retd)** was till recently Deputy Director (Research) Centre for Strategic Studies and Simultaion at United Service Institution of India.

Journal of the United Service Institution of India, Vol. CXXXIX, No. 575, January-March 2009.