

# **Vietnam's Foreign Policy: Adapting to A Changing World**

**Mr Tran Trong Khanh**

## **Introduction**

I intend to give you a bird-eye's view of our foreign policy in the period of renovation, industrialisation and modernisation. This policy is the synthesis of two decades of adjustments and adaptations to a fast changing international environment, replete with challenges and opportunities.

Vietnam's foreign policy adjustments in the last 20 years are indeed far-reaching. They are carried out simultaneously with unprecedented comprehensive reforms on the domestic front, which we call "Doi Moi" or renovation. The adaptations aim at seizing opportunities and containing or overcoming challenges in order to secure an optimal external environment for national development and security, and contribute to fostering a peaceful and cooperative world.

The changes in our foreign and domestic policies are really drastic. They were made at critical times. Fortunately, the modern Vietnam, now as in the past, has come out with sensible policy choices. Building on the foreign policy foundation laid by Ho Chi Minh, we have made flexible adaptations which reflect the new objectives of national development and the new realities in the international environment.

Our current foreign policy is the combination of continuity and change. Continuity of the policy adopted since our independence in 1945, of which an important lesson is that we must maximise internal strength while striving to make full use of external resources for the sake of national development and security. And change to make our foreign policy a relevant and effective instrument in

---

His Excellency Mr Tran Trong Khanh is the Ambassador of Socialist Republic of Vietnam in India.

Excerpted from the talk delivered at the USI on 7 July 2004.

*Journal of the United Service Institution of India*, Vol. CXXXIV, No. 557, July-September 2004.



furthering our national objectives in a new world – a world to which few countries refuse to adapt and most strive to turn the shifting trends to their advantage.

I will discuss the following:-

- (a) The main factors leading to a fundamental review and adjustment of our foreign policy.
- (b) The process of adaptations.
- (c) The major contours of the current policy.
- (d) Finally, what we plan to do in the years ahead in the field of external relations.

### **Factors Influencing Adaptation**

The process of adaptation began in 1986 when Vietnam was facing a critical turning-point both in its internal and international situation.

Internally, Vietnam was a very poor and underdeveloped country ravaged by decades of war. We made matters worse by pursuing wrong economic policies. No less troublesome was the obsolescence of the old economic model – a highly centralised, bureaucratic and subsidy based economy. As a result, Vietnam became a country which did not really produce. Inflation was about 800 per cent. Hunger, unemployment and social disturbances were rampant. There was no doubt that we were in a deep socioeconomic crisis with dangerous implications for the nation's future.

Against this background, our survival dictated that it was time to change. We decided to carry out a set of comprehensive reforms to get out of the socio-economic crisis and to take the country on the road of development. While we were conscious that internal strength was the decisive factor, we also realised that to have a better economic future requires the attraction of external resources. And to get there, we had to take the initiative in working with others to change our international environment for the better.



Externally, as we embarked on ambitious transformations at home, we saw a fast changing world. It took so much of soul-searching, wisdom and courage for Vietnam to fully grasp the importance of the unfolding changes and to make its choices sensibly. We began by changing old mindsets and applying new paradigms. In our perception, the world in the mid-80s was characterised by the following features and trends:-

(a) The revolution in science and technology developed with accelerated speed, rapidly changing productive forces while accelerating the process of shifting the world economic structures and internationalisation of the economy and social life. Opportunities for development were available to all countries.

(b) *Perestroika* and *Glasnost*, and new thinking in foreign policy were introduced in the erstwhile USSR. In 1985, indications were that under General Secretary Gorbachev, the USSR would reduce its overseas commitments to focus on economic development and would soon seek an end to the Cold War with the United States and move away from confrontation to cooperation with China. The US President Reagan was working to end the Cold War on terms favourable to the West and to roll back Soviet influence. The changes in the relations among those major powers would replace Cold War confrontation with detente and peaceful coexistence when many countries would have to adapt to the emerging realities and would have the opportunity to concentrate on economic development rather than on an arms race to increase their aggregate national power, and to resolve outstanding problems mainly through peaceful means. The end of bipolarity would accelerate the trend of diversification and multilateralisation of international relations and economic power would be the decisive component of national power.

(c) Economic reforms in China and *Perestroika* in the erstwhile USSR showed that the command economy model was now obsolete.

(d) Peace, stability and cooperation for development became a pressing need of the world community. Nations, large or



small, were taking part in growing numbers in the process of regional and international cooperation and economic integration. Increased cooperation meant intensified competition.

(e) Nations heightened their sense of independence and sovereignty, self-reliance and self-resilience, by resisting imposition and intervention from outside.

(f) Countries with differing political systems resorting to mutual cooperation and peaceful co-existence.

(g) The Asia Pacific region became a dynamic economic powerhouse of the world. But our external environment was less than benign. We were victim of a hostile policy of embargo and blockade. Our relations with China could be best described as a prolonged and costly confrontation. Our ties with many South-East Asian countries were strained. But at the same time, the trend towards dialogue was emerging and the possibilities were opened up for turning South-East Asia into a zone of peace, stability and cooperation.

The above characteristics and trends led to strategic appraisals and adjustments in most nations and gave added momentum to the diversification and multilateralisation of international relations. The implications for Vietnam were clear: In order to develop, we had to move to a new economic model. In order to apply the new economic model and to ensure our security, we had to take the initiative in working with others to create better international environment conducive to our development and security. We could only seize the opportunities to focus on national development by taking advantage of the shifting trends. Otherwise, we would end up in a fatal socioeconomic crisis and a more dangerous international setting.

### **The Process of Adaptations**

Vietnam started the process of adaptation in the face of multiple challenges. But the Vietnamese were not pessimists. They had normally done well at critical turning points in their history. In the labyrinth of challenges, they were alert enough in detecting the



approaching opportunities and confident of their capacity to seek a better environment.

The decisions taken by the Vietnamese leadership between 1986 and 1988 on foreign policy marked an extremely important development in renovating our thinking about international issues and international relations. They helped resolve in a timely manner a series of problems about war and peace, about the relationship between economic development, national defence and expanding external relations, and about international obligations, international solidarity and alliance relationship. These decisions led to strategic changes in foreign policy and served as the foundation for renovating Vietnam's diplomatic activities in the new regional and international setting.

In July 1991, Vietnam declared a foreign policy of openness and stated its desire to befriend all countries in the international community, striving for peace, independence and development. In the "Strategy for Socioeconomic Stabilisation and Development up to the Year 2000", Vietnam decided to diversify and multilateralise its external relations, to enter into equitable and mutually beneficial cooperation with all countries, irrespective of political systems and on the basis of peaceful co-existence, to develop relations with the socialist countries and neighbouring states in Indo-China, to develop relations with the rest of South-East Asia, and actively contribute to turning South-East Asia into an area of peace, stability and cooperation, and to expand relations with the developed countries.

Soon afterwards, the world witnessed earthshaking changes. Socialist regimes in Eastern Europe and the USSR collapsed. External hostile forces continued to apply heavy pressure. Vietnam faced increasing challenges but it also discovered new opportunities. The trend toward cooperation, economic integration, diversification and multilateralisation of international relations was gaining momentum, creating favourable conditions for developing and broadening new arrangements in the international community.

In 1992, after the collapse of socialist regimes in Europe, Vietnam decided that while upholding the principle of independence



in foreign policy, it should adapt flexibly in a way suitable to the position, the conditions and circumstances of the country, to the unfolding regional and international situation, and to each and every country having relations with us. Based on this principle, four major guidelines were established for managing our foreign policy and international problems, namely:-

- (a) To protect legitimate national interests.
- (b) To maintain independence and sovereignty while striving to diversify and multilateralise external relations.
- (c) To firmly grasp the two aspects of cooperation and struggle in any relationship.
- (d) To proactively participate in regional cooperation while expanding relations with all countries.

In 1996 Vietnam went further by striving to secure more favourable international conditions for stepping up socio-economic development, industrialisation and modernisation, and by laying out a roadmap for international economic integration.

In 2001, after the successful implementation of the "Strategy for Socioeconomic Stabilisation and Development up to the Year 2000," Vietnam embarked on the second 10 year strategy called the "Strategy for Socioeconomic Development 2001-2010" with the aim of accelerating industrialisation and modernisation. At this point, the process of adjustments came to a climax, giving us a foreign policy that would be stable and would last well into the next decades.

### **Major Contours of the Foreign Policy**

In adapting to the changing world for the past 20 years, Vietnam has pursued an ambitious agenda, drawing an almost new picture of its international relations. The agenda involves the following:-

- (a) To proactively participate in dialogue to find a peaceful solution to the Cambodian issue.



- (b) Open a new chapter in its relations with Cambodia and Laos.
- (c) Normalise and develop relations with China.
- (d) Improve relations with other countries in Southeast Asia and join the Association of South East Asian Nations (ASEAN).
- (e) To foil the policy of embargo and blockade and normalise relations with the United States.
- (f) To renovate relations with Russia, East European countries and traditional friendly countries.
- (g) To improve and strengthen ties with the developed countries.
- (h) To broaden relations with countries in all continents.
- (j) To expand multilateral diplomacy.
- (k) To actively pursue economic diplomacy.
- (l) To proactively participate in international economic integration.

Vietnam's diplomatic activities, especially since 1991, have focused on the following areas:-

- (a) Securing a peaceful and stable environment for national development and security. The broadening and deepening of bilateral relations, especially those with the neighbouring countries and the rest of the Asia-Pacific region, play a critical role in fulfilling this task. Fully aware of this, diplomatic activities focused on settling the Cambodian issue and normalising relations with China. Coupled with this, Vietnam stepped up high-level bilateral diplomacy with the ASEAN countries, proactively participated in ASEAN's activities and joined this grouping in 1995. Following a peaceful solution for the Cambodian issue, the normalisation with China, restoration of ties with international financial institutions, signing a framework



agreement with the European Union, establishment of full diplomatic relations with the United States, consolidation and expansion of relations with traditional friendly countries and other developing and developed countries across the world have enabled Vietnam to put an end to isolation and embargo, create a peaceful and stable environment for national development and security, taking Vietnam to regional and international economic integration. On the other hand, in order to ensure security and stability for the country, Vietnam has proactively participated in solving outstanding problems with neighbouring countries, and the rest of the region. Examples are the signing of a border treaty with Laos; agreement on joint developments of overlapping areas with Malaysia; demarcation of overlapping areas with Thailand; signing with China of the Treaty on Land Border and the Agreement on Demarcation of Waters, Exclusive Economic Zones and Continental Shelves in the Bac Bo (Tonkin) Gulf, and so on. Vietnam's diplomatic activities also contributed to better understanding in areas such as "human rights", "democracy" and "religious freedom". This has contributed towards creating a relatively stable and favourable environment for national security and development.

(b) Making full use of favourable international conditions to contribute to national development and broadening international cooperation. Thanks to the accomplishments of the renovation process and of its foreign policy of openness, multilateralisation and diversification of international relations, Vietnam has defeated the policy of embargo and blockade, enlarged and diversified markets, boosted economic and trade relations with over 170 countries, attracted over \$ 40 billion in Foreign Direct Investments (FDI) from over 60 countries, received \$ 13 billion worth of official development assistance from various governments and billions of dollars in aid from foreign non governmental organisations (NGOs) and the United Nations (UN) agencies. The creation of a peaceful international environment, expansion of cooperation, enlargement of markets, attraction of capital and technology serve national development directly and ensure national security.



(c) Proactive participation in international economic integration. Under the impact of the revolution in science and technology, rapid development of productive forces accelerates globalisation. Every country tries to gain for itself a worthy place in international division of labour, to attract investments, capital, technology and management skills for development, to protect its interests. Fully cognisant of this trend, Vietnam worked out the policy of proactive integration. Right in the early 1990s, Vietnam achieved a breakthrough in its relations with the international financial institutions and in 1995, joined ASEAN Free Trade Area (AFTA). In 1998, Vietnam became a full member of Asia Pacific Economic Cooperation (APEC). Vietnam has signed a bilateral trade agreement with the United States and is negotiating its accession to the World Trade Organisation (WTO), which is important for establishing an environment for trade and economic cooperation with the whole world.

(d) Enhancing Vietnam's status in the international arena. In implementing an independent and sovereign foreign policy of diversification and multilateralisation, Vietnam has established diplomatic relations with 170 countries and for the first time in its history, has normal relations with all major powers and all permanent members of the UN Security Council. In the present international conditions where the process of integration is gaining momentum, multilateral diplomacy plays an important role, contributing to enhancing the nation's international status. Vietnam has become a member of many important international organisations. These connections have consolidated and raised the country's international status, created a flexible posture in international relations conducive to safeguarding national independence, security and development.

(e) Vietnam's diplomacy has contributed to maintaining and consolidating friendly and cooperative relationships with various political parties, progressive organisations struggling for peace, national independence and democracy, thus garnering international support for the cause of national development and security.



### What Next?

20 years ago, it was conventional wisdom in some parts of the world that Vietnam had won the war but lost the peace. This was not without reasons. The process of Vietnam's renovation and adaptation has been relatively successful. Our gross domestic product (GDP) doubles every 10 years. Our people live better with every passing day. Our literacy rate is high. Our poverty percentage is declining. Our country is steadily embarking on the path of accelerated industrialisation and modernisation. Our current international environment is in sharp contrast with what it was twenty years ago and continues to be conducive to development and security.

Vietnam's foreign policy in the period of renovation, industrialisation and modernisation has worked. The synergy of the relationship Vietnam has with its neighbouring countries, with the major world powers, with the international economic and political centres, the combination of diversification and establishing and consolidating relations with reliable partners and strategic markets, have given Vietnam a balanced and solid international posture, creating for it an international environment favourable to the cause of industrialisation and modernisation and national security.

Building on the accomplishments of the recent past, we will continue to pursue an independent foreign policy, pursue diversification and multilateralisation of international relations and proactively take part in international economic integration.

The secret of our success lies in our ability to combine internal strength with the strength of the times. The history of Vietnam tells us that in war and in peace, we normally have to fight or compete with others many times stronger than we are. But it also tells us that Vietnam has not just won the war; it is winning the peace as well.