

U.S.-Vietnam relations and the Indo-Pacific Framework: Recalibrating hedging strategies through deepening cooperation in an emerging region

Nguyen Hong Hanh

International Christian University

[East Asia Security Centre](#)

[东亚安全中心](#)

Peer-reviewed Conference Paper
2019 East Asia Security Symposium and Conference

同行互评会议论文

2019 东亚安全座谈谈论会

<https://easc.scholasticahq.com/>

Published Version July 2020

For information about this paper or the East Asia Security Centre's Peer-reviewed publishing site please contact the Editor-in-Chief [Jonathan H. Ping](#) 想要了解关于论文、或东亚安全座谈讨论会同行互评出版地址的信息，平易

U.S.-Vietnam relations and the Indo-Pacific Framework: Recalibrating hedging strategies through deepening cooperation in an emerging region

Abstract: Since the launch of reform policy ‘Doi Moi’ (Renovation) in 1986, Vietnam has been pursuing a foreign policy that focuses on multilateralization and diversification of its relations with great powers, including the United States of America (U.S.), and a hedging strategy towards China. As a result, U.S.-Vietnam relations have undergone a general transformation with extensive cooperation in trade, diplomacy and security. However, recent changes in the external security environment, such as the reemergence of China as dominant regional power and the U.S.’ Indo-Pacific Strategy response, Vietnam may be required to recalibrate its hedging strategy towards China, in turn leading to changes in relations with the U.S. This paper investigates possible changes in Vietnam-U.S. relations *in* the Indo-Pacific Strategy as it tries to adjust to the intensifying competition between great powers in the region. This paper finds that in the foreseeable future, Vietnam will continue to pursue its hedging strategy towards China with an enhanced focus on soft balancing and more active security cooperation with the U.S.

Keywords: U.S.-Vietnam relations, U.S.-China relations, hedging strategy, soft balancing, security cooperation

U.S.-VIETNAM RELATIONS AND THE INDO-PACIFIC FRAMEWORK: RECALIBRATING HEDGING STRATEGIES THROUGH DEEPENING COOPERATION IN AN EMERGING REGION

Introduction

The re-emergence of China as a dominant regional power has changed the distribution of power in the Indo-Pacific region, creating new dynamics in Chinese relations with the United States of America (U.S.), the Association of Southeast Asian Nations (ASEAN) and its member states, including Vietnam. In the background of a changing security environment, Vietnam's hedging strategy will require recalibration to defend its national interests. This paper argues that within the Indo-Pacific Framework, Vietnam will continue its preferred hedging strategy with some adjustments, being primarily a greater focus on soft balancing and active security cooperation with the U.S. However, as Vietnam still wants to maintain a balance between China and the U.S., it will pursue an institution-building role within the Framework, seeking to shape China's behavior whilst refusing to support any anti-China alliance in the region. This new approach might be considered a new interpretation of Vietnam's 'Three No's' policy,¹ not a departure from it.

During the 1980s, economic mismanagement and diplomatic isolation due to Vietnam's military interference in Cambodia posed an existential threat to the Communist Party of Vietnam (CPV), thus increasing the need for political reform.² The Doi Moi (Renovation) reform was launched at the CPV's 6th National Congress in December 1986, under which Vietnam started to pursue economic reforms and 'diversification and multilateralization' of its foreign relations.³ The transformation of foreign policy direction provided a foundation for Vietnam to integrate into the international community and develop relations with great powers, including the U.S. As a result, U.S.-Vietnam relations have undergone a significant transformation after the normalization of diplomatic relations in 1995. Cooperation was expanded from initially addressing war legacies, to include trade, investment and security. The launch of the U.S.-Vietnam Comprehensive Partnership in 2013 reflected the rapid rapprochement between two former Cold War enemies.⁴ Nevertheless, the successful deepening of U.S.-Vietnam relations in recent years faces significant and increasing hurdles, most notably Vietnam's reluctance to reconfigure Sino-Vietnamese relations.

¹ This policy stipulates that Vietnam will not enter any military alliance, allow foreign military base in its territory or take part in any military action against other country. See Huong Le Thu, "Vietnam's persistent foreign policy dilemma: Caught between self-reliance and proactive integration," *Asia Policy* 14, no. 3 (2018): 126.

² Le Thu, "Vietnam's persistent foreign policy dilemma: Caught between self-reliance and proactive integration," 125.

³ Carlyle Thayer, "The evolution of Vietnamese diplomacy, 1986-2016," in *Vietnam's foreign policy under Doi Moi*, eds. Le Hong Hiep (Singapore: ISEAS Publishing, 2018), 25-27.

⁴ In July 2013, U.S. President Obama and Vietnamese President Truong Tan Sang launched the U.S.-Vietnam Comprehensive Partnership. See U.S. Embassy & Consulate in Vietnam. <https://vn.usembassy.gov/20131216factsheet-us-vietnam-comprehensive-partnership/> (accessed August 2, 2019).

The rise of China as an active regional power, signified by its increasing assertiveness against Vietnam in the South China Sea, has put Sino-Vietnamese relations under stress and caused concerns within the region.⁵ China appears to be intent on reshaping the regional order to better reflect its values and interests through new multilateral institutions.⁶ Across the Pacific, the U.S. also harbors concerns about China's long-term ambitions in Asia, and U.S. perceptions of China have become overtly negative.⁷ To address the security challenges from China, the Obama administration announced the rebalancing strategy, and later the Trump administration announced the Indo-Pacific Strategy, in which the U.S. seeks to strengthen its alliance network in Asia and accelerate security cooperation with new partners, including Vietnam.⁸

Vietnam has been pursuing a hedging strategy towards China since the normalization of bilateral relations in 1991. Vietnam has sought to foster economic ties and diplomatic engagement with China, while at the same time, modernizing its military, creating strategic partnerships with other great powers and integrating into multilateral institutions.⁹ In short, Vietnam has been playing a balancing act between China and the U.S. However, China's rise and the U.S. response via the Indo-Pacific Strategy could derail this balancing act. This paper thus examines the possible adjustments in Vietnam's hedging strategy under the Indo-Pacific Framework and seeks to answer three questions: (1) How may we characterize Vietnam's strategic behavior towards China? (2) How may the convergence and divergence of interests between the U.S. and Vietnam shape bilateral relations? And (3) How does Vietnam's non-alignment principle affect the conceptualization of its role in the Indo-Pacific Framework? In answering these questions, the paper will pursue two hypotheses: First, China's re-emergence as a dominant regional power compelled Vietnam to focus more on soft balancing and active security cooperation with the U.S. Second, how Vietnam balances itself between China and the U.S. will define its role in the Indo-Pacific Framework. Vietnam's hedging strategy is the dependent variable, while the independent variable is China's re-emergence as a dominant regional power.

The methodology of the paper uses a qualitative approach, analyzing and synthesizing books, research papers, news articles, historical accounts, and government documents. Unstructured interviews with Vietnamese and Chinese scholars provided a second source of information and assessment. Nevertheless, the paper still contains several limitations. Due to language differences during interviews, slight nuances in interviewees' perspectives might have been

⁵ Examples for tensions in Sino-Vietnamese relations are confrontations over a Chinese oil rig in Vietnam's claimed EEZ in 2014 and at Vanguard Bank in 2019 over Chinese survey ship.

⁶ Examples are the Asian Infrastructure Investment Bank (AIIB) and the Belt and Road Initiative (BRI).

⁷ Evan S. Medeiros, "Strategic hedging and the future of Asia-Pacific Stability," *Washington Quarterly* 29, no.1 (2005): 147. David Shambaugh, *China's future* (Cambridge, United Kingdom: Polity Press, 2016), 149-150.

⁸ The White House. <https://obamawhitehouse.archives.gov/the-press-office/2015/11/16/fact-sheet-advancing-rebalance-asia-and-pacific> (accessed July 15, 2019). U.S. Department of Defense. <https://www.defense.gov/Newsroom/Releases/Release/Article/1863396/dod-releases-indo-pacific-strategy-report/> (accessed June 2, 2019).

⁹ Le Hong Hiep, "Vietnam's hedging strategy against China since normalization," *Contemporary Southeast Asia* 35, no.3 (2013): 344.

lost in translation. Several scholars and experts who were interviewed work for the Vietnamese and Chinese governments, so their views might reflect official rhetoric of the state and the Communist parties, and they might be reluctant to offer criticism of their countries' foreign policy. Finally, due to limitations in data collection, data might be insufficient, and the conclusion might not reflect the perspectives of all parties.

The first section of this paper discusses academic literature on two balance of power strategies, namely soft balancing and hedging. The second section makes the case for a recalibration of Vietnam's hedging strategy, arguing that while hedging is still the preferred option, Vietnam will supplement it with a greater focus on soft balancing and active security cooperation with the U.S. The third section explores a new direction for Vietnam's foreign policy – an institution-building role in the Indo-Pacific Strategy. The conclusion summarizes the findings of the paper.

Theoretical Framework

Balance of power theory considers the competition for power between states within an anarchic system and finds that this is the natural situation in international relations. It thus offers strategies for states to deal with the relative changes in the power of states, particularly rising powers, and includes balancing strategy.¹⁰ A state may balance to prevent a potential aggressor from upsetting the existing balance of power, such as creating defensive alliances with other like-minded states (external balancing) and mobilizing its resources (internal balancing).¹¹ If the rising state represents an immediate security threat, states might resort to hard balancing to forestall the threatening state from upsetting the balance of power, which implies an intense, zero-sum rivalry.¹² Hard balancing ranges from maintaining an open military alliance to strengthening military capabilities.¹³ In contrast, soft balancing is defined as “a non-military strategy aimed to neutralize a rising power.”¹⁴ If the rising state is not a security challenge, other states might employ soft balancing to indirectly confront the threatening state, but to “delay, complicate or increase” the costs of aggression for the threatening state.¹⁵

Another strategy to deal with a rising state is hedging. While both hedging and soft balancing are not explicitly military in form and consider the rising state a potential threat in the future, hedging addresses a wider range of strategies and has stronger links to the systemic

¹⁰ T.V. Paul, James, J. Wirtz & Michel Fortmann, M. (Eds), *Balance of power: Theory and practice in the 21st century* (California: Stanford University Press, 2004), 12.

¹¹ John Mearsheimer, *The tragedy of great power politics* (New York, NY: W.W. Norton & Company, 2011), 156-157.

¹² Paul, *Balance of power: Theory and practice in the 21st century*, 13.

¹³ Paul, *Balance of power: Theory and practice in the 21st century*, 13.

¹⁴ Paul, *Balance of power: Theory and practice in the 21st century*, 14. Ilai S. Saltzman, “Soft Balancing as Foreign Policy: Assessing American Strategy toward Japan in the Interwar Period,” *Foreign Policy Analysis* 8, no. 2 (2012): 132.

¹⁵ Robert A. Pape, “Soft balancing against the United States,” *International Security* 30, no. 1 (2005): 17.

structure.¹⁶ Defined as a mixture of engagement and balancing to cultivate a middle position for states, hedging is an ideal option if states do not want to choose sides and straightforward strategies, such as balancing or bandwagoning.¹⁷ Kuik expanded the definition by characterizing it as an insurance-seeking behavior in a situation of high-risk or high-uncertainty by pursuing contradictory and mutually counteracting policies to offset potential risks of one another and to keep a fallback position.¹⁸ These policies are ‘returns-maximizing’, in which weaker states try to acquire as many benefits as possible from great powers when relations are cordial; and ‘risk-contingency’, in which states seek to off-set risks (such as betting-on-the-wrong-horse, abandonment or entrapment) in worst-case scenarios.¹⁹ The main focus of hedging is seeking insurance for their strategies by creating an alternative plan in case one strategy fails.

Recalibration of Vietnam’s Hedging Strategy

China’s re-emergence as a dominant regional power has sharpened Vietnam’s threat perception and has compelled Vietnam to recalibrate its hedging strategy. In particular, this recalibration has resulted in a greater focus on soft balancing and active security cooperation with the U.S. At the same time, it is important to note that the hedging strategy is still Vietnam’s preferred option to manage the rise of China. While China’s power position and military behavior, especially in the South China Sea, with its land reclamation and island-building activities, are a growing concern for Vietnam, they have not yet posed an existential threat to Vietnam’s independence, sovereignty, and territorial integrity.

Considering that China is Vietnam’s leading trade partner,²⁰ neither pure balancing nor pure bandwagoning is a realistic option for Vietnam as such strategies could harm its economic interests or increase its reliance on China. Bandwagoning also contains its own problem, as it goes against Vietnam’s non-alignment principle, reflected in its ‘Three No’s’ defense policy. Furthermore, while Sino-U.S. relations have deteriorated sharply since 2018 due to an ongoing trade war and other issues, both countries are not taking any direct military action against each other nor threatening to do so. ASEAN, the battleground of Sino-U.S. strategic

¹⁶ Considering the case of second-tier powers dealing with U.S. primacy in the post-Cold War era, while Paul and Saltzman identified their strategic behavior as soft balancing as they did not engage in significant external or internal balancing against the U.S., Tessman and Wolfe argued that many of these behaviors were the result of normal diplomatic frictions, not exactly balancing in nature, even though they ran counter to U.S. interests. See Brock Tessman & Wojtek Wolfe, “Great powers and strategic hedging: The case of Chinese energy security strategy,” *International Studies Review* 13, no. 2 (2011): 217-219.

¹⁷ Medeiros, “Strategic hedging and the future of Asia-Pacific Stability,” 145. Evelyn Goh, *Meeting the China challenge: The U.S. in Southeast Asian regional security strategies* (Washington, D.C.: East-West Center: 2005), 2.

¹⁸ Kuik Cheng-Chwee, “The essence of hedging: Malaysia and Singapore’s response to a rising China,” *Contemporary Southeast Asia* 30, no. 2 (2008): 163. Kuik Cheng-Chwee, “How Do Weaker States Hedge? Unpacking ASEAN states’ alignment behavior towards China,” *Journal of Contemporary China* 25, no. 100 (2016): 504.

¹⁹ Kuik, “How Do Weaker States Hedge? Unpacking ASEAN states’ alignment behavior towards China,” 504-505.

²⁰ Ministry of Industry and Trade of the Socialist Republic of Vietnam. <https://moit.gov.vn/tin-chi-tiet/-/chi-tiet/cong-bo-bao-cau-xuat-nhap-khau-viet-nam-2018-14849-16.html> (accessed July 26, 2019).

competition, is not divided along the ideological fault lines like during the Cold War. Similar to Vietnam, most ASEAN member states pursue the hedging strategy to maintain a balance between China and the U.S.²¹ Finally, uncertainty of the U.S.' commitment in Asia is still lingering in Southeast Asia.²² President Trump's 'America First' policy and his decision to withdraw the U.S. from the Trans-Pacific Partnership exacerbated ASEAN's concern of an U.S. withdrawal from the region.²³

The perception towards China's rise depends on various factors such as the state's capacity to counter China, geographical position, historical experiences, economic interests, domestic politics, and also the political elite's ruling foundation.²⁴ These perceptions affect strategic directions. As hedging strategy runs the gamut from risk minimization to gains maximization, it would allow states to pursue different approaches.²⁵ For Vietnam, geographical proximity, historical enmity, territorial disputes in the South China Sea and anti-Chinese sentiment are powerful incentives for political elites to pursue a balancing strategy. As China's influence and power increases, along with its assertiveness in the South China Sea disputes, these factors will exert more pressure on the political leadership. However, when considering other factors, such as extensive economic ties with China, limited capacity to constrain China, and its geographical position, Vietnamese political elites might be compelled to accommodate China's rise. Based on these assessments, hedging strategy would be the best option to maximize gains and prevent risks concurrently.

Vietnam has also recalibrated its strategy by focusing on soft balancing and active security cooperation with the U.S. Conditions for soft balancing still exist in Vietnam.²⁶ First, China's power position and military behavior have not yet posed an existential threat to Vietnam's independence, sovereignty, and territorial integrity. Second, close economic ties with China have prevented Vietnam from pursuing a more confrontational approach. Finally, ASEAN states also employ hedging strategy vis-à-vis China and do not directly challenge China with military means.²⁷

²¹ Goh, *Meeting the China challenge: The U.S. in Southeast Asian regional security strategies*, 2. Dennis Roy, "Southeast Asia and China: Balancing or bandwagoning?" *Contemporary Southeast Asia* 27, no. 2 (2005): 310.

²² Evelyn Goh, "Southeast Asian responses to China's rises: Managing the "elephant" in *The rise of China and International Security: America and Asia Respond*, eds. Kevin J. Cooney and Yoichiro Sato (New York, NY: Routledge, 2008).

²³ ASEAN concerns about U.S. presence in the region were reflected in The state of Southeast Asia: 2019 Survey Report by ISEAS – Yusof Ishak Institute, especially in questions 14, 15 and 16. See ISEAS Yusof Ishak Institute. https://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2019.pdf (accessed February 14, 2019).

²⁴ Derek McDougall, "Response to "rising China" in the East Asian region: soft balancing with accommodation," *Journal of Contemporary China* 21, no. 73 (2012): 4. Kuik, "The essence of hedging: Malaysia and Singapore's response to a rising China," 161-162.

²⁵ McDougall, "Response to "rising China" in the East Asian region: soft balancing with accommodation," 17.

²⁶ T. V. Paul identified three conditions: (1) Dominant state does not represent an existential threat to small states yet; (2) dominant state provides economic and security public goods, and there is no alternative; (3) other states are not directly challenging dominant states using military means. See T.V. Paul, "Soft balancing in the age of U.S. primacy," *International Security* 30, no. 1 (2005): 59.

²⁷ Goh, *Meeting the China challenge: The U.S. in Southeast Asian regional security strategies*, 2. Roy, "Southeast Asia and China: Balancing or bandwagoning?" 310.

Maintaining the equilibrium between proactive integration and self-reliance in foreign policy also pushes Vietnam towards soft balancing. While proactive integration has been the primary driver in Vietnam's economy and diplomacy since Doi Moi,²⁸ self-reliance remains dominant in its political and security strategy.²⁹ Nevertheless, new challenges from the South China Sea dispute due to China's rise, weakening regional diplomacy, and the U.S. possible withdrawal from Asia, mean that maintaining self-reliance is no longer sufficient.³⁰ Moreover, closer economic and diplomatic ties with China contain risks of overreliance and being subjected to pressure from China, and these risks will only become more severe as China's power and influence grow, thus derailing the hedging strategy. As a result, Vietnam needs to balance its hedging strategy by progressing soft balancing and hard balancing to offset risks. Vietnam's limited budget drastically constrains its ability to hard balance, thus soft balancing is consequently the only viable option for Vietnam.

Institution-Building in the Indo-Pacific Framework

As Vietnam recalibrates its hedging strategy, its ultimate goal is still finding the Goldilocks position between China and the U.S. In the context of the Indo-Pacific Framework, this goal means Vietnam will actively participate in the Framework, utilizing it as a useful tool to uphold a regional rules-based order and shape China's behavior, but it will not support an anti-China alliance in the region. In this regard, Vietnam's interest in the Indo-Pacific Framework is consistent with Japan and India's approaches, as both countries support an open and inclusive rules-based order³¹.

The Indo-Pacific Framework could provide a new direction for Vietnam's foreign policy in the background of a changing regional security environment. Previously, Vietnam relied on three approaches to manage the South China Sea disputes: (1) utilizing high-level party, state and military visits, along with various agreements, to codify its relations with China; (2) promoting regional multilateral institutions (such as ASEAN and ASEAN-centered institutions) to enmesh China in a web of cooperative relations, thus shaping its behavior; and (3) strengthening its defense capabilities.³² However, the 2014 confrontation, when China deployed a deep-water oil rig (HYSY-981) in Vietnam's claimed EEZ, plunged bilateral relations to the lowest level and led to anti-China protests in Vietnam. Bilateral mechanisms did not work well as expected, as visits by Vietnamese and Chinese senior officials could not

²⁸ Doi Moi refers to the reform launched in 1986 with the aim of transforming Vietnam's centrally-planning economy to a market-based one. See Le Hong Hiep, "Performance-based legitimacy: The case of the Communist Party of Vietnam and Doi Moi," *Contemporary Southeast Asia* 34, no. 2 (2012): 146.

²⁹ Le Thu, "Vietnam's persistent foreign policy dilemma: Caught between self-reliance and proactive integration," 133.

³⁰ Le Thu, "Vietnam's persistent foreign policy dilemma: Caught between self-reliance and proactive integration," 136.

³¹ See Ministry of Foreign Affairs of Japan. https://www.mofa.go.jp/policy/page25e_000278.html (accessed July 15, 2019). Ministry of External Affairs of India (2018). <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018> (accessed July 15, 2019).

³² Carlyle A. Thayer, "Tyranny of geography: Vietnam's strategies to constrain China in the South China Sea," *Contemporary Southeast Asia* 33, no. 3 (2011): 363-364.

diffuse tensions.³³ ASEAN has become weaker and more divided in the face of Chinese power and influence in the region, thus rendering it ineffective in binding China and shaping its behavior. ASEAN's failure in 2012 and 2016 to advance a united stance on the South China Sea issue is a prime example.³⁴ Moreover, while Vietnam's military modernization brought some positive results, it is restricted by limited funding and outmatched by China's own efforts.

Shortcomings from the old approach compels Vietnam to pursue a new direction in foreign policy. At the bilateral level, Vietnam will enhance its strategic and comprehensive partnerships with major powers. In particular, Vietnam has actively sought deeper security cooperation with the U.S., Japan, India, and Australia, yet the substance of security cooperation is still kept under the threshold of formal military alliances in order not to alarm China. Deepening ties with major powers allows Vietnam to improve its diplomatic status, facilitate its economic development, strengthen its military capabilities, and defend its interests in the South China Sea.³⁵ At the international level, Vietnam will actively participate in new regional institutions, such as Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), and the EU-Vietnam Free Trade Agreement (EVFTA). In the case of the Indo-Pacific Framework, ASEAN might become a platform for Vietnam to participate in the Framework.³⁶ As ASEAN has become weaker vis-à-vis China, these institutions help Vietnam diversify its economy, elevate its diplomatic status and mobilize support for the South China Sea disputes. Nevertheless, Vietnam's objectives within the Framework is to uphold a regional rules-based order and promote a regional security architecture that is not dominated by a single power.³⁷ On the other hand, ASEAN's strategic thinking, in which ASEAN seeks to shape a regional order with the U.S. as the preponderant power, China as the regional power, and political activism by the middle powers,³⁸ is also an inducement for Vietnam to balance between China and the U.S. The ASEAN Outlook on the Indo-Pacific reiterated this stance as it stressed ASEAN's preference of an open, inclusive, rules-based order.³⁹ As a result, Vietnam would prefer the Indo-Pacific Framework to keep an open door for cooperation with China, with the goal of shaping China's behavior and managing its rise.

³³ Chinese State Councilor Yang Jiechi's comment during his visit to Vietnam revealed the distance in both countries' stance on the incident. See Ho Binh Minh & Ben Blanchard, "China scolds Vietnam for 'hyping' South China Sea oil rig row," Reuters, June 18, 2014, <https://www.reuters.com/article/us-china-vietnam/china-scolds-vietnam-for-hyping-south-china-sea-oil-rig-row-idUSKBN0ET0AC20140618> (accessed 20 July, 2019).

³⁴ Huong Le Thu, "China's dual strategy of coercion and inducement towards ASEAN," *The Pacific Review* 32, no. 1 (2019): 28.

³⁵ Le, "Vietnam's hedging strategy against China since normalization," 357.

³⁶ As Vietnamese government has not made any public statement on the strategy, ASEAN Outlook on the Indo-Pacific could be a way for Vietnam to participate in the Framework. ASEAN's perspective on the Indo-Pacific, which focused on strengthening ASEAN Centrality, openness, inclusiveness and rules-based order, is also compatible with Vietnam's interests. See ASEAN, <https://asean.org/asean-outlook-indo-pacific/> (accessed August 15, 2019).

³⁷ Le Hong Hiep, "America's Free and Open Indo-Pacific Strategy: A Vietnamese perspective," *ISEAS Yusof Ishak Institute Perspective*, https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2018_43@50.pdf (accessed June 12, 2019).

³⁸ Evelyn Goh, "Great powers and hierarchical order in Southeast Asia: Analyzing regional security strategies," *International Security* 32, no. 3 (2008): 118, 149.

³⁹ ASEAN, <https://asean.org/asean-outlook-indo-pacific/> (accessed August 15, 2019).

In short, an institution-building role in the Indo-Pacific Framework would create safety nets for Vietnam, allowing it to continue its independent foreign policy and maintain equidistance between China and the U.S. Therefore, Vietnam's interest in a regional rules-based order, respecting sovereignty, transparency, and freedom of navigation, is consistent with the perspectives of the major powers of the region, such as the U.S., Japan and India.⁴⁰

Conclusion

The re-emergence of China as a dominant regional power has changed the distribution of power in the Indo-Pacific region. This has created new dynamics in Chinese relations with not only the U.S., but also with ASEAN and its members, including Vietnam. In the background of a changing security environment, Vietnam's hedging strategy will require recalibration to better defend its national interests. Within the Indo-Pacific Framework, Vietnam will continue its preferred hedging strategy with a few adjustments, including a greater focus on soft balancing and active security cooperation with the U.S. However, as Vietnam still wants to maintain a balancing act between China and the U.S., it will pursue an institution-building role within the Framework. Vietnam seeks to shape's China's behavior through a network of cooperative relations and does not support an anti-China bloc in the region.

⁴⁰ U.S. Department of Defense. <https://www.defense.gov/Newsroom/Releases/Release/Article/1863396/dod-releases-indo-pacific-strategy-report/> (accessed June 2, 2019). Ministry of Foreign Affairs of Japan. https://www.mofa.go.jp/policy/page25e_000278.html (accessed July 15, 2019). Ministry of External Affairs of India (2018). <https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+Keynote+Address+at+Shangri+La+Dialogue+June+01+2018> (accessed July 15, 2019).