

Conclusion

This short overview of the results of APEC 2012 and Russia's relationship with the two Asian economic giants—Japan and China—has hinted at wider questions over what exactly is Russia's relationship with this dynamic region based on: regional integration, state-led development, geopolitical influence, or energy security? Which states does Russia prioritise in the region, and what will be the implications of privileging one over the other? And through which institutions should Russia primarily engage with the region—the Shanghai Cooperation Organisation, ASEAN, APEC, TPP, the East-Asia Summit? These questions have not always been convincingly answered by the Putin administration, and they in turn raise awkward questions over the lack of a coherent strategy and even confusion over which institutions and states Russia should orientate towards. This confusion is also being compounded by the uncertain implications of the Russian leadership's current commitment to a parallel, but very different kind of integration project in the form of the Eurasian Union.

APEC 2012 was an impressive declaration that Russia was ready to seriously engage with the Asia-Pacific

region. Yet the summit simultaneously exposed the dilemmas in Russia's Asia-Pacific strategy. Preoccupied by a domestic imperative for developing the Russian Far East, the leadership was caught flat-footed by the sudden prominence of TPP and perhaps the APEC ship has sailed just as Russian political elites had decisively endorsed the format. Russia has struggled to successfully assert itself at the heart of the various political and economic forums in the Asia-Pacific and these challenges are complicated by a number of voices amongst the political and academic elite, who advocate correcting Russia's reliance on a friendly, but increasingly powerful China. If one of the successes of Russian diplomacy has been developing the Sino–Russian relationship to its current level, then maintaining this relationship while developing a new kind of partnership with Japan, as well as other states in the region, will provide a new kind of challenge. The Kremlin's strategy towards the Asia-Pacific—like its development plans for Siberia and the RFE—has become as much dependent on decisions made in Beijing and Tokyo as in Moscow. This makes Russia's increasing engagement with this dynamic, but fractious region both intriguing and inevitable.

About the Author

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ANALYSIS

Russia–Vietnam Strategic Partnership: The Return of the Brotherhood in Arms?

By Vitaly Kozyrev, Massachusetts

Abstract

The recent breakthrough in Russian–Vietnamese relations has been possible due to the new strategic postures of Moscow and Hanoi in a changing regional security environment. Despite the apparent anti-Chinese appeal of this renewed Russo–Vietnamese partnership with a strong military component, Beijing has benefited from Russia's increasing presence in East Asia. This is because a greater role for Moscow provides China with broader opportunities to both reduce US influence and create a more positive and manageable negotiating environment in the region.

The year 2014 marks the 20th anniversary of the *Treaty on Principles of Friendly Relations between the Socialist Republic of Vietnam and the Russian Federation*, which

set the goal of 'reconfiguring' the two nations' bilateral relations in the post-Soviet era. However, it took more than a decade, following the restoration of ties between

the two former communist allies in 1994, to move beyond the sense of uncertainty, stagnation, and aloofness within their relationship. Some efforts to upgrade the relationship were made during the first Russia–Vietnam summit in August 1998 and later during Russian President Vladimir Putin’s first trip to Hanoi in March 2001, when the two parties signed a *Joint Statement for a Strategic Partnership*. This statement called for mutually advantageous cooperation in the face of “new international realities,” and has underpinned the steady, but gradual, evolution of their bilateral relationship in the first decade of the new century.

At the outset of this renewed strategic dialogue between Moscow and Hanoi, there appeared little prospect of a significant revival in Russo–Vietnamese cooperation. In September 2000, Moscow wrote off \$9.53 billion of the \$11.03 billion debt that Vietnam owes Russia, and granted an extension for the payment of the balance until 2016–2022. At the turn of the century, bilateral trade between Moscow and Hanoi reached the lowest level in officially recorded history (\$200 million), accounting for less than one percent of Russia’s foreign trade volume. In May 2002, Moscow terminated a Russo–Vietnamese agreement on a 25-year lease of the Cam Ranh naval base, withdrawing its personnel from Vietnamese territory. In 2005–2006, the future of the Russo–Vietnamese agreement concerning the oil and gas joint venture *Vietsovpetro* beyond its expiration in 2010 seemed to be uncertain, despite the assurances about continued cooperation in oil and gas exploitation voiced by Vietnamese President Nguyen Minh Triet and Vladimir Putin during his second visit to Vietnam in November 2006. Furthermore, around this time, Moscow’s ambitious broader plan to secure its “return” to East Asian politics through accession to the ASEAN-sponsored East Asian Summit was yet to yield any results, and instead seemed to serve as another indicator of Russia’s retreat from the region.

However, in the early years of Dmitry Medvedev’s presidency (2008–12), Russo–Vietnamese relations experienced a remarkable turnaround in fortunes. Hanoi supported Moscow’s bid for WTO membership, recognizing the “market character” of the Russian economy in 2007. The two parties reasserted their shared common viewpoints on many regional and international issues, and Hanoi played a notable role in supporting Russia’s growing presence in the major multilateral security and economic institutions of the region, including both long-established frameworks, such as the Asia-Pacific Economic Cooperation (APEC) and ASEAN Regional Forum (ARF), and newly established mechanisms, such as the Asia-Europe Meeting (ASEM) and the East Asia Summit (EAS), which Russia joined in 2010–11. In December 2009, during his visit to Moscow, the Viet-

namese Prime Minister, Nguyen Tan Dung concluded a US\$2 billion agreement for the purchase of six Russia-made diesel Kilo Class submarines and twelve SU-30MKK fighter jets. In 2010, Moscow and Hanoi agreed to extend their partnership in *Vietsovpetro* through 2030. The bilateral relationship was officially upgraded to the status of a comprehensive strategic partnership in 2012, with reasons cited for this being the high level of political confidence and trust between the two states, robust military cooperation, including Vietnam granting Russia permission to set-up a ship-maintenance base at the port of Cam Ranh Bay, wider cooperation on joint oil and gas exploration in Vietnam’s offshore waters, a growing trade relationship and an increase in mutual investment partnership, including in nuclear power and the joint production of sophisticated technologies, and the prospective accession of Vietnam to the Russia–Belarus–Kazakhstan Customs Union, soon to become the Eurasian Union. At the conclusion of his visit to Hanoi in November 2013, Vladimir Putin referred to Vietnam as “a key partner of Russia in the Asia-Pacific region.”

The Russian–Vietnamese Strategic Partnership: More Than Balancing China

Most observers tend to interpret the renaissance of a Moscow–Hanoi alliance as an attempt to contain a more assertive China. Some key western experts consider every detail of Russo–Vietnamese partnership as pointing to Russia’s new role in the complex security environment of East Asia. Others debate the strategic utility of the Russo–Vietnamese partnership for Washington and its regional allies, while calculating the risks of an accelerated arms race and denial-of-access strategies in the troubled waters of the South China Sea, with its heated territorial disputes. James Holmes of the U.S. Naval War College believes that the logic of access denial could work for Hanoi, but undermines wider stability in Southeast Asia. Stratfor analysts point to the role of a strengthened Vietnam as a balancer against Beijing’s growing influence to Russia’s south. Stephen Blank of the American Foreign Policy Council sees in the deepened Moscow–Hanoi relationships a sign of Moscow’s quiet, but open resistance to Chinese encroachments.

Paradoxically, despite the striking similarity between current developments and those of the Soviet-era, the search for a conventional realist power-balance logic in Russia and Vietnam’s strategic behavior is misleading. On the surface, Vietnam’s unprecedented openness and cooperativeness toward Russia may be considered as part of Hanoi’s grand strategy of engagement with all potential challengers to China’s power in regional affairs, by means of great power balancing. Notably, Vietnam’s efforts to develop closer strategic partnerships with the U.S., Japan,

South Korea and Russia. Likewise, the approach of these major regional actors in developing closer ties with Hanoi may also be interpreted as driven by a hedging strategy against Chinese dominance and as an indicator of Vietnam's new role in the regional strategic equation. Furthermore, Vietnam also attracts the attention of these powers because it is a leading actor in ASEAN, which is indispensable for establishing productive relations with the growing Southeast Asian community.

But it would be an oversimplification to consider Hanoi's Russia policy simply as an attempt to "pull" Russia, along with the other great powers, into the region, in order to internationalize territorial and economic disputes and help manage conflicted relations among other regional players. It is also important to stress that an "engaged" Russia differs substantially from these other major actors developing strategic partnerships with Vietnam, in terms of its potential and functional role. The key difference is that, unlike the U.S. or Japan, Moscow remains very close to China politically, with the Russian–Chinese relationship recently further upgraded in terms of its strategic closeness. Factors such as the collision of interests between Russia and China in Eurasia, Beijing's economic expansion into the post-Soviet space and the perception of "China threat" in Russia do present obstacles on the path to a closer Beijing–Moscow alliance. And, thus, encourage the Kremlin to focus on modernizing the Russian economy and diversifying its foreign economic relations away from overdependence on China. Nevertheless, Beijing and Moscow have, over the course of their cooperation in recent years, reached a tacit agreement, which allows each some room to conduct coordinated activity within the other's zone of vital interests, as long as they show due respect to, and do not cross, one another's well-known red lines. Furthermore, Moscow has made it clear that it would by no means sacrifice its friendly partnership relations with China, in order to reap illusionary gains from the relative weakening of China's position *vis-à-vis* the U.S.

Vietnam as Part of Russia's Asia-Pacific Strategy

To restore its role in the Pacific, Moscow is adopting a policy of strategic diversity towards the region. Its proactive regional strategy includes numerous energy, transportation, trade and investment projects, which involve other major powers in the region. China is an important partner in this regard, but not the only one. This creates a 'puzzling paradox' (Steven Blank), whereby Russia proclaims to have a strong association to, and partnership with, Chinese interests, while at the same time arming China's potential adversaries in Asia and supporting them politically. The Kremlin's continues its positive

dialogue with India, advances a policy of engagement with the ASEAN economies, and fosters economic cooperation with South Korea and Japan. This diversified set of relationships suggests that Russia is willing to play the role of an independent force in the regional environment. In response to the complex and sensitive nature of the numerous contemporary maritime disputes in the region, Moscow's key objective is to follow a policy that keeps these tensions in their present, non-explosive state. Against the background of US–Chinese rivalry, Moscow positions itself as a third force, which refrains from taking sides and serves to weaken polarization between other powers in the region. In Asia, Moscow brings to the table valuable services as a mediator and facilitator in existing disputes and tensions, economic incentives, and a commonly shared idea of connectivity. With regard to promoting regional stability and conflict prevention, there are three areas in which Russia considers itself as a key positive player and able to contribute to: one, the formation of a new comprehensive security architecture, backed by strengthened existing regional institutions and practices; two, the maintenance of some sort of geopolitical balance between the claimants of reefs and islands in the South China Sea, and between the major powers involved in these disputes—China and the U.S.—by means of cooperating with all players in the sphere of hard security; and three, the development of an atmosphere of trust and cooperation in East Asia, underpinned by common interest in economic development, modernization and co-prosperity.

In the area of security cooperation, Moscow has consistently pursued a concept of 'collective leadership', which calls for a multilateral dialogue between the major regional powers and regional organizations, associations, and groupings. As part of its regional collective leadership initiative, Russia has—since September 2010—been formally cooperating with China, in advocating region-wide negotiations to further institutionalize multilateral security mechanisms in the Asia-Pacific, in order to develop an open, inclusive and transparent security architecture in the region, based upon universally agreed principles of international law. Beijing has been surprisingly humble, refraining from any public expression about this collective Chinese–Russian security proposal, and rather emphasizing its own regional leadership. Whereas, Moscow—at annual regional security conventions—has been welcomed by the middle powers in Southeast Asia, and by Vietnam, Indonesia, and Brunei in particular.

In response to the realization of both the importance of its own pacifying/balancing mission and the new role played by hard power projection in East Asia, the Kremlin has taken steps to restore its significant naval capacity in the region. The ambitious program to modernize

the Russian Pacific fleet by 2020 has become a major priority within the Russian leadership's efforts towards defense modernization, with one-fourth of the defense modernization budget (\$678 billion) assigned to building-up the Pacific navy. These plans relate to Moscow's intent to reconstruct its former naval base in Cam Ranh, in cooperation with Hanoi, as a prospective logistics base for Russian naval activities in the area, and as a hub for the Vietnamese submarine fleet. Hence, Vietnam is interested in giving Moscow a foothold for its potential naval presence in the South China Sea area, which will also serve as a bridge for Russia to the broader Asia Pacific community. Another justification for Moscow's hard security engagement in the South China Sea area is centered on Russia's prospective economic projects in the region, including oil and gas exploration, the refinery business, nuclear power generation, and the development of a comprehensive electric power grid across the ASEAN space.

Another missing piece of the puzzle is the fact that, all who count on the use of the "Vietnam card" against China ignore Beijing's own strategy of accommodating Vietnam. Beijing views Hanoi as an important strategic partner of China, and thus considers it important to prevent Vietnam, by all means possible, from being drawn into playing an anti-China game, either accidentally or by design. One may even recall some historical narratives about the joint Sino-Vietnamese struggle against imperialism. The political leaderships of the two nations have developed a framework for consultation and conflict settlement, which includes regular summits with the participation of both Chinese Premier Xi Jinping and his Vietnamese counterpart Li Keqiang. Despite some sharp collisions at sea (fishery bans, crew detention practices, and incidents with seismic exploration vessels) and "legal wars" between Beijing and Hanoi, the two leaderships have demonstrated constraint and common sense, complying with many existing practices of the specific East Asian conflict management context. Important manifestations of Beijing-Hanoi collaboration have been joint naval patrols in the South China

Sea and unprecedented growth in bilateral trade, with the aim of trade hitting a record \$100 billion by 2017. Beijing is also actively engaged in the China-ASEAN dialogue process, hoping to win understanding of China's position from ASEAN and reach an agreement on an updated version of the existing "Code of Conduct" framework in the South China Sea area.

So both Hanoi and Moscow have followed a pragmatic and even opportunistic policy of balancing, trying to prevent the potential preponderance of any superpower in the South China Sea security setting. Indeed, in light of the current Ukrainian conundrum, Moscow's Asia policy is becoming crucial for upholding Russia's great power status. Recent progress in Russo-Vietnamese military cooperation and growing arms supplies to Hanoi may increase Russia's stake in the East Asian balance of power configuration. But in the changing security environment of East Asia, Russia's deeper involvement in regional affairs as a close strategic partner of Vietnam may be regarded by China as a preferable option. This would enable Beijing to maintain its own dialogue with Hanoi in both bilateral and multilateral formats, to utilize its good relationship with Moscow to indirectly influence the pace and scope of Vietnam's naval modernization, and, most importantly, to prevent the formation of a potentially dangerous military and political alliance between Hanoi and Washington. While opposing any attempt to internationalize the South China Sea disputes, China in practice tacitly accepts the increasing involvement of external actors in these situations, including allowing Russia to strengthen its positions in Vietnam and even assist with the military modernization of the latter. This pragmatic course taken by Beijing, which is currently favorable for both Hanoi and Moscow, also provides China with some broader opportunities to settle conflict situations directly with the other regional claimants and, simultaneously, on the great power level, creating a positive and manageable external environment for further negotiations with ASEAN.

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