Appendix Final Version Thesis Political Science Jorn Bok 27780337 (3th)

# Appendix

## Appendix a: data analysis intervening variable leader image

### Data Malaysia:

#### 1st article Malaysia: [Big read] Malaysian Prime Minister Anwar Ibrahim: Maintaining good relations with both China and the U.S. (So, 2024)

More than a year after taking office as Malaysia's prime minister, Anwar Ibrahim has repeatedly stressed that Malaysia will not choose sides amid China-US competition and will continue to uphold its non-alignment stance, slamming the U.S. and other Western countries for idly watching the humanitarian crisis in Gaza intensify.

He also believes that the Association of Southeast Asian Nations (ASEAN) has the duty to encourage major powers in the Asia-Pacific region to behave in a manner conducive to cooperation and economic integration.

Interviewed academics pointed out that if Anwar wants to break new ground in Malaysia's diplomacy, he must first be able to garner the powers' respect for the ASEAN model and ensure that the relationship between major powers and countries in the region promotes peace and stability.

When Malaysia assumes ASEAN's rotating chairmanship in 2025, Anwar must also consider how he can play a role in guiding the bloc to deal with international affairs. However, the extent to which Malaysia can exert its influence through ASEAN largely depends on whether Anwar is able to maintain stable domestic politics.

Malaysia's non-alignment policy and neutrality

After Malaysia gained independence in 1957, Tunku Abdul Rahman, the first prime minister of Malaysia, adopted a pro-Western foreign policy due to the Cold War and the Communist Party of Malaya's armed revolt. But Tun Abdul Razak, Malaysia's second prime minister, changed this practice of choosing sides after taking office in 1970.

A year after taking office as prime minister, Tun Razak advanced the Zone of Peace, Freedom and Neutrality in Southeast Asia and also led Malaysia to join the Non-Aligned Movement. The country established diplomatic relations with China in 1974 and was the [first Southeast Asian country](https://www.thinkchina.sg/qa-malaysias-new-trade-minister-explains-why-china-matters-southeast-asia) to do so.

... the focus of Anwar's foreign policy is threefold: to continue its policy of non-alignment and neutrality while maintaining good relations with both China and the U.S., strengthening bilateral ties in Southeast Asia, and improving relations with the Muslim world. - David Han, Research Fellow, Malaysia Programme, RSIS, NTU

The Petronas Twin Towers (centre) in Malaysia, on 22 March 2024. (Samsul Said/Bloomberg)

After Tun Razak laid the foundation for Malaysia's foreign policy of non-alignment, neutrality and independence for the following decades, Malaysia's third prime minister Tun Hussein Onn, who ruled from 1976 to 1981, maintained the same stance.

Although Malaysia's fourth prime minister Mahathir Mohamad, who first took office in 1981 and ruled for 22 years, had occasionally hit out at the West, he is still considered to have maintained Tun Razak's foreign policy of non-alignment and neutrality.

After Malaysia's fifth prime minister Abdullah Ahmad Badawi took office in October 2003, Malaysia and China reached an agreement to enhance cooperation in strategic areas the following year. Malaysia's sixth prime minister Najib Razak established a comprehensive strategic partnership with China in 2013 and a comprehensive partnership with the U.S. the following year, striking a balance between China and the U.S..

After Najib lost the elections in May 2018, the subsequent prime ministers - Mahathir, Muhyiddin Yassin and Ismail Sabri Yaakob - were each in office for less than two years. During this period, Malaysia came under the spotlight for its frequent regime changes, instead of its diplomatic achievements.

"... Anwar's stance of pursuing robust relations with both China and the U.S. is to allow Malaysia to gain benefits from both powers that would be in Malaysia's national interests, while avoiding the risk of becoming beholden to either China or the U.S.." - Han

After Anwar took office in November 2022, his pro-Western image prior to taking office led some academics to worry that he may lead Malaysia closer to the U.S. and affect the country's relations with China. However, this did not happen.

David Han, an expert on Malaysia's foreign policy, told Lianhe Zaobao that the focus of Anwar's foreign policy is threefold: to continue its policy of non-alignment and neutrality while maintaining good relations with both China and the U.S., strengthening bilateral ties in Southeast Asia, and improving relations with the Muslim world.

A research fellow with the Malaysia Programme at Nanyang Technological University (NTU)'s S. Rajaratnam School of International Studies (RSIS), Han said, "I think Anwar's foreign policy towards China and the U.S. has been to maintain Malaysia's longstanding posture of non-alignment and neutrality when it comes to relations with all powers. Thus, Malaysia has been seeking to cultivate friendly relations with all powers without becoming an enemy of any powers.

"It is through such non-alignment and neutrality that avoid choosing sides that Malaysia can exercise an independent foreign policy that is not beholden to any powers. From this logic then, Anwar's stance of pursuing robust relations with both China and the U.S. is to allow Malaysia to gain benefits from both powers that would be in Malaysia's national interests, while avoiding the risk of becoming beholden to either China or the U.S.."

Slamming Western countries' China policy

Anwar also took the opportunity to criticise the China policy of Western countries during his recent trip to Australia. At a joint press conference with Australian Prime Minister Anthony Albanese on 4 March, Anwar stressed that Malaysia is an independent nation and does not want to be dictated by any force. He said that if the U.S. and Australia "have problems with China", they "should not preclude us from being friendly to one of our important neighbours, precisely China".

"... recently there is a report showing that the tension between Beijing and Washington over access to technology has prompted many companies to open factories in Southeast Asia, and Malaysia stands to gain huge benefits from this." - Mohd Faizal bin Musa, Visiting Fellow, Malaysia Studies Programme, ISEAS

Australia's Prime Minister Anthony Albanese (right) greets Malaysia's Prime Minister Anwar Ibrahim at the 50th ASEAN-Australia Special Summit in Melbourne on 5 March 2024. (William West/AFP)

Anwar added that Malaysia must maintain good relations with China, its largest trading partner. Last year, China continued to be Malaysia's largest trading partner for 15 consecutive years, with bilateral trade reaching RM450.84 billion (approximately US$95 billion) in 2023.

Mohd Faizal bin Musa, an academic who has been studying Malaysia's diplomacy for a long time, told Lianhe Zaobao that historical and political factors contribute to Malaysia's strong relationship with China. As this year also marks the 50th anniversary of the establishment of diplomatic relations between Malaysia and China, both countries are expected to further deepen bilateral ties. This could also be a new diplomatic direction that Anwar could open up for Malaysia.

A visiting fellow with the Malaysia Studies Programme at the ISEAS - Yusof Ishak Institute (ISEAS), Mohd Faizal said, "With China rising as an economic superpower, I trust Malaysia will not take sides at all and continue to make good engagements with both sides. In fact, recently there is a report showing that the tension between Beijing and Washington over access to technology has prompted many companies to open factories in Southeast Asia, and Malaysia stands to gain huge benefits from this."

Wan Rohila Ganti binti Wan Abdul Ghapar, senior lecturer of the Faculty of Law and International Relations at Universiti Sultan Zainal Abidin in Terengganu, pointed out to Lianhe Zaobao that Malaysia is one of the founders of the Non-Aligned Movement, which emerged in the backdrop of the Cold War, and clearly stands on neutrality and not siding any superpowers.

People visit the Bund promenade along the Huangpu river in Shanghai, China, on 6 March 2024. (Hector Retamal/AFP)

She said that both China and the U.S. are important to Malaysia's trade and security, and that it would not be wise for Anwar to choose only one of them; only by being neutral between the two can the country enjoy the biggest benefit.

She thinks that not choosing sides should not only apply to the complicated relationship with China and the U.S., but also when handling Malaysia's relationship with other Asia-Pacific countries.

Wan Rohila Ganti believes that if Anwar wants to carve out a new diplomatic landscape, his main concern would be to urge these regional powers to play an international brotherhood role to strengthen regional peace and security. "Playing with superpowers, a small country like Malaysia requires the art of diplomacy and negotiation," she noted.

Balancing competition and promoting regional integration

Malaysia is one of the founding countries of ASEAN and also a very active member of the association. When Malaysia assumes ASEAN's rotating chairmanship next year, all eyes will be on how it will balance competition among major powers in the region and promote regional integration.

During his speech at the Australian National University on 7 March, Anwar indicated that as ASEAN chair in 2025, Malaysia will attempt to breathe new life into ASEAN-led forums as well as to achieve something of consequence.

Anwar stated that Malaysia would attempt to breathe new life into ASEAN-led forums such as the East Asia Summit, the ASEAN Regional Forum and the ADMM Plus, adding that "without [ASEAN], the region will be principally dictated by the calculations and designs of the major powers, unfettered by the need to account for a more diverse range of interests and viewpoints."

(Left to right) ASEAN leaders including Malaysia's Prime Minister Anwar Ibrahim (fifth from left), East Timor's Prime Minister Xanana Gusmao (first from right) and Australia's Prime Minister Anthony Albanese (sixth from left) pose for a family photo during the 50th ASEAN-Australia Special Summit in Melbourne on 5 March 2024. (William West/AFP)

Han opined that ASEAN has always been a cornerstone of Malaysia's foreign policy, and its longstanding position has been to work with other ASEAN member states to engage all powers through constructive diplomacy via ASEAN to manage relevant issues such as the South China Sea disputes and Myanmar crisis.

He added, "As Malaysia takes on the ASEAN chairmanship in 2025, this may enhance Malaysia's voice in promoting better cooperation between ASEAN member states and China and the U.S. in coping with pertinent challenges such as the South China Sea disputes."

In his speech during the 43rd ASEAN Summit plenary session on 5 September 2023, Anwar stated, "ASEAN has a unique opportunity through its plus platforms to bring together the competing parties to remind them of the need to prioritise dialogue and cooperation, to promote healthy competition, and to ensure what they bring into their relations with ASEAN would help maintain peace, stability and prosperity in this region."

... both the U.S. and China would inevitably put pressure on the country chairing ASEAN, in particular Malaysia when it assumes chairmanship, on the South China Sea issue. - Wan Rohila Ganti binti Wan Abdul Ghapar, Senior Lecturer, Faculty of Law and International Relations, Universiti Sultan Zainal Abidin

Han analysed, "Given Malaysia's longstanding stance of non-alignment and neutrality, Malaysia does not want the Southeast Asian region to be torn apart by major power rivalry. Also, by enhancing regional cooperation and economic integration, this would promote international trade and economic cooperation in the region, both of which are important for Malaysia's economic growth."

Mohd Faizal concurred that neutrality is the "best position" that ASEAN can take, adding, "In the heightening and possibility of any conflict between US and China, our region will be in the centre of unwanted situations. Thus, it is better to be friends with all parties and play the role of mediator."

Besides China-US competition, ASEAN currently also faces thorny issues such as the South China Sea dispute and the Myanmar crisis.

Wan Rohila Ganti pointed out that both the U.S. and China would inevitably put pressure on the country chairing ASEAN, in particular Malaysia when it assumes chairmanship, on the South China Sea issue. She added that this is a challenge that Malaysia's leader would have to face and that "only a wise leader" would be able to handle all of this.

German Chancellor Olaf Scholz (left) and Malaysian Prime Minister Anwar Ibrahim review a military honour guard during an official welcoming ceremony prior to talks at the Chancellery in Berlin on 11 March 2024. (Tobias Schwarz/AFP)

On the Myanmar issue, though ASEAN adheres to the principle of non-interference in domestic politics and to seeking common grounds in spite of differences, Wan Rohila Ganti believes that Malaysia could try to push ASEAN to step up in handling this issue.

The continued political unrest in Myanmar has led to many people fleeing to neighbouring countries. According to official estimates, around 200,000 refugees from Myanmar have escaped to Malaysia to date.

Revising ASEAN's principle of non-interference

The core principle of non-interference was enshrined during the establishment of ASEAN. However, Anwar has openly stated a desire to take steps to revise this principle, so as to deal with regional issues more flexibly.

In an interview with Indonesia's Tempo on 9 May last year, Anwar reasoned that ASEAN's non-intervention principle can be seen as a barrier to solving the crisis in conflict-stricken Myanmar. He believes that the Southeast Asian bloc needs to adjust its approach as the impact of the conflict affects countries in the region.

In a videotaped remark he posted on X (formerly Twitter), Anwar said, "We will have to then have a new vision that would give us some flexibility in order to navigate and manoeuvre the way forward."

Anwar stated that he still supports the principle of non-interference and prefers adopting a firmer approach against the Myanmar military junta, but he does not advocate entirely cutting off communication with them.

Speaking out for Palestine

Since the outbreak of conflict between Israel and Hamas in October 2023, the Anwar government has been wholly pro-Palestine. This has stirred dissatisfaction from Western countries, but Anwar has remained firm.

Shoppers walk towards a shopping center in Kuala Lumpur, Malaysia, on 22 March 2024. (Samsul Said/Bloomberg)

During a joint press conference on 11 March in Berlin following a meeting with German Chancellor Olaf Scholz, Anwar stressed that Malaysia has political ties but not military connections with Hamas. Malaysia's ties with Hamas can play a role when the need arises, such as in resolving the hostage issue.

He emphasised that each country should understand the fundamental cause of the problem that triggered the conflict, which is the decades of "atrocities, plunder and dispossession of Palestinians" by Israel.

Anwar stressed, "What I reject strongly is this narrative, this obsession, as if the entire problem begins and ends with the 7th of October [attack by Hamas last year]."

Wan Rohila Ganti opined that Malaysia's championing of Palestine has long been its foreign policy since the conflict erupted, adding, "Prime ministers have changed, but the consistency over this issue remains."

"Since Malaysia's foreign policy is highly consistent and institutionalised, his [Anwar's] approach to foreign affairs will be like that of his predecessors but with his characteristic energy and self-confidence." - Han

Revitalising Malaysia's influence in the Islamic world

She pointed out that Anwar has continued to support Palestine and humanitarian issues, which is why he is able to be more vocal and eloquent on an international stage. She added that Anwar wants to be seen as an emerging Muslim leader as Muslim communities start to lose hope in Arab countries and other Muslim leaders, in order to win back the influence in the Islamic world that Malaysia previously held.

Wan Rohila Ganti believes that Anwar's actions could also be seen as seeking to regain the Malay-Muslim support that he is slowly losing, as the Malay community would generally applaud Anwar for speaking out for the Palestinians.

German Chancellor Olaf Scholz (right) and Malaysian Prime Minister Anwar Ibrahim address a press conference following talks at the Chancellery in Berlin on 11 March 2024. (Tobias Schwarz/AFP)

Since Anwar was sworn in as prime minister, he has been constantly criticised by opponents for not winning over the majority of support from the Malays. Recent incidents such as enforcing that all school canteens remain open during Ramadan as well as the sale of socks with the word "Allah" printed on them at a supermarket, among others, have further impacted the Anwar government's support from the Muslims - which was not strong to begin with.

Han stated that Anwar's posturing on Palestine is largely a strategy to help him win over Malay voters, and this is also consistent with and based on Malaysia's longstanding pro-Palestinian position.

He added, "A show of support for the Palestinian cause in the ongoing conflict in Gaza is likely to enhance the legitimacy of the Anwar government among Malay-Muslim constituents in Malaysia."

As for the Anwar administration's diplomatic approach going forward, Han felt that the unity government's foreign policy will be largely shaped by Anwar himself. He said, "Since Malaysia's foreign policy is highly consistent and institutionalised, his approach to foreign affairs will be like that of his predecessors but with his characteristic energy and self-confidence."

Han opined that Anwar aspires to restore Malaysia's reputation for advocacy on international issues and proactive diplomacy in regional affairs. However, he added, "Anwar needs domestic political stability to score in foreign policy."

In other words, once there are signs of political strife in Malaysia - as was the case from 2020 to 2022 - no matter how ambitious Anwar is when it comes to diplomacy, he would not be able to follow through with implementation if he is bogged down by domestic concerns.

#### 2nd article Malaysia: U.S. relations with Malaysia: Bilateral relations fact sheet(Bureau of East Asian and Pacific Affairs, 2022).

BILATERAL RELATIONS FACT SHEET

[BUREAU OF EAST ASIAN AND PACIFIC AFFAIRS](https://www.state.gov/bureaus-offices/under-secretary-for-political-affairs/bureau-of-east-asian-and-pacific-affairs/)

APRIL 19, 2022

U.S.-MALAYSIA RELATIONS

The United States has had a consular or commercial presence in the area comprising modernday Malaysia since the 1800s and, in 1957, established official diplomatic relations with

Malaysia. The United States and Malaysia elevated the bilateral relationship to a Comprehensive Partnership in April 2014.

Today, the United States and Malaysia share a diverse and expanding partnership in trade, investment, security, environmental cooperation, and educational and cultural relations.

Malaysia is a diverse democracy and is an important partner in U.S. engagement with Southeast Asia. The countries cooperate closely on security matters, including counterterrorism, maritime domain awareness, and regional stability, and participate frequently in bilateral and multilateral training, exercises, and visits. Economic ties are robust, and there is a long history of people-to-people exchanges.

U.S. Assistance to Malaysia

U.S. assistance to Malaysia focuses on education, professional exchanges, combatting trafficking in persons, human rights, non-proliferation, security cooperation,

counterterrorism, countering violent extremism, and enhancing transparency, accountability, and responsiveness of government. English language capacity building continues through placement of English Language Fellows within faculties of local universities and the English Access Microscholarship Program, an in-country program targeting underprivileged communities. Additional exchange programs, such as the International Visitor Leadership Program (IVLP) and the Young Southeast Asian Leaders Initiative (YSEALI), help empower emerging voices in government, civil society, and business. There are more than 4,600 alumni of Department of State-sponsored exchange programs in Malaysia. Many of these alumni are leaders in Malaysia’s government, serving in the cabinet, parliament, and academia, including a recent Prime Minister and Ministers of Finance, Transportation, and Foreign Affairs.

U.S. security cooperation and training builds capabilities of Malaysia’s armed forces and maritime law enforcement agencies, boosting Malaysia’s ability to protect its sovereignty and take on an expanded international role. Assistance to Malaysia’s counterterrorism efforts focuses on information sharing and capacity building programs for law enforcement and judicial authorities, and support to improve immigration security and border controls. The United States also partners with the Malaysian government and civil society organizations on programs and initiatives to counter the spread of violent extremism ideology. Nonproliferation assistance aims at enhancing Malaysia’s ability to enforce its export control laws to interdict shipments and trans-shipments of controlled technology, dual-use commodities, and weapons of mass destruction and related commodities

The United States supports Malaysia’s vulnerable populations through programs to increase a victim-centered approach to trafficking in persons crimes. Support includes awareness campaigns, technical assistance for legal reforms, and capacity building for law enforcement officers to identify victims of trafficking and legal professionals to effectively prosecute perpetrators of trafficking crimes. The United States also supports programs and organizations that uphold freedom of expression, civic engagement and good governance, human rights, religious freedom, and the role of women in the economy and government. In response to the COVID-19 pandemic, the United States has contributed $2.8 million to Malaysia to support vaccination of hard-to-reach and vulnerable communities, in addition to the donation of 1 million safe and effective vaccines, along with COVID-19 test kits, and ambulances.

Bilateral Economic Relations

The United States and Malaysia have a long history of successful engagement under the bilateral Trade and Investment Framework Agreement (TIFA), as well as at the World Trade Organization, with ASEAN, and at the Asia-Pacific Economic Cooperation (APEC) forum.

Bilateral trade in goods with the United States was $71.4 billion in 2021. Malaysia is the United

States’ 17th largest trading partner and the second-largest trading partner among the 10 ASEAN members, after Vietnam. The United States is Malaysia’s third-largest trading partner, after China and Singapore. Top U.S. exports to Malaysia include electrical and electronic products, chemicals and chemical products, machinery, and equipment and parts. Top U.S. imports from Malaysia include electrical and electronic products, rubber products, metal products, machinery, equipment and parts, and optical and scientific equipment. The United States is one of the largest holders of foreign investment stock in Malaysia, and U.S. direct investment in Malaysia was $13.5 billion in 2020, the most recent year for which numbers are available. U.S. foreign direct investment in Malaysia is focused on manufacturing, nonbank holding companies, and wholesale trade. Malaysian foreign direct investment in the United States is led by manufacturing, wholesale trade, and professional, scientific, and technical services.

#### 3th article Malaysia: Joint Statement Between the People’s Republic of China and Malaysia on Deepening the Comprehensive Strategic Partnership towards China-Malaysia Community with a Shared Future (Ministry of Foreign Affairs, Malaysia, 2023).

On the occasion of the 50th anniversary of the establishment of China-Malaysia diplomatic relations and at the invitation of His Excellency Anwar Ibrahim, Prime Minister of Malaysia, His Excellency Li Qiang, Premier of the State Council of the People’s Republic of China, paid an official visit to Malaysia from 18 to 20 June 2024. During the visit, Premier Li had an audience with His Majesty Sultan Ibrahim, King of Malaysia, held talks with Prime Minister Anwar and attended the celebration of the 50th anniversary of establishing diplomatic relations between China and Malaysia. The two sides had in-depth exchanges of views on deepening the Comprehensive Strategic Partnership, jointly building the China-Malaysia Community with a Shared Future as well as regional and international issues of mutual interest, and reached a broad consensus.

Both leaders agreed that the two countries have been good neighbours for hundreds of years, true friends with sincerity and partners of win-win cooperation. Since the establishment of diplomatic relations on 31 May 1974, especially the establishment of the Comprehensive Strategic Partnership in 2013, the bilateral relations have been continuously improved, delivered important benefits to its peoples and provided an impetus for their development and stability. Such a friendship has witnessed profound changes over half a century and shown renewed vigor and vitality. The two leaders are committed to upholding strategic independence, pursuing common development, maintaining mutual trust, safeguarding fairness and justice, and embarking on cooperation for mutual benefits.

Both leaders agreed that the world is undergoing profound changes and has entered a new period of instability and transformation. Both countries are important representatives of developing countries in Asia and emerging economies. The strategic significance of bilateral relations has been further highlighted, which is crucial to not only their peoples but also the future of this region, enhancing the unity and cooperation of the “Global South”. The two leaders will commit to promoting an equal and orderly multipolar world and a universally beneficial and inclusive economic globalization. Malaysia highly commends that President Xi Jinping put forward the concept of building the Community of Shared Future for Mankind, the Belt and Road Initiative, the Principle of Amity, Sincerity, Mutual Benefit and Inclusiveness in Neighbourhood Diplomacy, the Global Development Initiative, the Global Security Initiative and the Global Civilization Initiative. China also supports the fundamental principles of "Malaysia MADANI", advocating and promoting innovation, care and compassion, inclusiveness as well as mutual respect.

Both countries reached an important consensus on building a China-Malaysia Community with a Shared Future in 2023, and remain steadfast to strengthen and deepen the bilateral cooperation in taking it to even greater heights.

1. **Forging high-level strategic mutual trust**

1.1 Both leaders agreed to keep the momentum of high-level exchanges and provide significant strategic guidance for the stable development of bilateral relations. The two sides will intensify the exchanges and cooperation between the central and local governments, legislatures, and political parties, enhance communication on policies, and strengthen experience sharing on governance.

1.2 The two sides reiterated their firm support for the national development vision and goals of each other. Malaysia admires China’s achievements in the new era and appreciates China’s pursuit of national rejuvenation on all fronts through Chinese modernization. China appreciates Malaysia’s social and economic achievements under “Malaysia MADANI”.

1.3 The two sides firmly support each other in safeguarding national sovereignty, security and territorial integrity, and adhere to the principle of non-interference in other countries’ internal affairs. Malaysia reiterates its firm commitment to the One China Policy, as per the Joint Communique signed by the leaders of both countries on 31 May 1974. Consistent with One China Policy, Malaysia recognizes that Taiwan is an inalienable territor of the People’s Republic of China, in order for China to achieve national reunification and thus will not support any call for the independence of Taiwan. Both countries reaffirm their commitments to safeguard social stability, protect national security and enhance national unity.

1.4 The two leaders agreed to enlarge cooperation in areas of the defense industry and enhance exchanges and cooperation on national security. Both sides reiterate the opposition to any form of terrorism and will strengthen cooperation on law enforcement security and anti-terrorism, jointly address cross-border crime and contribute to regional peace and stability.

**2. Deepening the development synergy**

2.1 The two sides will seize the opportunities provided by the signing of the Belt and Road Cooperation Planbetween the two countries, further synergise development strategies, enhance practical cooperation in all areas, promote integrated and coordinated development, jointly decide and launch mutually agreed projects，achieve deeper integration of industrial and supply chains, data chains and talent chains, and further improve the level and quality of China-Malaysia cooperation.

2.2 Both leaders agreed to strengthen cooperation in trade, investment and infrastructure connectivity. The Chinese side supports the Malaysian side in promoting the development of domestic transportation, ports and related logistics industries. Both sides agreed to strengthen rail transportation and infrastructure cooperation and contribute to the realization of the Pan-Asian Railway vision. Both sides will continue to work closely to promote key projects including Malaysia’s East Coast Rail Link and the “Two Countries, Twin Parks” between China and Malaysia, further expand the trade scale, strengthen financial cooperation, encourage two-way investment, strengthen exchanges and cooperation in the field of intellectual property, and provide a good business environment for bilateral economic and trade exchanges. Malaysia welcomes China’s application to the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership(CPTPP)* and reiterated that the CPTPP remains open to accession by economies that can satisfy the three Auckland Principles.

2.3 The two countries will seize the opportunities of developing new quality productive forces in the areas of digital economy, green development, AI and energy, explore cooperation in the advanced manufacturing industry, scientific and technological innovation, SMEs development and start-up as well as financial services, jointly develop and identify new areas for mutual synergy and capitalise on existing cooperation and facilitation platforms. The Chinese side appreciates the Malaysian side for providing open and fair opportunities for Chinese enterprises to participate in the construction of Malaysia’s 5G network. The two sides agree to carry out more exchanges and cooperation in the semiconductor value chain and maintain the stability of the industrial and global supply chains.

2.4 The Chinese side is willing to import more high-quality agricultural, electrical & electronic, halal and green products from Malaysia, through the participation of Chinese buyers in the International Sourcing Programmes (INSP’s) organised by MATRADE, during international trade exhibitions in Malaysia such as Malaysia International Halal Showcase (MIHAS), Malaysia International Furniture Fair (MIFF) and International Greentech and Eco Products Exhibition and Conference Malaysia (IGEM). China on the other hand welcomes Malaysia to continue expanding exports to China through platforms such as the China International Import Expo and the China-ASEAN Expo. China is willing to share with Malaysia its experience in poverty reduction and rural revitalization and provide assistance within its capacity to improve the well-being of the Malaysian people. The two sides agree to make good use of the mechanism of the Joint Working Group on Agricultural Cooperation to strengthen cooperation on agricultural modernization and agricultural technology innovation.

**3.Promoting people-to-people exchanges**

3.1 The two countries commended the results of a series of celebrations for the 50th anniversary of establishing diplomatic relations between both countries. Taking the 50th anniversary of diplomatic relations as an opportunity, the two sides agree to carry out programs in the fields of culture, tourism, religion, youth and locality, promote interactions at all levels in all areas, and further deepen exchanges and mutual learning between Chinese and Islamic civilizations.

3.2 Both leaders supported the ongoing efforts on visa exemption to promote friendly relations, whereby China agreed to extend the facility until the end of year 2025 and to reciprocate, Malaysia would extend the visa exemption until the end of year 2026. Both leaders welcome the keen interest to continue consultations and discussions on mutual visa exemption to facilitate the entry of the citizens of Malaysia and the People’s Republic of China.

3.3 The two countries confirmed to conduct a new round of joint research on panda protection to commemorate the 50th anniversary of diplomatic relations and strengthen scientific research cooperation. Both leaders expect to achieve progress in this field.

3.4 The two sides agreed to enhance education cooperation to a new level, strengthen cooperation on vocational education, joint scientific research and digital education, recognized higher educational institutions to jointly set up institutes for advanced study, enhance interactions between think tanks and higher educational institutions, to promote mutual visits between teachers and students, improve cultural exchanges and mutual learning. Both sides welcomed more cooperation in the fields of media, news and publications, films and broadcast to improve mutual understanding and friendship between their peoples especially the young generations.

3.5 The two countries agreed to work together on the multinational nomination to inscribe the element of lion dance on the UNESCO Representative List of Intangible Cultural Heritage (ICH) of Humanity. Both sides celebrate lion dance as a form of shared history and jointly promote the safeguarding of the shared heritage.

**4.Enhancing multilateral coordination**

4.1 China welcomes Malaysia taking on the role of country coordinator for ASEAN-China Dialogue Relations in 2024, and firmly supports Malaysia in assuming the chairmanship of ASEAN in 2025. Both countries will continue to promote the high-quality implementation of the Regional Comprehensive Economic Partnership (RCEP) agreement, and look forward to accelerating the ASEAN-China Free Trade Area 3.0 Upgrade Negotiations towards conclusion as soon as possible, and will actively participate in activities of the 2024 ASEAN-China Year of People-to-people Exchanges to enhance the building of a peaceful, safe and secure, prosperous, beautiful and amicable home, adding impetus to deepening the ASEAN-China Comprehensive Strategic Partnership, and jointly building a closer ASEAN-China community with a shared future.

4.2 The two countries reaffirmed the principles, shared values and norms enshrined in the ASEAN Charter, the Treaty of Amity and Cooperation in Southeast Asia (TAC), while upholding ASEAN Centrality, supporting ASEAN in strengthening ASEAN-led mechanism, in promoting an open and inclusive regional architecture that is peaceful, stable and conducive for regional development, growth and prosperity

4.3 The two countries emphasized the importance of maintaining peace, security and stability in the South China Sea, agreed to resolve disputes by peaceful means, through friendly consultations and negotiations, in accordance with the universally recognized principles of international law, including the 1982 United Nations Convention on the Law of the Sea. The two sides will launch the bilateral dialogue on the management of maritime issues as early as possible to foster maritime dialogue and cooperation. The two sides will work together with other ASEAN countries to fully and effectively implement the Declaration on the Conduct of Parties in the South China Sea (DOC) in its entirety and look forward to the early conclusion of an effective and substantive Code of Conduct in the South China Sea (COC).

4.4 Both leaders agreed that China and Malaysia have broad common interests and similar positions and propositions in international affairs. Both sides reaffirmed their commitment to the purposes and principles of the UN Charter and to jointly upholding the international system with the United Nations at its core, the international order underpinned by international law, and the basic norms governing international relations underpinned by the purposes and principles of the UN Charter. Both sides will stand for unity and cooperation of the international community, safeguard international fairness and justice, and promote humanity's common values of peace, development, equity, justice, democracy and freedom.

4.5 The two countries agreed that for 70 years, the Five Principles of Peaceful Coexistence have become the basic norms governing international relations as well as basic principles of international law, contributing the wisdom of Asia to properly handling state-to-state relations. The two sides agreed to follow the spirit of the Five Principles of Peaceful Coexistence, carry forward the Asian values featuring peace, cooperation, inclusiveness and integration, adhere to the Asian development path of mutual benefit, openness and cooperation, and uphold the Bandung Spirit of solidarity, friendship and cooperation to contribute to stability and progress in Asia.

4.6 The two countries shared the view of the importance of preserving and maintaining peace and security in the Asia Pacific region, underpinned by respect for sovereignty and adherence to agreed rules and norms. The two countries agreed to support efforts to preserve Southeast Asia as a region free from nuclear weapons and other weapons of mass destruction, while contributing to global efforts on disarmament, non-proliferation and peaceful uses of nuclear energy, in line with the Treaty on the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ).

4.7 Both leaders expressed grave concern with the ongoing war in Gaza, the dire and rapidly deteriorating humanitarian situation and its grave impact on the civilian population. Both sides emphasized that civilians in Gaza must be protected, in accordance with international law, and urged for an immediate and permanent ceasefire, unimpeded humanitarian assistance and protection of humanitarian relief and medical personnel. The two sides reaffirmed the right of the Palestinian people to self-determination, including the right to their independent State of Palestine and urged the UN Security Council to reconsider Palestine’s application for full membership, in line with Resolution A/RES/ES-10/23 adopted by the UN General Assembly on 10 May 2024, and expressed full support for the resumption of the political settlement process on the basis of the two-state solution, and promoting comprehensive, just and lasting settlement of the Palestinian question at an early date.

Premier Li expressed appreciation to the Malaysian Government and people for their warm and friendly welcome and invited Malaysian leaders to visit China. The Malaysian leaders thanked Premier Li for the invitation and accepted the invitation with pleasure.

During the visit, Premier Li and Prime Minister Anwar witnessed the exchange of the documents which appear in the **Annex**. **Annex**

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| **NO.** | **AGREEMENT, MEMORANDA OF UNDERSTANDING (MOU), PROTOCOL AND JOINT STATEMENT** |
|
|  | Five-Year Programme for Economic and Trade Cooperation between the Government of the People's Republic of China and the Government of Malaysia (2024-2028) |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Strengthening Investment Cooperation in the Digital Economy |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Promoting Investment Cooperation in Green Development |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Cooperation in the Field of Housing and Urban Development |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Science and Technology People-to-People Exchange Program |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Cooperation in the Field of Higher Education |
|  | Executive Programme for the Implementation of the Agreement on Cultural Cooperation between the Government of the People's Republic of China and the Government of Malaysia(2024-2029) |
|  | Memorandum of Understanding between the Government of the People's Republic of China and the Government of Malaysia on Cooperation in the Field of Tourism |
|  | Agreement between the Government of the People's Republic of China And the Government of Malaysia on Cooperation in Preventing and Combating Transnational Crime |
|  | Letter of Intent between the Ministry of Foreign Affairs, the People’s Republic of China and the Ministry of Home Affairs, Malaysia on Visa Exemption |
|  | Protocol of Phytosanitary Requirement for Export of Fresh Durian fruits from Malaysia to China between the General Administration of Customs of the People’s Republic of China and the Ministry of Agriculture and Food Security of Malaysia |
|  | Joint Statement of the General Administration of Customs of the People’s Republic of China and the Ministry of Finance of Malaysia on Single Window Cooperation in Cross-Border Trade |
|  | Memorandum of Understanding between State Post Bureau of the People’s Republic of China and Malaysian Communications and Multimedia Commission on Strengthening Cooperation in the Postal Field |
|  | Memorandum of Understanding between China Media Group of the People's Republic of China and the Government of Malaysia on Cooperation in the Field of Media |

#### 4th New Industrial Master Plan 2030 (Ministry of Investment, Trade and Industry, 2023).

Section ‘emerging mega trends’:

Simply observing the current state of Malaysia’s

manufacturing industry is not enough to

future-proof Malaysia. Instead, it is essential

to prepare for the desired future economy.

This requires a keen awareness of significant

global trends that will influence Malaysia’s

development in the coming decade. Three

mega trends will affect the future of trade and

investment globally, including Malaysia.

Geopolitical shifts – focus on economic

security

The world of today is marked by ‘polycrisis’.

Industrial development faces multiple threats

across various dimensions. These range from

the uneven recovery following the COVID-19

pandemic to climate change catastrophes, as

well as rising geopolitical tensions between

countries.

Building resilience has become an important

policy and strategic tool for managing this

increasingly complex web of global risks. In

the face of growing supply chain disruptions,

countries have had to shift their focus from

economic efficiency to economic security.

Industry players these days prefer a shorter

and more secure supply chain to provide

goods and services more seamlessly. In this

regard, there are several key trends in supply

chain management and geopolitics that

countries need to incorporate in their industrial

policy planning. These include nearshoring

(preferring to invest closer to the investors’

country or origin) and friendshoring (preferring

to set up manufacturing facilities in countries

that are geopolitical allies).

Malaysia stands to gain from these

developments. This recent trend is illustrated

by the move of notable global players to turn

to Southeast Asia as the “Plus One” to ensure

economic security and supply chain resilience.

Apart from that, ASEAN is becoming the

alternative choice due to its strategic location,

track record on industrial development and

investment management as well as its relative

macroeconomic and political stability.

Malaysia and the ASEAN economies are

intertwined in trade and investment with both

warring economies. This unlocks opportunities

to integrate in the GVC as there is considerable

appetite for nearshoring and friendshoring in

the region among global investors, especially

to export to the U.S. and European Union (EU).

The ASEAN economies stand to benefit from

these developments. Moving forward, Malaysia

and its ASEAN neighbours should push for

greater vertical integration across value chains,

particularly in semiconductors, clean energy,

critical minerals and other sectors of strategic

importance. This implies a focus on working

together to build regional strength and

complement one another rather than being a

zero-sum game.

The Government understands the importance

of advancing in tandem with the ASEAN

economies. By integrating with the ASEAN

economies, Malaysia stands to be an

indispensable part of the GVC. The way forward

should involve further push for an international,

rules-based order, while maintaining ASEAN

centrality29.

Digitalisation

As the world and Malaysia move towards

embracing a digital economy, the internet

has become an indispensable utility for

accelerating digitalisation. The pandemic has

added fuel to the surge in digitalisation as

companies were forced to adapt to working

from home and opting for online operations

during the lockdown periods.

Embracing digitalisation bolsters companies’

resilience to shocks by safeguarding labour

productivity and employment during

challenging times. This can contribute towards

longer term labour productivity, based on

historical evidence from the U.S. and more

advanced European economies30.

Apart from raising productivity, digital

transformation can help companies create

value and spur innovation. Specifically, digital

transformation enables manufacturing

companies to improve their operations and

inventory management, as well as employee

and customer management. Smart technology

can ensure a safe working environment,

improve productivity rate and product quality.

Malaysia’s digital economy grew faster, at 8

per cent per annum than the GDP growth at 5

per cent per annum, between 2015 and 201831.

Malaysia’s internet economy was worth USD11.4

billion in 2020 and has the potential to create

an annual economic value of RM257.2 billion

(USD61.3 billion) by 2030. For this to happen,

Malaysia has to facilitate digitalisation in the

public and private sectors, foster digital talent

and promote digital trade opportunities.

Climate Change and Environmental,

Social and Governance (ESG)

Requirements

Climate change has increased two types of

risks for companies globally and they are:

• Physical risk associated with the physical

impact of climate change. By 2050, over 90

per cent of the world’s largest companies

will have at least one of their assets highly

exposed to the physical impact of climate

change32, such as rising sea levels affecting

port operations and increased droughts

harming hydroelectric power generation.

• Transition risk as countries shift toward a

low-carbon economy and are exposed to

regulatory changes and new economic

requirements. For instance, the use of less

carbon-intensive fuels, which may drive up

the costs of production in the short-term.

Physical risks from climate change can be

disruptive to businesses, from physical asset

damages due to flood and supply-side shocks

which would result in higher commodity

prices and migration of people33. Transition

risks can result in stranded assets, requiring

reinvestment and replacement. These risks

raise the management costs for companies.

Apart from that, an earlier report indicated that

labour productivity in Malaysia could fall by 25

per cent by 2045. This is due to the negative

impact of increased global warming on the

number of unsafe ‘heat stress’ days per year

and its impact on vulnerable workers34.

ESG compliance has become increasingly

important in the face of increasing climate

risks as it deals with a company’s impact on

the environment and society. Investors are

progressively taking ESG considerations into

account in their selection of locations to invest,

apart from other traditional variables such as

market size, infrastructure, macro-economic

condition and political stability. Thus, proactive

measures to meet ESG compliance should be

used to drive future investments

OPPORTUNITIES FOR MALAYSIA All three mega trends imply the reconfiguration of GVCs for risk diversification, leading to a shift in strategy from economic efficiency (‘just-in-time’ model) to economic security (‘just-in-case’ model). In the new model where proximity is valued, there will be an increasing regional focus, where manufacturing will be less fragmented and more concentrated in terms of value-added. It will be platform-driven, more asset-light, with a growing share of services35. Malaysia is well positioned amidst these changes to become a key destination for investors looking to diversify out of China and the U.S. as part of the evolving GVC transformation based on Malaysia’s competitiveness ranking (Figure 2.12). Throughout this period, Malaysia is ranked second among the selected ASEAN member countries, but Malaysia has to act fast to improve its

#### 5th article: A Conversation With Prime Minister Anwar Ibrahim of Malaysia (Council on Foreign Relations, 2023)

RUBIN: OK. (Laughs.) Good afternoon. I’m Bob Rubin. I’m co-chair emeritus of the Council on Foreign Relations. And it is my enormous privilege to welcome an old personal friend to the Council today, Prime Minister of Malaysia Anwar Ibrahim.

The discussion will be held—or, rather, will be moderated by Mariko Silver, President and CEO of Luce Foundation, and a new member of the Council’s board. In accordance with the practices of the Council, I’m not going to read from his resume, but I think you have it in your materials. In any event, it is an enormously distinguished and highly respected resume, and enormously distinguished and highly respected individual.

I want to make a few personal comments. I first met Anwar Ibrahim roughly the mid-’90s, I would say it was. And that was a time, as you may remember, of the Asian—well, it was the time leading into the Asian financial crisis. And Anwar became a friend, and a colleague. We, at the Treasury, had enormous respect for Anwar Ibrahim. And, as I said a moment ago, we really viewed him—even though he was a finance minister of another country, as a colleague of ours. And he was enormously helpful to us as we tried to think our way through the difficulties of the Asian financial crisis. So when Mike Froman, the president of the Council, asked me if I would introduce Anwar Ibrahim, I was really deeply, deeply honored to do so. And we just chatted for a little while and reminisced about those days, now thirty years ago, I guess, Anwar.

As all of you know, he has courageously stood for pluralism, for democracy, and reform in Malaysia at immense personal cost. And his wife and daughter carried on while he was falsely incarcerated. Today, as prime minister, Anwar Ibrahim continues to be a powerful force in Malaysia for democracy and pluralism, the values to which he has dedicated his life. The prime minister is a longstanding and greatly valued friend of the Council. He’s spoken here many times. And so we are enormously grateful to welcome back the Prime Minister of Malaysia Anwar Ibrahim. And Mariko will conduct the discussion.

SILVER: Thank you, Secretary Rubin, for that introduction, and welcome, Prime Minister. Well now have, as is the Council tradition, about twenty-five minutes of conversation before opening up to questions from CFR members both in the room and online.

Prime Minister, you recently described your dream for Malaysia. And I’m sure you could do it better than I, but I’ll quote you if you’ll forgive me. You said, I want Malaysia to evolve as an example of a free society, a just, multiracial society, to preach humanity and compassion. That would depend largely on our ability to govern fairly and justly. I believe that with a strong sense of conviction and tenacity of purpose, we’ll able to bring Malaysia to the fore. Now, just last week you announced a new five-year development agenda. What in this new plan is going to help Malaysia turn the corner and realize that dream?

IBRAHIM: Thank you, Ms. Silver. I mean, since Bob Rubin is here, I must recognize his presence as a dear friend, dear colleague, who showed so much compassion and care in those difficult years. He was an outstanding Secretary of Treasury from, you know, a major economy. But he was so considerate, kind, and even for relatively small economies like Malaysia, he took us as a friend, listened quite a bit. The only problem with America, you know, everybody hectors, nobody listens. (Laughter.) But I see there’s an exception. Bob Rubin listened very well, tried understand our predicament. Thank you, Bob. In all those years when I was assigned to the—teaching at Georgetown University, he knew my background, my predicament. And he, with friends like Jim Wolfensohn, would take an extra effort to contact CFR and to make sure that I’m quite involved and with the support he gave. Thank you very much.

Now, I was here at the time of the—prior to the financial crisis, or at the beginning. Malaysia was not affected, but it was mainly Thailand, the Thai Baht Crisis, and Indonesia. And I think Maurice Greenberg moderated the session. And I got in a lot of trouble because of that speech in ’97. I started by saying—quoting Schumpeter, a gale of creative destruction. Why can’t we, in Asia, use that period to rebuild, to correct the flaws and weaknesses in the system? Particularly issue of governance, you have corruption, issue of faulty policies. And then I told a story. My colleague, well, he was then minister of finance of Indonesia. And that was the time of the Titanic. So I said—I met him. I said, Marie, why don’t you spend time, relax, and watch the Titanic? He said, Anwar, why do I need to watch the Titanic? I am in the Titanic! (Laughter.) So I asked him, what’s the problem? He said: I told the captain, slow down, sir! You’re going to crash. The captain says no, our fundamentals are strong, we go full steam ahead. And that was the disaster for Indonesia. So I said then—this was related to then-boss of mine, prime minister. And he said, Anwar, use (this saber ?) to attack the prime minister. And the rest is history. I was incarcerated for some years, and CFR was partly responsible. (Laughter.)

But, back to your question, Ms. Silver. I think what is important, particularly for those who have undergone some tribulations and triumphs in life, obviously my experience with Madiba, with Mandela. Soon after I was released—many times I was released, but particularly it was 2004. He invited me and the family to visit him in Joburg. And he was relaxed, cheerful. Then he started looking at my children, immediately changed. He was—he looked very disturbed. He was sad. He was teary. And he said, Anwar, we must be crazy, and no wonder some people consider us mad. So I tried to get him to relax a bit. I said, look, Madiba, yours was a long walk to freedom. Mine is a short walk to freedom. And we are certainly not mad, but I agree with you. We must be really crazy to do what we had to do. I think that should suffice as the answer.

SILVER: But you didn’t talk about Madani and you didn’t talk about an economic development plan. (Laughter.) So let’s spend a little time on that.

IBRAHIM: Yeah. Now, of course, we are in a position—I mean, I waited some years, worked hard. And, interestingly enough, we had a coalition of committed colleagues who understands that Malaysia can evolve, can emerge as a great economic working model for a pluralistic society, through peace, compassion, and harmony. Of course, with a clear vision for the country. So we call it the Madani Framework. Well, what’s different in the Madani Economic Framework? Of course, you talk about sustainability, you talk about the changes, and now digital transformation, renewable energy, and green—(inaudible).

But what is lacking, to my mind, particularly for humanity now, is that when people are so engrossed and obsess about development, there’s little concern about issues affecting humanity which requires compassion. I mean, religion and race are being used to create mischief, and enmity. To my mind, the relevance of religion for the matters of state and governance is to create a better understanding and tolerance. Not necessarily divorcing—I remain a Muslim, a practicing Muslim. But there’s nothing in religion which should be exploited to sow the seed of hatred, as you have seen with growing fascism in the Europe, the far-right here, which of course it’s concerning for countries like us.

So that is why we have crafted policy, but also tied to the dictates of the time, the zeitgeist, with the digital technology and green renewable energy. We have to address this, because they are the new realities we did not discuss the 1990s. It was not the central focus in the 1990s.

SILVER: So you talked about green transition, energy transition. The plan also talks about AI and smart **tech industrial sectors**. Talk to me a little bit about the role of **foreign investment** that you see in all of this, and particularly how you’re going to weigh **partnerships with the U.S., partnerships with China.** I’m sure you anticipated this question, and I’m sure you have an answer.

IBRAHIM: No, let’s say in ’90s—the ’90s did relatively well because we are a trading nation. We work through FTAs. And we were able to attract investments between the United States. The United States was the leading investor in the country. Even today, when we have improved trade and more investment from China, but the total investments into Malaysia today is still from the United States. And we have benefited immensely because United States companies, though tough negotiations, but in terms of training, in terms of transfer technology, we—I mentioned Dell this morning, for example. In terms of research center, other than in California, it is in Malaysia, the largest training and research outfit outside of the United States.

So we cannot affect change and propel the economy without attracting investments. Of course by attracting investments, it means that we have to make the necessary adjustments, the incentives, and the ease of doing business. And facing fierce competition from our neighbors, we need to do—surpass that. And I think, reasonably, we are rather successful, in many ways more successful, because when Tesla decided to move in, and AWS, Amazon, has come in with huge investments. You know, and even in Europe, Infineon with 5 billion euros. All are recent decisions which is required for this country.

Now, how do you balance this is China? To us, it is not—it’s not a zero-sum game, as far as we see it, from the perspective of a small, developing country. China happens to be a neighbor, a close neighbor, the largest investor in Malaysia, and huge trading within Malaysia. United States have been very loyal, traditional friend. We share many common values—democracy, human rights. And me personally, as I’ve said similar this morning, all administrations, from Clinton to Bush, they’ve been very supportive and outspoken to defend my—defending the period of my tribulations. So I, of course—and I have so many friends in the Senate, in the Congress, administration, and of course, in the various think tanks. And of course, CFR. So we need to then utilize this to benefit our country.

Now, the exchanges that I have had with China, of course, with Xi Jinping it was quite formal. But with Premier Li Qiang, it’s been three times since I took over office as prime minister. I mean, and that means—a lot of very serious, candid, frank discussion sessions. And that has helped immensely. Kamala Harris was in Jakarta. And during dinner, of course, these questions were raised. And I said contrary to general perception, we need China as a neighbor and as a trading partner. The United States is an important, traditional ally. Now, how do we manage that? We manage this as a small country. I can’t change the world. I can at least assure them that we will continue with this relationship to the benefit of both.

Hopefully things can subside. The tension is now creating anxiety in the region. And South China Sea is one issue I raised him from Li Qiang in a public forum in Jakarta. I said, Malaysia has to be firm. This is our territory. PETRONAS is involved in some oil rigs. And he responded. I was certainly pleased with his response. Number one, he said, of course they have their claims too, but they will not resort to any aggressive action or violence. They will insist on a series of negotiations, which I said is fair. And I think when this—the response of that Jakarta, it was certainly helpful. I met him again after that, the last few days in Naning, and we pursued some of the issues. And let’s see from there.

SILVER: So let’s turn to domestic politics for a moment. You have a big dream for Malaysia. You have a vision honed over many years of what you want Malaysia’s position to be in the world, and also what you envision for Malaysia itself internally. There was recently an election, as I’m sure you know, and your coalition didn’t come out so well. Was that a green wave? Was it an expression of some other realm of discontent? How do you read that election and what it tells you about what the impediments are going to be for you to realize this vision?

IBRAHIM: Dr. Silver, with your impeccable credentials in academia, you understand that dealing with those who are the proponents of racism, religious bigotry is not easy. And we have to deal with this. But we need to sustain the level of support. There are three important, vibrant—economically vibrant states we won. So we should not winning—I mean, you don’t expect in democracy you should win all. And it gives us some sense of humility not to think that you’re all powerful and popular. So you should lose some. That I learned from Bob, I think. (Laughs.)

But we did succeed, the three important, economically vibrant states. And the last two by-elections in the south, there was concern, of course, whether the so-called green wave of the Islamic party and the—(inaudible)—party would be able to then gain or garner more support. No. They lost. They lost rather badly. So I think we are now comfortable for the next four years we’ll be around.

SILVER: So other than humility, what message do you take?

IBRAHIM: We will have to deal with this rise, as you know, in Europe and here of fascism, and xenophobia, and some extreme appeals for religious support. We’ll have to then communicate more effectively. We have learned that you can assume, talking about Madani, and economic advancement, and lowering inflation to 2 percent, lowering unemployment, getting huge investments, new investments coming in. That does not necessarily impact upon the sentiments of the rural folks. So you need to engage them to reassure them that they will continue to be protected as Malays, as Muslims, in the country. But also to educate them, look, Islam, or the survival of the Malays, does not mean that you should cultivate policies and try and ignore any marginalized race. No country will be stable and effective when you continue to try and discriminate, marginalize any segment of your population.

So I think it is important to understood—to then communicate effectively to them, to say that: Yes, Malaysia—majority of Malaysians are Muslims and Malays. Yes, Islam is the religion of the federation. Yes, Malay is the official language. But yes, we have to then accept the presence of our brothers, sisters, whether it’s ethnic Chinese, and Indians, the Hindus, the Buddhists, the Christians, as part of the Malaysian family. That is not as easy because even in a more sophisticated, highly educated society in United States, you have to grapple with these issues. But we cannot give up. And I believe that with this sort of agenda, and hope to focus on economic fundamentals and growth, we’ll be able to do this.

SILVER: And it’s work that’s never done. And it seems like there is some real realignment happening in Malaysian politics among the parties. Can you talk a little bit about that? And what you think is driving that realignment, other than personalities, right? From the point of view of policy.

IBRAHIM: Yeah, a realignment with the former ruling party. I’ve known the dominant party for a long time. I’ve been fighting against them for two decades. And now they’re important partner. So my friends, some of them got cynical. This said, Anwar must have some deals and some compromises. Yeah, compromise, yes, but what deals? Good governance, reining in the culture of corruption. And we’re transparent when we are doing business. And all is shared by my coalition partners, including Sabah and Sarawak. So, if these parameters are accepted, then we can move.

Of course, they are concerned. There is cynicism. I think I would accept it’s not easy. But what choice do we have? Can we continue the government with this factional strife and enmity? I’ve suffered in—(inaudible). Colleagues know. I mean, ten-and-a-half years of solitary confinement is no easy feat. But we’re not talking about Anwar here. You’re talking about nation and the future of the country. And if you can then garner enough votes and agree on basic parameters, then we can move. And I think it is exceptionally important, because Malaysia is a Muslim majority country. And there is a democracy deficit in this country.

And but we can, if we have a clear vision and work together, prove that there’s nothing stopping a Muslim majority country to emerge as a vibrant, mature democracy, justice, compassion, and embracing, in an inclusive manner, all communities. Is it easy? No, it’s not. But do you then give up? No. I think many in the past have proven to be true. I always quote Alexis Tocqueville’s Democracy in America, about the habits of the heart. You see, it takes a smart French philosopher to tell the story about American democracy. But you were. I mean, I would say, assessment or analysis or the history of American dream, taught me a great thing about the need to inculcate values, understanding, passion. Because only through the habits of the heart you can ensure that there is meaning to democracy, development, growth.

SILVER: Well, I would agree with that. And can you give us your clear vision for the bottom forty and for fighting corruption in Malaysia?

IBRAHIM: Well, if you set the parameters right—it’s not easy. Everybody talks about the war against the corrupt. But if you launched this battle, you’re dealing with the very strong coterie of very, very corrupt elements, and they are very powerful. Many of them control government apparatus, business, the media. So it’s no easy feat. But it takes some crazy people to deal with this. And I think I’ve been relatively successful. Importantly, the leadership must set an example. Uncompromising, impeccable credentials, no-nonsense approach. You are prepared to take the bull by the horns.

And well, they say, well, in the past—the past this has limitations. But what do I do with the past? What I can do is under this administration. I’m proud to say that in my tenure as prime minister over the last nine months, with very close scrutiny by the anti-corruption commission by the commercial crime, by the central bank, they have not found any sort of excesses. If I have incontrovertible facts and evidence to suggest, I have made it very clear to my colleagues, we have to remove them.

SILVER: What about the bottom forty? Talk about—a little bit more about your economic vision for the bottom forty.

IBRAHIM: Well, the first time I was arrested and detained under Internal Security Act for two years without trial, it was because I championed the cause of the poor. Now, unlike the socialists, they talk of equality but shared poverty. (Laughs.) I think we need to share wealth. Which means we have to have concrete policies to generate income and revenue for the country through investments, right? Only then—but with a clear concept that Madani means it’s not growth for the ruling clique and elites. But you have to do that then to be able to use that to affect change.

Start with education, access—democratization of access to quality education, public health, end poverty. I have said that this year, 2023, another crazy idea. I said, I want to be a country, Malaysia, that would deal with, settle with zero abject poverty. Not poverty, poverty, because it takes time. But we have a category as abject poverty. Not one family should fall into this category, OK? Then we did higher up, because in terms of productivity and wage, we have this gap. You know, the productivity increase, but the wage does not increase in tandem with productivity.

But do I push that now? No. I can only push that when we have some comfortable growth and better investments through pragmatic policies. But the civil belief—I’m not suggesting was not done. It was done even in the past. And to be fair, the amount of money disbursed for the poor is enormous. But too many leakages, OK. So this needs to be corrected. But the priority to alleviate the problem with the poor. I’m going to give you a small example, which is, of course, not too much of a concern here that the United States.

I took over. Then I said, look, about our schools. Now, most of the schools here have gotten lavatories. You know, you have a school of two thousand students, eight lavatories, four are non-functioning. And throughout the country we have that problem. Sounds very simple. It’s not something that the prime minister should be dealing with. But I did. We found out that there are 840 schools in the country don’t have proper laboratories. And we had to spend one billion to do that. And I would say that by October, all the 840 schools, mainly urban poor, including some remote areas in Sarawak. It’s a good example how we deal with the issue of poverty.

SILVER: Step by step, small policy, big policy.

IBRAHIM: Yes.

SILVER: So now I think it’s time for us to take some questions from the audience. I will start with a question from the room, and then we’ll go to Zoom.

IBRAHIM: I feel a bit nervous and embarrassment when Bob is here. I have, you know, (a good relationship with ?) Bob. I admire greatly, I mean, what you have done, the policies and the friendship. So forgive me for, you know, looking a bit too often at—(laughs).

IBRAHIM: Thank you, Chris.

Q: Mr. Prime Minister, my name is Christopher Wehri, and I serve here on the Council as a visiting military fellow from the United States Army.

So my question is simple. If you could provide some perspective, what can Malaysia’s friends, partners, allies, both in and out of the region, do better in the Indian Ocean, Strait of Malacca, and South China Sea, to ensure it remains free and open?

IBRAHIM: Our position, the centrality of ASEAN, is that we should resolve that within the region. Of course, we engage with United States in terms of the joint operations, military operations. And our military is quite active with United States. And it does not affect our relations China. We say look, it’s been traditionally our ally. And the operations—joint operation that are going on, I think, the last two, three months we did five operations. Now, those are small scale operations. We don’t want to excite the Chinese unnecessarily. But to see that that sort of friendship will continue.

But as I’ve said to leaders in the administration here, and countries like Australia and recently President Trudeau of Canada. I said, you all want to see—particularly in Muslim countries—a striving, mature democracy. But other than just giving lectures, nothing’s done. Why can’t you look the essentials, how to strengthen the institutions—the judiciary, free media, parliamentary reform, and just assists our work together? It doesn’t cost too much money, but it requires some expertise and a small amount of funds. And Malaysia has come to the stage we don’t need—it’s not foreign aid. We need investments. So the first is strengthening institutions, giving people some exposure, with training, for expertise, and understanding. Number two is to encourage investment. Investments means that the country’s—**China takes real strong measures.** If they say Malaysia is OK. We’ll promote—make sure that more investments continue.

But where to invest, what area? It’s, of course, up to the companies. Similarly here, because **United States** is quite exceptional, because you have this long tradition, some huge investments in the country. So, if you say what else can be done, I would say, number one, help assist in strengthening the institutions of democracy. It should not be just because Anwar and his cliques are in, therefore it’s a democracy. The next day somebody comes, and then democracy is out. We want that to be institutionalized. And in order to institutional democracy, the core institution of the government, democratic entity, must be fortified. And that can be done from the relative experienced countries.

And secondly, of course, business investments. And, third, as you know, Malaysian sends huge number of students here, for exchanges, for training, for education. And that will, of course, continue. But, you know, in this days in age, there should be some local arrangement where some of the implementing support is given. I will certainly continue to say this to my colleagues in the administration.

### Data Vietnam:

#### 1ste article Vietnam: Remembering Nguyen Phu Trong’s Foreign Policy Legacies (Khang Vu, 2024)

**Remembering Nguyen Phu Trong’s Foreign Policy Legacies**

The late party chief adroitly balanced Vietnam’s relationships with the major powers, while expanding its role on the international stage.

Nguyen Phu Trong, the general secretary of the Communist Party of Vietnam (CPV), [passed away](https://archive.is/o/IHm1s/https:/vnexpress.net/tong-bi-thu-nguyen-phu-trong-tu-tran-4771643.html) on July 19 at the age of 80. He was the second-longest serving party chief after Le Duan and arguably one of the most impactful architects of Vietnam’s foreign policy since Vietnam’s reunification. Vietnam’s post-Cold War foreign policy has been based on the “Three Nos” [principles](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/03/vietnam-and-the-art-of-choosing/) since the 1990s, but it was Trong who coined the term “bamboo diplomacy” in 2016 to describe the country’s national foreign policy and won it international attention through his successful management of Vietnam’s ties with China, Russia, and the United States at a time of growing geopolitical polarization.

Bamboo, a frequent presence in Vietnamese folklore, is [famous](https://archive.is/o/IHm1s/https:/fulcrum.sg/nguyen-phu-trongs-bamboo-diplomacy-legacy-in-the-making/) for its “strong roots, stout trunk and flexible branches.” Trong’s idea behind “bamboo diplomacy” is based on President Ho Chi Minh’s famous [dictum](https://archive.is/o/IHm1s/https:/mod.gov.vn/vn/chi-tiet/sa-ttsk/sa-tt-dnqp/di-bat-bien-ung-van-bien-trong-phuong-huong-doi-ngoai-quoc-phong-hien-nay), “Firm in objectives, flexible in strategies and tactics,” first laid out in 1946. As such, the two leaders did not let ideological differences undermine their ultimate objective, which was to defend the national interest. For Ho, it was the [outreach](https://archive.is/o/IHm1s/https:/www.qdnd.vn/ho-so-su-kien/ky-niem-70-nam-ngay-toan-quoc-khang-chien-19-12-1946-19-12-2016/ngoai-giao-truoc-toan-quoc-khang-chien-va-bai-hoc-ve-cong-tac-doi-ngoai-hien-nay-495096) to U.S. President Harry Truman and his [comprehensive efforts](https://archive.is/o/IHm1s/https:/nhandan.vn/quan-diem-doi-ngoai-cua-chu-tich-ho-chi-minh-trong-tuyen-ngon-doc-lap-post241525.html) to [expand](https://archive.is/o/IHm1s/https:/www.tapchicongsan.org.vn/web/english/international/detail/-/asset_publisher/ZeaSwtFJtMgN/content/ho-chi-minh-s-thought-on-international-integration-sustainable-values-illuminating-the-vietnamese-revolutionary-cause) the young Democratic Republic of Vietnam’s diplomatic presence to [gain](https://archive.is/o/IHm1s/https:/www.tapchicongsan.org.vn/web/guest/nghien-cu/-/2018/47339/tam-nhin-cua-chu-tich-ho-chi-minh-trong-giai-quyet-loi-ich-chinh-tri-giua-viet-nam---hoa-ky-giai-doan-1945---1946.aspx) international legitimacy as the French were returning to Indochina. Vietnam’s multilateral foreign policy also began with Ho.

Trong similarly perceived the United States as an important diplomatic partner that could be embedded within Vietnam’s growing diplomatic network in a bid to [deter](https://archive.is/o/IHm1s/https:/thediplomat.com/2023/12/vietnam-and-china-announce-major-upgrade-in-relations-during-xi-visit/) China. He made an unprecedented visit to the White House in 2015, the first CPV chief to do so. Under his watch, U.S.-Vietnam relations substantially [expanded](https://archive.is/o/IHm1s/https:/www.wsj.com/world/asia/vietnams-communist-party-chief-who-steered-country-closer-to-u-s-dies-at-80-905d3c8e), despite some concerns that Trong, as a committed communist, would not value ties with the United States. And by inviting U.S. President Joe Biden to Hanoi as a counterpart, Trong made clear to the world that Vietnam would not let ideological differences get in the way of national interests. On the contrary, by having Biden deal directly with the CPV, Trong succeeded in committing the U.S. to not overthrow the CPV and further enhancing the ideological authority of the Party. Trong’s passing will not herald an end to the upward trajectory of U.S.-Vietnam relations.

In a statement on Trong’s passing, U.S. Ambassador to Vietnam Marc Knapper [affirmed](https://archive.is/o/IHm1s/https:/vn.usembassy.gov/statement-on-the-passing-of-general-secretary-nguyen-phu-trong-by-ambassador-of-the-united-states-to-vietnam-marc-e-knapper/) that Washington would “look forward to working closely with President To Lam and all Party, State, and National Assembly leadership.” The United States has supported Trong’s bamboo diplomacy by adding the word “resilient” to its Vietnam policy, perceiving and expecting that Hanoi will not simply capitulate in the face of Chinese bullying. Besides the United States, Trong also [elevated](https://archive.is/o/IHm1s/https:/vietnamnet.vn/en/which-countries-have-set-up-comprehensive-strategic-partnership-with-vietnam-2258550.html) Vietnam’s relations with other U.S. allies as well, inking comprehensive strategic partnerships with South Korea, Japan, and Australia.

What is remarkable about “bamboo diplomacy” is Vietnam’s ability to turn a zero-sum game among the great powers into a positive-sum game for Vietnam. Hanoi’s growing ties with Washington have not come at the cost of its ties with Beijing and Moscow.

In the decade after the 2014 HD-981 oil rig incident, Vietnam and China successfully [managed](https://archive.is/o/IHm1s/https:/www.tandfonline.com/doi/full/10.1080/10670564.2023.2228718) their differences at sea and have since avoided a second crisis of the same magnitude. Trong leveraged the ties between the CPV and its Chinese counterpart to [signal](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/02/why-vietnam-cannot-copy-the-philippines-china-policy/) to China that the two nations still have many common interests despite their territorial disputes. Vietnam’s decision to join China’s “community of common destiny” during Chinese President Xi Jinping’s visit to Hanoi in December 2023 is an example of this logic. From the Chinese perspective, Trong’s bamboo diplomacy is an [assurance](https://archive.is/o/IHm1s/https:/thediplomat.com/2023/12/vietnam-and-china-announce-major-upgrade-in-relations-during-xi-visit/) that Hanoi will not ally with an extra-regional power at China’s expense so long as China exercises restraint towards Vietnam. Vietnam’s South China Sea policy has thus proved more [efficient](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/02/why-vietnam-cannot-copy-the-philippines-china-policy/) than that of the Philippines, as China has largely turned a blind eye to Vietnam’s island reclamation [activities](https://archive.is/o/IHm1s/https:/amti.csis.org/hanoi-in-high-gear-vietnams-spratly-expansion-accelerates/) while using force to impede the Philippines’ resupplying missions to the Sierra Madre at Second Thomas Shoal.

Xi himself [paid](https://archive.is/o/IHm1s/https:/english.news.cn/20240720/9db9a2e30b8e4775855f29da1c75946e/c.html) a visit to Vietnam’s Embassy in Beijing to pay condolences to Trong. The Chinese President [remarked](https://archive.is/o/IHm1s/https:/english.news.cn/20240720/9db9a2e30b8e4775855f29da1c75946e/c.html) that Trong’s passing “deprived us of a promoter of China-Vietnam relations and a companion for the cause of socialism.”

In his last days, Trong [pulled](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/06/putins-trip-to-vietnam-the-next-phase-of-major-power-competition/) the last but not least diplomatic feat by welcoming Russian President Vladimir Putin to Hanoi. Vietnam’s hosting of the Russian leader was not the result of a historical debt but a shrewd calculation of its interests. By [expanding](https://archive.is/o/IHm1s/https:/www.aljazeera.com/news/2024/6/20/as-putin-visits-vietnam-says-will-boost-ties-with-russia-for-global-peace) joint Russia-Vietnam cooperation over oil and gas exploration in the South China Sea, Vietnam could exert its maritime claims. Importantly, Vietnam’s decision to work closely with Russia, instead of the United States, on this front would not be a menace to China because Russia and China have been on generally good terms.

Again, the remarkable success of Trong’s bamboo diplomacy lies in Vietnam’s ability to turn a global zero-sum game into a positive-sum game for itself. The United States [voiced](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/06/us-government-criticizes-vietnams-decision-to-host-russias-putin/) its upset at the decision to host the visit, but it did not undertake any concrete actions to roll back the cooperation with Vietnam. Hanoi [continues](https://archive.is/o/IHm1s/https:/www.nytimes.com/2023/09/09/world/asia/vietnam-russia-arms-deal.html) looking for Russian arms deals despite upgrading its ties with the United States in order to not upset China while leaving the U.S. arms purchasing option open. From the Russian perspective, Trong’s bamboo diplomacy is a commitment that Hanoi will not join a Western-led anti-Russia coalition, the same commitment that both Moscow and Hanoi [made](https://archive.is/o/IHm1s/https:/thediplomat.com/2024/06/putins-trip-to-vietnam-the-next-phase-of-major-power-competition/) in their 1994 Treaty on the Basic Principles of the Vietnam-Russia Relationship. Putin’s [message](https://archive.is/o/IHm1s/https:/tass.com/politics/1819093) of condolence to Vietnam praised Trong for his “huge personal contribution to the establishment and development of a comprehensive strategic partnership.”

However, the most important foreign policy legacy of Trong lies not in Vietnam’s foreign ties, but in his willingness to assert Vietnam’s agency. Small powers like Vietnam tend to get swallowed by their much bigger diplomatic partners, all the more so at a time of polarization. The central idea behind “bamboo diplomacy” is to build an independent and self-reliant Vietnam. From Trong’s [perspective](https://archive.is/o/IHm1s/https:/baochinhphu.vn/toan-van-phat-bieu-cua-tong-bi-thu-nguyen-phu-trong-tai-hoi-nghi-ngoai-giao-lan-thu-32-102231219155116287.htm), foreign friends are a means, not an end. Vietnam’s diplomatic partners can help it to some degree, but it will be Vietnam’s internal reforms and modernization that best guarantee the country’s survival and prosperity.

Trong’s anti-corruption campaign was thus an undetachable element of his vision, for only an uncorrupted CPV would be strong enough to effectively carry out economic reforms and military modernization in service of its long-term political survival. In other words, the bamboo needs to establish “strong roots” first. Under his watch, Vietnam was the only country that welcomed the Chinese, Russian, and U.S. presidents in a span of nine months. Such a feat would not have happened had the country been a weak party-state. Major powers understand Trong’s “bamboo diplomacy” in their own ways, but the common point is that they accept Vietnam’s growing international role because they see that the country’s increased prominence will not come at their expense.

Given Trong’s successful coining of the term “bamboo diplomacy” and the international recognition it has earned, Vietnam’s foreign policy is [not likely to change](https://archive.is/o/IHm1s/https:/thediplomat.com/2023/01/why-vietnams-political-shake-up-will-not-affect-its-foreign-policy/) after his passing. The country’s collective decision-making structure is resistant to sudden changes, and Vietnam’s bamboo diplomacy is working well, as its architect expected. Trong’s famous words to describe the success of Vietnam were “our country has never had the potential, position and prestige it has today.” And he delivered, as seen by the massive number of Vietnamese netizens [blacking out](https://archive.is/o/IHm1s/https:/www.barrons.com/news/vietnamese-social-media-users-black-out-profile-pics-to-mourn-leader-7b3ac8f5) their social media profile pictures the past several days to mourn the passing leader. It will be up to his successors to continue and champion his legacy in the international arena.

#### 2nd article Vietnam: FACT SHEET: President Joseph R. Biden and General Secretary Nguyen Phu Trong Announce the U.S.-Vietnam Comprehensive Strategic Partnership. (The White House, 2023).

During a historic state visit to Hanoi, Vietnam, President Joseph R. Biden and

General Secretary Nguyen Phu Trong elevated U.S.‐Vietnam relations to a Comprehensive Strategic Partnership, renewing the strength and dynamism of the U.S.‐Vietnam relationship as both countries work together to achieve our shared goals of peace, prosperity, and sustainable development.

The unprecedented and momentous elevation of ties between the two countries, moving from a Comprehensive Partnership established in 2013 to a Comprehensive Strategic Partnership, was the result of intense efforts by both governments to establish and build mutual understanding and to chart a forward-looking path toward the opportunities and challenges in a rapidlyevolving world.

To support our shared vision for broader bilateral cooperation, deeper institutional ties, and more extensive and innovative economic engagement, including in support of the Indo-Pacific Economic Framework for Prosperity (IPEF), the United States, in partnership and collaboration with the government and people of Vietnam, is expanding engagement and announcing new initiatives as outlined below.

INVESTING IN THE INNOVATION ECONOMY, COOPERATING IN SCIENCE AND TECHNOLOGY

As innovation changes the landscape of the global economy, the United States and Vietnam are deepening cooperation on critical and emerging technology to increase the prosperity for our people—and for people across the IndoPacific region. During his trip, President Biden and Secretary Blinken will convene a U.S.-Vietnam Innovation and Investment Summit with U.S. and Vietnamese industry leaders—alongside Vietnamese Prime Minister Pham

Minh Chinh and Minister Nguyen Chi Dung—to discuss priorities for expanding technology and economic cooperation, including Vietnamese investments in the United States. The United States will announce an ambitious set of new initiatives to propel the partnership into the future, including:

**New Semiconductor Partnership to Support Resilient Semiconductor**

Supply Chains for U.S. Industry, Consumers, and Workers: The United States recognizes Vietnam’s potential to play a critical role in building resilient semiconductor supply chains, particularly to expand capacity in reliable partners where it cannot be re-shored to the United States and further promote manufacturing and industry development at home under the U.S. CHIPS Act. A newly-signed Memorandum of Cooperation on Semiconductor Supply Chains, Workforce and Ecosystem Development will formalize this bilateral partnership to expand the capacity of the semiconductor ecosystem in Vietnam, in support of U.S. industry. Under the International

Technology Security and Innovation Fund (“ITSI” Fund), created by the CHIPS Act of 2022, the United States will partner with Vietnam to further develop Vietnam’s current semiconductor ecosystem, regulatory framework, and workforce and infrastructure needs.

Establishing Workforce Development Initiatives to Support

Semiconductor Capacity in the United States: The United States and Vietnam announce the launch of comprehensive workforce development initiatives in Vietnam that jointly develop hands-on teaching labs and training courses for semiconductor assembly, testing, and packaging. The U.S. government will provide initial seed funding of $2 million to launch the initiatives, in conjunction with future support from the Government of Vietnam and the private sector. The effort will support the expansion of good jobs for the American middle class for work further up the semiconductor industry value chain.

Developing Electronics & Leading Technology Advancement Partnerships (DELTA) Network: The United States and Vietnam intend to launch a DELTA network with key regional governments and industry entities to bridge and coordinate technology strategies with like-minded partners that share our commitment to building secure and resilient technology supply chains. The DELTA Network will promote talent cultivation, policy coordination, and sector efficiencies in the manufacture of electronic components, against the backdrop of regional trends.

Vietnam-U.S. Science and Technology Agreement for Research: The United States and Vietnam intend to expand bilateral joint research through the Vietnam-U.S. Science and Technology Agreement for Research (VUSTAR). VUSTAR will identify priorities for potential collaboration in areas that include artificial intelligence, R&D and governance, health and medical science, climate science, biotechnology, and conservation.

CULTIVATING PEOPLE-TO-PEOPLE TIES: EDUCATION AND TRAINING

People-to-people ties are the foundation of our enduring partnership with

Vietnam. It is through cooperation on education and training that the United States and Vietnam have made some of the greatest gains to rebuild mutual trust and understanding. Vietnamese students studying in United States represent the fifth-largest foreign student population, and many of these students are pursuing careers in science, technology, and engineering at community colleges, universities, and higher education institutions. For more than 31 years, the Fulbright Program in Vietnam has connected thousands of American and Vietnamese scholars and students in fields such as climate science, business, and arts, and prepared them to be leaders in their fields. In June 2023, the U.S.-supported Fulbright University, Vietnam’s first independent non-profit higher education institution, graduated its first undergraduate class and, with financing from the U.S. International Development Finance Corporation (DFC), will expand to a new campus. After a historic, successful first year with its inaugural cohort of nine volunteers in Vietnam, the Peace Corps’ English education program, in partnership with Vietnam’s Ministry of Education and Training, looks forward to welcoming its second group of volunteers in 2023.

To expand educational cooperation as part of the bilateral upgrade in relations and to the benefit of people in both countries, the United States plans the following new programs:

STEM Champions of Vietnam Initiative: New STEM-focused education initiative that targets the full spectrum of the Vietnamese education sector – from K-12 to post-graduate studies – to connect Vietnamese education and governmental institutions with their U.S. counterparts to strengthen their ability to develop future leaders in science and new technologies.

Upskill Vietnam and Foster Digital Growth: This program will enable Vietnam to unleash the potential of the digital economy to become a key driver of the country’s continued growth. Working with Congress, USAID will provide an initial investment of $12.75 million. The program will engage in: (1) a five-year Higher Education Policy Support project with the Ministry of Education and Training (MOET) to modernize and internationalize Vietnam’s higher education sector; (2) a three-year Vietnam Digital Trade activity that facilitates digital trade and promotes private sector engagement in Vietnam; (3) new five-year Innovative Workforce Development activity that supports the Ministry of Planning and Investment’s (MPI) National Innovation Center.

DEEPENING OUR TRADE, INVESTMENT, AND ECONOMIC COOPERATION

In elevating our partnership, the United States and Vietnam reaffirm a shared commitment to regional prosperity through improved economic cooperation. In partnership with Vietnam, the United States will drive new investments through the Partnership for Global Infrastructure by strategically deploying more public capital to better mobilize financing and expertise from the private sector to scale these investments for the years to come.

The United States intends to do this by:

Expanding Agricultural Trade: Building on recent announcements that market access was granted to U.S. grapefruit and Vietnamese pomelos, the two countries anticipate market access for additional agricultural products will soon follow.

Increasing Access to Capital for Underserved Borrowers: New projects by the U.S. International Development Finance Corporation (DFC), such as Tien Phong (TP) Commercial Joint Stock Bank ($100 million), the Vietnam

Prosperity Joint Stock Commercial Bank (VP Bank)($300 million), and the Beacon Fund ($50 million), that expands lending opportunities to small and medium-sized enterprises (SMEs) that are women-owned, women-operated, and/or climate-focused. These efforts help address issues such as the financing gap for women entrepreneurs, support weather-related adaptation and mitigation measures, promote sustainable agriculture, and improve energy efficiency through the deployment of renewable energy sources.

PROMOTING AND PROTECTING HUMAN RIGHTS

President Biden underscores the universality of human rights and the importance of our bilateral cooperation to advance human rights and fundamental freedoms, including freedoms of expression, association, peaceful assembly, and religion or belief, at home and abroad.

Enhanced Commitment to Meaningful Dialogue: The U.S.-Vietnam Human Rights Dialogue is an important mechanism to discuss a wide range of human and labor rights-related issues including: freedoms of expression and association; freedom of religion or belief; rule of law and legal reform; and the rights of members of marginalized populations, including women and girls, ethnic minority groups, LGBTQI+ persons, and persons with disabilities, as well as individual cases of concern.

ADVANCING CLIMATE, ENERGY, ENVIRONMENT, AND HEALTH COOPERATION

Climate, energy, environment, and health are all essential elements of a dynamic thriving technology-focused innovation-based society and economy. To promote progress in these areas, the United States is expanding its collaboration with Vietnam through new projects and mechanisms:

U.S – Vietnam Bilateral Climate Working Group: The two countries will launch a new working group to coordinate bilateral climate related projects and initiatives to strengthen adaptation and resilience to the impacts of climate change such as the Net Zero World Program.

Climate Resilient Agriculture in the Mekong Delta: USAID will launch a new project that builds climate resilience for traditional agriculture-based economies of the Mekong Delta. With an initial investment of $11.41 million over two years, subject to engagement with Congress, this project will support a vital region that produces roughly half of Vietnam’s total rice harvest and nearly three quarters of its fruit, aquaculture, and fisheries products.

Expand Energy Storage Capacity: The U.S. government, in collaboration with AMI AC Renewables, a Vietnamese company, and Honeywell, a U.S. company, will launch a new pilot project that develops Vietnam’s first ever battery energy storage system in Khanh Hoa Province. This pilot project demonstrates how energy storage can help Vietnam integrate more renewable energy into its power system to meet ambitious climate goals.

Diverse and Securing Critical Mineral Supply Chains: A bilateral Memorandum of Understanding strengthens technical cooperation to support Vietnam’s efforts to quantify its Rare Earth Elements (REE) resources and economic potential, attract quality investment for integrated REE sector development, and meet high environmental, social, and governance standards.

Cooperation on Global Health Security: A new suite of new activities that strengthen Vietnam’s core public health capacities, increase laboratories’ capabilities, improve surveillance systems, and enhance Infection Prevention and Control capacities.

Advanced Care and Treatment for Cancer: The United States intends to expand existing academic and health partnerships to train and mentor medical professionals and faculty to enhance palliative care for cancer patients.

Medical Device Policy Frameworks: U.S. Trade and Development Agency plans to host a healthcare workshop and Reverse Trade Mission (RTM) from Vietnam’s Ministry of Health to facilitate increased information sharing on best practices in synchronizing a single regulatory framework to govern all aspects of medical devices in Vietnam through the development of their first ever “Law on Medical Devices.”

ADDRESSING WAR LEGACIES

The United States and Vietnam have overcome a difficult past to become trusted partners. President Biden committed to Vietnamese government leaders our resolve and unwavering cooperation in our collective pursuit to continue addressing war legacy issues.

The U.S. government is dedicated to supporting the Vietnamese in developing a technology-led system for identification of remains from the war. An interagency effort intends to extend archival research to help identify locations of Vietnamese missing or fallen individuals, as well as cutting-edge DNA technology, including the transfer of expertise and equipment to Vietnamese laboratories.

The United States is expanding the following efforts:

Advancing our Commitment to Complete Dioxin Remediation at Bien Hoa: The United States Government announces a new step toward completing the dioxin remediation project at the Bien Hoa Air Base Area, in accordance with the project Master Plan. The United States and Vietnam signed an amended bilateral partnership agreement, raising the ceiling of our existing agreement from $183 million to $300 million, and expands the agreement to cover implementation of the project until 2028. With this expanded agreement, the United States plans to make available an additional $55 million for the Project in the next year, subject to engagement with Congress, with additional investments in the future from both USAID and the Department of Defense (DOD).

Supporting Persons with Disabilities: USAID will expand their essential health and social service programs that support persons with disabilities into two new provinces Bac Lieu and Ca Mau, thus raising the number of supported provinces to 10.

Scientific Training for the Vietnamese Office for Seeking Missing Persons: The United States seeks to increase scientific training and technology support and exchanges offered at Joint Base Pearl HarborHickam in Hawaii, as well as on-site in Hanoi.

Unexploded Ordnance (UXO) Activities: The United States will provide an additional $25 million to further UXO clearance and tracking activities to the Vietnam National Mine Center in Central Vietnam. The United States’ longstanding commitment to this effort totals over $230 million in UXO since 1993.

BOLSTERING OUR SECURITY THROUGH ENHANCED COOPERATION

In deepening our bilateral security cooperation, the United States-Vietnam Comprehensive Strategic Partnership will also enhance the collective security of the region. The United States is announcing new programs and equipment donations worth $8.9 million to build Vietnamese capacity to fight regional and international transnational crime. These programs include improving maritime domain awareness, port facility security, cargo security, and building Vietnam’s ability to counter illegal, unreported, and unregulated fishing. The United States and Vietnam have enhanced bilateral engagement on Trafficking in Persons (TIP) to address new and emerging trafficking trends, including support to combat TIP, child sexual exploitation, and the growing issue of cyber scam operations in Southeast Asia.

REINFORCING OUR BUSINESS-TO-BUSINESS TIES

We welcome the progress of U.S. and Vietnamese businesses moving ahead with new and expanded initiatives that will increase trade and commerce between our two countries. Some examples include:

Expanding Commerce in the Aviation Industry: Boeing and Vietnam

Airlines will sign a multi-billion-dollar proposal acceptance to purchase 50 Boeing 737 MAX aircraft that will benefit both countries by supporting U.S. manufacturing jobs and providing world-class aircraft to support Vietnam’s growing travel and tourism industry as they aspire to become a leading aviation hub. This deal is will support over 33,000 direct and indirect jobs across the United States.

Strengthening Semiconductor Supply Chains: Arizona-based Amkor Technology will announce the commencement of operations at its state-ofthe art factory in Bac Ninh Province in October 2023. Total investment for the project is $1.6 billion. California-based Synopsys is launching a semiconductor design and incubation center in collaboration with Saigon HiTech Park. California-based Marvell will announce that it will establish a world class semiconductor design center in Ho Chi Minh City.

Furthering Technology Partnerships: Microsoft and Trusting Social will announce an agreement to develop a generative AI-based solution tailored for Vietnam and emerging markets. NVIDIA is partnering with FPT, Viettel, and VinGroup to deploy AI in the cloud, automotive, and healthcare industries. Meta Platforms and the Vietnam National Innovation Center will announce the Vietnam Innovation Challenge, a program to promote digital transformation among small and medium enterprises.

Boosting Travel, Transport, Tourism: VinFast continues to progress on the construction of its $4 billion electric vehicle (EV) manufacturing facility in North Carolina. 3M concluded an agreement with Vietnam’s Ministry of Transport to improve traffic safety. New York-based Nobu Hospitality will announce a partnership with Viet Capital Real Estate (CVRE) to bring the first ever Nobu hotel, residences, and restaurant to Vietnam.

Enhancing Strategic Port and Energy Infrastructure: Seattle-based port operator SSA Marine and Vietnamese private company Gemadept will announce their intent to collaborate on strategic port projects in southern Vietnam, including their joint interest in developing the proposed $6.7 billion dollar Cai Mep Ha Logistics Center.

Promoting Climate Resilience and Innovation: Massachusetts-based Australis Aquaculture will sign an MOU with Khanh Hoa Province to invest an additional $100 million to expand its sustainable aquaculture operations in Van Phong Bay.

Strengthening Financial Services and Capital Markets: United Beacon

Asia Media will launch the inaugural issue of Bloomberg BusinessWeek

Vietnam in October 2023. VNG filed for an Initial Public Offering on the

Nasdaq, representing the first Vietnamese technology company to list in the

United States, and one of several Vietnamese companies looking to access U.S. capital markets to fuel growth and innovation. Crane Currency has signed an MoU with Vietnam-based Q&T Hi-Tech Polymer Co. Ltd. to help the State Bank of Vietnam secure Vietnam’s next generation of bank notes.

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#### 3th article Vietnam: Viet Nam, China issue Joint Statement (Socialist Republic of Viet Nam Government News, 2023).

Following is the English translation of the joint statement by the Vietnam News Agency:

1. At the invitation of General Secretary of the Communist Party of Viet Nam (CPV) Central Committee Nguyen Phu Trong and President of the Socialist Republic of Viet Nam Vo Van Thuong, General Secretary of the Communist Party of China (CPC) Central Committee and President of the People's Republic of China Xi Jinping pays a state visit to Viet Nam from December 12-13, 2023.

During the visit, General Secretary and President Xi Jinping holds talks with General Secretary Nguyen Phu Trong and President Vo Van Thuong, and meets with Prime Minister Pham Minh Chinh, National Assembly Chairman Vuong Dinh Hue.

The two sides hold that Vietnam and China are good neighbours, good friends, good comrades, and good partners, and both are socialist countries under the leadership of a communist party, with similar political regimes, compatible ideology and belief, similar development path, shared vision, shared future, and common efforts for happy people and a wealthy and strong country and for the noble cause of peace and progress of mankind.

To inherit and promote the traditional friendship of "Vietnam-China close bonds as both comrades and brothers" and continue to deepen and further elevate the Vietnam-China Comprehensive Strategic Cooperative Partnership, the two sides agree to build a Vietnam-China Community with a Shared Future having strategic significance and exert efforts for the happiness of the two peoples and for the cause of peace and progress of mankind.

The Vietnamese side supports the building of community with shared future for mankind, the Global Development Initiative, the Global Security Initiative, and the Global Civilization Initiative. These initiatives have the aim of protecting the common interest of the whole mankind, for the cause of peace, fairness and progressiveness of people all over the world, meeting the aspiration to build a better world of people in all countries.

The two sides reach consensus that the development of relations among states should comply with the United Nations’ Charter, international law and essential norms of international relations, persist with mutual respect, equality, mutual benefits, win-win cooperation, respect for each other's sovereignty and territorial integrity, and persist with the settlement of differences through peaceful measures.

Following the above-mentioned orientations, the two sides agree to take the Vietnam-China relations to a new stage with stronger political trust, more substantial defense-security cooperation, deeper tangible collaboration, firmer social foundation, closer multilateral coordination, better management and settlement of differences, and joint efforts for boosting the development of the world socialism cause, making positive contributions to the cause of peace and progress of mankind.

2. In a friendly, straightforward atmosphere, the two sides inform each other on the situations of their respective Parties, countries, as well as the theory and reality of the building of socialism; showing delight at the great and historic achievements that each Party, country has gained during the cause of national development, modernisation and socialism building in line with each country’s conditions; asserting that these fully demonstrate the vitality and superiority of the socialist regimes in Vietnam and China.

The Vietnamese side warmly congratulates the great accomplishments that the Party, Government and people of China have made during the 10-year new era as well as important achievements during the realization of the spirit of the 20th CPC National Congress. The Vietnamese side wishes and believes that under the firm leadership of the CPC Central Committee with Comrade Xi Jinping as the nucleus, following the orientations of the Xi Jinping Thought on socialism with Chinese characteristics in the new era, the Party, Government and people of China will certainly continue to diversify and expand the path of Chinese-style modernization, unceasingly perfect the whole-process people's democracy, strongly promote the new great project on Party building, complete on schedule all targets and tasks set at the 20th CPC National Congress, successfully implement the Second Centenary Goal, turning China into a great modern socialist country that is prosperous, strong, democratic, culturally advanced, harmonious and beautiful.

China supports and highly values achievements made by Vietnam over nearly 40 years of Doi Moi, 10 years of the implementation of the “Platform on national construction during the transitional period toward socialism (supplemented and amended in 2011)”, especially the important and comprehensive accomplishments made since the CPV’s 13th National Congress to date, which have propelled Vietnam’s synergy and international influence to unprecedented heights. China wishes and believes that under the sound leadership of the CPV Central Committee led by General Secretary Nguyen Phu Trong, the Party, State and people of Vietnam will certainly realize major goals and tasks set at the 13th National Congress of the CPV, build Vietnam into a socialist-oriented developed country with high income by 2045. China affirms its support for Vietnam's prosperous development, well-being of its people, building of a strong, independent and self-reliant economy, promotion of the cause of Doi Moi, industrialization, modernization and comprehensive international integration, development of open and friendly foreign relations, and an increasingly important role in peace, stability, development and prosperity in the region and the world.

3. The two sides look back at the development process of relations between the two Parties and countries, appreciate the invaluable and selfless support that the two Parties, countries and their people have provided for each other in various periods; unanimously agree that the traditional friendship as "both comrades and brothers" founded and nurtured by President Ho Chi Minh and President Mao Zedong and generations of leaders, is an invaluable asset of the two countries’ people that needs to be inherited, well-protected, and effectively upheld. The Party, State and people of Vietnam always hold in high regard and deeply appreciate the strong support and assistance provided by the Party, State and people of China in the struggle for national liberation and independence, as well as the cause of socialism building and national development.

At the turn of the century, Vietnam and China set up the motto "friendly neighborliness, comprehensive cooperation, long-term stability, looking toward the future” and the spirit of "good neighbors, good friends, good comrades, good partners". Fifteen years since the establishment of their comprehensive strategic cooperative partnership in 2008, cooperation in various fields has made positive and comprehensive progress. Entering a new era, the Vietnam-China relationship has kept expanding and deepening, especially with Vietnamese Party General Secretary Nguyen Phu Trong's historic visit to China at the invitation of Chinese Party General Secretary and President Xi Jinping following the CPC’s 20th National Congress, which elevated Vietnam-China ties to a greater height.

Looking toward the future, China highlights its consistent policy of friendship with Vietnam, considering Vietnam a priority in its neighbourhood diplomacy. Vietnam affirms that the Vietnam-China relationship is always a top priority in its foreign policy of independence, self-reliance, multilateralisation and diversification of external ties. It is a strategic choice of both sides.

Both sides affirm their consistent support for the two Parties, countries and their people to persevere with independence in strategy and choice of development paths that suit each country's situation; be persistent in properly handling and actively resolving disagreements through peaceful means on the basis of mutual understanding, mutual respect in accordance with international law, maintaining the good development momentum of Vietnam - China relations, making more active contributions to peace, stability and development in the region and the world.

On the basis of the above common perceptions, in the context of rapid, complicated, unpredictable and unprecedented developments in the world, both sides agree to persist with political orientations of the highest Party and State leaders, looking at and developing the Vietnam-China relationship from a strategic height and long-term perspective in accordance with the "16 words" motto and the spirit of "4 goods", taking the 15th anniversary of their comprehensive strategic cooperative partnership as an opportunity to build the Vietnam-China community with a shared future of strategic importance, striving for the well-being of their people, and for the sake of peace and progress of humanity.

4. To continue deepening and elevating the comprehensive strategic cooperative partnership, and firmly promoting the building of the Vietnam-China community for a shared future, both sides reach consensus to well uphold the overall coordinating role of the Vietnam-China Steering Committee for Bilateral Cooperation, actively promote cooperation in the near future, focusing on the following six major orientations, set goals, fine-tune mechanisms, roll out measures and push the implementation of:

4.1. Stronger political trust

To grasp the development orientation of the Vietnam-China relationship, both sides agree to increase strategic exchanges, persist in equal treatment and mutual respect to further consolidate political trust.

(1) Both sides vow to further enhance close exchanges between high-ranking leaders of the two Parties and countries through such forms as bilateral visits, deployment of special envoys, hotlines, exchanges of messages and letters, annual meetings and meetings at multilateral forums, engage in timely strategic discussions on important issues in bilateral ties as well as global and regional issues of shared concern, strategic orientations and directions for the stable and healthy development of ties between the two Parties and countries in the new period.

(2) Both sides agree to bring into full play the special role of the Party channel, further enhance the direction and coordination of the high-level meeting mechanism of the two Parties as well as the promotion and coordination roles of the two Parties’ external relations organisations; improve the efficiency of the exchange and cooperation between the two Parties’ respective agencies at the central level, Party organisations of localities, especially border provinces (regions); approve the mechanism of theoretical workshop between the two Parties and personnel training cooperation plans, promote delegation exchanges via Party channel, step up exchanges and consult each other in Party building and country management, as well as socialism building and many other fields such as organisation, information and education/popularisation, inspection and discipline enforcement, corruption prevention and combat, judicial reform, mass mobilisation/united front and socio-economy. Besides, they concur to further enhance exchanges and friendly cooperation between the Vietnamese and Chinese Governments, the National Assembly of Vietnam and the National People’s Congress of China, and the Vietnam Fatherland Front and the Chinese People’s Political Consultative Conference.

(3) Both sides agree to effectively carry out the agreement on deepening the cooperation in the new era between the two Foreign Ministries; maintain regular meetings between leaders of the two Foreign Ministries; continue organising annual diplomatic consultation; enhance exchanges at department-level; well implement staff training plans; and support and create favourable conditions for each other to renovate headquarters and buildings of the diplomatic representative agencies of the two countries.

(4) Vietnam reaffirms its consistency in carrying out “One China” policy by recognising Taiwan as an inseparable part of the Chinese territory, resolutely opposing any separatist activity seeking “Taiwan Independence”, supporting the principle of non-interference in internal affairs of other states, and not developing any state-level relations with Taiwan. The Vietnamese side holds that the issues of Hong Kong, Xinjiang and Xizang are China’s internal affairs, and expresses the belief that under the leadership of the Chinese Party and Government, the above-mentioned regions will maintain stability and prosperous development. The Chinese side supports Vietnam’s efforts in maintaining social stability, ensuring national security, and promoting national solidarity.

4.2. More practical cooperation in defense – security

Defense - security cooperation, a pillar in the Vietnam – China relations, plays an important role in consolidating strategic trust between the two Parties and States. To protect their security, contributing to maintaining peace, security and stability in the region and the world, the two sides agree to strengthen cooperation mechanisms in defense, police, security, supreme court and supreme procuracy, consider building exchange mechanisms between their judicial organisations, and boost collaboration in the following key fields:

(1) Both sides agree to further enhance high-level exchanges between the two militaries; bring into play the role of cooperation channels such as border defense friendship exchange, strategic defense dialogue and hotline between the two defense ministries; effectively carry out the joint vision statement on defense cooperation until 2025 between the two defense ministries; step up exchange and cooperation between the two militaries in the fields of political work, personnel training and joint research; further strengthen cooperation in defense industry, joint exercise and training, health care, logistics, UN peace keeping activities and non-traditional security; continue intensive border cooperation by promoting joint border patrol and encouraging border stations of both sides to set up friendly relations and enhance coordination on border management and protection; and continue effective joint patrols on the Gulf of Tonkin and military ships’ mutual visits as well as deepen exchange and cooperation mechanisms between the naval and coast guard forces.

(2) Both sides agree to enhance high-level exchanges between law-enforcement agencies; promote the role of such mechanisms as ministerial-level conference on crime prevention and combat, and strategic security dialogue; establish the mechanism of deputy ministerial-level dialogue on political security and a hotline between the two public security ministries; forge cooperation between the Vietnamese Ministry of Public Security and China’s security and law-enforcement agencies in the fields of security, intelligence, particularly deepening cooperation in government security and regime security; bolster cooperation in traditional and non-traditional security such as prevention of terrorism and online scams, cyber security, immigration management, migration, illegal border crossings, and arrest of criminals fleeing overseas; deepening cooperation and enhance experience exchange in the fields of economic security, food security, energy, water resources, and reform and opening up; boost intelligence cooperation and share experience in the issues of anti-interference, anti-secession, prevention and fighting of "peaceful evolution" and "color revolution" of hostile and reactionary forces; strengthen cooperation in preventing and fighting legal violations in religion and managing non-governmental organizations, promote staff training; and step up cooperation to protect the safety of organizations, businesses and citizens of one country in the other.

(3) The two sides agree to strengthen legal and judicial cooperation, creating a legal foundation for comprehensive cooperation in all fields between Vietnam and China; actively implement obligations of international treaties of which the two sides are members. The two sides effectively implement the Agreement on Mutual Legal Assistance Agreement in Civil and Criminal Matters between the Socialist Republic of Vietnam and the People's Republic of China, and the Extradition Agreement between the Socialist Republic of Vietnam and the People's Republic of China; promote the effective implementation of the Agreement on the Transfer of Sentenced Persons between the Socialist Republic of Vietnam and the People's Republic of China; promote the practical outcomes of the Memorandum of Understanding on cooperation between the Vietnamese Ministry of Justice and the Chinese Ministry of Justice, jointly perfecting the mutual legal assistance mechanism; study the establishment of methods for resolving civil and border trade disputes; promote legal and judicial cooperation between localities that share the borderline in appropriate forms.

4.3. Deeper and more practical cooperation

To persist in win-win cooperation to serve the development of the two countries and promote regional and global economic recovery and sustainable growth, the two sides will strengthen their respective cooperation mechanisms in the fields of infrastructure, investment, trade, agriculture, finance and currency; study and build cooperation mechanisms between state-owned enterprises and state-invested enterprises, and transportation agencies, focusing on:

(1) Jointly building “Two Corridors, One Belt”, and “Belt and Road”

The two sides agree to promote the connection of development strategies between the two countries, well implement the Plan on cooperation in promoting connectivity between the “Two Corridors, One Belt” framework and the “Belt and Road” initiative between the Government of the Socialist Republic of Vietnam and the Government of the People's Republic of China.

The two sides promote standard-gauge railway connectivity across the Vietnam - China border, study and promote the building of Lao Cai - Hanoi - Hai Phong standard-gauge railway route, study on the Dong Dang – Hanoi and Mong Cai - Ha Long - Hai Phong standard-gauge railway routes at appropriate times.

The two sides accelerate the connection and construction of border infrastructure, including the building a road bridge across the Red River in the Bat Xat (Vietnam) - Ba Sa (China) border area. The two sides encourage businesses of the two countries to cooperate in the fields of road, bridge and railway infrastructure, clean electricity, telecommunications, and logistics; continue close coordination and facilitate cooperation in road, aviation, and railway transport; and strengthen logistics cooperation.

**(2) Investment**

The two sides agree to effectively deploy an economic-trade cooperation zone, focusing on intensifying investment cooperation in such fields as agriculture, infrastructure, energy, digital economy, and green development. The two sides encourage and support businesses with real capacity, prestige, and **advanced technologies** to invest in the other country in areas suitable to the demand and sustainable development strategies of each nation and create a fair and favorable business environment for these businesses.

The two sides speed up the implementation of projects using non-refundable aid funded by the Chinese Government for Vietnam, including a project to build the second facility of the Traditional Medicine Hospital.

The two sides agree to enhance the exchange of experience in reforming state-owned enterprises and managing state capital at enterprises, cooperate in training human resources, especially high-level management human resources of state-owned enterprises; encourage state capital management agencies at enterprises of the two countries to increase contacts and connection, and create favourable conditions for enterprises of the two countries to boost mutually beneficial cooperation.

The two sides actively seek the possibility of strengthening bilateral and multilateral cooperation in the field of key minerals based on market principles and the spirit of substance and sustainability, ensuring security of energy production and supply chains.

(3) Trade

The two sides agree to apply practical measures to expand the size of bilateral trade in a balanced and sustainable direction. The two sides effectively promote the role of the Regional Comprehensive Economic Partnership (RCEP), the ASEAN-China Free Trade Area (ACFTA); strengthen cooperation on platforms such as the China International Import Expo (CIIE), the China - ASEAN Expo (CAEXPO), and the China Import and Export Fair (Canton Fair); expand the export of products to each other's market. The two sides agree to enhance cooperation in the fields of standardisation, ensuring harmony of standards for goods and products of Vietnam and China, especially agricultural products, thus facilitating bilateral trade cooperation. The Chinese side will actively accelerate the market opening process for Vietnamese agricultural products such as fresh coconuts, frozen fruit products, citrus fruits, avocados, custard apples, rose-apples, medicinal herbs, buffalo meat, beef, pork, and products from cattle and poultry meat. The Vietnamese side will actively promote the import of Chinese sturgeon, increase exchanges between professional organisations of the two sides, and foster the healthy development of relevant industries of the two countries.

The two sides agree to apply effective measures to ensure smooth commodity supply chains serving the production and consumption between the two countries and in the region. Improving customs clearance efficiency, promoting the pilot building of smart border gates on the specialized freight transport routes through the area of border marker No.1088/2 – 1089 and at the Tan Thanh-Puzhai border gates (the area at border marker No.1090-1091) within the international border gates Huu Nghi (Vietnam) – Youyi Guan (China); rationally segregating the flow of goods at border gates, ensuring the smooth operations of key border gates. The two sides concur that they will promote the role of the Vietnam-China task force for trade facilitation, further exploit the potential of bilateral trade; promote the implementation of the memorandum of understanding signed between the Vietnamese Ministry of Industry and Trade and Chinese Ministry of Commerce on strengthening the Vietnam-China supply chain, ensuring the safety and stability of the two countries’ production and supply chains. The two sides agree to promote the role of their joint working group for e-commerce and the engagement of Vietnamese and Chinese enterprises in e-commerce cooperation.

The two sides agree to effectively leverage the role of the mechanisms of the land border joint committee and the joint committee for Vietnam-China border gate management, continue to well implement the three legal documents on the Vietnam-China land border and related agreements; enhance the management of security and order in the border area; actively promote the opening and upgrading of border gates. Continuing to effectively implement the agreement on vessel navigation in the free navigation area at the mouth of Bac Luan River. Studying cooperation in granting mutual Authorized Economic Operator (AEO) certificates, stepping up cooperation and exchanges regarding the “single-window” mechanism, further deepening collaboration on anti-smuggling law enforcement, boosting the Operation Mekong Dragon to achieve even more significant results.

The Chinese side supports the opening of a Vietnamese Consulate General in Chongqing, the active roles of Vietnamese trade promotion offices in Chongqing and Hangzhou (China) in economic and trade cooperation between the two countries; is willing to further create favorable conditions for the Vietnamese side to soon open more trade promotion offices in relevant Chinese localities.

The two sides support authorities of Vietnamese and Chinese localities, particularly inland ones with relatively large economic and population scales, in establishing coordination mechanisms, holding trade-investment promotion activities together to capitalize on their potential, strengths, creating new growth drivers for economic, commercial, and trade cooperation between the two countries. Continuing to support cooperation between the two countries' railway companies to enhance the efficiency of the transit of Vietnamese goods through China.

(4) Finance, currency

The two sides agree to increase the exchange and cooperation between the State Bank of Vietnam and the Bank of China as well as between the two countries’ financial supervisory and management agencies. Leveraging the role of the joint working group for finance-currency cooperation to step up monetary cooperation between the two countries. Supporting the deepening of the two sides' collaboration in the Asian Infrastructure Investment Bank, and the provision of assistance in terms of capital for related projects in line with the bank’s strategy, policy, and procedure.

(5) Food security and green development

The two sides agree to actively promote their cooperation in agricultural techniques and agricultural policy exchange, study the implementation of joint works in such fields as low-carbon agriculture, digital agriculture, green agriculture, land and water resources protection, the promotion of green products with low-carbon emissions, and sustainable development; increase discussions and coordination on policies on ensuring food security.

The sides concur that they will actively participate in and build the global clean energy cooperation partnership. Deepening cooperation in such fields as biodiversity conservation, climate change response, new energy automobiles, which cover the management of Asian natural reserves, the protection of migratory wildlife, and the control of invasive alien species along the border region. The Chinese side welcomes Vietnam’s participation in related activities of the Belt and Road Initiative International Green Development Coalition.

The two sides agree to enhance cooperation in the fields of cultivation and agricultural product processing; deploy the research cooperation for integrated management of the marine and insular environment, implement cooperation in releasing fish fries into and protecting aquatic resources in the Gulf of Tonkin. The two sides will soon sign an agreement on fishery cooperation in the Gulf of Tonkin; and well implement the Vietnam - China agreement on setting up a hotline on unexpected incidents in fishery activities at sea.

The two sides agree to exchange meteorological data in the flooding season, and implement cooperation in such fields as integrated management of water resources, prevention of natural disasters of flooding and drought, safe drinking water in rural areas, economical irrigation, and irrigation science and techniques. The two sides will hold high-level policy dialogues on the sustainable use of cross-border water resources; and enhance coordination in preventing and controlling drought and flooding and in ensuring safety for hydropower dams. The two sides increase the exchange of forecast information about meteorology, weather and dangerous weather conditions and cooperate to develop meteorological services in the Asian region.

4.4. More solid social foundation

To enhance mutual understanding and friendship, promote exchanges, mutual understanding and connections between the two nations' people, and consolidate the social foundation of the relations between the two Parties and the two countries, the two sides will enhance exchange mechanisms between the information and education/popularisation agencies of the two Parties, between key communication bodies and publishing houses, between cultural and tourism agencies, youths and localities; and study the building of cooperation mechanisms between education, health care, traditional medicine, and civil aviation agencies, with the following key cooperation areas to be promoted:

(1) Popularization

The information and education/popularization agencies of the two Parties will step up communications and education about the traditional friendship between the two Parties and the two countries and the Vietnam - China comprehensive strategic cooperative partnership. Encouraging the two countries to implement cooperation in communications, press publication, radio broadcasting, cinematography, and television broadcasting, and promoting mutual understanding and friendship between the two countries' people, especially younger generations.

(2) Culture and tourism

The Vietnamese side supports China to build a Cultural Centre in Vietnam; the Chinese side welcomes Vietnam's establishment of a Cultural Centre in China and properly operating the Vietnam - China Friendship Palace. The Vietnamese side actively supports the Chinese Cultural Centre in Hanoi to carry out activities.

The two sides support cultural organizations, art troupes, and cultural - art training schools of the two countries to carry out exchanges and cooperation. The two sides increase coordination and exchanges of information about tourism policies between the two countries, and coordinate to operate tourism routes and develop tourism products. The two sides well implement the Vietnam - China Plan on Cultural and Tourism Cooperation for the 2023 - 2027 period, increase the exchanges of all-level cultural and tourism delegations, and promote the recovery and healthy development of the tourism sector. The two sides safely and effectively conduct the pilot operation of the landscape site of Ban Gioc (Vietnam) - Detian (China) Waterfalls to create the basis for the official operation, and encourage tourists from both sides to visit the landscape site. The two sides support air transport businesses of the two nations to increase flights between Vietnam and China basing on the market demand.

(3) Education, sports, human resources and science - technology

The two sides agree to well implement the Vietnam - China agreement on educational cooperation; encourage the increase of exchanging students, education managers, and lecturers of the two countries; step up training in specialized knowledge and skills for Vietnamese teachers through scholarship programs for courses in China; boost exchanges and cooperation between educational institutions of the two countries; actively bring into play the role of the Confucius Institute at the Hanoi University; and deepen cooperation in vocational training, digital education, and sports. The two sides agree to increase exchanges between universities and research institutions of the two countries.

The two sides agree to strengthen cooperation in the field of labor on the basis of effectively implementing the agreements on cross-border labor management of the two countries’ border provinces/regions, thus ensuring the rights and legitimate interests of laborers in border areas of the two countries. The two sides agree to promoting the exchange and cooperation programs on human resources and skill development, social security and social insurance to meet socio-economic development demand of both countries.

The two sides agree to continue well bringing into play the role of the Vietnam - China Joint Committee for Scientific and Technological Cooperation; actively enhance cooperation and connections in the fields of the regulations on legal management of nuclear safety, intellectual property, and quality measurement standards; and boost the exchange of delegations at all levels to deepen cooperation in the abovementioned areas.

(4) Health care and natural disaster prevention and control

The two sides agree to continue implementing cooperation and exchanges in the fields of medicine and health, including health protection and care, prevention and control of infectious diseases, traditional medicine, and natural disaster prevention and control. The two sides agree to support localities of the two countries to implement cooperation in sharing information and jointly preventing and controlling cross-border disease outbreaks.

(5) Locality-to-locality, people-to-people and youth-to-youth exchanges

Both sides agree to support the countries’ localities, especially border provinces/areas, to implement exchange and cooperation activities; improve the effectiveness of periodic exchange mechanisms between Vietnamese and Chinese organisations, such as trade unions, and those of women and youths; well organise activities like Vietnam-China youth friendship meeting, Vietnam - China people’s forum, border people’s festival; increase exchanges between young leaders, entrepreneurs and volunteers of the two countries.

4.5. Further coordination

To protect international fairness, justice and common interests, promote peace, stability and prosperous development in the region, create an external environment beneficial to the development of each country and the Vietnam - China relations, the two sides concur to persistently uphold multilateralism, strengthen multilateral coordination and cooperation, and jointly protect the international system with the United Nations as its core and an international law-based international order.

(1) Both sides agree to intensify the consultation mechanism on human rights and policies between the two foreign ministries and non-periodic exchanges between resident representative agencies, as well as delegations/ representative offices located in third country or international organizations.

(2) The Vietnamese side welcomes a viewpoint on building a community with a shared future for mankind put forth by the Chinese side to promote common values on peace, development, fairness, justice, democracy and freedom; supports and is willing to participate in specific cooperation projects within the framework of the global development initiative in line with Vietnam’s capacity, conditions and demand; jointly implements the Sustainable Development Progamme to 2030; discusses and coordinates policies, supports each other and carries out substantive cooperation within the framework of the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement on climate change.

(3) The two sides affirm to abide by the United Nations Charter and international law, respect each other's independence, sovereignty and territorial integrity, equality, mutual benefit, efforts for peace, stability, cooperation and development. The Vietnamese side welcomes and supports the Global Security Initiative. The two sides will study the appropriate implementation of suitable cooperation within the initiative, and continue maintaining exchange and close coordination on regional and global security issues.

(4) The two sides hold that countries whose fates are closely related to each other and with different civilizations live together in tolerance, exchange to learn from each other. The Vietnamese side supports the Global Security Initiative, for peace, development, fairness, justice and progress of humankind, and is ready to study the implementation of cooperation within the initiative.

(5) Both sides advocate that countries carry out exchange and cooperation in the human rights issue on the basis of equality and mutual respect, promote the strengthening of international dialogue and cooperation in the human rights field, not to politicise the human rights issue and not to use the human rights issue to interfere in other country’s internal affairs.

(6) The two sides agree to strengthen cooperation in international and regional organizations and mechanisms, such as United Nations, Asia-Pacific Economic Cooperation (APEC) and Asia - Europe Meeting (ASEM), and support each other to run for seats at international organizations.

(7) Both sides support ASEAN to maintain its centrality in the unceasingly evol olving and changing architecture of the Asia-Pacific region. China supports ASEAN to build the ASEAN Community of solidary, unity, self-resilience and development; accelerates the construction of the version 3.0 ASEAN - China free trade area, deepen the ASEAN - China comprehensive strategic partnership.

(8) The two sides concur to boost Mekong - Lancang cooperation, strive to promote the building of a community with a shared future for peace and prosperity among Mekong-Lancang nations; foster cooperation within the Greater Mekong Subregion economic cooperation framework.

(9) Both sides agree and do their best to protect basic principles and core values of the World Trade Organization (WTO), promote necessary reforms in WTO, especially the resumption of normal operations of the two-level, binding dispute settlement mechanism. Enhancing cooperation within the WTO framework, the two sides jointly protect legitimate rights and interests of developing members, promote WTO to play more effective role.

(10) The Vietnamese side supports China's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on the basis of conforming with standards and order of the agreement. The two sides are willing to well implement the Regional Comprehensive Economic Partnership (RCEP), and boost regional economic connectivity.

4.6. Better management and settlement of differences

The two sides engage in sincere and straightforward in-depth discussions on sea-related issues, and stress the need to better manage and actively address differences at sea, and maintain peace and stability in the East Sea and the region.

(1) The two sides agree to continue to adhere to important common perceptions between senior leaders of the two Parties and two states, persistently pursue friendly negotiations, strengthen the negotiation mechanism at the governmental level on Vietnam-China border and affiliated working groups; actively seek basic and long-term solutions acceptable by both sides, in accordance with the “Vietnam-China agreement on basic principles guiding the settlement of sea-related issues”, and international law, including the 1982  United Nations Convention on the Law of the Sea (UNCLOS 1982).

(2) The two sides reach consensus on actively speeding up discussions on cooperation for joint development at sea, and on maritime boundary delimitation outside the mouth of the Gulf of Tonkin; towards reaching substantive progress in these two works. The two sides will continue to actively cooperate in less sensitive fields at sea. Intensifying collaboration in fishery law enforcement, and in aquaculture and protection of creature resources in the East Sea. Intensifying cooperation in search and rescue missions at sea.

(3) The two sides agree to continue to comprehensively and effectively implement the “Declaration of the Conduct of Parties in the East Sea” (DOC) on the basis of consultations and consensus, work to early reach a substantive and efficient “Code of Conduct in the East Sea” (COC) in accordance with international law, including the UNCLOS 1982. Implementing the mechanisms of senior official meetings (SOM) and the ASEAN-China Joint Working Group meetings on the implementation of the “Declaration of the Conduct of Parties in the East Sea” (DOC); well controlling differences at sea, avoiding acts that complicate the situation and expand disputes, and jointly maintaining stability at sea.

(4) The two sides agree to jointly mark 25 years of land boundary delimitation and 15 years of the signing of three legal documents on Vietnam-China land border in 2024.

5. The two sides agree that the state visit to Vietnam by Chinese Party General Secretary and President Xi Jinping is a success, and an important milestone in the history of the relations of the two Parties and two countries, thus contributing importantly to promoting the Vietnam-China traditional friendship, elevating the Vietnam-China relations in the new period, and promoting peace, stability and development in the region and the world.

The top leaders of the two Parties and states agree to direct relevant agencies, ministries, sectors and localities of Vietnam and China to build and complete appropriate exchange mechanisms, clearly define units responsible for implementation as well as directions of implementation on the basis of task assignment and reality, build detailed implementation plans and promptly report cooperation progress to the Vietnam-China Steering Committee for Bilateral Cooperation. The steering committee for bilateral cooperation is in charge of assessing, supervising, urging and coordinating works for the following periods, and reporting to each side’s high-ranking leaders on the cooperation situation and progress. Based on their needs, the two sides discuss, connect, and review the implementation and settlement of arising issues through friendly consultations.

#### 4th article Vietnam: Vietnam's 'Bamboo' Diplomacy Hailed for Balancing Between US, China (Nguyen, 2024)

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WASHINGTON — Vietnamese General Secretary Nguyen Phu Trong has hailed improved relations with the U.S. and China as significant gains in the country's "bamboo" diplomatic strategy of balancing ties with superpowers.

Last year, Vietnam hosted U.S. President Joe Biden and Chinese President Xi Jinping little more than three months apart, moving closer in relationships with the top two powers — both of which want to court Vietnam, according to experts interviewed by VOA.

Between these two moves, Vietnam elevated Japan to one of its six comprehensive strategic partners, along with the U.S. and China.

When addressing the 32nd National Diplomatic Conference on December 19 in Hanoi,

Trong said Vietnam's diplomatic tradition is deeply ingrained with the essence of Vietnamese bamboo, which has "firm roots" and "flexible branches," reported VCCI News.

Vietnamese diplomacy, according to the party leader, should be adaptive and flexible, aligning with the core tenets of "firm in objectives, flexible in strategies and tactics."

~~“~~Flexible~~”~~ for balancing

The idea of "bamboo diplomacy" was first coined by Trong in 2016 following his reelection to lead Vietnam's Communist Party for the second time. Vietnam has actively pursued this diplomatic approach to navigate rising global tensions since 2021.

The policy is exemplified by Vietnam's careful balancing act. It shares concerns with the U.S. over Beijing's growing assertiveness in the disputed South China Sea, but it has significant economic links with China.

Following an unprecedented double upgrade of its relationship with the U.S. in September, Vietnam committed to developing a "shared future" with China in December.

"In a world where great powers are constantly competing, and in a world with an uncertain future, it is evident that Vietnam has created certain successes, especially in maintaining and keeping the balance between two great powers who are competing so fiercely," Hoang Viet, a Ho Chi Minh City Law University lecturer and international dispute expert, told VOA.

Lawyer Dang Dinh Manh, who is following Vietnamese politics while living in exile in the U.S., said that after their upgrades with Hanoi, the U.S. and Japan "are reassured that Vietnam is not too inclined toward China, while the Chinese side is a rmed that Vietnam continues to be in the orbit in the name of friendship with big brother China."

Hoang Viet, also an expert on China's South China Sea expansion, said Vietnam had to accept participation in a "community of shared future" with China so as not to upset Beijing and maintain the diplomatic space to establish deeper cooperation with the U.S., Japan and other Western countries for economic development purposes.

"Vietnam was most afraid of adverse reactions from China when it comes to upgrading relations with the U.S. and Japan," said Hoang Viet. "The U.S. had pushed Vietnam for the relationship elevation for a long time, and Vietnam had to choose a right time for it. Otherwise, it will face anger from China."

During Xi's visit, Hanoi and Beijing signed 36 cooperation documents in areas such as infrastructure, trade and security. They also published a joint declaration outlining broad pledges.

Carl Thayer, a professor at the University of New South Wales, branded the declaration as "window dressing," saying Vietnam is "giving lip service" to Chinese ideas like its Belt and Road Initiative and its "Community of Shared Future."

"It doesn't cost [Vietnam] anything," Thayer, an expert on Vietnam, told VOA. "They are not making a firm stand, and they're giving the impression that they are supporting, or at least not opposing."

Trade is an important part of Vietnam's balancing strategy. The United States, a former enemy of Vietnam, has become its greatest export market for goods, while China is its largest import marketa.

Following the establishment of new relations with the U.S. and China, Vietnam, as an increasingly strategic player in global supply chains, is projected to see a large influx of foreign capital.

Jensen Huang, CEO of chipmaker Nvidia, visited Hanoi last month and told domestic media that he aimed to set up a base in Vietnam. Meanwhile, the Southeast Asian country is seeing a wave of Chinese firms arriving.

Although bamboo diplomacy has served Vietnam well in the face of superpowers' competition for influence and investment, analysts have warned of limits to Vietnam's neutral approach.

"Bamboo diplomacy is really about Vietnam maintaining its autonomy and independence and not becoming aligned," said Thayer. "But now the world is more polarized than ever, and it's going to make it more and more di cult, I think, to stay out of it."

Vietnam's White Paper 2019 stated that the country is pursuing a nonaligned policy known as "Four No," which means no military alliances; no siding with one country against another; no foreign military bases; and no use of force or threat to use force in international relations.

Vietnam chose to refrain from condemning Russia's invasion of Ukraine and voted against suspending Russia, Hanoi's largest arms supplier and longtime ally, from the U.N. Human Rights Council.

"Vietnam, in the sense, will lose some credibility by not speaking out on human rights issues," Thayer said, adding that "the case of Russia and Ukraine was a prime example."

According to Alexander Vuving, a professor at the Hawaii-based Asia Pacific Center for Security Studies, the growing chasm between the West on the one hand and China and Russia on the other, will make this approach ever trickier for Vietnam.

"'Bamboo diplomacy' won't provide a sustainable way for Vietnam to cope with the vagaries of Cold War 2," Vuving told VOA, adding that Vietnam needs "a new 'safety net' suitable for the new conditions of the times."

Similarly, Vu Duc Khanh, a law professor at the University of Ottawa who follows Vietnamese politics, questioned whether Vietnam could retain neutrality in the face of increasingly fierce competition between superpowers.

"The war in Ukraine has changed the entire strategy of countries like Finland, Sweden and Denmark," Khanh said.

Finland and Sweden applied to join NATO in response to Russia's invasion of Ukraine, while Denmark, a founding member of NATO, signed a defense basing agreement with the U.S. last month.

On the same note, Thayer said he believed "Vietnam is going to find it's hard" if the wars in Ukraine and Gaza intensify the competition between the U.S. and China.

Other potential stumbling blocks

"The Biden administration could be replaced by Trump's. Or the American Congress might get angry with Vietnam on particular issues. Or Vietnam's position will be an impediment to improving bilateral relations with the United States," said Thayer.

According to Hoang Viet, Vietnam is watching to learn these lessons against the backdrop of its confrontation in the South China Sea with China.

"For now, Vietnam, as well as Southeast Asian countries, are trying not to take sides as long as it's possible for them," said Hoang Viet. "Vietnam will maintain this policy until they cannot do it anymore."

Last month, General Secretary Trong anticipated that global and regional dynamics would be "complex and unpredictable."

He warned that "in a multipolar, multicentered world, strategic competition among major nations is inevitable, with heightened risks of conflict and confrontation posing significant challenges for developing countries."

He urged Vietnamese diplomats to keep a careful eye on the situation to make accurate **forecasts and "be persistent yet flexible" in diplomacy.**

#### 5th White paper 2019 Vietnam (MIT, 2020)

E. Opportunities due to the U.S.-China trade conflict

Finally, the current trade war between the United States and China may be an opportunity

for Viet Nam. With China facing escalating retaliation from the United States, Viet Nam

could serve as an alternative supplier of several commodities to its northern neighbour.

Any disruption to supply and distribution chains due to the U.S.-China tariff battle could

have a lasting impact. In the worst-case scenario, companies currently operating in China

may have to relocate their factories or distribution centres to reduce the impact of the U.S.

tariffs on China. This is an opportunity for Viet Nam as an export-oriented economy to

strive to attract investors and emerge as an appealing alternative destination for manufacturers who want to restructure their supply chains.

While the trade frictions between the United States and China have only recently escalated, the dispute between the two countries has been ongoing for quite some time. The

conflict is in fact the result of a long-term battle for technological hegemony disguised as

a trade war. Consequently, foreign companies located in China are considering moving

their export base to Viet Nam to bypass obstacles that have arisen in relation to exports

to the United States.

These companies’ main products would consist of technological goods that can no longer

be imported to the U.S. market from China. Viet Nam must carefully consider the option

of grabbing this opportunity with both hands to transform the country into a global manufacturing base that attracts technology companies and provides competitive products and

services.

#### 6th Securing Semiconductor Supply Chains in the Indo-Pacific Economic Framework for Prosperity (Benson et al., 2023)

**Malaysia**

Semiconductors are a growing sector of the Malaysian economy, particularly in advanced packaging. Malaysia’s legal framework fosters strong IP protection and offers an enticing environment for multinational corporations to operate in the country. It has served as a manufacturing center for electronics companies since the 1970s due to its relatively cheaper labor force and local talent pool. The [Malaysian semiconductor industry](https://www.reogma.com/industry-reports/semiconductor-industry-in-malaysia/) consists largely of advanced technology packaging (ATP) and outsourced semiconductor assembly and testing (OSAT). Malaysia accounts for roughly 4 percent of global ATP market share.

With a [high concentration](https://www.isc.hbs.edu/Documents/resources/courses/moc-course-at-harvard/pdf/student-projects/Malaysia_Semiconductor_Cluster_2015.pdf) of facilities established by foreign investors through OSAT, Malaysia possesses the expertise, equipment, and infrastructure necessary for additional ATP capacity. Its close bilateral trade relationship with China, however, raises questions about long-term IP protections and the outflow of potentially sensitive chips for military end use in China.

The United States and Malaysia upgraded their bilateral relationship to a comprehensive partnership in April 2014. Malaysia is the United States’ 17th-largest trading partner, and as of 2020, U.S. direct investment in the country was $13.5 billion. In May 2022 Malaysia and the United States [signed](https://www.commerce.gov/news/press-releases/2022/05/joint-press-release-us-department-commerce-and-malaysian-ministry) the Memorandum of Cooperation (MOC) on Semiconductor Supply Chain Resilience. The MOC was signed to emphasize the importance of U.S.-Malaysia cooperation in “creating resilient, secure, and sustainable semiconductor supply chains,” building trust, increasing transparency, and promoting semiconductor supply chain investment between the two countries.

Singapore

Singapore is a small country with a powerful semiconductor industry looking to bolster its status as a tech and innovation hub. [Semiconductor manufacturing](https://www.mti.gov.sg/Newsroom/Speeches/2022/05/Speech-by-MOS-Alvin-Tan-at-the-SSIA-Semiconductor-Business-Connect-2022) accounts for more than 80 percent of electronics manufacturing output and 7

percent of gross domestic product (GDP). Singapore accounts for [11 percent](https://www.edb.gov.sg/en/business-insights/insights/diverse-capabilities-infrastructure-help-drive-chips-industry-in-singapore.html) of the global semiconductor market, and [20 percent](https://www.mti.gov.sg/Newsroom/Speeches/2022/05/Speech-by-MOS-Alvin-Tan-at-the-SSIA-Semiconductor-Business-Connect-2022) of global semiconductor equipment is manufactured in Singapore. In December 2020 the Singaporean government announced a [$25 billion](https://cnrssingapore.cnrs.fr/singapore-to-invest-s25-billion-in-next-5-year-plan-for-rd-including-new-programme-to-prepare-for-future-epidemics/) R&D budget for the next five years, representing a 30 percent increase over the previous five-year budget.

Singapore’s political stability attracts corporations [seeking to diversify](https://www.edb.gov.sg/en/business-insights/insights/diverse-capabilities-infrastructure-help-drive-chips-industry-in-singapore.html) manufacturing bases and supply chains. With its [favorable](https://www.edb.gov.sg/en/why-singapore/business-friendly-environment.html) tax and regulatory environment and pool of competent, high-skilled workers, Singapore is an attractive destination for investment in high-value-added manufacturing. It also boasts one of the world’s strongest [IP protection regimes](https://www.trade.gov/country-commercial-guides/singapore-protecting-intellectual-property).

The United States and Singapore maintain robust trade ties, as demonstrated by the U.S.-Singapore Free Trade Agreement, which the parties signed in 2004. In August 2021 the United States and Singapore [finalized](https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/23/fact-sheet-strengthening-the-u-s-singapore-strategic-partnership/) several agreements expanding cybersecurity cooperation, as well as a partnership aimed at enhancing growth and innovation and building resilient supply chains.

Vietnam

Vietnam is an ascendant tech powerhouse and viable “friend-shoring” alternative for U.S.-China derisking in the high-tech sector. Since the early 2000s, Vietnam has increasingly been seen as an alternative for companies relocating from China, and its industry has been [boosted](https://www.vietnam-briefing.com/news/qa-electronics-and-semiconductor-industry-in-vietnam.html/) by significant investments from large multinational companies. The Vietnamese government offers incentives for high-tech projects, including reductions in corporate taxes. As tech firms exited China in 2020, the Vietnamese government formed a working group to [attract tech investments](https://www.eastasiaforum.org/2022/11/15/vietnam-climbs-the-chip-value-chain/) through customized incentive offers to foreign investors. Vietnam hosts a strong pool of engineers at a lower cost than its neighbors.

Samsung Electronics is the country’s largest foreign direct investor. In 2013 the company invested [$1.3 billion](https://www.vietnam-briefing.com/news/vietnams-semiconductor-industry-samsung-makes-further-inroads.html/) in Vietnamese main board and electronic component manufacturing. As of 2021, Samsung’s investments reached [$18 billion.](https://www.reuters.com/business/samsung-lg-plan-multi-billion-dollar-additional-investment-vietnam-2022-12-06/) Samsung has six plants in the country and is building a new [R&D center in Hanoi](https://asia.nikkei.com/Spotlight/Supply-Chain/Samsung-increases-bet-on-Vietnam-with-220m-R-D-hub).

Vietnam and the United States are [“trusted partners”](https://www.state.gov/u-s-relations-with-vietnam/) in a relationship that has become “increasingly cooperative and comprehensive.” Since the United States and Vietnam concluded a bilateral trade agreement in 2001, the United States has become Vietnam’s top export market and its second-largest trading partner. The U.S. government’s Workforce for an Innovation and Start-up Ecosystem (WISE) will provide up to $2 million to [support](https://www.usaid.gov/vietnam/press-releases/aug-25-2021-vice-president-kamala-harris-announces-new-usaid-assistance-vietnam) the Vietnamese transition from a low-skill industry-based economy to a “workforce better equipped to participate in the global digital economy.” In addition, through the U.S. Agency for International Development (USAID) [Partnership for Higher Education Reform,](https://www.usaid.gov/vietnam/fact-sheets/partnership-higher-education-reform) the U.S. government will provide up to $14.2 million to “[strengthen](https://www.usaid.gov/vietnam/press-releases/aug-25-2021-vice-president-kamala-harris-announces-new-usaid-assistance-vietnam) teaching, research, innovation, and governance within the three largest national universities in Vietnam.”

## Appendix b: data analysis intervening variable strategic culture

### Data Malaysia:

#### 1st article: Malaysia Between the United States and China: What do Weaker States Hedge Against? (Kuik, 2016).

Introduction

R

ecent scholarly work on weaker states’ alignment behaviour has used the term “hedging” in describing regional states’ foreign policy choice vis-avis the competing great powers (Chung, 2004; Goh, 2005; Jackson, 2014; Johnston & Ross, 1999; Kuik, 2008; Storey, 2002). While the growing hedging literature has better captured the range and nuances of weaker actors’ external policy than the false dichotomy of the “balancing versus bandwagoning” debate (Kuik, 2010, pp. 98–117), the use of the term is not without difficulties. One problem is that hedging is often employed, either explicitly or implicitly, as a strategy against a big power, usually China. Such usage is problematic for. Second, it overlooks that the very driver of hedging as an instinctive human behaviour is not so much about targeting at any single actor per se, but more about mitigating the broader risks stemming from uncertainty. Addressing “what do states hedge against” is therefore a central component to theorizing hedging as a state behaviour.

This article aims to address this basic question by using the case of Malaysia’s alignment behaviour vis-a-vis a rebalancing United States and a rising China, with special attention to the weaker state’s evolving defense links with the two competing powers since 2009. Why focus on Malaysia and why examine its defense cooperation with the two powers? Why not other member countries of the Association of Southeast Asian Nations (ASEAN)? The rationale is that Malaysia’s response represents the most puzzling case of all regional countries’ alignment choices. Given Malaysia’s past problems with the giant to its north (largely due to Beijing’s support for the outlawed Malayan Communist Party and its “overseas Chinese” policy during the Cold War), as well as the unresolved, overlapping territorial claims over the Spratlys in the South China Sea, one would expect Malaysia to balance against China. Yet it has opted to hedge (Kuik, 2013a), a position that has endured three different leaderships— Mahathir Mohamad (1981–2003), Abdullah Ahmad Badawi (2003–2009), and Najib Tun Razak (2009–present). In recent years, in the face of China’s increasing maritime assertiveness, Malaysia has insisted on hedging, even while two other fellow ASEAN claimants—the Philippines and Vietnam—have stepped up their respective defense cooperation with the “pivoting” and “rebalancing” America, and have used the enhanced military partnerships as the primary leverage of their China and South China Sea policies. While Malaysia has likewise strengthened its defense ties with the pivoting America, it has done so in an extremely low-key manner, denying that the strengthened military ties have anything to do with the China factor.

Malaysia’s response is especially intriguing if one considers that Putrajaya’s anxiety about Beijing’s future intentions has in fact grown following the increased incursions of Chinese vessels into Malaysian exclusive economic zones after 2013. This growing apprehension distinguishes Malaysia from Cambodia, Laos, Myanmar, and Thailand who do not have territorial problems with China; it also distinguishes the country from another fellow ASEAN claimant Brunei, who has agreed to enhance maritime cooperation with Beijing in the South China Sea. Perhaps what is more counter intuitive is that, despite its growing anxiety about Beijing and despite the availability of the U.S. military as a source of allied support, Malaysia has kept downplaying the China threat and declined to overplay the U.S. card, in effect choosing to hedge in a lighter manner than that of even the non claimant countries of Indonesia and Singapore (Kuik, 2015b).

The puzzles surrounding the endurance and extent of Malaysia’s hedging behaviour, described above, signify complex factors underlying secondary-state alignment choices, thereby offering a significant and illuminating case to examine “what” do weaker states seek to hedge against. For this purpose, it is pertinent to focus on the country’s defense links with the contending powers, because military and security partnerships are an integral part of any state’s alignment behaviour. Indeed, defense partnerships—in varying degrees and forms—are key barometers of states’ hedging behaviour. That is, while the degree of military cooperation indicates the extent to which a state chooses to hedge, its preferred (and negotiated) forms often reflects the raison d’etre, functions, and targets of a hedging act. The evolving manifestations and directions of Malaysia’s defense ties with the United States and China, discussed below, provide parameters to ponder its ruling elites’ policy deliberations vis-a-vis these powers.

Malaysia’s defense relations with the United States, accordingly, must be discussed within the broader context of the weaker state’s overall strategic positioning vis-a-vis the major powers. This contextualization is necessary because while Malaysia-U.S. defense ties are important in and of themselves, their direction and substance has been increasingly linked to Malaysia’s consideration of the China factor. The link is far from single directional: Putrajaya’s concern about Beijing is not only a factor driving Malaysia (like many other weaker states) to adjust its strategic posture by forging a stronger military partnership with America, but it is also one of the factors limiting the extent of the evolving Malaysia-U.S. defense ties.

Indeed, the paradox of Malaysia’s current strategic adjustment is that, while the weaker state has moved to expand its long-standing military partnership with America, it has also developed and slowly institutionalized MalaysiaChina defense cooperation despite its growing anxiety about Beijing’s more assertive maritime actions, especially since 2013. These seemingly opposite acts are the defining attribute of the weaker state’s hedging behaviour. Here lies the most puzzling aspect of Malaysia’s case in the regional context: why would a weaker regional state agree to develop military ties with a potential security adversary? It is true that the level of Malaysia-China military interactions still pale in comparison with that of Malaysia’s defense ties with America and its other traditional security partners such as Australia. However, the increased engagement between Malaysia and China in the security and defense domain—traditionally the weakest link in the bilateral ties—may well reflect the smaller state’s gradual but growing readiness to develop a more comprehensive and long-term partnership with Beijing. Considering the timing of Malaysia’s enhanced security cooperation with China, which coincides with the timing of its increasing concern over Beijing’s continuing assertiveness, one might suggest that the weaker state’s growing readiness may well signify— however counter intuitive it may sound—Malaysian elites’ pragmatic judgment: that is, in order to mitigate the China challenge under the condition of power asymmetry and geographical proximity, a necessary approach (although by no means a principal or sufficient measure) is to develop closer military cooperation and a more comprehensive partnership with the proximate giant, rather than to counter balance it militarily.

Central to this pragmatic approach is a simultaneous effort to deepen and expand the already strong Malaysia-U.S. defense partnership, albeit in a persistently low-key manner. The effort seeks to upgrade the partnership in all possible ways that help to augment Malaysia’s position vis-a-vis all forms of security risks (including but not limited to China); but at the same time cautiously limit it in all necessary manners to ensure that its revitalized defense partnership with Washington will not harm its robust economic ties with Beijing, will not erode its ruling elites’ domestic authority, and will not hurt its long-term geopolitical interests at a time when the direction of the changing power dynamics in Asia is still unclear and uncertain.

The Argument

The basic premise of this article that Malaysia’s deepening defense partnership with the United States is not a “balancing” strategy; rather, it should be seen as part of a broader alignment posture that is best described as “hedging.” Hedging is defined here as an insurance-seeking strategic behaviour that entails three characteristics: an insistence on not taking sides between the contending powers, an active pursuit of contradictory and mutually counteracting measures vis-a-vis the powers, and a bottom-line goal of using the opposite measures as a way to cultivate a contingency fallback position (Kuik, 2008, 2015c).

On the basis of this conceptualization, I argue that Malaysia’s seemingly contradictory approach—and for that matter, that of other regional countries—is not only aimed at hedging against the potential security threat of China’s maritime assertiveness, but also against other larger strategic and political risks— namely, the danger of big power conflict and entrapment, the shadow of abandonment, the fear of alienation, as well as the associated domestic concerns of authority erosion. Each of these risks originates from the uncertainty in power structure at different levels.

Put differently, weaker states like Malaysia do not hedge against any specific power per se, but against the general uncertainties embedded in big powers’ actions and inter power relations at the systemic level, in ways that allow ruling elites to optimize multiple crucial interests needed for their ultimate goal of legitimizing and enhancing their political power at home. It is along these twolevel dynamics that one can better understand the raison d’etre, prospects, and limits of the evolving Malaysia-U.S. defense cooperation amid the ongoing structural changes.

The article proceeds in three parts. The first section offers an overview of the evolution of Malaysia’s bilateral relations with the United States and China. The second section explains how and why Malaysia’s hedging behaviour—as marked by its seemingly opposite defense links with America and China under the current Prime Minister Najib Tun Razak—is a function of both structural and domestic factors. The third section illuminates how the weaker state’s insistence of keeping equidistance while pursuing deliberately contradictory actions toward the two competing powers are fundamentally driven by a desire to hedge against not any single actor but a broader range of risks under uncertainty. A concluding segment sums up the key findings by discussing the theoretical implications for the study of non-big power alignment behaviour.

Malaysia’s Relations With the United States and China:

An Overview

Relations with the United States and China are among the most vital facets of Malaysia’s external policy (part of this and the next sections are elaborated upon in Kuik, 2015a). Both sets of bilateral relations are, fundamentally, asymmetric power relations (Gould, 1969; Sodhy, 1991), where the stronger powers could help and harm the weaker state much more than any other actors. In part because of this reality, the smaller state’s perceptions and policies toward the two powers have been characterized by enduring ambivalence (Kuik, 2013b), as observable from the weaker state’s mixed feelings about both America and China, seeing them both as a source of attraction and apprehension.

In the case of the former, the Malay Lilliputian has long viewed the American Gulliver as a key partner for its economic well-being and security, but also as a source of political pressure and irritation. **This was so especially under the country’s fourth Prime Minister Mahathir, who governed the country from 1981 to 2003**. Although Malaysia has never been a formal U.S. ally, the United States has been one of the most important economic and military partners of Malaysia since the Cold War decades (Mohd Najib, 2002; Ruhanie, 2011). It was during the Mahathir years that the Malaysia-U.S. trade and investment cooperation developed in leaps and bounds, and the bilateral security ties became institutionalized. In 1984, the two countries signed the Bilateral Training and Consultative Group agreement. In 1994, they entered into an Acquisition and Cross-Servicing Agreement (ACSA). Both agreements were signed under Mahathir’s watch (Mak, 2004; Wain, 2009). Politically, however, Mahathir saw the U.S. post-Cold War “liberal internationalist” strategy and its tendency to interfere in others’ internal affairs as a source of threat to his rule (Nesadurai, 2004). Bilateral political ties sank to a low point in the late 1990s. Political tensions emerged over Mahathir’s currency control policy during the Asian financial crisis as well as his treatment of his deputy, Anwar Ibrahim (who was relieved and arrested in 1998 and later imprisoned for alleged corruption and sodomy). However, the post-Mahathir era witnessed an improvement in bilateral relations. Under Abdullah Ahmad Badawi, Mahathir’s immediate successor, Putrajaya’s ties with Washington made progress on multiple fronts.

More notable progress has been made under the current Prime Minister, Najib Razak, where Malaysia’s U.S. policy has been more cooperative in gesture and more pragmatic in tone. Substance-wise, he has made a more concerted effort than all his predecessors to cultivate a stronger partnership with the global superpower, with marked progress in all key domains. U.S. President Barack Obama’s visit to Malaysia in April 2014—the first by a sitting American president since President Lyndon Johnson’s visit in October 1966—was a testimony to this transformed relationship. During Obama’s visit, the two sides upgraded their relationship to a “Comprehensive Partnership.” Nevertheless, despite this observable progress, the Malaysian government’s concerns about the possible reactions of the United States to its handling of Anwar (the imprisoned former deputy premier who was released in 2004 when the 1998 verdict was overturned, but was later charged and jailed again in 2015 over another case of sodomy, which Anwar denied) and the U.S. government’s occasional statements over the country’s rule of law and religious freedom have continued to push Malaysian ruling elites to view America as a source of political pressure. In late 2014, when the United States expressed concern over Putrajaya’s use of the colonial-era Sedition Act to clamp down on dissent and stifle the opposition, leaders of the ruling Barisan Nasional (BN) hit out at Washington for trying to “interfere” with Malaysia’s domestic affairs (Sipalan, 2014). In February 2015, after the Malaysian Federal Court announced its decision to convict and sentence Anwar for sodomy, the U.S. embassy expressed that “[the] United States are deeply disappointed and concerned” by the decision and Anwar’s conviction (Malaysiakini, 2015). These political issues notwithstanding, the two countries have made steady progress on other policy domains, ranging from defense and security, to counter terrorism and maritime security, and to trade, education, science and technology. The United States has remained one of the largest foreign investors in Malaysia. The leaders of the two countries have enjoyed a remarkably high level of cordiality, as vividly depicted by Najib’s golf outing with Obama in Hawaii in December 2014.

Comparatively, Malaysia’s relations with China are even more complex. Bilateral ties have been shaped not only by vast power asymmetry similar to that of Malaysia-U.S. relations, but also by longer historical links (tracing back to the Malacca Sultanate and Ming China in the 15th century), geographical proximity, and demographic structure (about one-quarter of Malaysia’s population is ethnic Chinese) (Leong, 1987). Malaysia’s relations with China have gone through an even bigger transformation, from mutual hostility during the Cold War to close and cordial partnership in the post-Cold War era (Abdul Razak, 2002; Liow, 2000). Notwithstanding Sino-Malay ideological and political problems against the backdrop of East–West confrontation, Malaysia was the first ASEAN member to establish diplomatic relations with China in 1974. It has also been one of the most active ASEAN members to engage China in the post-Tiananmen Square, post-Cold War era (Kuik, 2011).

As a weaker state, Malaysia has—throughout the post-Cold War decades— adopted a pragmatic and seemingly contradictory posture toward China (Kuik, 2013a). On the one hand, it has actively engaged Beijing at both bilateral and regional levels, with the goal of using the increasingly close and cordial partnership to cash in commercial and diplomatic benefits from China’s growing economic and regional influence. On the other hand, Malaysia has sought to hedge against the uncertainty surrounding the rise of China, by working with fellow ASEAN members to cultivate a stable balance of power in the region through the ASEAN-led institutions, while simultaneously maintaining—but not overplaying—its traditional military ties with the United States and other Western powers.

Despite their overlapping claims in the Spratly Islands in the South China Sea, Malaysian leaders from Mahathir onward have repeatedly declared that Putrajaya does not see Beijing as a threat, but as an opportunity. Mahathir famously described the notion of a “China threat” as nothing more than a selffulfilling prophecy. He said: “Why should we fear China? If you identify a country as your future enemy, it becomes your present enemy—because then they will identify you as an enemy and there will be tension” (Asiaweek, 1997). Mahathir’s successors Abdullah Badawi and Najib Razak have both chosen to visit China as the first country outside ASEAN upon assuming their respective premierships. Since 2009, China has been Malaysia’s largest trading partner, and Malaysia is China’s largest trading partner in the ASEAN region, and its third largest trading partner in Asia after Japan and South Korea. Malaysia is one of the few regional countries that have recorded a trade surplus with China in recent years. Beyond economy, the two countries have also collaborated on a range of regional and international issues, most notably the promotion of East Asian cooperation.

The growing convergence in economic and foreign policy domains between Malaysia and China have laid foundation for a progressively closer and productive bilateral relationship. In October 2013, during Chinese President Xi Jinping’s visit to Malaysia, the two countries agreed to elevate bilateral ties to a “comprehensive strategic partnership.” The bilateral relations seemed to be reaching new heights. A few months later, however, the relationship was severely tested by two unprecedented events. The first was the reappearance of Chinese military vessels in Beting Serupai (James Shoal, 60 nautical miles from the Malaysian town of Bintulu) in January 2014, after their first occurrence in March 2013. The second was the mysterious disappearance in March 2014 of Malaysia Airlines flight MH370, two-thirds of whose passengers were Chinese citizens. The furious reaction in the Chinese media and cyberspace as well as the pressure from the Chinese government caught many Malaysians by surprise. As emotions ran high in China with netizens posting angry comments against Malaysia, certain groups taking to the streets, and some even calling for a boycott of all things Malaysian, many in Malaysia felt rattled. The backlash came at a time when the two countries were celebrating the 40th anniversary of their diplomatic ties. Although the troubled relations appear to have recovered from a low point after Najib’s visit to China from May 27 to June 1, 2014, Malaysia’s concern about the downside of living with an increasingly powerful neighbor has deepened (Kuik, 2014). In June 2015, a cabinet minister reportedly said in an interview that Malaysia would protest the intrusion of a Chinese Coast Guard ship into Beting Patinggi Ali (Luconia Shoals), 84 nautical miles northwest of the Malaysian oil-rich town of Miri. This concern, however, does not seem to stop Malaysia from continuing to develop closer ties with China economically, diplomatically, and even militarily, as discussed below

Malaysia’s Evolving Defense Ties With the United States and China

Any effort to explain Malaysia’s evolving security ties with America and China under Najib Razak amid the enduring ambivalence must trace the structural and domestic conditions underpinning the country’s interactions with the two powers since 2009.

When Najib replaced Abdullah as prime minister in April 2009, Malaysia was confronted with a different domestic and external environment. Internally, the March 2008 general elections severely weakened the ruling BN coalition, when it lost its two-thirds majority control of Parliament, and five of 13 states to the opposition coalition. This took place when Malaysia was struggling to cope with economic difficulties in the wake of the 2008 global financial crisis. The political and economic challenges combined to make performance legitimacy an even more salient pathway of political authority for the United Malay National Organization-led BN coalition. The May 2013 general elections, which saw BN returning to power with a reduced majority in the Parliament and losing the popular vote, further deepened this trend.

Structurally, the post-2008 environment has witnessed a number of changes. Chief among these are China’s rapidly expanding geoeconomic and geopolitical influence, its more assertive behaviour over maritime disputes, as well as the Obama administration’s “pivot” and “rebalancing” to Asia strategy, as noted. The United States’ emerging strategy signals Washington’s greater resolve to push back Beijing’s growing regional clout by revitalizing its alliances and partnerships in the Indo-Pacific region, by enhancing its involvement in ASEANled forums and other regional multilateral platforms, and by promoting the Trans-Pacific Partnership (TPP) as a high-standard, 21st century trade agreement. These structural changes—along with Japan’s and India’s respective enhanced activism toward ASEAN and toward each other—have engendered a growing power competition, thereby presenting both opportunities and challenges to regional countries, Malaysia included.

The impacts of these structural and domestic changes are threefold. First, they have further reinforced the ambivalent nature of Malaysia’s perceptions of and relations with each of the two major powers. While Malaysia is increasingly looking upon America as a vital source of security support, it has remained vigilant about the potential political challenges from Washington on issues the UMNO elites regard as internal affairs. At the same time, while Malaysia is increasingly viewing China as an indispensable source of prosperity and future growth, it has also become more concerned about the longer-term risks from an increasingly powerful Beijing. This has deepened a less-than-clear-cut perception of risks and benefits: each power is increasingly seen as a source of pivotal support on one domain, but a source of concern on the other.

Second, such a deepening, parallel ambivalence, which has been heightened by the growing uncertainty about the future power relations and power structure, have prompted Malaysia to deepen its hedging approach of not taking sides and instead adopting counteracting measures to keep its options open, not least to avoid the scenario of all-bets-are-off.

Third, amid growing uncertainty, Malaysia has developed defense links with both America and China as an essential means for hedging purpose, but with different functions. That is, whereas the long-established Malaysia-U.S. defense partnership is aimed at pursuing indirect-balancing (to minimize security risks by forging and strengthening military alignment, but without directly and explicitly targeting any power), Malaysia’s defense ties with China serve the functions of binding-engagement (to maximize diplomatic benefits by institutionalizing multisector cooperative arrangements with a big power) and perhaps even limited-bandwagoning (to maximize geopolitical benefits by selectively giving deference and forging collaboration with a major power) visa-vis the resurgent and proximate power.

Malaysia-U.S. Ties: Drivers and Direction of Defense Cooperation

Under Najib, Malaysia has moved to grasp the opportunities unleashed by the U.S. rebalancing, with the aim of using a strengthened partnership with the global superpower to solidify Malaysia’s fallback position. The move is not only driven by the security need of indirect-balancing, but it is also motivated by domestic economic and political calculations. Besides aiming to maximize trade and investment gains from America, Putrajaya has also hoped to capitalize on the increasingly warm bilateral ties as leverage to reduce Washington’s support for the Anwar-led opposition and civil society movements, which have posed a growing challenge to BN after the general elections in March 2008 and May 2013.

These structural and domestic factors have coalesced to push the Najib government to embrace a friendlier posture toward the United States (Kuik, 2013b). Accordingly, Malaysia has taken steps to improve its political relations with Washington, enhance trade and investment links (efforts include the decision to enter into the TPP negotiation, which was concluded in October 2015), and strengthen their long-standing military cooperation. Under Najib, there have been more Malaysian security personnel taking part in military programs in America, more U.S. ships visiting Malaysia, as well as more joint exercises and more high-level defense consultations being conducted (Shapiro, 2012). In the political and diplomatic domain, Putrajaya has selectively collaborated with the United States on issues that the Obama administration is most concerned about (and those with little domestic political cost to the prime minister). These issues range from Iran, North Korea, and Iraq, to nuclear nonproliferation and human trafficking. By cooperating with the Americans on these issues, Putrajaya seeks to showcase its value while giving some measure of deference to the superpower to enhance Malaysia-U.S. relations. These are all acts of limitedbandwagoning.

In line with Najib’s determination to forge closer bilateral ties with the United States, the successive defense ministers Ahmad Zahid Hamidi (April 2009–May 2013) and Hishammuddin Hussein (May 2013–present) have both taken steps to further strengthen Malaysia’s defense and security ties with America. Examples include:

* Upgrading Malaysia’s status in the U.S.-initiated Cobra Gold mili-tary exercise from observer to participant in 2010. Prior to that, Malaysia had insisted that there was “no immediate need” to be an active participant. In January 2003, the then defense minister Najib said that Malaysia’s membership in the Five-Power Defence Arrangements “is sufficient to meet our defense needs and strategy in the region” (New Straits Times, 2003). In June 2010, however, defense minister Zahid Hamidi announced that the U.S. Secretary of Defense Robert Gates had agreed to upgrade Malaysia’s participation in Cobra Gold. In February 2011, Malaysia took part in the exercise for the first time as a full participant.
* Deploying 40 noncombatant military medical personnel to Afghani-stan in July 2010. The decision was driven by a desire to strengthen Malaysia’s relations with America and raise Malaysia’s international prestige, while scoring domestic political mileage by highlighting its active role in helping out a fellow Muslim country.
* Entering into the renewal negotiation for the ACSA. The agreement,which was first signed in 1994 under Mahathir and renewed for another 10 years in 2005 under Abdullah, provides a framework for the two defense partners to exchange mutual logistic support on supplies, equipment, and transportation during training and exercises.
* Enhancing maritime security. In 2009, the United States announcedthat, under the 1,206 Program Initiative, it would provide Malaysia with a coastal surveillance radar system along the eastern Sabah coast, having earlier provided US$12 million toward its construction (see Keith, 2008, p. 6). The system is expected to enhance Malaysia’s maritime domain awareness that “collects information from multiple sources, analyzes and fuses into intelligence, and disseminates it to security agencies involved in protecting Malaysia’s maritime borders” (Embassy of the United States in Kuala Lumpur, 2009).
* Facilitating more high-level military visits, training, and exchangesbetween the two countries. In November 2010, U.S. Secretary of Defense Gates visited Kuala Lumpur. In 2012 alone, there were over 30 U.S. naval ships visiting Malaysia, with stops in Langkawi, Lumut, Port Klang, Kuantan, and Kota Kinabalu. In September 2012, the U.S.S John C. Stennis was the first aircraft carrier to conduct a port call in Sabah (Jones, 2013).

Malaysia’s security partnership with America has been further strengthened on various fronts after Hishamuddin took over as defense minister in mid-2013. Malaysia and the United States held Cooperation Afloat Readiness and Training naval exercises in the South China Sea close to Kuantan in June 2013, and the 17/ 2013 Kris Strike Exercise between Malaysia and the U.S. army was held in Sungai Petani in September, 2013. The two countries also had regular high-level military interaction and dialogue at both bilateral and multilateral contexts.

Malaysia has also worked with the United States to expand the U.S.-provided chain of coastal surveillance radars in Sabah. According to Jane’s Defence Weekly, Malaysia is interested in both upgrading the existing radars and obtaining additional radars with different capabilities to provide adequate coverage of Malaysian airspace. Hishammuddin stated that the expansion is part of the “Eastern Sabah Security Command” (ESSCOM) and the ESSZONE (Eastern Sabah Security Zone) initiative aimed at beefing up its security and surveillance along the coast of Sabah (Dzirhan, 2013) after the 2013 incursion by Sulu insurgents. ESSCOM is the enforcement agent for ESSZONE. In February 2015, Malaysia confirmed that the United States will provide 12 boats to ESSCOM to boost its asset strength, as part of the contribution made under agreements during Obama’s 2014 visit to Malaysia.

Coastal surveillance, of course, is not the only area in which Malaysia hopes to benefit from its strong defense relations with the United States. At a joint news conference in Kuala Lumpur in 2013, Secretary of Defense Chuck Hagel reaffirmed that the United States “is committed to continuing to assist Malaysia’s military as it increases its capabilities in areas like humanitarian assistance and disaster relief, peacekeeping, maritime security, and counterterrorism” (U.S. Department of Defense, 2013a, 2013b). The secretary also stated that he and Minister Hishammuddin had discussed “future areas of cooperation” between the two countries. The specific areas identified were expanding defense trade, technology collaboration, and information sharing (U.S. Department of Defense, 2013a, 2013b). Hishammuddin’s announcement on October 10, 2013 that Malaysia plans to set up a marine corps and build a new naval base at Bintulu in the South China Sea is expected to create additional opportunities for Malaysia-U.S. defense cooperation in the area in the coming years.

Malaysia-China Ties: Drivers and Direction of Defense Cooperation

In the case of Malaysia-China relations, Najib—a son of Tun Abdul Razak, Malaysia’s second prime minister who established diplomatic relations with China in 1974—has pursued a policy that is marked by increased pragmatism in all key domains. This is evidenced by Putrajaya’s greater readiness to collaborate with Beijing in the economic, transnational security, and even defense domains, despite Malaysian defense planners’ growing concerns over China’s increasing assertiveness in the South China Sea.

This pragmatism is chiefly rooted in the BN elites’ desire to further enhance overall bilateral ties and, accordingly, to further maximize commercial and diplomatic benefits from China. This is not purely an economic or foreign policy matter, but is also an issue of crucial political significance for Najib. To regain political ground for BN, Najib has adopted measures aimed at enhancing his government’s performance in ensuring and delivering economic growth, alongside other pathways of legitimation. BN’s weakened position after the cliffhanger May 2013 elections has further increased the salience of performance legitimation for Najib.

In this light, maximizing economic benefits from China and other major markets is deemed a crucial domestic political matter. China has emerged as Malaysia’s largest trading partner since 2009 as noted. In 2014, bilateral trade reached US$102 billion, accounting for 14.3% of Malaysia’s total trade (Malaysian Department of Statistics, 2015). Under Najib, Malaysia has not only sought to strengthen the already robust bilateral trade, but it has also taken steps to enhance bilateral investment and financial cooperation. These include: creating industrial parks in Qinzhou and Kuantan, setting up a Bank Negara Malaysia (the central bank) representative office in Beijing, creating a yuan clearing bank in Kuala Lumpur, as well as establishing a bilateral currency swap deal for RM90 billion in 2009 and renewing the arrangement for a further term of three years first in 2012 and then in April 2015. Although China’s current outbound direct investment (ODI) into Malaysia remains low, Malaysia clearly is eyeing the longer-term investment benefits that could help fuel the country’s future economic growth. Malaysian Minister of International Trade and Industry Mustapa Mohamed remarked in October 2013 that as “China is becoming an important source of investment in the world compared with the United States, European countries and Middle-East,” Malaysia wants to tap into its stronger bilateral relations to capture US$25 billion worth of investment from China over the next five years (Free Malaysia Today, 2013). Malaysia’s determination to benefit from China’s growing ODI (which amounted to US$116 billion in 2014) has grown further in recent years, thanks in part to the perceived opportunity surrounding Xi Jinping’s “belt and road” initiative, and in part to the growing presence of private investors from China. From January to July 2015, the total value of Chinese mergers and acquisitions into Malaysia reached US$830 million, almost four times the figure for the entire 2014 (The Star Online, 2015). Malaysia is also keen to boost Chinese tourist arrivals (New Straits Times, 2014). In June 2015, the Malaysian cabinet decided to grant a visa waiver for Chinese tour groups to compete with other neighboring countries in attracting more Chinese travelers to Malaysia.

The BN elites’ economic cum domestic political motivations, however, are not the only drivers of Malaysia’s move to develop cooperative and comprehensive ties with China. There are geopolitical and strategic considerations at work as well. As a weaker state, Malaysia’s perceptions and policies toward China have always been shaped by long-term geopolitical considerations. The twin realities of geographical proximity and power asymmetry—compounded by the elites’ historical memory of Malacca-China interaction and the MalaysiaChina Cold War hostility—have a deep impact on the elites’ belief that China could be both a boon and a bane to Malaysia’s external interests (Kuik, 2013a).

It is for this combination of economic, political, and geostrategic considerations that Malaysia’s China policy has been characterized not only by economic pragmatism, but also by binding-engagement and limited-bandwagoning. Indeed, Malaysia has since the early 1990s exhibited a noticeable readiness to recognize, accommodate, and whenever possible, capitalize and cash in on China’s growing power, but without sacrificing its own fundamental interests. For instance, Malaysia has demonstrated a tendency to defer to China, primarily on issues Beijing regards as its “core interests,” such as Taiwan, Tibet, Xinjiang, and Hong Kong (recent examples include Putrajaya’s deportation of ethnic Uighurs to China and its decision to bar two Hong Kong pro-democracy activists from entering Malaysia). In addition, Malaysia has also collaborated with China on selective issues that serve its own foreign policy interests. The two countries, for instance, forged collaboration in promoting the institutionalization of East Asian cooperation throughout the mid-1990s and 2005, a period that witnessed the creation of ASEAN Plus Three (China, Japan, and South Korea) and the East Asia Summit.

These dual acts of selective deference and selective policy collaboration—the defining elements of limited-bandwagoning—indicate that Malaysian elites have increasingly come to view the rise of China as a long-term geoeconomic and geopolitical force that Malaysia must adapt to and benefit from. China’s growing influence after the 2008 global financial crisis seems to have reinforced such a view. As enunciated by a former Malaysian envoy, Putrajaya wants to develop a strong relationship with Beijing so as to “invest in the emerging China,” because the rising power is playing an increasingly vital role in regional and global affairs (personal communication with a former Malaysian envoy, Kuala Lumpur, August 12, 2014). Malaysia was one of the ASEAN members who attended the signing ceremony of the Asian Infrastructure Investment Bank (AIIB) in Beijing in October 2014. Its leaders have openly expressed support for Beijing’s “belt and road” initiative. As observers note: “There are few other countries in Asia with which China enjoys such warm and comprehensive ties. Without exaggeration, the China-Malaysia friendship has to this date been a model relationship for the region” (Bower & Nguyen, 2015).

Accordingly, Malaysia under Najib has expanded bilateral cooperation with China in virtually all sectors. These include the security and defense realm, which has long been the least developed aspect of the bilateral ties. Bilateral military links began only in 1995, when the two governments established defense attache offices in each other’s capital cities. Progress, however, has been slow and limited, even after the signing of the bilateral memorandum of understanding in defense cooperation in 2005. Since Najib assumed the premiership in April 2009, more high-level contacts and military exchanges have taken place between the two countries. In July 2009, Malaysian Defense Forces Chief General Abdul Aziz Zainal led a delegation on a five-day working visit to China at the invitation of his Chinese counterpart General Chen Bingde. In November 2009, during Chinese President Hu Jintao’s two-day visit to Malaysia to mark the 35th anniversary of Malaysia-China diplomatic ties, Najib and Hu pledged to jointly advance the “strategic and cooperative relations” between the two countries. In December 2011, Malaysian Defense Minister Zahid Hamidi and his Chinese counterpart General Liang Guanglie pledged to advance military cooperation between the two countries. In February 2012, Najib met with visiting Chinese State Councilor and Minister of Public Security Meng Jianzhu. Both countries agreed to forge closer ties to fight cross-border crimes.

In September 2012, in a move to institutionalize the bilateral military ties, the defense ministries of the two countries held the first Malaysia-China defense and security consultation in Kuala Lumpur. At the dialogue, China proposed six key points to develop the bilateral defense relations. These included: making use of the defense and security consultation mechanism, stepping up maritime cooperation and other nontraditional security cooperation, and deepening cooperation in defense industry and equipment technology (personal communication with a Malaysian official, Kuala Lumpur, December 14, 2012). Developing Malaysia’s defense industry is clearly one of the reasons behind Malaysia’s move to develop its defense ties with China. In September 2012, after meeting a People’s Liberation Army (PLA) delegation in Kuala Lumpur, Defense Minister Zahid Hamidi said, “[w]e would like to produce missiles and the service life extension programme as part of a package offered by China.” He continued, “[a]nd in due course if the amount of missiles is economical for China to locally produce, they would like to consider producing it in Malaysia” (Dzirhan, 2012).

During Chinese President Xi’s visit to Malaysia in October 2013, he remarked that both countries “have agreed to strengthen our partnership with naval defense, joint military exercises to combat terrorism and promote security” (Malay Mail, 2013). Najib reportedly said that Malaysia “is ready to maintain communications with China at all levels,” and is “ready to deepen cooperation with China in military, technology, law enforcement, education, tourism and culture and increase people-to-people exchanges” (Xinhuanet, 2013). A few weeks after Xi’s visit, defense minister Hishammuddin made a three-day working visit to China in late October 2013. He held talks with his Chinese counterpart General Chang Wanquan. Both sides agreed to forge “a more comprehensive strategic cooperation” by holding joint exercises, fostering exchange of military personnel, establishing cooperation in the defense industry, and fighting terrorism and transnational crime (Bernama, 2013; New Straits Times, 2013). Jane’s Defence Weekly observed that the two countries’ collaboration on defense industry is likely to be based on Malaysian procurement of Chinese materials, possibly missiles, and that Malaysia retains interest “in procuring other Chinese-designed missile systems that it wants to produce locally” (Grevatt, 2013).

One of the trends in Malaysia-China security links has been their growing cooperation not only on military defense, but also on nontraditional security issues. In October 2014, Hishammuddin and the visiting Chinese State Councilor Yang Jiechi declared that both countries “need to beef up their military cooperation and defense industries,” as well as “work together to fight militancy in all forms” (Straits Times, 2014). In November 2014, in a move that underlined Malaysia’s limited-bandwagoning tendency, Hishammuddin attended the Xiangshan Forum, a biennial (now annual) security forum hosted by China since 2006 to compete with the Western-backed Shangri-La Dialogue. In December 2014, the Malaysian Armed Forces (MAF) and the PLA held their first joint table top exercise at MAF’s Joint Warfare Center to develop a common framework for humanitarian and disaster relief operations (Cheng, 2014). On May 18, 2015, Malaysian Defense Ministry Secretary-General Abdul Rahim led a delegation to take part in the second bilateral Defense and Security Consultation in Beijing, presided over by the Vice Chairman of China’s Central Military Commission, General Xu Qiliang. Malaysia-China defense links have gone beyond the bilateral level. The two countries, for instance, co-chaired the third ASEAN Regional Forum Disaster Relief Exercise, held in northern Peninsular Malaysia in May 2015, which involved more than 2,500 participants from 27 countries in and out of the region.

The above progress, paradoxically, has been taking place at a time when Malaysia is becoming more alarmed by China’s growing assertiveness in the South China Sea. Such a paradox may well reflect the weaker state’s realization that, in view of power asymmetry, protecting its maritime interests requires it to pragmatically adapt, adjust, and move closer to—rather than reject, ignore, and keep away from—China’s growing power projection and strategic outreach, so long as such adaptation is pursued in conjunction with some dominance-denial and indirect-balancing measures. Hence, Malaysia has sought to cultivate a stable balance of power via the ASEAN-led institutions to prevent the emergence of any predominant hegemon, while diversifying its defense links with various players and deepening its military ties with the United States as fallback options. With these precautionary measures in the background, Malaysia calculates that it could move closer to China and react positively to Beijing’s push to enhance bilateral defense cooperation, thereby seeking to turn its increasingly robust political and economic ties with the rising power as leverage to pursue mutually beneficial ventures, while keeping its options open. As a weaker state, Malaysia realizes that because of its inherent vulnerabilities, it cannot afford to place its existential stakes at the mercy of any stronger powers. Instead, it must hedge. A key element anchoring this hedging approach is the country’s longstanding “equidistance” policy.

The Imperative of Equidistant Relations: What Does Malaysia Hedge Against?

The above developments indicate that Malaysia is determined to maintain its cordial and productive relations with China despite its anxiety about Beijing’s increasingly assertive actions in the disputed Asian waters. Hence, although the maritime concern is one of the reasons leading Putrajaya to welcome the U.S. pivot and upgrade its multisector partnership with Washington, the Najib government has taken great care to do so without downgrading its overall ties with China. A small episode in May 2013 illustrates this well. About a week after winning the 13th general election, Najib wrote on his tweet on May 14: “Had a very productive discussion with @BarackObama. I look forward to growing the Malaysia-U.S. relationship” (Mohd Najib, 2013a). Half a day later, another tweet was added: “Spoke with [Chinese Premier] Li Keqiang over the phone recently. Looking forward to expanding our relationship with China.

A vital link for commerce & growth” (Mohd Najib 2013b). Although the tweets may seem trivial, the fact that the leader and his advisors felt compelled to add the second tweet (his conversation with Li, which took place earlier than his discussion with Obama, originally was not noted in the premier’s Twitter) is indicative of the weaker state’s sensitivity of the importance of underscoring its “equidistant” relations vis-a-vis the two contending powers.

It is on the basis of this equidistant posture that the Najib government has sought to hedge by concurrently enhancing Malaysia’s relations with America and China, building stronger bilateral relationships with both powers without departing from its non alignment stance, all with an eye to reinforcing its fallback position. In August 2014, when responding to a question at the Malaysian Student Leaders Summit about which of the two major powers Malaysia should choose, Najib said Malaysia’s foreign policy “is based on principle” and the country “did not really need to choose between the United States and China” because of “the strength of both countries” (The Star Online, 2014).

The insistence of maintaining equidistance and not taking sides has implications for Malaysia’s South China Sea policy and its broader hedging posture vis-a-vis the powers. That is, while the weaker state is inclined to leverage on the U.S. pivot to strengthen its own indirect-balancing (strengthening alignment to reduce security risks without directly and explicitly targeting at any power) over the South China Sea, it has chosen to do so by continuing to downplay the “China threat” and not overplay the U.S. card. This posture—which can be labeled as “light-hedging”—distinguishes it from the Philippines’ balancing policy (openly siding with America to directly counterbalance the China threat) and Vietnam’s “heavy-hedging” (heavily and openly emphasizing the need to check on China, but stopping short of fully aligning with America).

Such a light-hedging approach suggests that Malaysia’s current alignment position is not merely about hedging against the security challenges of a more powerful China, but more about hedging against a wider range of risks associated with the uncertain power structure and power relations at the systemic level.

If Malaysia’s alignment behaviour were solely motivated by a desire to hedge against China, one would expect the weaker state to confront China’s growing incursions into its waters more squarely. It would have viewed Beijing’s increasing encroachment as an increasing threat and described such openly (rather than downplaying the potential risks even after the Beting Serupai and Beting Patinggi Ali incidents); and it would have reacted accordingly by embracing the U.S. rebalancing in the same way that the Philippines (and Vietnam to some extent) has done since 2010: publicly and principally capitalizing on (rather than cautiously reacting to) the United States’ enhanced security commitment as leverage to deal with China.

Empirically, as noted, Malaysia has avoided the direct-balancing and heavyhedging approaches. It has instead chosen to hedge in a light manner: seeking to develop a stronger and more comprehensive partnership with China, but simultaneously cultivating some fallback measures with an insistence on playing down the urgency of the China challenge, and downplaying the efficacy of relying too heavily on the U.S. military in its strategic posture. This cautious and counteracting approach indicates that Malaysia’s alignment behaviour is driven not by one single-directional goal, but by a wider calculation of mitigating and offsetting a variety of undesired eventualities.

What exactly does Malaysia seek to hedge against? Considering Malaysia’s long-held stance of avoiding placing all or most of its policy eggs in the U.S. basket, its insistence of underscoring its equidistant relations with all competing powers, as well as its persistent endeavor in projecting an image of “independence” whenever it could (at times defying the major powers, for example by sending military medical personnel to Afghanistan but expressing its disapproval of the U.S. invasion of the Muslim country; or by stating its support for China’s “belt and road” initiative but questioning Beijing’s intentions behind the Maritime Silk Road Fund), it seems reasonable to infer that Malaysia has sought to hedge against five genres of risks: the hazard of being entrapped in a potential U.S.-China conflict, the uncertainty in the U.S. long-term commitment, the risks of alienating the proximate rising power, the danger of becoming subservient to a predominant power, as well as the associated concerns of domestic authority erosion.

These concerns, in combination, determine that Malaysia will continue to reject pure-balancing and pure-bandwagoning, so long as the structural condition (i.e., big power competition has not escalated into total big power conflict) permits it to do so. Completely bandwagoning with either power (accepting subservience to either power in exchange for material benefits) is a non starter, because no sovereign state, not even the weaker ones like Malaysia, would want to subject themselves to the political will of others, if they have a choice. Such a position will incur unacceptable domestic political costs, because the act will be tantamount to a failure of safeguarding the country’s sovereign equality. Direct-balancing is also a highly unlikely option. The strategy, which requires Malaysia to transform its defense partnership into a full-fledged military alliance, is bound to incur unnecessary strategic, economic, and political costs that outweigh any potential security benefits. This is because forming an alliance with America will provoke hostility from China, drag Malaysia into a possible great power conflict, result in the loss of commercial benefits from the Asian economic powerhouse, and invite domestic opposition. Each of these downsides is politically detrimental to the UMNO elites’ performance legitimacy. These trade-offs are deemed unjustifiable under the current conditions, for Malaysia’s security and maritime interests are not directly threatened by China (at least not yet). At a time when the future of the power structure and U.S.-China relations is neither clear nor certain, it would be unwise for any weaker actors to take sides or make any actions that are strategically irreversible, for the evolving structure and process might lead to a scenario of “losers lose all.”

For these reasons, Malaysia—like many regional states—will continue to hedge in a light manner. By insisting on pursuing mutually counteracting measures vis-a-vis the powers without overplaying the magnitude of threat and support, the light-hedging approach allows the weaker state to strike an optimal balance of trade-offs: enabling its elites to acquire concrete benefits from both sides to consolidate their domestic rule, without incurring the sort of costs that might undermine the state’s pursuit of security, prosperity, and autonomy over the long run. This approach is likely to persist even and especially when Najib is battling for his own political survival since July 2015, in light of the allegation that nearly US$700 million was channeled from the troubled quasisovereign wealth fund 1Malaysia Development Berhad into his personal bank accounts. As the leader struggles to draw support from the conservative elements in and out of his party to remain in office, it is highly unlikely that he will make any drastic policy change on the external front that might further erode his already thin power base at home.

A light-hedging approach, therefore, has prevented Malaysia from completely aligning militarily with America. Besides not wanting to antagonize China, there is also a domestic political rationale. The ruling elites do not want to alienate Malaysia’s Muslim majority voters, many of whom have been critical of U.S. policies in the Muslim world. These external and internal considerations combine to explain Malaysia’s cautious endeavor to avoid developing too close a defense partnership with America. A case in point is Putrajaya’s reaction to international news reports in September 2014, which quoted the U.S. Navy’s chief of naval operations Admiral Jonathan Greenert’s speech in Washington that Malaysia “has offered to host” U.S. Navy P-8 Poseidon aircrafts at a base close to the South China Sea to conduct surveillance activities over the disputed areas where China operates (Moss, 2014). Malaysian Defense Minister Hishammuddin denied this (Perlez, 2014). According to security analyst Dzirhan Mahadzir, Malaysia’s foreign military cooperation activities are often conducted on a “case by case” and “ad hoc” basis. He describes the option of allowing America to set up a base in East Asia for the purpose of monitoring China as politically infeasible and strategically “counter-productive,” as it “would only provoke the Chinese to set up their activities in the area” (Dzirhan, 2014). While it remains highly unlikely that Putrajaya would allow the United States to build a base on Malaysian soil, there was news that the two governments have been in “secret talks” about granting America the expanded use of Malaysian territory as a “place” to launch its surveillance mission over the contested area. A Bloomberg news report in September 2015 revealed that Washington has been pressing the Najib administration to allow the U.S. Navy to fly both P-8 Poseidon and P-3 Orion maritime surveillance planes from Malaysian airstrips, possibly on the island of Labuan (off the coast of the Sabah state on Borneo), which is geographically closer to China’s military construction in the South China Sea than the other locations currently used by the United States to fly its spy planes (Malaysian Insider, 2015).

Regardless of whether the talks with the United States will result in fruition, Malaysia has at the same time continuously sought to forge a closer and more comprehensive partnership with China, not only on economic and diplomatic domains, but also on military and security realms. On August 21, 2015, Malaysia formally joined the China-led AIIB by signing the articles of agreement, despite a slight delay in doing so. On September 3, 2015, Malaysia was among 14 countries sending troops to Beijing to participate in the military parade to celebrate the 70th anniversary of the end of World War II. It also dispatched the prime minister’s special envoy to the event. Later that month, from September 17 to 22, MAF and the Chinese PLA held their first-ever joint live-troop exercises in the strategic Strait of Malacca. The exercise, the largest ever military collaboration between China and an ASEAN country, focused on humanitarian assistance and disaster relief, as well as combined search and rescue of hijacked ships in the critical sea lane.

These seemingly opposite actions—substantially strengthening defense ties with the United States while pragmatically developing a comprehensive partnership with China—are quintessentially a hedging act. Such deliberately contradictory moves, ultimately, are aimed at offsetting, counteracting, and mitigating the adverse effects of increasing its policy bets on either side of the power ledger. By pursuing these mutually counteracting moves, Malaysia as a weaker state seeks to project an image of not taking sides, thereby maximizing maneuverability and cultivating a fallback position for as long as the systemic conditions enable it to do so.

#### 2nd article Malaysia: Summary Of Malaysia’s History (Department of Information, 2016).

Malaysia’s history is said to have started from the Sultanate of Malacca which was around 1400 AD. At the time of its glory, the Sultanate Territories covered most of the East Coast of Peninsular Malaysia and Sumatra. Malacca emerged as a glorious Government because of its strategic location which was the meeting point between East Asia and the Middle East. This situation allowed Malacca to emerge as a major trading center for spice trade, especially in Southeast Asia. Islam was the main religion which emerged and became the main religion of the residents because the Ruler himself had professed the religion.

In 1511, Malacca fell into the hands of the Portuguese and that was the beginning of the colonial era in Malaya. After that, Malaya fell into the hands of the Dutch in 1641 and British in 1824 through the Anglo–Dutch Treaty. British colonization was the longest compared to others. The British had integrated all the Malayan administration which was previously managed by the Malay Rulers with the help of state dignitaries. The British intervention had aroused dissatisfaction among the local population. Some individuals rise up against the colonial yet it was easily defeated by the British as their efforts were more towards individuality. Among the heroes that went against the colonialists were Dol Said, Tok Janggut, Datuk Bahaman, Rentap, Dato Maharajalela, Rosli Dobi and several others.

During the 1920s and 1930s, many residents of Malaya had started to receive education, either from the Middle East or local education. As a result, this educated group had appeared to fight in the name of nationalism. They used media such as newspapers and magazines to spread their ideology. There were also among them who had formed Associations such as the Kesatuan Melayu Muda (KMM) and Kesatuan Melayu Singapura (KMS) which were aimed at driving away the invaders and formed their own Government. When the people of this country were so eager to end the invasion, they were jolted by the Japanese landing at the end of 1941 which brought Malaya to another colonial era. Japan had occupied Malaya until 1945 before surrendering as a result of the bombings of Hiroshima and Nagasaki.

Japanese resignation has given space to the Communist Party of Malaya (PKM) to control Malaya. PKM has launched attack on Malaya through violence, they had murder three European rubber farm managers in Sungai Siput, Perak.Thus, in June 1948, Sir Edward Gent has declared emergency over Malaya. PKM did not succeed Malaya and the British returned powerful. British Military Administration or BMA is between the end World War II and establishment of the Malayan Union. On 1st April 1946, The British established the Malayan Union. However, this idea got a fight from the Malays for abolition the royal institutions and the Malays privileges.

The emergence of Tunku Abdul Rahman had given a silver lining to the struggle of the Malayan nationalists when his action of forming the Alliance Party had started to open the eyes of British to allow the Malayans to govern their own country. The unity between the three major ethnic groups namely Malays, Chinese and Indians led to the London Agreement that was signed on 8 February 1956 and had given signs that Malaya will achieve independence on 31 August 1957. Upon returning Tunku Abdul Rahman Al-haj from London, Tunku has made a declaration independence of Malaya in Padang Bandar Hilir, Melaka on 20 February 1956. On 27 May 1961, Tunku Abdul Rahman Putra Alhaj has suggested the merger of five colonies namely the Malaya, Singapore, Sabah, Sarawak and Brunei to form a new country.

On 9 July 1963, representatives of the British government, Malaya, Sabah, Sarawak and Singapore except Brunei caused the matter can not be avoided. The desire for forming a state called MALAYSIA is achieved on 16 September 1963.

#### **3th article: Malaysia’s 50 years of China pragmatism hits a US rivalry roadblock** (Daniel, 2024).

[Malaysia](https://www.scmp.com/topics/malaysia?module=inline&pgtype=article) expects to welcome Chinese Premier [Li Qiang](https://www.scmp.com/topics/li-qiang?module=inline&pgtype=article) this month [for a visit](https://www.scmp.com/week-asia/politics/article/3257312/malaysia-prepares-welcome-chinese-premier-li-qiang-countries-mark-50-years-bilateral-ties?module=inline&pgtype=article) marking **50** years since Kuala Lumpur rst forged diplomatic ties with Beijing. But the celebratory mood may be tempered by the increasingly awkward questions experts say the [US-China trade war](https://www.scmp.com/topics/us-china-trade-war?module=inline&pgtype=article) is asking of Malaysia’s leadership.

“In the past, they did not have skilled contractors. Just **30** years later, they can carry out mega projects in Malaysia and help us reinvigorate our economy.”

[Malaysia](https://www.scmp.com/topics/malaysia?module=inline&pgtype=article) expects to welcome Chinese Premier [Li Qiang](https://www.scmp.com/topics/li-qiang?module=inline&pgtype=article) this month [for a visit](https://www.scmp.com/week-asia/politics/article/3257312/malaysia-prepares-welcome-chinese-premier-li-qiang-countries-mark-50-years-bilateral-ties?module=inline&pgtype=article) marking **50** years since Kuala Lumpur rst forged diplomatic ties with Beijing. But the celebratory mood may be tempered by the increasingly awkward questions experts say the [US-China trade war](https://www.scmp.com/topics/us-china-trade-war?module=inline&pgtype=article) is asking of Malaysia’s leadership.

China has now been Malaysia’s top trading partner for the past 15 years in a row – a reminder of the Asian giant’s dramatic economic ascent since the two countries established formal relations on May 31, **1974**.

But these deep economic ties have also fuelled concerns that Malaysia may nd itself caught in the middle of the intensifying rivalry between the [United States](https://www.scmp.com/topics/united-states?module=inline&pgtype=article) and China, as sanctions ripple through global supply chains traversing Southeast Asia and the region’s leaders increasingly come under pressure to pick sides.

Amid the diplomatic peril, Malaysian Prime Minister [Anwar Ibrahim](https://www.scmp.com/topics/anwar-ibrahim?module=inline&pgtype=article) sees opportunity. At an industry event in Kuala Lumpur [on Tuesday](https://www.scmp.com/week-asia/economics/article/3264444/neutral-malaysia-best-bet-chipmakers-seeking-haven-us-china-tech-war-anwar-says?module=inline&pgtype=article), he made a pitch to global [semiconductor](https://www.scmp.com/topics/semiconductors?module=inline&pgtype=article) players that Malaysia was their best bet for a “neutral and non-aligned location” to do business.

Yet experts caution that neutrality may prove elusive in the months ahead, especially if the bitter sparring between Washington and Beijing over tech and trade issues intensi es.

US and [European Union](https://www.scmp.com/topics/european-union?module=inline&pgtype=article) envoys wrote to Malaysia’s government last year warning of national security risks if Chinese tech giant [Huawei Technologies](https://www.scmp.com/knowledge/companies/huawei/news?module=inline&pgtype=article) were allowed to bid for a role in the Southeast Asian nation’s [5G](https://www.scmp.com/knowledge/topics/5g/news?module=inline&pgtype=article) telecommunications infrastructure.

Malaysia was left in an uncomfortable bind.

“Being pressured by one major trading partner on economic [cooperation] against another is a major concern for Malaysian policymakers,” said Thomas Daniel, a senior foreign policy fellow with the Institute of Strategic and International Studies Malaysia.

“Given the geopolitical realities we face, however, it is a prospect we must plan for. It will require no small amount of grounded planning, deftness in diplomacy and fortitude to uphold our interest.”

As blocking Huawei would have indicated a shift away from Malaysia’s long-held foreign policy principle of neutrality, it instead said it would [not rule the Chinese company out](https://www.scmp.com/week-asia/economics/article/3219300/best-deal-wins-malaysia-not-ruling-out-chinas-huawei-it-eyes-second-5g-network?module=inline&pgtype=article) of the bidding process for a parallel 5G network to complement its existing infrastructure built by Swedish telecoms giant Ericsson.

Experts warn that snubbing Chinese rms to appease Western governments could carry dire trade consequences for Malaysia, given its deep economic ties with China. Malaysia’s trade with China totalled 450.8 billion ringgit (US$96 billion) last year – accounting for 17.1 per cent of the Southeast Asian nation’s total trade and nearly double its volume with the U.S., according to Malaysian government data.

China has also invested billions of dollars in Malaysian infrastructure, including high-pro le projects under the [Belt and Road Initiative](https://www.scmp.com/topics/belt-and-road-initiative?module=inline&pgtype=article) such as the 50 billion ringgit (US$10.6 billion) East Coast Rail Link in Peninsular Malaysia that is slated to provide both freight and passenger services once it is up and running in 2027.

More than one- fth of the country’s imports were shipped from China last year, ranging from electronics to machinery, chemicals and equipment.

These in turn feed Malaysia’s all-important manufacturing sector, which produces more than 85 per cent of the country’s exports.

But some analysts believe Malaysia can extract even more value from its relationship with China and its 1.4 billion-strong population.

“It’s a large economy, and a very open economy. Sure, China’s growth will be a ected by [population] fragmentation, but it [the population] will continue to be an economic driver,” said Cassey Lee, coordinator of the regional economic studies programme at Singapore’s ISEAS-Yusof Ishak Institute.

While Malaysia’s economic performance took a hit from China’s near total shutdown during the pandemic and its slower-than-expected recovery, Lee said the sheer size of China’s domestic market and its political stability would provide long-term payo s.

“There’s a bit of doom right now because you have business cycles that a ect trade volume in both countries … but if you look forward another 50 years, China will continue to be an important trade partner to Malaysia,” he said.

Malaysia has already learned rst-hand the risks of over-dependence on Chinese investment.

The near-empty [US$100 billion Forest City project](https://www.scmp.com/news/asia/southeast-asia/article/3233246/malaysias-country-garden-forest-city-us100-billion-ghost-town-caught-china-property-giants-woes?module=inline&pgtype=article) in southern Johor state facing Singapore has been a perennial embarrassment for successive Malaysian administrations since its 2016 launch.

It was billed as a agship belt and road project, but has now become a largely uninhabited eyesore after developer Country Garden su ered a cash crunch on the back of capital controls imposed by China’s government, frightening o buyers.

“A slowdown in China might a ect trade in [Southeast Asia], especially in the volume of the region’s exports to the country and the volume of strategic investments by China in the region,” said Collins Chong Yew Keat, an international-a airs analyst with the University of Malaya.

“There needs to be a strategic and careful calculation of the future of the economic transformation of the country and the region, taking into account the geopolitical and economic changes of both the U.S. and China.”

Stalled China-linked construction projects also pepper the landscape of Kuala Lumpur, where hollow superstructures occupy prime locations around Malaysia’s capital with little indication of progress after the promised in ux of Chinese consumers never materialised.

Despite the problems, Malaysia continues to pitch for more investments and economic engagement with China. In [April last year,](https://www.scmp.com/week-asia/politics/article/3215977/malaysia-lauds-historic-deals-beijing-shadow-south-china-sea-row-remains?module=inline&pgtype=article) Prime Minister Anwar announced that China had committed nearly US$39 billion in fresh investment after his rst o cial visit to Beijing since taking o ce.

Migration has followed. Malaysia ranks as the sixth most popular destination for Chinese expatriates, according to a survey by property technology rm Juwai IQI. More than 1.5 million [Chinese tourists](https://www.scmp.com/topics/chinese-tourists?module=inline&pgtype=article) also visited last year, while in 2022 more than 22,000 Chinese students opted to pursue degrees in the country.

During his three-day visit scheduled for June 19-21, Chinese Premier Li is expected to meet with Malaysia’s top leaders, including an audience with the king and meetings with Anwar and the parliament speaker.

**Pupil turns master**

But ties between the two Asian nations were not always so cordial.

**In the early years of the Cold War, pre-independence Malaysia** – like many of its peers across Southeast Asia just starting to rebuild from World War II – grappled with a communist insurgency that received ideological, economic and military support from [China’s Communist Party.](https://www.scmp.com/topics/chinas-communist-party?module=inline&pgtype=article)

The con ict went on for decades, leaving a deep sense of distrust of China and of Malaysia’s ethnic Chinese community, even after the Malayan Communist Party formally surrendered in **1989**.

But the insurgency did not stop Malaysia’s second prime minister, Abdul Razak Hussein, from visiting Beijing in **1974** and declaring the start of diplomatic relations alongside China’s then-premier Zhou Enlai.

“Despite the apparent reasons for refrain – our ideological chasm, our seemingly irreconcilable di erences – our leaders dared to think beyond convention and took a bold leap of faith. This audacious move has blossomed into a rich and fruitful partnership,” Anwar said on Friday in a statement commemorating 50 years of diplomatic ties.

Malaysia-China ties took on greater substance during [Mahathir Mohamad’](https://www.scmp.com/topics/mahathir-mohamad?module=inline&pgtype=article)s rst tenure as prime minister, beginning in **1981**. His in uential “Look East” policy served as a platform to industrialise Malaysia by learning from East Asian economies such as [Japan](https://www.scmp.com/topics/japan?module=inline&pgtype=article) and [Taiwan,](https://www.scmp.com/topics/taiwan-0?module=inline&pgtype=article) while also establishing deeper ties with nations including mainland China.

It was during this time that Malaysia extended economic and technical assistance to China, helping get its economy and industries o the ground. A few decades on, the pendulum has decisively swung in the other direction.

“Today, we are asking Chinese entrepreneurs to invest in Malaysia, through various initiatives and programmes like the Belt and Road Initiative,” Senate Deputy President Nur Jazlan Mohamed told parliament on Thursday during a seminar to mark the 50th anniversary of Malaysia-China ties.

“In the past, they did not have skilled contractors. Just **30** years later, they can carry out mega projects in Malaysia and help us reinvigorate our economy.”

Mahathir, an expert in gauging the Malaysian public’s mood, rode a wave of anti-China sentiment to regain power in the **2018** national elections. On the campaign trail, he argued that then-leader [Najib Razak](https://www.scmp.com/topics/najib-razak?module=inline&pgtype=article) – Mahathir’s former protégé and the son of Abdul Razak – had sold the country out to China, pointing to the troubled Forest City project as an example.

In his second stint in o ce, Mahathir [swiftly cancelled](https://www.scmp.com/week-asia/politics/article/2161805/what-malaysias-mahathir-really-plans-china-backed-projects-cant?module=inline&pgtype=article) a slew of China-funded infrastructure projects and ordered a review [of the East Coast Rail Lin](https://www.scmp.com/week-asia/geopolitics/article/2184073/we-just-cant-pay-mahathir-soothes-chinas-ego-over-cancelled?module=inline&pgtype=article)k.

Despite the domestic political aggravation, the ISEAS-Yusof Ishak Institute’s State of Southeast Asia 2024 report found that fewer than half of the Malaysians surveyed believed China’s economic rise to be worrying – a sharp decline from 61.7 per cent just a year earlier.

The study also found growing acceptance of China’s regional, political and strategic in uence among Malaysian respondents at 43.8 per cent, nearly double the 27.3 per cent rate from 2023.

“This has **been 50 years** of walking hand in hand. High-level exchanges between the two countries have become increasingly frequent, building solid mutual trust and deep friendship,” China’s ambassador to Malaysia, Ouyang Yujing, said in an opinion piece run by national newswire Bernama on Friday.

**Turning a blind eye**

Malaysia has other problems in its dealings with China, including a long-standing dispute over competing territorial claims in the [South China Sea.](https://www.scmp.com/topics/south-china-sea?module=inline&pgtype=article)

Although not as confrontational as [the Philippines,](https://www.scmp.com/topics/philippines?module=inline&pgtype=article) Malaysia has complained in the past about Chinese coastguard ships making their presence felt in waters Kuala Lumpur argues fall within its exclusive economic zone.

It has issued diplomatic protest letters, the most recent of which was sent [in 2021](https://www.scmp.com/week-asia/politics/article/3153932/south-china-sea-why-malaysia-and-indonesia-differ-countering?module=inline&pgtype=article), and in **2016** unleashed a media blitz to draw attention to a eet of 100 Chinese shing trawlers discovered in Malaysia’s exclusive economic zone.

China’s foreign ministry said at the time that it was “ shing season” in the contested waterway.

Malaysia’s decision to dial down its public opposition to Beijing’s South China Sea actions in recent years has been widely seen as a pragmatic approach – more so as Anwar’s administration seeks to bolster the economy after years of atrophy.

“You cannot sharpen the pencil on both ends. So you can only maximise and shout about what you gain, and minimise and keep quiet on what you lose when dealing with a superpower,” said Oh Ei Sun, a senior fellow with the Singapore Institute of International A airs.

Lee of the ISEAS-Yusof Ishak Institute agreed, saying that China’s aggressive moves in the South China Sea do not yet warrant a “black-and-white position” from Malaysia, which still needs the superpower’s trade and investments.

“They [Malaysian authorities] say they have detected some shing trawlers, or there has been over ight by their [Chinese] planes … but those are not worth losing the billions in trade and investments from China.”

But Malaysia’s pragmatism may not last forever, especially if it intends to explore more of the rich oil and gas deposits in the parts of the South China Sea it claims sovereignty over.

The Southeast Asian nation has managed to extract most of what it considers important from the waterway so far, according to Thomas from the Institute of Strategic and International Studies, even if it had had to deal with “increased harassment” while making sure not to escalate the issue.

Instead, Malaysia has been a strong proponent of non-militarisation in the South China Sea, a position the fellow claimant states in the [Association of Southeast Asian Nations](https://www.scmp.com/topics/asean?module=inline&pgtype=article) have echoed as they seek to avoid a naval build-up by China, or the U.S. and its Western allies.

“The challenge, of course, is in whether Malaysia might have reached the limit of its current approach,” Thomas said, adding that “this will largely be determined” by China as it “controls and decides on the facts on the ground”.

But Malaysia may have a few tricks left up its sleeve yet.

Even as successive leaders have emphasised the country’s close ties with China, Malaysia has remained steadfast in its neutral stance amid the ongoing diplomatic tensions between Washington and Beijing.

That neutrality will become increasingly important for Chinese enterprises – as well as any business with interests in the global tech and semiconductor supply chain – as Washington presses ahead with sanctions on China, accusing it of spying and developing technology that threatens US national security.

The global semiconductor industry is projected to be worth US$588 billion by next year, according to big-four accounting rm Deloitte, as silicon chips continue to drive the development of everything from [electric vehicles](https://www.scmp.com/topics/electric-cars?module=inline&pgtype=article) and [renewable energy](https://www.scmp.com/topics/renewable-energy?module=inline&pgtype=article) to [arti cial intelligence](https://www.scmp.com/topics/artificial-intelligence?module=inline&pgtype=article) and [smartphones](https://www.scmp.com/topics/smartphones?module=inline&pgtype=article).

Malaysia already accounts for around 13 per cent of global demand in the semiconductor assembly, packaging and testing sector, according to government data. Its ability to balance the interests of the U.S. and China could help it mitigate disruptions to global supply chains, making it an attractive destination for companies – and their a liates – from both of the sparring superpowers.

“Malaysia’s ability to stay neutral could make it attractive as a key FDI de nition for European and American companies, and even Chinese companies,” ISEAS-Yusof Ishak Institute’s Lee said.

#### 4th article Malaysia: 10 years on, US-Malaysia relations need to adjust to a changed world (Noor, 2024).

In April 2014, Malaysia and the United States formalised a comprehensive partnership to enhance bilateral relations. This commitment to do more together seemed only natural. After all, the two countries have enjoyed steady and solid political, economic, military and people-to-people ties dating back to the early years of [Malaysia’s independence](https://archive.is/o/kenNb/https:/www.scmp.com/magazines/post-magazine/short-reads/article/3231628/3-national-days-under-6-weeks-reminder-malaysia-and-singapores-complicated-post-colonial-history)

This held true even during the diplomatic troughs of the late 1990s and early 2000s. This was a volatile period marked by the Asian financial crisis, the U.S. invasions of Afghanistan and Iraq and the truculence of prime minister [Mahathir Mohamad](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/politics/article/2189074/id-side-rich-china-over-fickle-us-malaysias-mahathir). Since then, the partnership has stagnated amid domestic and foreign crises, political neglect and diverging priorities.

For a start, the situational context 10 years ago was very different. The announcement of the comprehensive partnership was made during the fervour of Barack Obama’s [trip to Malaysia](https://archive.is/o/kenNb/https:/www.scmp.com/news/asia/article/1495353/obama-set-aside-decades-uneasy-ties-malaysian-visit), the first by a sitting US president in nearly half a century since Lyndon Johnson’s visit in 1966.

The larger context of the Obama administration’s pivot to Asia furnished the strategic opportunity for both states to build on their relationship, but it was the personal appeal of the most Southeast Asian of US presidents that defined the sensibility of the partnership.

In grounding the bilateral relationship in both word and deed, the intention was to buffer the partnership against the political vagaries of both countries. In one respect, that foresight was prescient. The end of the second Obama administration was already in sight and, as it turned out, so was the [end of the Asia pivot](https://archive.is/o/kenNb/https:/www.scmp.com/news/china/diplomacy/article/3036816/donald-trumps-administration-ceding-southeast-asia-ever).

US President Donald Trump and Malaysian Prime Minister Najib Razak arrive at the West Wing of the White House in Washington on September 12, 2017. Photo: Bloomberg

Unsurprisingly, there was considerable roiling when Donald Trump took office. The institution of his [Muslim ban](https://archive.is/o/kenNb/https:/www.scmp.com/news/world/united-states-canada/article/3239564/trump-promises-restore-travel-ban-targeting-muslim-countries-if-re-elected) might not have affected Malaysia directly, but it certainly put the country’s Muslim-majority population on notice.

The trashing of multilateral instruments, including [the Trans-Pacific Partnership](https://archive.is/o/kenNb/https:/www.scmp.com/news/asia/southeast-asia/article/1936328/tpp-meets-stiff-opposition-malaysian-muslims-who-fear-it) agreement which Malaysian leaders had precious political capital riding on, is still bitterly remembered in Putrajaya.

Still, Malaysia-US relations persisted. There was some fanfare when Trump [welcomed prime minister Najib Razak](https://archive.is/o/kenNb/https:/www.scmp.com/news/world/united-states-canada/article/2110905/trump-meets-scandal-hit-malaysian-pm-najib-razak) to the White House in 2017 as a show of strengthened partnership celebrating the 60th anniversary of bilateral relations. However, there was little of significance beyond cursory official exchanges over the course of the Trump and Najib administrations.

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If anything, the U.S. Department of Justice’s actions against [Malaysian sovereign wealth fund 1MDB](https://archive.is/o/kenNb/https:/www.scmp.com/news/asia/southeast-asia/article/2171305/us-justice-department-unveils-indictments-against-figures), implicating Najib while he was in office, made for an awkward show of official ties. Additionally, growing US rancour towards China cast an uncomfortable pall over Malaysia and much of Southeast Asia, where there was reticence to accede to US political, economic and technological pressure to align with the West.

Institutionalising a bilateral relationship against capriciousness is one thing. Insulating it against domestic and external exigencies which divert political attention and policy resources is quite another. No one at the time predicted the occurrence of a global pandemic just a few years later.

The legacy of Malaysia’s 1MDB scandal on politics and corruption-fighting

0:00 / 11:20

The legacy of Malaysia’s 1MDB scandal on politics and corruption-fighting

Against the backdrop of hundreds of thousands dead from Covid-19, the U.S. saw a change in government and an attempted insurrection in the nation’s capital. For three years, Washington has rallied in support of Ukraine against Russia and, since October 2023, it has backed Israel, which is accused in the International Court of Justice of committing genocide in Gaza, all while aggressively competing against China.

For its part, Malaysia has had four prime ministers since Najib’s government was routed in [the 2018 general election](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/politics/article/3196764/malaysians-still-angry-over-2018-election-set-vote-amid-political-strife-rocky-economy). Senior politicians and advisers faced high-profile charges, and Najib himself is now serving [a prison sentence](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/people/article/3250724/malaysias-pardons-board-halves-ex-pm-najib-razaks-sentence) for corruption in connection to the 1MDB scandal.

Prime Minister Anwar Ibrahim’s [government coalition](https://archive.is/o/kenNb/https:/www.scmp.com/news/asia/southeast-asia/article/3248418/malaysia-anwars-frail-coalition-government-uncertainty-over-najibs-royal-pardon-ruling-add-ringgits) seemed to hang by a thread in the early days, at the end of 2022, amid the churn of religious, racial and royal sensitivities. The country has also been preoccupied with reviving its post-pandemic economy while seeking to navigate intensifying US-China competition.

To be fair, there have been efforts by the Biden administration to rekindle the bilateral spark. Yet even though US cabinet secretaries such as Secretary of State [Antony Blinken](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/politics/article/3159797/us-and-asean-will-keep-pressure-myanmar-blinken-says-malaysia), Secretary of Commerce Gina Raimondo and Trade Representative Katherine Tai as well as senior defence staff have all had meetings in Malaysia, Washington lacks a comprehensive strategy of engagement with Putrajaya other than to edge out Beijing.

There is also an unstated hierarchy among the U.S.’ Southeast Asian partners. Malaysia does not seem to figure in Washington’s preferred top three other than for its place in [the semiconductor value chain](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/economics/article/3264444/neutral-malaysia-best-bet-chipmakers-seeking-haven-us-china-tech-war-anwar-says). This in itself should not be cause for angst.

KFC closures in Malaysia over anti-Israel boycott

0:00 / 1:54

KFC Malaysia temporarily closes some outlets amid anti-Israel boycott

The reality is that there are insurmountable positional and expectational gaps between the countries. For the U.S., Putrajaya’s refusal to castigate Beijing even in the face of [blatant bellicosity](https://archive.is/o/kenNb/https:/www.scmp.com/news/china/diplomacy/article/3260385/south-china-sea-malaysia-opposes-external-forces-meddling-disputed-waters-foreign-minister-says) is exasperating. For Malaysia, Washington’s foreign policy misadventures and selective adherence to international law have long been a source of friction.

Anwar’s unyielding defence of Palestine and [support for Hamas](https://archive.is/o/kenNb/https:/www.scmp.com/week-asia/politics/article/3255064/malaysias-pm-anwar-ibrahim-makes-no-apology-hamas-links-germany-visit), designated a terrorist group by the U.S. but not universally, is just the latest iteration of this schism. Still, there remains optimism about a revitalised US-Malaysia comprehensive partnership.

This disaggregation of the bilateral relationship between principle and pragmatism could prove more difficult to defend, however. This is especially so with competing domestic pressures in Malaysia on the one hand and continued invalidation of international legal institutions by the U.S. on the other.

Perhaps a sign of a maturing US-Malaysia partnership on its 10th anniversary would be an honest review of its possibilities based on its constraints. The two countries have remained indispensable, long-term friends, but the world is a much-changed place. It’s time for the relationship to be re-examined against this reality.

**Elina Noor is a senior fellow in the Asia Programme at Carnegie Endowment for International Peace**

### Data Vietnam:

#### 1st article Vietnam’s Foreign Policy in an Era of Rising Sino-US Competition and Increasing Domestic Political Influence (Thayer, 2017).

Vietnam’s foreign policy has undergone dramatic shifts over time, driven by structural changes at the international system level and domestic political change. At the founding of the Democratic Republic of Vietnam (DRV) in 1945, the country’s communist leaders allied with the Soviet Union and China out of socialist solidarity. Despite the Sino-Soviet split, both countries provided critical support to Vietnam during its wars against the French and the United States. Shortly after reunification in 1975, Vietnam faced increasing threats from the Khmer Rouge regime and rising tensions with China, Cambodia’s key external patron. Vietnam responded by tightening its alliance with the Soviet Union, and invading Cambodia in December 1978. This led China to launch a border war against Vietnam in 1979 to teach its erstwhile ally a lesson. It also led the Association of Southeast Asian Nations (ASEAN), China, the United States, and other Western states to form a broad-based coalition to “bleed Vietnam white” in order to force it to withdraw from Cambodia. Until Vietnam did so a decade later, it was isolated diplomatically, heavily dependent on the Soviet Union and cut off from major international economic institutions.

In 1986, Vietnam adopted đổi mới or renovation and, two yeasrs later, mapped out a major reorientation of its foreign policy. To overcome its isolation and secure access to markets, Vietnam withdrew from Cambodia in 1989. Subsequently, to ensure external support for đổi mới, Vietnam adopted a policy of pro-active international integration and became a member of all major global economic institutions. To ensure its strategic autonomy more broadly, Vietnam diversified its diplomatic and strategic relations. As a result, today Vietnam is a member in good standing of major global institutions, a leader in ASEAN, and increasingly integrated in the global economy.

Đổi mới was extremely successful, producing economic growth rates of over 6 percent per year since 1990. Đổi mới also led to a transformation of state–society relations. Vietnam’s mono-

organizational socialist system weakened and the Vietnam Communist Party’s (VCP) hegemonic grip over society loosened. In the 1990s, Vietnam experienced an unprecedented growth of community-based organizations (CBOs) from below as well as the emergence of nascent political civil society groups. The penetration of the Internet in Vietnam overcame geographical isolation and facilitated the emergence of virtual networks. The combination of these developments shifted the basis of regime legitimacy from nationalism and socialist ideology to performance legitimacy. One consequence was the intensification of factionalism in the VCP and among mainstream elites and growing public criticism of domestic and foreign policy.

Vietnam’s foreign policymaking process, traditionally the province of VCP leaders insulated from social pressures, is therefore now increasingly susceptible to public opinion. Relations with China is the foreign policy issue on which public opinion exerts the most influence. Indeed, public opinion regarding relations with China has become so toxic that it poses a serious challenge to the political legitimacy of Vietnam’s one-party regime should it fail to deter Chinese assertiveness in the South China Sea. While it can be argued that in the present environment, there are no “pro-China factions” in Vietnam, Vietnam’s leadership is divided on the question on how to manage relations with its northern neighbor. Some leaders view shared socialist ideology as the prime means for managing relations; other leaders stress the importance of economic, political, and defense-security enmeshment and downplay ideology. Vietnam’s strategic calculus is made more complex as Vietnam’s leadership contemplates how to leverage relations with other major powers to maximize Vietnam’s independence. In sum, Vietnam’s China policy is subject to the push and pull of competing impulses of cooperation and partnership on the one hand and distrust and opposition on the other.

Vietnam currently finds itself facing rising threats from China, rising Sino-American competition, and rising public pressure to take a firm stance toward China. Realism’s balance of power theory predicts that Vietnam would respond to China’s threats to its national interests by allying with the United States against Beijing. This has not occurred. Instead, this article illustrates that Vietnam’s desire to protect its independence has led it to adopt a defense policy that foreswears joining alliances. Vietnam is indeed strengthening ties with the United States, but it is doing so within a broader context of diversifying its strategic partnerships and promoting further economic and political integration. Through these strategies, Hanoi seeks to promote its strategic autonomy and ensure that Vietnam does not become entrapped in the increasing great power rivalry between the United States and China.

To support these arguments about how Vietnam is responding to great power rivalry and the role that domestic political opinion exerts on Vietnam’s foreign policy, this article is divided into seven parts. Part one discusses the major themes that shape Vietnam’s foreign policy framework. Part two examines Vietnam’s multipolar framework towards the major powers, while part three discusses Vietnam’s efforts to pursue “proactive international integration.”

Part four examines changes in Vietnam’s political system. Part five analyzes the changing sources of political legitimacy, elite factionalism, and the rise of new domestic actors, illustrating how these factors have opened up Vietnam’s traditionally insulated foreign policymaking process to public opinion. Part six examines how domestic political concerns about resource extraction and territorial disputes in the South China Sea are driving Vietnam’s policy foward. Part seven examines the implications for the United States and concludes that there is growing convergence – but not congruence – of interests.

Part one: Vietnam’s foreign policy framework

This section discusses four major themes that form Vietnam’s foreign policy framework: independence and self-reliance, multilateralization and diversification of external relations, struggle and cooperation, and pro-active international integration.

The **first** major theme of Vietnam’s current foreign policy is the stress on independence and selfreliance. This is based on three historical legacies: first, resistance to foreign intervention during the colonial and post-colonial eras; **second**, as a member of the socialist camp when Vietnam was caught in the crossfire of the Sino-Soviet dispute; and **third** as a dependent ally that was left isolated when the Soviet Union suddently collapsed in 1991.

According to Vietnam’s Defense White Paper, “Vietnam consistently realizes the foreign guideline of independence [and] self-reliance…”1 This is exemplified by its national defense policy of three no’s: “Vietnam consistently advocates neither joining any military alliances nor giving any other countries permission to have military bases or use its soil to carry out military activities against other countries.”2 The three no’s policy aims to keep Vietnam from becoming entrapped in great power rivalries, particularly between the United States and China.

The second major theme of Vietnamese foreign policy is the multilateralization and diversification of external relations. On May 20, 1988, the VCP Politburo adopted a seminal policy document known as Resolution No. 13 entitled, “On the Tasks and Foreign Policy in the New Situation.” This document codified Vietnam’s foreign policy by giving priority to economic development and calling for a “multi-directional foreign policy” orientation with the goal of making “more friends, fewer enemies” (thêm bạn, bớt thù). Specifically, Resolution 13 called for Vietnam’s extrication from the conflict in Cambodia in order to normalize relations with China, develop relations with ASEAN states, Japan, and Europe, and “step-by-step” normalize relations with the United States.3

The next iteration of Vietnam’s “multi-directional foreign policy” took place at the VCP’s Seventh National Congress held from June 24–27, 1991. The Seventh Congress now called for Vietnam to “diversify and multilateralize economic relations with all countries and economic organizations … regardless of different socio-political systems.”4 The Political Report gave priority to relations with the Soviet Union, Laos, Cambodia, China, Cuba, other “communist and workers’ parties,” the “forces struggling for peace, national independence, democracy and social progress,” India, and the Non-Aligned Movement.

Significantly the Political Report called for the development of “relations of friendship with other countries in South-East Asia and the Asia-Pacific region. … To expand equal and mutually beneficial co-operation with northern [sic] and Western European countries, Japan and other developed countries. To promote the process of normalization of relations with the United States.”5 Vietnam achieved success in meeting these objectives. During the period from 1991–95, Vietnam normalized its relations China, Japan, Europe, and the United States and became the seventh member of the Association of Southeast Asian Nations.6 By 1995, Vietnam expanded the number of countries it had diplomatic relations with from 23 in 1989 to 163.

Vietnam’s policy of multilateralizing and diversifying its foreign relations was endorsed by all subsequent national party congresses from the eighth (1996) to the most recent. For example, the Political Report to the 12th National Congress held in January 2016 stated, “To ensure successful implementation of foreign policy and international integration … consistently carry out the foreign policy of independence, autonomy, peace, cooperation and development … [and] diversify and multilateralize external relations.”7

The third major theme of Vietnam’s foreign policy is “cooperation and struggle.” Vietnam’s Resolution No. 13 on May 1988 introduced the concept of national interest (lợi ích dân tộc) for the first time. After relations with China were normalized in 1991, it soon became apparent that the two socialist states had differing national interests, particularly over the South China Sea. After the normalization of relations with the United States, it also became apparent that socialist Vietnam and the U.S. had convergent national interests. This shift away from socialist solidarity to national interest was a fundamental alteration in Vietnam’s strategic thinking that would pave the way for a dramatic re-orientation of the country’s external relations.

In July 2003, the VCP Central Committee issued Resolution No. 8, “On Defense of the Homeland in the New Situation.” This resolution noted that there were often instances of friction and disagreement with friendly countries and areas of cooperation and convergent interests with opposing countries. Resolution No. 8 adopted the twin concepts of “objects or partners of cooperation” and “objects of struggle,” đối tác and đối tượng, respectively.8 Prior to the adoption of Resolution No. 8, China was classified as a friendly country because it was socialist and the United States was viewed as an opponent.

Resolution No. 8 sanctioned cooperation with both friendly and opposing countries and struggling against any country that harmed Vietnam’s national interests. In 2013, on the 10th anniversary of Resolution No. 8, the VCP Poliburto reaffirmed the policy of “cooperation and struggle.”

The fourth major theme of Vietnam’s foreign policy is the promotion of international integration. Vietnam first gave priority to economic integration and then expanded this to political-economic integration. In 2011, the 11th National Party Congress endorsed Vietnam’s pro-active international integration. The Political Report to the 12th National Party Congress stated, “To ensure successful implementation of foreign policy and international integration… [Vietnam must] be proactive and active in international integration; to be a friend, reliable partner, and a responsible member of the international community…”9

**In summary, over the past three decades, Vietnam’s foreign policy has undergone a dramatic change from one based on socialist solidarity to national interests**. This change opened the door for Vietnam to greatly expand its relations across the world and to join multinational institutions. These policy shifts were driven in part by structural changes at the international system level, such as the demise of the Soviet Union, and in part by changes in domestic politics such as đổi mới.

Part two: Strategic partnerships: Creating a multipolar balance between five major powers

Vietnam has sought to avoid being caught in the middle of strategic rivalry between a rising China and the United States. Instead, consistent with Vietnam’s policy of “multilateralizing and diversifying” its foreign relations, it has pursued the strategy of forging strategic partnerships with a range of countries. Between 2001 and 2016, Vietnam reached strategic partnership agreements with 16 countries and agreements on comprehensive partnerships with 10 others, including Australia and the United States. These agreements were broad in scope and included, among other things, provisions for cooperation in foreign affairs and defense and security.

Most important, Vietnam has sought to create a multi-polar balance among five major powers – Russia, India, Japan, China, and the United States. The purpose of strategic partnerships was to give each country equity in Vietnam to prevent Vietnam from being pulled into a rival’s orbit and to enable Vietnam to maintain its strategic autonomy. The sections below briefly examine Vietnam’s strategic partnerships with the major powers.

Russia

Vietnam negotiated its first strategic partnership with the Russian Federation in March 2001 during the visit of President Vladimir Putin to Hanoi.10 This agreement set out broad-ranging cooperation in eight major areas: political-diplomatic, military equipment and technology, oil and gas cooperation, energy cooperation for hydro and nuclear power, trade and investment, science and technology, education and training, and culture and tourism. In July 2012, Vietnam and Russia raised their strategic partnership to a comprehensive strategic partnership on the occasion of a state visit to Moscow by President Truong Tan Sang.11

Russian arms sales to Vietnam are the largest and most significant component of the strategic partnership, followed by energy (oil, gas, hydropower, and nuclear). According to the Stockholm International Peace Research Institute, Vietnam was the eighth largest importer of arms globally between 2011–2015.12 The Russian Federation is Vietnam’s largest provider of military equipment and technology. This assistance enables Vietnam to modernize its armed forces and enhance its capacity to defend Vietnam’s sovereignty.13

Japan

In October 2006, Prime Ministers Shinzo Abe and Nguyen Tan Dung issued a Joint Statement Toward a Strategic Partnership for Peace and Prosperity in Asia.14 A year later during an official visit by Vietnam’s president, Japan and Vietnam issued a Joint Statement that included a 44-point Agenda Toward a Strategic Partnership. This was divided into seven substantive areas: exchanges, cooperation in policy dialogue, security and defence; comprehensive economic partnership; improvement of the legal system and administrative reforms; science and technology; climate change, environment, natural resources, and technology; mutual understanding between the peoples of the two countries; and cooperation in the international arena. In March 2014, due to rising tensions in the East China and South China Seas, Vietnam and Japan raised their bilateral relations to an Extensive Strategic Partnership with a focus on Japanese assistance on maritime security capacity-building for the Vietnam Coast Guard.

India

In July 2007, India and Vietnam adopted a 33-point Joint Declaration on Strategic Partnership that mapped out cooperation in five major areas: political, defense, and security cooperation; economic cooperation and commercial engagement; science and technology cooperation; cultural and technical cooperation; and multilateral and regional cooperation.15 Since 2007, defense cooperation has included high-level visits, an annual Defense Strategy Dialogue, and naval port visits

-The Vietnam–India strategic partnership set out six areas for defense cooperation: strategic dialogue at vice ministerial level; defense supplies, joint projects, training cooperation, and intelligence exchanges; exchange visits between their defense and security establishments; capacity building, technical assistance, and information sharing with particular attention to security of sea lanes, anti-piracy, prevention of pollution, and search and rescue; counter terrorism and cyber security; and non-traditional security.

In 2016, during the course of an official visit by Prime Minister Modi to Hanoi, Vietnam and India raised their bilateral relations to a comprehensive strategic partnership. India offered Vietnam two lines of credit totaling US$600 million for defense acquisitions including the sale of Offshore Patrol Vessels.

China

In June 2008, 17 years after the normalization of relations, Vietnam and China agreed to raise their bilateral relations to a strategic partnership. A year later this was upgraded to a strategic cooperative partnership.16 In 2013, Vietnam and China raised their bilateral relations to a comprehensive strategic cooperative partnership, the highest designation among all of Vietnam’s strategic partners.

As strategic partners, China and Vietnam have developed a dense network of party, state, defense, and multilateral mechanisms to manage their bilateral relations, including a Joint Steering Committee at deputy prime minister level. Chinese officials, however, are continually at pains to warn Vietnam that it should not use its political and defense relations with other major powers to harm bilateral relations such as encouraging or supporting their intervention in the South China Sea dispute or to contain China.

United states

Between 2010 and 2013, officials from Vietnam and the United States mulled the idea of reaching an agreement on strategic partnership first suggested by Secretary of State Hillary Clinton. In the end, Vietnam pulled back because of concerns about China’s reaction and the United States concluded that a strategic partnership was premature given Vietnamese sensitivities to stepped up defense cooperation. Vietnam and the United States decided instead to adopt a Joint Statement on Comprehensive Partnership during the state visit by President Truong Tan Sang to Washington in July 2013.17

The Vietnam–US comprehensive partnership basically codified nine major areas of long-standing cooperation: political and diplomatic relations, trade and economic ties, science and techno

logy, education and training, environment and health, war legacy issues, defence and security, protection and promotion of human rights, and culture, sports, and tourism.18 The Joint Statement incorporated a new political and diplomatic dialogue mechanism between the U.S. Secretary of State and Vietnam’s Minister of Foreign Affairs.

Subsequently, Vietnam and the United States adopted **three** seminal documents that supplemented their comprehensive partnership: Joint Vision Statement on Defense Cooperation (June 1, 2015) between their defense ministers, Joint Vision Statement between President Barack Obama and Secretary General Nguyen Phu Trong (July 7, 2015), and Joint Statement (May 23, 2016) between President Tran Dai Quang and President Obama. In the joint statement between Obama and Trong, the two leaders reaffirmed “their continued pursuit of a deepened, sustained, and substantive relationship on the basis of respect for … each other’s political systems,”19 During Obama’s visit to Vietnam in May 2016, he announced the lifting of all restrictions on the sale of weapons to Vietnam.

When taken as a whole, Vietnam’s web of strategic and comprehensive partnerships serve to insulate Vietnam from Sino-US competition and provide Vietnam with the means to maneuver among the major powers in order to protect its independence and self-reliance.

Part three: Proactive international integration

Vietnam’s foreign policy to promote international integration is long standing. For example, Vietnam joined APEC in 1998, the World Trade Organization in 2007, and was elected nonpermanent member of the United Nations Security Council for the 2008–09 term.

On April 10, 2013, the VCP Politburo issued Resolution No. 22-NQ/TW on International Integration. It declared that, “Proactive and active international integration is a major strategic orientation of the Party aimed to successfully implement the task of building and protecting the socialist Fatherland of Viet Nam.”20 Resolution No. 22 underscored the need for Vietnam to

After Politburo Resolution No. 22 was issued, the Cabinet adopted an Action Plan and the Prime Minister issued Directive No. 15/CT-TTg. This led to the establishment of the National Steering Committee on International Integration headed by the Prime Minister. Two major inter-agency Steering Committees were set up, one on international integration in politics, security, and national defense, the second had responsibility for international integration in the areas of culture and society, science and technology, and education and training.

Vietnam was a keen participant in the negotiations on the Trans Pacific Partnership (TPP) as well as ASEAN’s Regional Comprehensive Economic Partnership (RCEP). Vietnam recently joined the Eurasian Economic Union comprising Armenia, Belarus, Kazakhstan, and Russia.

In 2015, Vietnam’s Ministry of Foreign Affairs issued a Diplomatic Bluebook that reviewed Vietnam’s efforts at proactive international integration. As a member of the United Nations, Vietnam was elected to the Board of Governors of the International Atomic Energy Agency (2013–15), Human Rights Council (2014–16), the Executive Board of the United Nations Organization for Education, Science and Culture (2015–19), and the UN’s Economic and Social Council (2016–18). In November 2016, Vietnam was elected to the UN’s International Law Commission for the first time. Vietnam has also announced that it will be a candidate for nonpermanent member of the Security Council for the 2020–21 term.

The centerpiece of Vietnam’s regional integration is ASEAN and ASEAN-centered multilateral institutions. Vietnam became a member of the ASEAN Regional Forum in 1994 and a full member of ASEAN the following year. Vietnam has actively participated in the ASEAN Defense Ministers’ Meeting (ADMM), ADMM-Plus, the ASEAN Maritime Forum (AMF), the Expanded AMF, AsiaEurope Meeting (ASEM), and the East Asia Summit. In 2010, Vietnam hosted the inaugural meeting of the ADMM-Plus. Vietnam was the coordinator for ASEAN–European Union relations for 2012–15 and is currently coordinator for ASEAN–India relations (2015–18). At the bilateral level, Vietnam has signed strategic partnership agreements with five of nine ASEAN members: Thailand, Indonesia, Singapore, the Philippines, and Malaysia.

To gain a better understanding of how domestic politics influences Vietnam’s foreign policy, the next section provides a broad overview of Vietnam’s political system and illustrates how đổi mới led to a shift in state–society relations.

Part four: Vietnam’s political system: The rise of political civil society

Vietnam is a one-party state ruled by the VCP whose political system is best characterized as a mono-organizational socialist system.22 This is a system in which the party exercises hegemonic control over state institutions, the armed forces, and mass organizations in society through the penetration of these institutions by party cells and committees. Senior party members form the leadership nucleus of the state apparatus, National Assembly, the People’s Armed Forces, and the Vietnam Fatherland Front (VFF, Mặt trận Tổ quốc Việt Nam).

The VFF is an umbrella organization grouping five mass organizations (Vietnam Women’s Union, Vietnam Farmers’ Union, Ho Chi Minh Youth Organization, Vietnam General

Confederation of Labor, and the Vietnam Veterans’ Association) and 24 registered people’s organizations. With the exception of the Vietnam Veterans’ Association, the leaders of the other mass organizations serve on the party Central Committee.

As Vietnam began to integrate itself in the global economy, it sought development assistance from its new partners and international non-governmental organizations (INGOs). Foreign aid agencies and INGOS attempted to apply their own model of development to Vietnam in the hopes of creating space for civil society by privileging the role of domestic “non-governmental organizations” (NGOs).23 In practice, this meant pursuing “bottom up” approaches that stressed participatory development and gender and ethnic equality. This approach to development was problematic in the sense that there were no autonomous NGOs in Vietnam. All mass and people’s organiztions were state-sponsored and funded and formed part of the VFF’s organizational matrix.

As the reforms ushered in by đổi mới began to take hold, state–society relations began to alter. In the 1990s, there was an upsurge of organizational activity at all levels in Vietnam.24 In particular, an explosive growth of non-government voluntary CBOs took place at the grassroots level. The growth of grassroots organizational activity outpaced Vietnam’s ability to develop a regulatory framework that was relevant to such a diversity of groups. Some CBOs operated relatively independently of the state. Although their legal status was ambiguous, they were generally tolerated. But they were always at risk if their activities touched on politically sensitive issues.

This effervescence in Vietnamese society led to the weakening of Vietnam’s mono-organizational socialist system and opened space for individuals and small groups to challenge Vietnam’s one-party system.25 The introduction of the Internet provided the means for individuals and groups to overcome their physical isolation and form networks in cyber space. As the following section illustrates, changes in the basis of the VCP legitimacy and elite factionalism gave rise to new actors and expanded political networks

Part five: Changing sources of political legitimacy, elite factionalism, and new actors open Vietnam’s foreign policymaking process

This section discusses three major factors that influenced the foreign policy decision-making process in Vietnam: the changing sources of political legitimacy, elite factionalism, and the emergence of new domestic actors. These three factors combined to produce major changes in the Vietnam’s foreign policymaking process, and each will be discussed in turn.

The VCP was founded in 1930 and successfully mobilized the Vietnamese people to resist and defeat successive foreign interventions on the basis of appeals to patriotism and nationalism. In September 1945, the VCP declared independence from France and the establishment of the DRV. In 1954, Vietnam was partitioned and the DRV took control over North Vietnam. In 1975 Vietnam was militarily reunified, and the following year the Socialist Republic of Vietnam was established. Since 1954 the VCP has based its claim to political legitimacy on three sources: patriotism and nationalism, legal-rational authority, and performance legitimacy.

In 1976 Le Duan, party leader from 1960–86, declared that “this nation and socialism are one.”26 However, during the period from 1976–86, patriotism and nationalism, while still important sources of regime legitimacy, were overtaken by the VCP’s emphasis on legal-rational legitimacy. VCP imposed its mono-organizational socialist model on the south. This was exemplified by the adoption of Vietnam’s 2nd Five-Year Plan (1976–81) and the promulgation of a new state constitution in 1980.

After 1986, socialist ideology was watered down as the VCP began promoting “the thoughts of Ho

Chi Minh” to undergird its legitimacy.27 During the 1990s, Vietnam’s Gross Domestic Product grew at nearly seven percent a year and averaged 6.47 percent from 2000 until 2016. The VCP’s emphasis on economic renovation soon became the regime’s prime source of legitimacy, performance legitimacy.

The second factor influencing foreign policy is elite factionalism. Scholars and other analysts have used elite factionalism between conservatives and reformists as a heuristic device to analyze policy changes; one scholar has posited three groups: ideologues, rent seekers, and modernizers.28 As Vietnam’s territorial dispute with China in the South China Sea took center stage, scholars and analysts began debating whether there were pro-China and pro-US factions in the VCP or whether the leadership was divided on how to manage relations with both.

In the lead up to the VCP’s 12th National Congress in 2016, it became clear that Vietnam’s leadership was divided over the issue of democratic centralism and collective leadership within the party. During the ten-year tenure of Politburo member and Prime Minister Nguyen Tan Dung, the Office of the Prime Minster and the state apparatus arguably emerged as a more powerful institution than the VCP. When Prime Minister Dung attempted to prolong his hold on office by seeking special exemptions to age restrictions and tenure limitations to become party Secretary General, an “anything but Dung” coalition formed behind the incumbent party leader Nguyen Phu Trong.29 Dung lost and retired. Trong was appointed for an unprecedented third term. Dung’s more assertive approach to developing closer ties with the United States was replaced by a more cautious approach not to antagonize China.

The third factor influencing foreign policy has been the emergence of new domestic actors. Since reunification in 1976, the political role of retired party members, state cadres, and military veterans has become more prominent, especially as the sources of the VCP’s political legitimacy have altered.30 These networks became active in writing petitions and open letters to the top party and state leaders on a number of hot button policy issues, including environmental issues and relations with China.

Between 2004–06, an unprecedented number of political associations were formed. These new political groupings promoted democracy, human rights, religious freedom, and workers’ rights and confronted Vietnam’s one-party state. By 2006, at least 11 identifiable organizations could be identified. Generally, these groups were small and lacked a large geographic footprint, but they marked the initial steps in the emergence of political civil society in Vietnam.31 Because these groups stood outside the legal framework for CBOs, they were considered illegal by the state.

In 2006, in a new development in Vietnamese politics, pro-democracy activists and political groups coalesced into an identifiable movement.32 On April 6, 116 persons issued an Appeal for Freedom of Political Association that they distributed throughout Vietnam via the Internet. On April 8, 118 persons issued a Manifesto on Freedom and Democracy for Vietnam.33 These statements called upon the Vietnamese state to respect basic human rights and religious freedom and to permit citizens to freely associate and form their own political parties.34 These pro-democracy petitioners became known as Bloc 8406 after the date of their founding manifesto.

Bloc 8406 represented a diverse network of professionals primarily concentrated in urban centers throughout the country, particularly in Hue, Ho Chi Minh City, Hai Phong, Hanoi, Da Nang, and Can Tho. Bloc 8406 produced a fortnightly publication, Tự Do Ngôn Luận (Free Speech), in both hardcopy and electronic format. By year’s end, foreign observers reported that the support base for Bloc 8406 had expanded to over 2,000, many under the age of 30.35

In August, Bloc 8406 publicly announced a four-phase program for democratization including the restoration of civil liberties, establishment of political parties, drafting of a new constitution, and democratic elections for a representative National Assembly.36 Next, in October, Bloc 8406 issued an open letter to government leaders who were due to attend the annual summit of the Asia Pacific Economic Cooperation (APEC) forum in Hanoi at the end of the year. This appeal asked for their help in promoting democracy in Vietnam. Shortly after, Bloc 8406 formed a coalition with the Unified Buddhist Church of Vietnam and the Vietnam Alliance for Democracy and Human Rights.

The response by security authorities was comparatively restrained, reportedly to avoid negative international publicity prior to the APEC summit. In October when the Bloc 8406 released its open letter, however, police responded by restricting the movements of leading dissident and cordoning off their homes to prevent contact with foreign journalists and diplomats. The presidents of Chile, China, Russia, and the United States each made official state visits at this time. Foreign leaders attending the APEC summit refrained from openly criticizing their hosts. After the summit, security authorities arrested and put on trial high profile Blox 8406 leaders. They were all found guilty and imprisoned; as a result, by 2009 Bloc 8406 was eviscerated.

In summary, Vietnam’s đổi mới reform program shifted the main basis of VCP legitimacy from nationalism and legal-rational authority to performance legitimacy. This widened the scope for elite factionalism as the growing state apparatus gained control over more resources and weakened the hegemonic role of the VCP. Not only did retired party members, state cadres, and military veterans increasingly voice their views on domestic and foreign policies, but political civil society emerged and created a nexus between public opinion from below and the one-party state. As Vietnam’s foreign policy-making process became more open to public pressure, China emerged as the key issue linking domestic politics and foreign policy.

Part six: Domestic politics drives Vietnamese foreign policy toward China

This section reviews why relations with China have become the key domestic driver in Vietnam’s current foreign policy. Domestic activists in Vietnam seized on at least two major issues regarding relations with China, environmental concerns over resource extraction and China’s threat to Vietnam’s sovereignty in the South China Sea. As relations with China have assumed salience in domestic politics, a number of lower order issues have become embedded in this controversy, such as China’s huge trade surplus, shoddy Chinese goods, the low quality of Chinese-funded infrastructure projects, and the importation of Chinese labor into Vietnam.

Bauxite mining controversy

In 2006, Vietnam issued a tender for bauxite mining that was won by the China Aluminum Company (CHALCO) in partnership with the Vietnam National Coal Mineral Industries Group. A framework agreement between the two companies was signed in November 2006 on the sidelines of the APEC Summit and was witnessed by China’s President Hu Jintao.37 CHALCO agreed to build two alumina plants in the Central Highlands.

In 2008, small numbers of Vietnamese environmentalists and scientists voiced disquiet over the environmental impact of bauxite mining. Their voices were largely brushed aside. Then, in January 2009, the bauxite issue suddenly became a major issue when national hero General Vo Nguyen Giap, who masterminded the battle of Dien Bien Phu and defeated the French in the 1950s, issued the first of three open letters (January 5, April 9, 2009, and May 20, 2009). General Giap argued that bauxite mining would ruin the environment, displace indigenous ethnic minorities, and most significantly, threaten national security with the influx of Chinese workers into the strategic Central Highlands and by providing China with economic leverage.

Up until this point no one of Giap’s stature had raised concerns about bauxite mining. After Giap’s open letter, General Nguyen Trong Vinh, former ambassador to China, also wrote an open letter calling on the Politburo to reconsider plans to let China establish a permanent presence in the Central Highlands.38 On April 30, 2009, an anti-bauxite petition signed by 135 scholars and intellectuals was delivered to the National Assembly. The petition stated, “China has been notorious in the modern world as a country causing the greatest pollution and other problems.”39 According to one detailed study of the bauxite controversy:

The public debate on bauxite mining developed into a national and international controversy. The Prime Minister and other state authorities almost immediately set in motion processes to control and clamp down on the public debate. Their measures were both responsive and repressive. They included an injunction on the domestic press from further reporting on the topic of bauxite mining in January of 2009 and, later, arrests of bloggers and other more directly repressive measures in the last half of 2009. However, state response also included different types of dialogues with its critics, including a closed-door seminar organized by the central branch of the Vietnamese Communist Party and chaired by two Politburo members in February of 2009, a ‘Scientific Workshop’ co-organized by the government’s Vietnam Union for Science and Technology Associations and the Ministry of Industry and Trade in April 2009, and an explosive debate on bauxite mining in the bi-annual meeting of the National Assembly in May and June of 2009.40

Since the adoption of a revised state constitution in 1992, the National Assembly, one of the pillars of Vietnam’s mono-organization political system, has gradually emerged as a new sounding board for public complaints and grievances by its deputies elected in province-based electoral constituencies. Debates in the National Assembly are televised live, and when contentious issues are raised, they attract a wide national audience.

By mid-2009, the anti-bauxite network had grown into an unprecedented national coalition including environmentalists, local residents, scientists, economists, retired military officers and veterans, retired state officials, social scientists, other academics and intellectuals, elements of the media, and National Assembly deputies. These critics were all mainstream elite. They were joined by bloggers, political dissidents and religious leaders including the Catholic Archbishop of Saigon,41 representatives of the banned Unified Buddhist Church of Vietnam, and Redemptorist priests involved in land disputes with local authorities in Hanoi the previous year. This was a seminal development because it marked the first time that single-issue groups gave their support to a broadbased national movement.

In sum, the anti-bauxite controversy presented a novel public challenge to performance legitimacy of Vietnam’s one-party state. For the first time, the competency of the government to decide on large-scale development projects was called into question.42 In addition, domestic critics raised the politically sensitive allegation that China’s involvement in bauxite mining was a national security issue. As a result, the government agreed to permit the National Assembly, ministries, and local authorities to conduct regular reviews of how bauxite mining was being implemented. Nevertheless, the Prime Minister and other government officials asserted that bauxite mining was “a major policy of the party and state” and would proceed.43 In May 2009, in a token gesture, six Chinese companies were fined for failing to obtain work permits for Chinese laborers at bauxite sites.44

South China Sea dispute

No foreign policy issue has raised such strong domestic public opinion as Vietnam’s territorial dispute with China over the South China Sea. The South China Sea dispute emerged in 1992, shortly after Vietnam normalized relations with China. In February, China’s National People’s Congress passed the Law on Territorial Sea and Contiguous Zone that claimed all islands in the South China Sea. China’s law now put it on a collision course with Vietnam regarding sovereignty claims in the South China Sea. This took the form of a series of maritime incidents in the mid-1990s, precipitated by China’s efforts to explore for oil in waters falling within Vietnam’s Exclusive Economic Zone (EEZ).45

It was not until 2007, however, that China’s assertiveness in the South China Sea became a domestic issue. Late that year, the first of regular public protests were held in Hanoi and later in other metropolitan centers in response to Chinese harassment of Vietnamese fishermen in the South China Sea. Also, a number of bloggers took to the Internet to criticize not only China but their own government for failing to stand up to Beijing to protect Vietnam’s sovereignty. It should be noted that anti-China sentiment was fuelled subsequently not only by the South China Sea dispute but also by contemporary bauxite mining controversy.

HD 981 crisis

No incident was more serious than the crisis that erupted in early May–mid-July 2014 when China deployed the mega-oil drilling rig the Hai Yang Shi You 981 (HD 981) in Vietnam’s EEZ, accompanied by an armada of ships that reached over 100 in number at the height of the crisis.46

Vietnam responded by sending its much smaller Coast Guard ships and Fishery Surveillance Force vessels to confront the Chinese and order them out of Vietnam’s EEZ. China responded aggressively by ramming Vietnamese ships and vessels and used high-powered water canons to demast radio communications antennae from the bridges of Vietnamese ships. Vietnamese maritime law enforcement vessels continued their unequal daily confrontation but added a new twist by embedding foreign journalists on its ships to film and report incidents at sea. Vietnam won a global propaganda war against China when film was broadcast showing large Chinese vessels deliberately ramming smaller Vietnamese boats.

The maritime crisis between Vietnam and China continued for six weeks. Nearly a week after China first deployed the HD 981, the VCP Central Committee convened its long scheduled ninth plenum from May 8–14. Although the agenda included a number of domestic issues, the meeting was overshadowed by the growing maritime crisis. A heated debate erupted about how Vietnam should respond to China’s challenge to Vietnamese sovereignty. However, the final communiqué issued after the plenum only resolved to closely monitor the maritime standoff and called for a peaceful resolution of the dispute. This gave the impression to the general public that “it was business as usual” and gave no hint of internal party disagreements over South China Sea policy.

On May 11, while the Central Committee was in session, peaceful anti-China protests took place in Hanoi, Ho Chi Minh City, and other urban areas in response to graphic domestic TV coverage of the confrontation. More seriously, anti-China protests by Vietnamese workers on three industrial estates turned violent on May 13–14. Nearly 400 Chinese (and other foreign-owned) enterprises were severely damaged or burned to the ground. China responded by evacuating several thousand of its workers, demanding compensation, and imposing economic sanctions. Chinese tourism to Vietnam plummeted.

After the ninth plenum, pressure continued to build up within the VCP and society at large to take international legal action against China under the United Nations Convention on the Law of the Sea (UNCLOS). Prime Minister Dung became the most public advocate of this action but stated that timing was crucial. In contrast, Defense Minister Phung Quang Thanh went on record at the Shangri-La Dialogue calling China “a friend” and that legal action was “a last resort.”

In early July, the VCP Politburo reportedly voted overwhelmingly to hold a special meeting of the Central Committee to discuss the HD 981 crisis and to consider taking international legal action against China and, reportedly, consider dropping its defense policy of “three no’s” and turning to the United States for support.

On July 15, China announced that the HD 981 had completed its mission and was withdrawing it from Vietnamese waters. It is likely that Chinese diplomats learned of pressures within the VCP to convene a special meeting of the Central Committee, and this weighed on their decision to withdraw the oil exploration rig. China’s actions took the wind out of the sails of those calling for a special Central Committee meeting. No special Central Committee meeting was held and the impetus to dramatically shift towards the United States dissipated

Nevertheless, on July 28, 61 leading Vietnamese personalities signed an open letter criticizing the government for its handling of relations with Beijing, called for international legal action and a lessening of Vietnam’s dependence on China by exiting China’s orbit (thoát Trung). By this time, the crisis was over and Vietnam’s cautious party leaders asked Beijing if they would receive a special envoy of the VCP Secretary General.47

The 2014, HD 981 crisis demonstrated the efficacy of Vietnam’s policy of struggling and cooperating with China. The daily confrontation between Chinese and Vietnamese maritime law enforcement vessels demonstrated that Vietnam was capable of “struggling against“ China to demonstrate resolve in defending its national interests. On the other hand, Vietnam’s request to send a special envoy to Beijing demonstrated that Vietnam was willing to cooperate with China. In sum, Vietnam’s leaders adopted carefully calibrated acts of “struggling and cooperating” with China to underscore Vietnam’s sovereignty without unduly provoking China to escalate.

The resolution of the HD 981 crisis did little to diffuse widespread anti-Chinese sentiment among the Vietnamese public. The Vietnamese party-state responded to public opinion by being more proactive in permitting the Ministry of Foreign Affairs to issue protests in response to Chinese actions that were perceived as infringing Vietnamese sovereignty, territorial territory, or peace and stability in the South China Sea. Vietnamese textbooks are being gradually revised to take the gloss off official historical accounts of Sino-Vietnamese relations. The Vietnamese media has been given greater leeway to publish news that is critical of China.

Part seven: Implications for the United States: Convergent not congruent interests

Since normalization of relations with the United States in 1995, Vietnam has emerged as a key member of ASEAN. Both Vietnam and the United States quickly developed shared interests in strengthening ASEAN as a regional association. Both Vietnam and the United States share a common interest in Vietnam’s stability and economic development. Likewise, when Vietnam served on the UN Security Council as a non-permanent member, it was evident that Washington and Hanoi held similar views on international issues such as nuclear non-proliferation, countering violent extremism, and mitigating the effects of climate change. Maritime disputes in the South China Sea brought Vietnam and the United States closer together because of their convergent interests in maritime security and the peaceful settlement of disputes on the basis of international law.

Despite wide area of convergence, US and Vietnamese interests are not congruent.48 Vietnam and the United States have found themselves at odds over a series of political and economic issues that that have bedevilled bilateral relations. The U.S. views the promotion of democratic values, human rights and religious freedom as reinforcing political stability and development. Vietnam, however, harbors suspicions that the United States’ advocacy of these values is designed to overthrow Vietnam’s one-party system through “peaceful evolution.” Also, Vietnam wants the U.S. formally to designate Vietnam as a market economy so it can have greater access to the American market. The United States has not done so because it is concerned about the privileged role of state-owned enterprises in Vietnam’s socialist-orientated market economy.

Even in the area of defence and security, where US and Vietnamese strategic interests have increasingly converged, their interests are not congruent. Vietnam seeks to leverage its strategic partnerships with all the major powers to bolster its foreign policy of independence and self-reliance.

Vietnam generally has supported President Obama’s policy of rebalancing toward the Asia-Pacific. Senior Vietnamese officials welcome the presence of the U.S. Navy in the South China Sea, as long as it contributes, in Hanoi’s view, to regional peace and security. However, Vietnam’s defense policy of “three no’s” restricts the extent to which it will cooperate with the United States to constrain China, as illustrated by Vietnam’s insistence on conducting naval exchange activities – as distinct from naval exercises – with the U.S. Navy.

Vietnam and the United States are both wary of Sino-Russian collaboration in the Asia-Pacific. Vietnam, however, has good relations with Moscow, while Washington does not.49 Russian naval vessels have been given special access to the military port at Cam Ranh Bay, while the other major powers, including the U.S., are restricted to one naval port visit a year and are only permitted to visit the civilian-run international port at Cam Ranh.

Vietnam views its 2013 comprehensive partnership with the United States as the basis for the future development of bilateral relations. This was illustrated in late 2016 during the presidential election in the U.S., when both candidates opposed the TPP. Vietnam dispatched Dinh The Huynh, a senior member of the Polibturo, to Washington from October 24–30, 2016 to urge the Obama administration to accelerate retification of the TPP.50 Huynh also delivered an early invitation to the next US president to attend the APEC summit to be held in Hanoi in late 2017.

Huynh also expressed the hope that the United States “will soon recognise Vietnam’s economy as a market economy, open its market to more Vietnamese agricultural products, and reduce trade barriers.”51 Huynh reiterated Vietnam’s willingness “to work with the U.S. and relevant countries to boost ASEAN’s central role and build ASEAN-led mechanisms to form regional architecture in the 21st century.”52 Significantly Huynh welcomed “the active role of countries inside and outside the region, including the U.S., in keeping peace and stability in the East Sea” and urged the U.S. to continue its collaboration with countries in the Asia-Pacific region.53

Huynh also called on the United States to “foster comprehensive cooperation for development by increasing visits at all levels, expanding consultation mechanisms on issues of shared concern and boosting the effectiveness of existing cooperation mechanisms.”54 Huynh specifically called for the enhancement of “economic, trade and investment partnerships” and the strengthening of cooperation in “science, education, health care, environment, infrastructure connectivity, renewable energy, and climate change response … defence-security links … people-to-people exchanges, while prioritising the settlement of war consequences and humanitarian aid.”55

In sum, since 1995, Vietnam and the United States have witnessed a growing convergence of strategic interests that led to raising bilateral relations to a comprehensive partnership. At the same time, it was evident that Vietnam–US interests are not congruent.

Conclusion

This article presented an overview of how Vietnam’s foreign policy has been affected by changes at the international and domestic levels of analysis from the mid-1980s to the present. Vietnam responded by pursuing four major inter-related policies: independence and self-reliance, multilateralization and diversification of external relations, struggle and cooperation, and pro-active international integration. Vietnam has sought to preserve its independence and self-reliance through its three no’s defense policy that precludes alliances with another state. At the same time, Vietnam has pursued a policy of multilateralizing and diversifying its external relations through a network of strategic and comprehensive partnerships, with a prime focus on five major powers – Russia, Japan, India, China, and the United States.

Vietnam’s adoption of đổi mới led to the creation of a “socialist-orientated market economy” and Vietnam’s pursuit of proactive integration with the global economy. These twin developments contributed to a shift in the basis of regime legitimacy from nationalism and legal-rational authority to performance legitimacy.

As a concomitant of đổi mới, Vietnam’s political system underwent significant changes as its mono-organizational socialist system was weakened by the emergence of grassroots communitybased organizations and political civil society and the growing strength of the state apparatus vis-àvis the VCP. These developments in turn contributed to the rise of factionalism in the VCP and mainstream elite.

Vietnam’s foreign policymaking process, traditionally the province of VCP leaders insulated from social pressures from below, became increasingly susceptible to public opinion, particularly when Vietnam’s national interest became its lodestone. This article presented two case studies – bauxite mining and the HD 981 crisis – to illustrate the influence of public pressure from society on foreign policy. Anti-Chinese nationalism formed a common thread between these two controversies and continues unabated.

What lies ahead?

The unexpected election of Donald Trump as president and his policies of America First and protectionism immediately raised a number of strategic uncertainties in Vietnam’s relations with the United States as they threatened to highlight differences rather than convergence in national interests. Since Vietnam has a huge trade surplus with the U.S., its leaders fear Vietnam could fall victim to the Trump administration’s pursuit of “fair and free trade.” Trump’s withdrawal of the U.S. from the TPP was unsettling to the Vietnamese leadership because it closed one avenue to Vietnam’s pro-active international integration.

Vietnam responded to these developments by intensifying its efforts to open channels to the Trump administration and influence its policy towards Vietnam and the region. On December 14, 2016, Prime Minister Phuc joined the telephone queue to pass on a congratulatory message to president-elect Trump. The Vietnamese media reported, President Trump “asserted his wish to cooperate with Vietnam to accelerate the relationship between the two countries.” The Trump transition team confirmed the conversation.56 As a result of lobbying by the Vietnamese Ambassador to the United States Pham Quang Vinh, on April 21, 2017, National Security Advisor H. R. McMaster handed visiting Foreign Minister Pham Binh Minh a letter from President Trump “affirming his wishes to promote cooperation on economics, trade, regional and international issues.”57 The letter included an invitation to Prime Minister Phuc to visit Washington. At the same time it was announced that President Trump would attend the APEC Summit in Vietnam at the end of the year.

On May 31, 2017, President Trump and Prime Minister Phuc met in the Oval Office at The White House. After their meeting, they released a Joint Statement reaffirming their commit to enhance the comprehensive partnership reached between their two countries in 2013.58 The U.S. withdrawal from the TPP and the end of the rebalance policy have weakened Vietnam’s hand in dealing with China and raise uncertainties in Hanoi. If President Trump disengages from Southeast Asia, this will make Vietnam’s attempt to promote a multipolar balance among the major powers more difficult. Without a strong US presence, Vietnam will find it more difficult to insulate itself from Sino-American rivalry.

This author has argued elsewhere that Vietnam prefers the Goldilocks’ formula of “not too hot, not too cold” in US–China relations. 59 Vietnam fears that if relations become “too hot” (close), Beijing and Washington will collude at Vietnam’s expense. Vietnam also fears that if relations become “too cold” (antagonistic), Vietnam will suffer collateral damage by rising tensions. If US– China relations remain “just right,” Vietnam can seek to gain leverage by playing on major power tensions.

Vietnam will continue to promote a multipolar balance in its relations with the five major powers. Vietnam will be more proactive within ASEAN to strengthen its regional role, especially on reaching a Code of Conduct in the South China Sea. Vietnam also has no other option but to continue its robust program of self-help defense modernization to deter China from encroaching on Vietnamese-occupied features in the South China Sea. The regime’s worst nightmare is how to control public reaction to a new China-instigated crisis while preventing the crisis from leading to armed conflict. If the Vietnamese public views the leadership as conceding too much to China, this could provoke a major domestic backlash and undermine the legitimacy of the VCP regime,

#### 2nd article: Full speech by Party leader Nguyen Phu Trong at National Foreign Relations Conference (VGP, 2021).

Comrade leaders of the Party, State and Viet Nam Fatherland Front,

Distinguished delegates,

Dear all comrades,

Today, I am very delighted to attend the National Foreign Relations Conference for the Implementation of the Resolution of the 13th National Party Congress. At the outset, allow me, on behalf of the comrade leaders of the Party and State, and with my own heart, to extend to all comrades, and all my brothers and sisters – officials, public servants and staff working in the field of foreign relations, both at home and abroad – my best greetings, my most earnest salutations, and my warmest congratulations. May the Conference today be a great success.

The Conference today is of great significance (and as some comrades may put it, a historic one) as it is the first-ever National Foreign Relations Conference held under the direct instruction of the Politburo and Secretariat in order to discuss Party external relations, State diplomacy, people-to-people diplolmacy and the whole political system. The Conference takes place at the time when the entire Party, people and army are redoubling our efforts to translate the Resolution of the 13th National Party Congress into reality. Our country is presented with many opportunities and advantages, and at the same time confronted with new, fiercer hardships and challenges than we had previously predicted. The COVID-109 pandemic and its very complex developments and manifold impacts have caused immense losses to various countries and nations, including our own. Under the timely and correct leadership of the Party, through the cohesion and vigorous engagement of the entire political system, and thanks to the joint efforts of our compatriots and soldiers at home and the Vietnamese diaspora abroad, plus the assistance of our international friends, we have been able to contain the pandemic effectively and actively bring Viet Nam into a new normal of “safe, flexible adaptation and effective control of COVID-19” for socio-economic development. The requirements of the nation-building and national defense mission are extremely high in the new era. This demands us to intensely leverage our internal strengths in combination with external power, resolve to make use of every opportunity and advantage, and overcome all adversities and challenges in order to bring about rapid and sustainable development for our country. Ever since the success of the 13th National Party Congress, the 15th Legislature of the National Assembly has held two first sessions, and the 13th Government Cabinet, the Viet Nam Fatherland Front, and the branches of Internal Affairs, Culture and Party-Building have each in turn held their own National Conference to chart the implementation of the 13th National Party Congress Resolution. Every such National Conference has been organized with great meticulousness, professionalism and care, and has all been great success, as the sayings go: “Strong voice at front and retinue behind the core””, “One call, a hundred respond”, “One mind top to bottom”, “Smooth coordination across the board”.

It is with this spirit that, at the National Foreign Relations Conference today, we shall review the implementation of the Resolution of the 13th National Party Congress with regard to foreign relations, internalize the spirit and letter of the 13th National Party Congress, and discuss measures to effectively implement the key missions set before the foreign service in the years to come. This will also be an opportunity for the various levels, sectors, localities and the diplomatic sector to grasp a better understanding of Viet Nam's current landscape and standing vis-a-vis the region and the world, and how significant and important foreign relations is within the overall strategy for nation-building and defense, and bring about renewed spirit, determination and driving force for the entire political system, all levels, sectors, each and every organization and individual involved in foreign relations.

Dear comrades,

Needless to say, any state and nation, throughout their formation and development, must address two fundamental matters: internal and external affairs. These two aspects are organically, dialectically and reciprocally related, and mutually reinforcing, as a bird's two wings. Each would create power and momentum for the other, in an increasingly cohesive and coordinated way. This is all the truer against the backdrop of vigorous and intensive globalization today. Foreign relations today are not merely a continuation of domestic policies, but are a strong driver for the growth of states and nations in its own rights.

Throughout our people's history over thousands of years, independence, self-reliance and maximizing the interest of the nation-state have always been an unchangeable principle and the overarching line in our every action. In addition to the tenacious struggles to defend Viet Nam's lands, independence and sovereignty, our forefathers always paid great attention to foreign relations. Through this process, they created Viet Nam's own, unique traditions and identity in the conduct of diplomacy and foreign relations: full of heroism, humanism, amity and tolerance, and always hold truth, justice and righteousness in the greatest esteem: “Wield justice to defeat savagery, bring benevolence to supplant tyranny!”, “Extinguish forever the flames of war, usher in an eternity of peace!” ("Bình Ngô đại cáo" - Nguyễn Trãi). Diplomacy has ever been resorted to prevent and ward off war, or to put an end to war in as advantageous a position as possible. It must always be in service of domestic policies, nation-building and national development. These philosophies of our forefathers are well ahead of their time and eternally relevant.

These excellent traditions and virtues have been further built on and advanced and shine brightly in the Ho Chi Minh era, and evolved into a modern Vietnamese diplomatic service richly imbued with the national identity. As the first Foreign Minister of the Democratic Republic of Viet Nam established in the wake of the 1945 August Revolution, President Ho Chi Minh laid the foundation and directly led and guided the development of the Vietnamese revolutionary diplomatic service. The fundamental elements of Ho Chi Minh Diplomatic Thoughts stem from the philosophy and tradition of diplomacy employed by our forefather, and it was President Ho Chi Minh himself who developed these values to a higher level, seamlessly combining patriotism, national culture and the Vietnamese diplomatic traditions with the quintessence of world culture and diplomatic experience. This school of thought always upholds the goal of national independence, tolerance and amity. Diplomacy is to be used to deter conflict, and it must be in accord with the the world circumstances, so that Viet Nam may join in the flow of the time. President Ho Chi Minh held that national independence must go hand-in-hand with socialism, self-reliance and self-dependence with international solidarity, and the development of national strengths with the strengths of the times. He found it necessary that friendship be cultivated with every country, especially our neighbors, traditional friends and the progressive, peace-loving people of the world. In the conduct of foreign relations, President Ho Chi Minh always exercised a guiding principle of “We must look broad and think with care” in order to know ourselves and know others and retain initiative, and to especially understand Viet Nam's strategic position within the relationships among the major powers. He placed special attention on the skillful handling of relations with other countries, especially neighboring countries and major powers. He deigned to respect and “keep face” of major powers, to know ourselves and know others, to know the time and the tide, and to “use tough and soft measures in accord” in order to serve the highest interest of the nation-state. President Ho Chi Minh never wished for Viet Nam to suffer war, nor did he wish war upon others. It is this humanistic and humanitarian philosophy of President Ho Chi Minh, in which justice and truth are upheld in the interest of peace, independence, freedom and happiness to all peoples and all nations, that is the embodiment of the seamless combination between the culture of our nation and that of mankind. With this philosophy, in his exercise of foreign affairs, President Ho Chi Minh sought to uphold the role of international law, harness the values of traditional Vietnamese culture and diplomatic conduct alongside the universal and progressive philosophies of mankind, seeking out similarities, and raised the banner of humanitarianism, benevolence, truth and lawfulness in international relations in order to win over and call upon the support from the peoples of the world.

Thanks to this, alongside with the political, military, economic and cultural front, the diplomatic front has always played a vital role in the revolutionary cause of our people, and contributed to the tremendous victories that brought glory to the history of our nation. I should highlight some: the combination of fighting and negotiating, the negotiation in defense of the fledgling Democratic Republic of Viet Nam at the hour of its inception following the 1945 August Revolution, the negotiation and signing of the 1954 Geneva Accord that contributed to the victory of the resistance against the invading French colonialists, the negotiation and signing of the 1973 Paris Accords as a prerequisite for the full liberation of the South, reunifying the nation and the country. Ever since, the diplomatic service has become a trailblazer, a builder of new paths, a pioneer in breaking out of isolation and embargo, and the forerunner in opening up relations with many partners and bringing about a new landscape for the processes of Doi Moi, international integration, nation-building and national defense.

Over the past 35 years of Doi Moi, inheriting and building upon the prideworthy diplomatic traditions of the nation, especially the philosophy of President Ho Chi Minh, who paved the way for Vietnamese diplomacy in the Ho Chi Minh era, our Party has taken upon itself to continually add to, cultivate and augment the foreign policy orientations of independence, self-reliance and openness in the interest of peace, cooperation and development. Our foreign policy is multilateralization, diversification, and active and proactive international integration. At the recent 13th National Party Congress, the entire Party, people and army reached consensus in our understanding, and resolved to “Consistently implement a foreign policy line of independence, self-reliance, peace, friendship, cooperation and development, and diversification and multilateralization of foreign relations. Ensure to the highest level the interest of the nation-state on the ground of the fundamental principles of the United Nations Charter and international law, and the principles of equality, cooperation and mutual benefit. Combine the power of the nation with the power of the times, actively and proactively engage in intensive international integration. Viet Nam is a friend and reliable partner of, and an active and responsible member among, the international community.”

To summarize, over the past 90 years, under the leadership of the Party and President Ho Chi Minh, on the basis of creative application the fundamental principles of Marxism-Leninism, inheriting and building on the traditions and national character of foreign relations, diplomacy and culture, and selectively learning from the quintessence of world culture and the progressive philosophies of the times, we have built an outstanding and unique school of foreign relations and diplomacy of the Ho Chi Minh era, bearing the character of the Vietnamese bamboo, of strong roots, stout trunk, and flexible branches. (Or to quote a verse of poetry: “Such a gaunt trunk, such fragile leaves, and yet you make yourself into ramparts and walls, o dear bamboo!"). Herein lives the soul, the spirit, and the strength of character of the Vietnamese nation: To be mellow and skillful, but tenacious and ardent. To be flexible and creative, but bold, tenacious and unyielding against all odds, for national independence, freedom and happiness of our people. To stand as one, to love our fellow man, yet all the same resolute and patient in the defense of the interest of the nation-state. To know how to be gentle and how to be tough, to know the time and tide, to know ourselves and others, to know when to advance and when to retreat, “act as the situation demands,” as “the gentle cord makes a tight knot”.

Dear comrades,

In the conduct of the Doi Moi policy orientation in diplomacy, throughout the last 35 years, especially since the 12th Party tenure, we have achieved commendable results and gains. I should like to mention four highlights:

First, emerging out of isolation and embargo, we have been able to establish and strengthen a posture of open, diversified and multilateralized foreign relations conducive to the Doi Moi process. As of today, we have expanded and upgraded foreign relations with all neighboring countries, major powers, important partners and traditional friends, and through this, we have been able to call on the broad support and assistance from the international community in favour of our people's Doi Moi. In sum, Viet Nam enjoys diplomatic relations with 189 out of 193 members of the United Nations, including three Special Relationships, 17 Strategic Partnerships and 13 Comprehensive Partnerships. In multilateral diplomacy, Viet Nam is an active and responsible member of more than 70 international organizations and forums of importance, such as the United Nations, ASEAN, APEC, ASEM and WTO, to name a few.

Party external relations, State diplomacy, people-to-people diplomacy and the foreign relations conducted by each service, sector, locality and business are all expanding and becoming more active and in-depth. Our Party has forged ties with 247 political parties in 11 countries, including 90 Communist and Workers' parties all over the world, ruling parties and politically active parties of considerable role. The National Assembly enjoys parliamentary relations with its counterparts in 140 countries, and is an active participant at many important international parliamentarian forums. The diplomatic work conducted by the Government across the political, defense, security, economic and socio-cultural pillars has been advanced, and contributes to political trust and the interweaving of interests between Viet Nam and its partners. The Viet Nam Fatherland Front and mass friendship organizations have also engaged in foreign relations in a concrete way, enriching the friendship between our people and the nations in the world, and bring to them the story of Viet Nam's Doi Moi, and promote the image of our country and people to the world.

Second, we have created a conducive international environment and mustered resources from outside to accelerate industrialization, modernization and socio-economic development. From a centrally-planned economy and an isolated country under embargo, today Viet Nam has become a socialist-oriented market economy enjoying an immense breadth and depth of economic connectivity, having acceded to 15 Free Trade Agreements (FTAs), including three next-generation FTAs of very high standards, and participating in an extensive network of economic linkages with major economies in the world. While only 30 years ago we only had economic and trade ties with some 30 countries and territories, the number today is 230 countries and territories. Total foreign trade turnover this year is about US$600 billion, about 120 times the figure of the early years into Doi Moi. We have attracted foreign direct investment (FDI) in excess of US$400 billion, US$250 billion out of which has been disbursed. Efforts related to overseas Vietnamese nationals have helped tap into the tremendous resources of the Vietnamese diaspora to contribute to nation-building and defense.

Against the backdrop of the complex developments of the COVID-19 pandemic today, we have seized the initiative to contribute responsibly to the common global effort in the fight against COVID-19, while being also able to call on the support from the international community in terms of vaccines, medical supplies and treatment drugs, a key contribution to the fight against the pandemic and socio-economic recovery and development.

Third, the foreign service plays a pioneering role in maintaining an environment of peace and stability, contributing in an important way to the steadfast defense of national independence, sovereignty, unity and territorial integrity. Border issues with other countries involved are being resolved step-by-step, setting the legal framework and conducive conditions for the protection of national sovereignty, maintaining a borderline of peace, friendship and cooperation, promoting socio-economic development, and at the same time contributing to the maintenance of peace and stability in the region. With regard to complex border issues, we always hold high the banner of peace and cooperation, and earnestly engages in discussion and negotiation with countries involved in order to manage disputes and seek a fundamental and long-term solution for disputes through peaceful means on the basis of international law.

Fourth, Viet Nam's international standing and prestige in the region and the world are constantly on the rise, and we make active and very responsible contributions to the maintenance of peace and cooperation for development and progress in the world. We have successfully organized a great many international events and fulfilled a great deal of international capacities of importance: non-permanent membership of the United Nations Security Council, ASEAN Chairmanship, host of the ASEM and APEC Summits and the World Economic Forum on ASEAN, among so many others. Hundreds of Vietnamese officers and servicemen have been dispatched to UN peacekeeping missions in Africa. In various international issues of significance, Viet Nam's voice, initiative and solutions – being both sensible and full of human kindness, in the spirit of equality, amity, tolerance and humanism – have received agreement and support from the international community. Thanks to this contribution, Viet Nam's standing and prestige in the international arena are on the rise.

The efforts, results and achievements I've touched upon just now add to the overall, immense and historic gains of Viet Nam after 35 years of Doi Moi, as stated by the 13th National Party Congress: “Never before has Viet Nam enjoyed such fortune, such strength, and such international standing and prestige as we do today".

These gains and achievements are thanks to the correct, wise, measured and conscious leadership of the Party Central Committee and the direct guidance of the Politburo and Secretariat; the active and flexible administration of the State, the consensus, solidarity and support of the entirety of our people. They also owe themselves to the proactive engagement and operation of the entire political system across every service and level, among which the Party External Relations Commission, the Ministry of Foreign Affairs, the Ministry of Industry and Trade and agencies and bodies directly involved in foreign relations all over the country are the core and play an essential role. Let me take this opportunity, on behalf of the leadership of the Party and State, to offer my warmest congratulations, commendations and thanks to the entirety of our brothers and sisters working in the diplomatic service for your immense and very meaningful contributions.

That being said, there remain certain shortcomings in our foreign relations work so far, and in certain aspect we have yet to fulfill, or have achieved at a lower level than specified by the 13th National Party Congress. To elaborate, diplomatic work and international economic integration remains not wholly proactive and effective at certain times and in certain fields. We still lack cohesive and effective measures to minimize negative impacts in the process of advancing international integration. The understanding and direction in reality, at times, have yet to catch up with the rapid and complex ebbs and flows of the situation. Coordination and interoperability between different services, levels and localities can't yet be called 'seamless'. Strategic studies and forecast remain yet professional or satisfactory.

From all the above results and limitations, and, broadly speaking, through the entirety of rich and active body of work across the diplomatic front to date, we can continue to draw, bring forward and build on the practical lessons gleaned over the previous tenures. There are five lessons as follows:

1. The lesson of combining the power of the nation with the power of the time, and managing the relationship between national interest and international responsibility in harmony. The international situation is changing rapidly and in a complex way, yet the major trend and the ardent aspiration of all nations have ever been to preserve peace and expand cooperation for development. We have correctly and clearly identified our position and role in international cooperation and division of labour, improved our standing  in the regional and global value, production and supply chains. As always, the consistent orientation, policy and goals of Viet Nam are relevant to this major trend of the times. Today, our national interest remains to safeguard an international environment conducive to development. This is entirely consistent with the interest of the peoples of the world to strive for peace, national independence, democracy and social progress.

2. The lesson of perseverance in principle and flexibility in tactics. Our principle is national independence and socialism. Our tactics is to be mobile and flexible in making adjustment on an case-by-case, time-sensitive basis, and depending on the partner or target in question while sticking to President Ho Chi Minh's prime thoughts: “Firm in principle, myriad in applications”, “more friends, fewer foes”, “willing to befriend to all democratic countries, and cause animosity with no one". Viet Nam always stands ready to be a reliable and responsible friend and partner to all countries in the international community.

3. The lesson of building solidarity and consensus within the entire Party, army and people as per Uncle Ho's teaching: “Our cause is made by the word of Commonality”. The right foreign policy orientation under the banner of justice and the effective implementation of concrete policies helped create consensus within the entire political system, solidarity among the whole nation, and the broad agreement and support from international friends. The institutions and policies for the consistent management and conduct of diplomatic activities under the leadership of the Party have become more and more complete, cohesive and suitable. The coordination mechanism between the Party external relations, State diplomacy and people-to-people diplomacy, between diplomatic activities in all  political, economic, cultural, social areas, defense, security, environment protection, and many others, and between the central and local levels, have witnessed a multitude of improvements towards increasingly greater cohesion. This has contributed to creating synergy, fully harnessing the dynamism, creativity and effectiveness of diplomatic activities, making significant contributions to the goals of defending the Fatherland at an early stage while threats remain yet afar, preserving an environment of peace and stability, and creating the best opportunities and conditions for national development.

4. The lesson of building the apparatus and personnel work, which we have always viewed as “the root of all things”. Generations of cadres working in the external relations service have accomplished their missions with distinction through different periods in our nation's history. Among them are the contingence of cadres of the Party External Relations Commission, the Ministry of Foreign Affairs and the Ministry of Industry and Trade, in their role as the adviser and direct implementer of the diplomatic work of the Party and State. “Striking the bell in the land of others”, as the saying goes, is an exceedingly hard and difficult work, and requires special qualities in the statesmen. The efforts on the diplomatic front so far have brought about generations after generations of diplomatic staff endowed with both political resolve and professionalism, who are, as of this speaking, demonstrating the mettle, morality and virtue of the Ho Chi Minh  diplomacy.

5. Last but not least, encompassing all is the lesson on the consolidated and absolute leadership of the Party and the centralized administration of the State. The leading bodies of the Party, first of all being the Politburo and the Secretariat, and their advisory organs have demonstrated agility and sharp senses in their evaluation of the situation, and decisiveness in the making of concrete policies and measures. Many policies and solutions to address complex issues, deliberations over which timing is right for major diplomatic undertakings, including the reception and dispatch of high-level visits, have created strong and persuasive impact and high consensus within the whole Party, people and army, and helped garner support from the international community.

Dear comrades,

The 13th National Party Congress was a great success, initiating the Strategy for National building, development and defense in the new period, including the 10-year Socio-Economic Development Strategy for 2021-2030 period with a vision until 2045. We shall redouble efforts so that by 2025, when we celerate the 50th anniversary of the liberation of the South and national reunification, Viet Nam will be a developing country with a modern-oriented industry and the income per capita surpassing the  lower-middle-income status. By 2030, the centenary of the Party, Viet Nam will be a developing country with a modern-oriented industrial base and upper-middle income. And by 2045, the centenary of the Democratic Republic of Viet Nam, the predecessor of the Socialist Republic of Viet Nam, we will become a developed, high-income, socialist-oriented country.

At the same time, the 13th Party Congress also set out the foreign policy orientations in the new era, with the following core elements:

- On the guiding philosophy: To consistently implement a foreign policy line of independence, self-reliance, peace, friendship, cooperation and development, multilateralization and diversification of foreign relations, being a friend and reliable partner and an active and responsible member of the international community. To correctly manage the relationship between independence, self-reliance and comprehensive and intensive international integration. The will of self-reliance and the endogenous strength and resources are decisive, fundamental and long-term, while the support, assistance and resources from outside are of extreme importance.

- On the principle of foreign relations: To ensure to the highest level our national interest on the basis of the fundamental principles of the United Nations Charter and international law, equality, cooperation and mutual benefit.

- On the direction of foreign relations: To conduct in a cohesive, creative and effective way diplomatic undertakings, including Party, State and people-to-people diplomacy, external relations of various levels, services, localities, agencies, organizations and the community of businesses. To deepen and add substance and practical application to foreign relations. To mobilize and effectively combine external resources with domestic resources for national building, development and defense. To ceaselessly engage in innovation on the basis of skillfully applying the lesson of “firm in principle, myriad in applications”, wherein the principle and strategy remain unchanged, while measures and tactics must be flexible.

- On the fundamental task of foreign relations: To continue to play a pioneering role in the creation and maintenance of an environment of peace, and stability, in calling upon external resources for national development, and in raising the standing and prestige of Viet Nam. These tasks are closely interlinked and mutually reinforcing, and among them, the maintenance of peace and stability is a vital and permanent task, serving national development is the central task, and raising national standing and prestige is an important task.

We embark on the implementation of the 13th National Party Congress Resolution against the backdrop of a multitude of interweaving opportunities and challenges. "In the upcoming years, we project that the situation in the world and region will continue to witness very rapid, complex and unpredictable changes. Peace, cooperation and development remain the major trends, yet they will also face many obstacles, difficulties and challenges. Globalization and international integration will continue to move forward, yet they will also be threatened by the emergence of extreme nationalism, and fierce strategic rivalries, economic competition and trade war. Due to the COVID-19 pandemic, the world is falling into a serious crisis in many regards. The Fourth Industrial Revolution is developing robustly, creating breakthroughs in many areas, thus bringing about both opportunities and challenges to every nation. Countries are adjusting their development strategies and methods in order to adapt to the new reality. The Asia-Pacific continues to become all the more important and strategic area. In Southeast Asia, the security environment and sovereignty disputes in the East Sea will continue to develop in complex ways…” (op cit. pp. 30-31).

In order to make commensurate contributions alongside with the whole Party, people and army to successfully fulfill these incredibly heavy but glorious goals and missions, against the backdrop elaborated above, allow me to stress on six more points in the implementation of the solutions and measures raised at the Conference today:

First, we must continually keep a close eye on, carefully study and grasp a good understanding of the current situation and its development in order to come up with suitable solutions in the conduct of diplomacy. The rapid and complex political developments in the world thus far have, in many respects, gone outside of conventional forecasting. Without correctly understanding the situation, we will never be able to catch up with the actual development on the ground. The crux of the matter is, we need to be sharp, agile, daring in thought and in deed, willing to seize initiative, unafraid to break out of the bounds of old routines and comfort zones, in order to bring forth thoughts and deeds above our weight and arrive at the level of the region and the world. We must build a new standing and a new state of mind for Viet Nam in our conduct of foreign policy and in managing our relationship with other countries, bilaterally and multilaterally. The stature and power of Viet Nam across key indicators, such as the economy, population, defense and diplomacy have shown dramatic changes after 35 years of Doi Moi. Of special importance, issues pertaining to the core and strategic interests of Viet Nam require us to express a stronger voice and more active diplomatic stance, first of all within the region. At the same time, we must also accelerate innovation in thoughts, take bold new steps and find new methods in our work, expand into new areas and seek new partners and new directions. Of course, innovation must be based on principle, certainty, prudence, and while persevering with our goal, and with sincerity and humility.

Second, we must continue to take to heart and correctly implement the foreign policy line of independence, self-reliance, peace, cooperation and development, multilateralization and diversification of relations, active and intensive international integration, in the interest of the nation-state, uphold both cooperation and struggle through a correct understanding of the position on “partner” versus “target”, bolstering cooperation and the continuing creation of interwoven strategic interests between Viet Nam and other countries, preventing conflicts, and avoiding confrontation, isolation or dependence. In this process, the overarching goal is to maintain an environment of peace and stability conducive for national building and defense, to implement strategic tasks for socio-economic development, to resolutely and patiently safeguard national independence, sovereignty, sovereign rights, territorial integrity, and other legitimate national interests in accordance with international law. With regards to safeguarding an environment of peace, one of the most important requirements is to always be patient, calm, judicious and skillful in order to correctly handle foreign relations, including the matter of national sovereignty and territory. This is an extremely important task for the entire political system, in which the foreign service is the pioneer. Given the international developments I've spoken of before, the pursuit of this overarching goal shall face many challenges as we go forward.

To fully make use of and tap into opportunities, contain and neutralize challenges, and respond well to external changes, we must always remember Uncle Ho's teaching: “Our cause is made by the word Commonality”. Accordingly, we must always attach great importance to nurturing and preserving solidarity and consensus within our country. The greatest, highest commonality here is the resolve to protect our national interest. Everyone must work in the interest of the nation and the people. Only in so doing shall we be able to “combine the strengths of the nation with the strengths of the times”, perform the motto of “firm in principle, myriad in applications”, keep our heart ablaze and our head cool, and remain resolved and patient in addressing challenges in foreign relations, and harness common denominators in interest to promote cooperation and development grounded in the protection of national and respect for international law.

Third, we must maximize all of the country's favorable elements to actively contribute to the making and shaping of multilateral institutions according to Directive No. 25 of the Secretariat on elevating multilateral diplomacy, and view this as an important strategic direction, including the development of the Master Strategy for Foreign Relations until 2030. The focal point of work going forward is implementing and building upon the important gains in the multilateral forums to which Viet Nam is party, especially through cooperating with our partners to accelerate the implementation of Viet Nam's initiatives that have been adopted. We must demonstrate our role as a core in the building of the ASEAN Community and reinforcing ASEAN centrality in the regional security architecture. Active participation must be continued within the framework of the United Nations, especially in the realization of the Sustainable Development Goals and participation in the UN peacekeeping missions. We should take stock of our conduct and performance of our mandates as ASEAN Chair in 2020 and non-permanent member of the United Nations Security Council in 2020-2021, and from here draw lessons for the upcoming future that may be applied to other multilateral forums, within and outside of the United Nations.

Fourth, we should expand and enhance the effectiveness of diplomatic undertakings, especially economic, cultural, political, security and defense cooperation with other countries. Relationships with partners with whom we have established cooperation frameworks, primarily being neighboring countries and major powers, should be continually deepened, stabilized and augmented. We should prioritize the maintenance of stability and  momentum in the relationships through building political trust and promoting cooperation across the board, while addressing differences and emerging issues in the spirit of cooperation, friendship and dispute management, based on international law and the practice of the region.

We must continue to effectively translate the policy of active and proactive international integration into reality, especially Resolution 6 of the Party Central Committee on “effectively implementing international economic integration, maintaining socio-political stability as Viet Nam takes part in next-generation Free Trade Agreements” and the “Master Plan for International Integration until 2020 with a vision until 2030”. We need to effectively implement international commitments, with the focus being those under the WTO, ASEAN Economic Community, APEC, CPTPP, RCEP, EVFTA and EVIPA, among others.

Economic diplomacy must be augmented in the interest of national sustainable development. Priority should be given to seeking and expanding market access for Vietnamese goods, services and workers, attracting financing, technology and managerial expertise, especially FDI into areas of national priority. We shall actively join other countries in advancing the negotiation, signing, ratification and enforcement of multilateral FTAs, look into the possibility of joining multilateral initiatives for economic and infrastructure development in the region, and endeavor to negotiate next-generation bilateral FTAs with other countries, especially major trade partners. Work related to the overseas Vietnamese community must be conducted in a more well-rounded and vigorous way, keeping it to heart that the overseas Vietnamese is our flesh and blood, an inseparable part, and an important force of the community of Vietnamese ethnicities. Competent authorities must continue to create a more complete system of policies, instruments and laws to enable our overseas compatriots to play an increasingly more active and broader role in national building and defense, and assist them in gaining a strong legal status so that they may take heart in integrating into, living and working in their places of residence while preserving the Vietnamese language and the cultural identity of our nation.

Fifth, we must especially pay attention to and further improve the quality of strategic studies and forecasting, focusing on meticulously assessing the trends of policy and relationships among major powers, neighboring and regional countries, the political, economic, socio-cultural tendencies in the world and the region, especially as the Fourth Industrial Revolution, digital transformation and the digital economy and society take the world by storm, and as the dangers of epidemics and climate change loom. In the medium to long term, we must be able to prepare scenarios to project changes in the world and regional order, and prepare response plans accordingly. We must be fully aware of our strengths and limitations, and remain sober in identifying Viet Nam's strategic value and position in a new context in order to plan appropriate strategies and policies. Peace, cooperation and development in the world and in the region remain the major trend of our era. A country cannot randomly make decision and act unilaterally without taking into consideration the damage such action would cause to others and itself. It can be said that strategic research and forecasting is of vital importance if we are to maintain our proactiveness in a world of complex turbulence. The Party Central Committee, and the Politburo and Secretariat, directly speaking, always highly appreciate the strategic reports from the advisory, specialized and professional bodies of the Party and State. That said, the requirements for strategic research and forecasting going forward is extremely high and full of challenges, I hope you would pay greater attention to this line of work. As I usually say: “The only thing to fear is not knowing, once we know, there is no fear.”.

Sixth, in order to accomplish these tasks, we must pay special attention to the organization of the apparatus and the training and grooming of the contingence of diplomatic cadres.

On the organization of the apparatus, the system of foreign relations organs, consisting of the PCC External Relations Commission, the Ministry of Foreign Affairs, the Ministry of Industry and Trade, together with other agencies and units charged with conducting external relations across every ministry, agency, locality and the entire political system must continue to redouble efforts to implement the Resolution of the 4th Plenum of the 12th Central Party Committee on Party building and rectification, and the Conclusion of the 4th Plenum of the 13th Central Party Committee on strengthening effort for the building and rectification of the Party and the political system. We must be resolute in preventing, combating and strictly handling Party cadres and members of degrading political thoughts, morals or lifestyle, and those who show signs of “self-evolution” within our own ranks. At the same time, we must continue reviewing and renewing the organizational and managerial system, and improve the skill and capacity for the organization of the PCC External Relations Commission, the Ministry of Foreign Affairs, the Ministry of Industry and Trade, and many Ministries, line agencies, services and localities involved in foreign relations work, both within Vietnamese diplomatic missions overseas and in agencies inside Viet Nam, with the goal of a streamlined, efficient and effective organizational apparatus in line with the spirit of the Resolution of the 6th Plenum of the 12th Party Central Committee in this regard. We must further augment the coordination between Ministries, agencies, services and localities, in particular between the PCC External Relations Commission, the Ministry of Foreign Affairs, the Ministry of Industry and Trade, Ministry of National Defense, Ministry of Public Security, and the many Ministries, agencies, services and localities involved in the conduct of Viet Nam's diplomacy and international integration. In an age of comprehensive integration, in which the tendency towards globalization, connectivity and integration becomes inevitable, the close concert between Party foreign relations, State diplomacy, and people-to-people diplomacy, and between the diplomatic work conducted by various Ministries, agencies, organizations and individuals engaged in this process at the Central and local level – in particular border localities – are crucial if we are to fulfill the common task and the individual mission of each service, locality, agency and office.

With regards to personnel work, let me quote once more the lesson our Party has drawn: "cadre is the root of all things". We are living in the era of Doi Moi and intensive international integration. Personnel work must meet this demand. Throughout the history of the revolution, our Party has always attached great importance to personnel work for the diplomatic service and for foreign relations as a whole. In the hardest and most trying years of the revolution, we have always had exemplary diplomats and foreign relations staff. They stand as exemplar for all generations, representing patriotism, the willingness to learn, political mettle, style and the art of diplomacy and statesmanship. One may well say, they are diplomats, statesmen and politicians acknowledged and held in high esteem by friends worldwide.

The diplomatic staff of today are inheritors of the invaluable traditions and experiences of the previous generations, and are endowed with the opportunity to study and to ply their work. The average level of knowledge and education of the diplomatic staff is very high. I am aware that within the PCC External Relations Commission, Ministry of Foreign Affairs and Ministry of Industry and Trade, there are numerous comrades who are capable and held in high esteem by their colleagues and international friends. However, given the requirements of the new situation and missions, we must continue to attach greater importance to the training of diplomatic and foreign relations staff in knowledge, in capacity and political mettle, especially political mettle. You must continue to tirelessly train yourself in political thoughts, remain absolutely loyal to the ideal of the Party and the interest of our nation, and stay alert to the influencing and luring of hostile forces. You must actively combat and prevent “self-evolution”, and never be snared by the trap of corruption or wrongdoing. The more Viet Nam is integrated into the world, the greater our need for a contingence of diplomatic and foreign relations staff that possess firm political mettle, capability, influence and style if we are to stand on the same footing as other countries and international friends. They must be entirely devoted to the service of the Fatherland and the people. A skilled diplomat or conductor of foreign affairs must firstly be a capable politician, who always views the interest of the nation-state and the polity as the compass guiding his action. Such a person must also conduct himself with culture, for diplomacy, after all, is culture – the representation of the culture of our nation in dealings with others. Diplomats and foreign relations staff must always keep in mind that behind you stand the Party, the Fatherland and the People. Do be confident, be steadfast, be tenacious, be skillful, and be wise.

Dear comrades,

The world is changing rapidly. While hardship remains on our country's path, our prospect is very bright. Our entire Party, people and army are standing together, with the highest resolve, to realize the Resolution of the 13th National Party Congress. Every Vietnamese, no matter at home or abroad, desires our country to grow mighty and prosperous, to stand side-by-side with the powers of the five continents, as the aspiration of President Ho Chi Minh.

I am confident that our Conference today will set another milestone and bring about yet another, more vigorous and effective, change to Viet Nam's foreign relations. I have been informed that following the Conference today, the diplomatic service will convene the Diplomatic Conference, bearing the spirit and conclusion of the Conference today into the discussion as to concrete directions, missions and measures in conducting foreign relations in order to successfully translate the foreign policy orientations of the 13th National Party Congress into reality. This is an excellent practice that we must continue.

On the occasion of the New Year of 2022 and the Lunar New Year of the Tiger, allow me to once again extend my gratitude to the diplomats, delegates, and all diplomatic officials, staff and personnel all over the country. May good health and many successes be with you in your glorious and noble tasks. I would also like to ask the heads of Vietnamese missions abroad to convey my best regards and New Year's wishes to the officials, staff and personnel, and the Vietnamese community overseas. May the bond of friendship and cooperation between the people of Viet Nam and the world continue to grow stronger and tighter.

Let us resolve to build and develop a modern Vietnamese diplomacy deeply imbued with national identity – the “Vietnamese bamboo” school of diplomacy!

Thank you very much!

#### 3th article: From Bitter Enemies to Strategic Partners: The Remarkable Transformation of US–Vietnam Relations Since the 1973 Withdrawal (Atreides, 2023).

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

Moreover, some in Vietnam may be hesitant to join a grouping that is perceived as being led by the United States, given the country’s history of involvement in the Vietnam War. Additionally, the Quad Plus is still a nascent grouping, and it remains to be seen how effective it will be in countering China’s rise in the region.

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

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

The Road to Partnership

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

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

Mor[eover, the United States was reluctant to es](https://www.airuniversity.af.edu/)tablish diplomatic relations with Vietnam, as the war had left a bitter

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lega[cy on both sides. The U.S. government belie](https://www.airuniversity.af.edu/)ved that Vietnam had violated the Paris Peace Accords, which had

[endeHOME](https://www.airuniversity.af.edu/)d t[he wJIPA](https://www.airuniversity.af.edu/JIPA/)ar i[n 1973, and haARTICLE DISPLAY](https://www.airuniversity.af.edu/JIPA/Display/)d not fulfilled its obligation to account for American prisoners of war. As a result, Washington imposed a trade embargo on Vietnam, which lasted until 1994.

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

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

Vietnam’s economy struggled in the years following the war. The country’s leaders realized that they needed to find ways to integrate Vietnam into the global economy, and that meant establishing relations with the United States and other countries. It was not until the 1990s that Vietnam began to take steps to improve relations with the United States, including allowing the search for missing US soldiers and signing a bilateral trade agreement. These efforts paved the way for the eventual normalization of diplomatic relations between the two countries in 1995.

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

Challenges and Opportunities

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

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

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

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

Viet[nam’s potential role in the Quad Plus can b](https://www.airuniversity.af.edu/)ring several benefits. Firstly, it can enhance Vietnam’s security and

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stabi[lity, particularly in the South China Sea, w](https://www.airuniversity.af.edu/)here tensions with China have been mounting in recent years. As a [memHOME](https://www.airuniversity.af.edu/)ber [of tJIPA](https://www.airuniversity.af.edu/JIPA/)he [grouping, VietARTICLE DISPLAY](https://www.airuniversity.af.edu/JIPA/Display/)nam can have a stronger voice in shaping the region’s security architecture, ensuring that its own interests are well represented. Secondly, Vietnam can benefit from increased economic cooperation with the Quad Plus members, as these countries are among the largest trading partners and investors in the region. The grouping can provide Vietnam with greater access to technology, capital, and expertise, which can help accelerate its economic development.

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

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

Conclusion

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

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

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

#### 4th article: China and Vietnam: The Power of Party Ties (Fook, 2023).

Despite appearances that Vietnam is drawing closer to the U.S. with the recent upgrade in ties to comprehensive strategic partnership, Vietnam-China relations, especially party-to-party ties, remain strong, writes Lye Liang Fook.

The upgrade of U.S.-Vietnam ties two rungs upwards from a comprehensive partnership to a comprehensive strategic partnership during U.S. President Joe Biden’s visit to Vietnam earlier this month has again thrown the spotlight on how Hanoi navigates the complexities of U.S.-China dynamics. However, little attention is accorded to the strong party-to-party ties between China and Vietnam that anchor their relationship. The two countries see value in maintaining strong party-to-party relations which imposes a limit to how close Vietnam can get to the U.S.

The Chinese Communist Party of China (CCP) and Communist Party of Vietnam (CPV) share a common history of fighting Western imperialists and foreign invaders. The CCP led by Mao Zedong extended some ideological, political and material support to the CPV in its struggle for independence from the French. This support was significantly stepped up during the CPV’s fight against the Americans. Their party ties have evolved over time to stay relevant to the needs of the two countries. When Vietnam embarked on *doi moi* reforms in 1986 to experiment with a market economy, it looked to China as a model as the latter had started its open door and reform policy earlier in 1978.

China and Vietnam have a vested interest in ensuring that their ruling communist parties remain in power and retain dominance. To this end, they have stressed the importance of [strengthening experience-sharing and mutual learning](https://www.fmprc.gov.cn/eng/zxxx_662805/202211/t20221104_10800470.html). They have established a high-level party platform, co-chaired by a Political Bureau member from each side, to learn from the experience of each other. Since the early 2000s, they have held 17 workshops on a range of issues such as party strengthening and building; fighting corruption; guiding mass opinion; managing agriculture, rural areas and farmers’ issues; tackling the 2008 financial crisis; to improving social governance in the information age. By learning from each other, the CCP and CPV seek to strengthen party institutions and enhance ideological legitimacy.

Party-to-party ties further serve the important function of setting the overall framework for China-Vietnam relations. In [joint statements](https://en.baochinhphu.vn/viet-nam-china-issue-joint-statement-11122110208592351.htm#:~:text=The%20two%20Parties%20and%20countries%20need%20to%20persistently%20pursue%20their,motto%20of%20%22friendly%20neighborliness%2C%20comprehensive) issued after every high-level party exchange, the CCP and CPV set the overall direction, tone and even areas for bilateral cooperation. During low points in relations, the two countries have relied on party ties to keep differences in check and bring relations back on track. Following the tense standoff over the Haiyang Shiyou 981 oil-rig incident in 2014, Vietnam’s General Secretary Nguyen Phu Trong [dispatched special envoy](https://webcache.googleusercontent.com/search?q=cache:H87kxcofJBcJ:tapchiqptd.vn/en/news/vietnam-china-agree-to-restore-develop-ties/6142.html&sca_esv=565235111&hl=en&gl=sg&strip=1&vwsrc=0) Le Hong Anh, a Politburo member, to Beijing in August 2014 to mend relations. In return, Xi Jinping sent Yu Zhengsheng to [visit](http://www.xinhuanet.com/world/2014-12/27/c_1113798636.htm) Vietnam in December 2014. The fact that Yu ranked fourth in the CCP hierarchy indicated that China-Vietnam relations had turned the corner.

The regular high-level exchanges between the CCP and CPV mark a higher order of interaction compared to the government-to-government exchanges between the two countries.  Since Xi Jinping became China’s general secretary in 2012, Vietnam’s General Secretary Nguyen Phu Trong has made three visits to China in April 2015, January 2017 and October 2022. The October 2022 visit stands out as this was intended to fulfil [Nguyen Phu Trong’s promise to Xi Jinping](https://news.cgtn.com/news/2022-10-31/Xi-holds-talks-with-Vietnam-s-communist-party-chief-in-Beijing-1eAbvfKZw0E/index.html) to make China his first international visit after his re-election as general secretary of the CPV in January 2021 and after he suffered a stroke in April 2019. The visit reciprocated Xi Jinping’s visit to Vietnam in November 2017 when Xi chose Vietnam to be the first overseas destination after his re-election as China’s general secretary. Xi had previously visited Vietnam in November 2015, and there is a [standing invitation](https://english.vov.vn/en/politics/diplomacy/top-chinese-leader-xi-jinping-invited-to-visit-vietnam-this-year-post1016619.vov) for Xi to visit Vietnam in 2023 to mark the 15th anniversary of China-Vietnam comprehensive strategic partnership.

The CCP and CPV share an inherent fear of “colour revolutions” and “peaceful evolution” instigated by foreign elements and have committed to [closer cooperation](https://en.baochinhphu.vn/viet-nam-china-issue-joint-statement-11122110208592351.htm) to counter such threats. America’s narrative of democracies versus autocracies provides further justification for the CCP and CPV to draw closer. China has previously cautioned Vietnam not to be lulled into a false sense of security when countries like the U.S. seek closer cooperation with the CPV while mounting a scathing attack on the CCP. It added that the U.S. combative approach towards socialist China poses [long-term threats to socialist Vietnam](https://www.globaltimes.cn/content/1205197.shtml) since the country is under the leadership of the CPV. A related issue is Western countries’ criticisms of the human rights record of China and Vietnam, which both regard as interference in their internal affairs.

Days before the upgrade of its ties with the U.S., Vietnam received a [senior party delegation](http://cpc.people.com.cn/n1/2023/0907/c64094-40072414.html) from China in an effort to cast its relations with the major powers in context. While there are reasons to draw closer to the U.S. due to concerns over Chinese actions in the South China Sea, it is also in Vietnam’s interest to maintain a good relationship with China. It is likely that China’s cognisance of Vietnam’s position has led to its more moderate reaction to the upgrade in U.S.-Vietnam ties at the official level. Its foreign ministry spokesperson reminded Vietnam to accord [priority](http://az.china-embassy.gov.cn/eng/fyrth/202309/t20230911_11141145.htm) to the China-Vietnam comprehensive strategic cooperative partnership and ensure that the development of Vietnam-U.S. ties does not target any third party. Beijing appears confident that when push comes to shove, it can exert some leverage over Hanoi via the party channels. From Vietnam’s perspective, while party ties with China are useful, Hanoi has shown that it will not hesitate to voice its objections if its national interests are encroached upon as had happened in 2014.

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## Appendix c: data analysis intervening variable domestic institutions

**Vietnam**

**Executive Autonomy:**

* The CPV exercises full control over the executive, legislative, and judicial branches of government. The party adopts the country’s development strategies at its national congresses (BTI Vietnam, 2022, p. 4).
* Score: High Executive Autonomy

**Legislative Oversight:**

* The National Assembly of Vietnam has limited genuine oversight as it is largely controlled by the CPV. It primarily functions to endorse decisions made by the CPV (BTI Vietnam, 2022, p. 6).
* Score: Low Legislative Oversight

**Bureaucratic Efficiency:**

* Vietnam's bureaucratic efficiency is moderate, with significant challenges in terms of corruption and inefficiency, but also notable improvements in administrative reform (BTI Vietnam, 2022, p. 8).
* Score: Moderate Bureaucratic Efficiency

**Rule of Law:**

* The rule of law in Vietnam is weak, with significant influence from the CPV on judicial decisions and limited judicial independence (BTI Vietnam, 2022, p. 10).
* Score: Low Rule of Law

**Malaysia**

**Executive Autonomy:**

* The executive in Malaysia exercises significant control, but there is more influence from regional governments compared to Vietnam. The federal system allows for some decentralization (BTI Malaysia, 2022, p. 4).
* Score: Moderate Executive Autonomy

**Legislative Oversight:**

* Malaysia’s parliament exercises considerable oversight over the executive, with a functioning system of checks and balances, although it faces challenges in terms of political influence and corruption (BTI Malaysia, 2022, p. 6).
* Score: Moderate Legislative Oversight

**Bureaucratic Efficiency:**

* Malaysia has high bureaucratic efficiency, with well-established administrative processes and significant investment in improving public sector performance (BTI Malaysia, 2022, p. 8).
* Score: High Bureaucratic Efficiency

**Rule of Law:**

* The rule of law in Malaysia is stronger compared to Vietnam, but still faces challenges related to corruption and political influence. There is a higher degree of judicial independence (BTI Malaysia, 2022, p. 10).
* Score: Moderate Rule of Law