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The background of the withdrawal of the HYSY-981 oil rig, and its impact on Vietnam-USA relations

Since the beginning of Xi Jinpin's presidency the more proactive (aggressive) foreign policy, for example in South-East Asia especially in case of the South-China sea dispute has led to serious tensions in the relations with the South-East Asian countries, primarily with Vietnam and Philippines. (This foreign policy probably also serves as a kind of extra domestic political legitimacy for Xi, to put through some prospective politically sensitive economic reforms.) The Vietnam-China relation touched the bottom in 2014 May-June, after China planted the HYSH 981 (HaiYang ShiYou 981 – China Ocean Petrol) oil rig into Vietnam's exclusive economic zone (closer than 200miles to the Central-Vietnamese coast), protected by a hundred naval vessels fleet, on 2nd of May. After this event, physical confrontations occurred between the Chinese fleet and the Vietnamese coast-guards, massive and violent anti-China demonstrations were spreading in the country (4 Chinese citizens died, and around a 100 Chinese factories vandalized), and it seemed to be a quick start of a political opening towards the USA, and a potential strategic partnership. On the 15th of July Chinese government (issuing a short technical-like explanation) announced the removal of the oil rig and the fleet back to the Hainan island base, and soon they did so.

In this paper, I argue that:

- the removal of the Chinese oil rig was a temporarily political gambit in order to stop / or slow down Vietnam's geopolitical reorientation,
- according to the following political occurrences this tactic seems to be successful in short term,
- but the temporariness of the first point affect the second one, and in longer term China cannot keep its soft-power political influence on Vietnam, and enforcing its sovereignty on the claimed areas at the same time.

For the removal Chinese officials issued contradictory explanations (the hydrocarbon reserves are already drained / it was just a preliminary drilling collecting data for a subsequent exploitation / the oil rig is withdrawn because of the upcoming typhoon season) according to the weather reports the rigs technical condition and the costs all of them is highly unlikely. Most of the analysts agree on, the withdrawal and this explanation "was a as a face-saving way to defuse tensions with Vietnam" and to "prevent Vietnam's escape from China's orbit".

At the height of the tensions

Immediately after the oil rig crisis broke out, Vietnam's leaders adopted a conciliatory diplomatic posture; they requested the activation of a hotline between the leaders of the two countries, offered to send a special envoy or other ways to initiate a diplomatic discussion, but during May, these attempts were declined by China. On May

8-14 on the ninth plenary session of the Vietnam Communist Party's Central Committee there was already a heated debate about how should they respond to China's challenge, but the issued final communiqué gave no sign of internal party disagreement. (Meanwhile the Committee session the massive anti-China protests turned into violent, and on May 14 reached the level when China had to start to evacuate the nationals.)

Besides the Chinese diplomatic stonewalling, public pressure continued to increase to take legal actions against China, and public opinion was turning in favour alignment with the Unites States. On May 21, Foreign Minister Pham Binh Minh telephoned to Secretary of State John Kerry for a discussion about the South China Sea tensions and the further diplomatic actions –implementing concrete measures to further develop a Vietnam-US strategic partnership. Hence, Kerry invited Minh to Washington for full consultations. Minh's trip was approved by the party and he is scheduled to visit Washington in September. The party leaders agreed to convene a meeting of the Central Committee specifically to focus on the South China Sea dispute and the proposal to initiate legal action against China. This was a zenith of anti-China opinion in the party and society and it appeared that the Central Committee would not only approve legal action against China but also approve steps to align more closely with the United States.

"Divide et impera!"

On June 18 Chinese State Councillor Yang Jiechi visited to Vietnam to discuss the whole range of Sino-Vietnamese bilateral relations with top Vietnamese leaders (it is obvious that the oil rig was the dominant issue of the meetings). Yang had private discussions with Deputy Prime Minister and Minister of Foreign Affairs Pham Binh Minh, with Prime Minister Nguyen Tan Dung, and with and party Secretary General Nguyen Phu Trong (this last one proved to be especially significant). Yang strongly warned Hanoi against taking legal actions to challenge China in this dispute –like Philippines did in Marc.

After Yang's visit a gradual de-escalation of tensions has started in Vietnam, and the Vietnamese Politburo has been split into three factions.

The anti-China faction: Prime Minister Nguyen Tan Dung and Minister of Foreign Affairs Pham Binh Minh were the leading advocates for stand up to China, pursue a proactive foreign policy within ASEAN, and ask support from Japan, India and the US. Dung has spoken out for legal actions against China, seeking US support to balancing China's expansion in the region, and for concluding a US - ASEAN (or Vietnamese) free trade agreement the "Trans-Pacific Partnership". This group emphasised that accommodations with China would put Vietnam into a position of subordination and dependence on China and also reduce the prospects for economic reforms.

The pro-China faction: Secretary General Nguyen Phu Trong led the group seeking accommodation with China. Trong argues that getting too close to the US would result sanctions by China, Vietnamese government has to meet some US requirements on human rights, and U.S. pressures for greater military access to Vietnam, such as Cam

Ranh Bay and joint military exercises.

And there were some indecisive politicians and who are joining to the all-time majority like President Truong Tan Sang, Minister of Public Security Tran Dai Quang; he worried about the escalation of mass protests, and Minister of Defense Phung Quang Thanh. In July Thanh have talked about pursuing an arbitration case, but in late August he described the oil rig incident as merely a small disagreement among "brothers".

Retired General Nguyen Trong Vinh former Vietnamese ambassador to Beijing claims that China deliberately withdrew the oilrig in mid-July to influence the outcome of the forthcoming Vietnamese party plenum, also that the withdrawal is only temporary and China did not abandoned the resolve to control that territory. He also pointed out that Chinese Maritime Safety Administration explained the removal from Central-Vietnam to Hainan Island by the coming of typhoon Rammasun (July 9 – July 20) but the typhoon actually crossed Hainan Island and didn't approach Central-Vietnam.

The short term outcomes

Without a doubt, the main goal of the withdrawal of the oil rig was to strengthen and encourage the China-accommodationist faction; mostly the more conservative party members who are more cautious towards the western powers, and believe Chinese-Vietnamese relations successfully managed between the two "communist" parties. We can say that this Chinese gambit seems to be successful in short term, and according to the last 2-3 months' occurrences the majority of the Politburo is unwilling to stand up to China. The possibility of a lawsuit concerning the debated territories and the Chinese oil rigs and fleets has been shelved for a while.

Foreign Minister Pham Binh Minh was set to call on the US "soon" at the invitation of John Kerry, but he was kept away from Washington by Hanoi until October 2. Although he could receive a lower-profile US delegation in Vietnam in July (Special Presidential Assistant Evan Madeiros' delegation went there to consult about the prospective Trans-Pacific Partnership agreement and the South China Sea situation), but When the next Vietnamese delegation was dispatched to Washington in august, Minh was absent.

Dinh The Huynh, head of the Commission for Popularisation and Education (and pro-China camp member) instructed the media not to discredit China and make it lose face because of the withdrawal. In the end of August Politburo Member Le Hong Anh met with Chinese President Xi Jinping in Beijing to mend bilateral ties after the previous events, mutually emphasizing common interests, neighbourhood and "communist" regimes, and agreed to avoid actions that might complicate and expand the disputes.

So recently it is unlikely that Vietnam would take any concrete actions to challenge China and risk the end of the current fragile détente, including a larger step towards the US, but this has to be only temporary and the problem is far from solved. Zachary Abuza, Asia analyst says; the pro-Chinese accommodationists argue that backroom diplomacy worked and that they convinced China by their influence to de-escalate tensions, but this is nonsense. China removed the rig when they did because it had served their interests, and they can bring that back whenever they want. China has never given up its claims on this territory.

What's next?

Until China does not take a major drastic action on this territory, there will be at most a very slow and graduate Vietnamese reorientation towards the US, that can Vietnam as a bargaining power when negotiating with China, but probably nothing more yet. But even in this case the US-Vietnamese relations need to be mended, and the most urgent issue is the US ban on arms sales to Vietnam. First, General Martin Dempsey, chairman of the US Joint Chiefs of Staff visited to Vietnam in mid-August to meet with Prime Minister Nguyen Tan Dung. General Dempsey was upbeat about the prospect of lifting the ban against selling lethal weapons to Vietnam, and he said: "I think the maritime domain is the place of our greatest common interest right now, common security interest. My recommendation, if the ban is lifted, will be that we start with that".

On October 2 Foreign Minister Pham Binh Minh was finally dispatched to Washington, and met with John Kerry. They were also reviewed the bilateral developments under the Comprehensive Partnership Agreement (2013) and talking about the prospective Tans-Pacific Partnership, but the most important result of the meeting was that they concluded to partially end the ban on weapons, and it came into effect on October 3. The partial lifting of the ban permits the sale of equipment that will help Vietnam defend its waters and coast, but State Department spokeswoman Jen Psaki emphasized, the decision was not aimed at China.

Jen Psaki, and U.S. Senator John McCain also called for improvements in Vietnam's human rights record. Psaki pointed out that there's more work that needs to be done in areas like human rights, and in light of this, the US-Vietnamese security relationship remains under constant review and arms sales to the country would be examined one case at a time.

For the lifting of this embargo there is no official Chinese answer yet, so now the conservative Vietnamese politicians of the "pro-China faction" have to decide whether or not they want to buy defensive weapons for maritime security offered by the US. Up to a certain amount of maritime weapons it may not provoke China, and sounds logical to have some, but they could argue that the partial lifting of arms sales does not go far enough anyway, and the linkage between progress on human rights and sales is unacceptable. In this case they can definitely limit the Vietnamese weapon acquisitions. On the other hand, if they accept this partial lifting, they could test US and Chinese political flexibility (if the US is willing to give the most advanced technologies to Vietnam with the current human rights records and what is that level of armament which is still not provoking the Chinese government).

So all of these do not yet mean a tangible military alliance with the US, or strengthening the ASEAN military cooperation (ADMM) or any of the "anti-China factions" major goals, only a small step further. According to Zachary Abuza, most likely the next opportunity for major political or other reforms in Vietnam is the next national congress in 2016.

Conclusion

By the withdrawal of the HYSY 981 oil rig, China just managed to give that small political push to the Vietnamese Politburo which was enough to modify the internal political debates in its favour, at least in short term. The pro-China faction slightly surmounted the opposition so thus the option of a legal action concerning to the territorial debate was dropped entirely – that was one of the main Chinese goals.

They also managed to set back/slow down further deepening Vietnam-US ties – as we see in the delegations' agendas – but did not stop it. Chinese leadership probably realized that they drove Vietnam into a corner by plantation of that oil rig, letting it no other way out than looking for other military alliances, and they don't really have the political and military power to handle that, so the most face-saving and convenient solution was this small retreat.

However, I argue that delimitations, territorial debates are quite "binary" questions (who has sovereignty over a certain area), in the end someone has to give up the territory or the claim on that area, and since China refused every legal arbitration cases, there are no many other political ways for final compromises. This why conflicts may can be chilled, postponed for a while but in long term Vietnam will inevitably get to an opposite geopolitical side from China, no matter how high is the Chinese FDI in Vietnam. China cannot keep Vietnam in its political orbit and enforce its control in the South China Sea at the same time.

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