

➤ Indochina

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The renewed US engagement in Asia is one manifestation of the unfolding rivalry between the two superpowers, United States and China. One part of Asia where we can expect to see especially keen competition for influence is Indochina. To get a sense of how the relationships between three Indochinese states – Vietnam, Cambodia and Laos – and the two powers will develop, it is necessary to trace the trajectories of their relationships from the 20th century to the present.

THE COLD WAR YEARS

The diplomatic relationships of the Indochinese countries (Vietnam, Cambodia and Laos) with China and the United States have until recently been framed by the exigencies of the Vietnam War.

In the years immediately following WWII, Ho Chi Minh tried to secure American support for Vietnamese independence and unification. Had the Americans been forthcoming, Hanoi would not have had to turn to the Chinese communists after 1949. Indeed, in 1946, Ho chose to put up with the French rather than have the Chinese entrenched in Vietnam. For the United States, the 'loss' of China popularised the theory that communist gains in Indochina would set off a domino effect in the region, and as a result the United States' increasing commitment to the Vietnam War drove deeper Sino-Vietnamese ties. The strength of China and Vietnam's common interests against the United States during this period was such that differences were swept under the carpet.

Predictably, Vietnam's relationship with China began to unravel around the time of the Sino-US rapprochement – when the war was still on-going – and culminated in complete breakdown in the summer of 1978, swiftly followed by the Sino-Vietnamese War of February 1979. Throughout the 1980s, Vietnam consequently became dependent on the Soviet Union as a countervailing force against China. Gorbachev's decision to normalise relations with China put pressure on Vietnam to end its occupation of Cambodia (in parallel with the Soviet withdrawal from Afghanistan) and reassess its relationship with China, leading to a full restoration of diplomatic ties in 1991. The United States and Vietnam normalised relations in 1995, two decades after the end of the Vietnam War.

Cambodia's post-WWII diplomacy with China and the United States was also very much connected to the Vietnam War. Until his ouster in 1970, Sihanouk struggled to prevent Cambodia being sucked into the war. Relations with then-South Vietnam and Thailand (which Sihanouk saw as client states of the United States) were made more problematic by border disputes, and Sihanouk turned to China, who had endorsed Cambodia's policy of 'strict neutrality'. Yet at the same time, Sihanouk was concerned the implications for his royal line of any communist victory in Vietnam, and therefore toggled between both China and the United States. After the ouster of Sihanouk by the US-backed General Lon Nol in 1970 and the subsequent civil war that ended with the victory of the Khmer Rouge in 1975, the country moved decisively into the orbit of its Chinese bankroller until the Vietnamese occupation in 1979. Following Vietnam's withdrawal in 1989 and the Paris Peace settlements of the Cambodia problem in the early 1990s, China resumed ties with the restored Kingdom.

Laos is the poorest member of ASEAN, and without much to offer in terms of raw materials, the country is often overlooked by analysts studying the geopolitics of the region. But landlocked Laos is actually of significant strategic importance. In 1960, when Eisenhower briefed the incoming President Kennedy, it was Laos rather than Vietnam that was the focus of his briefing. Although Laos faded into the background after the 1961 Geneva Conference, its pivotal position in the regional Cold War struggle never really diminished. Laos is the only Indochinese country that has maintained unbroken diplomatic ties with the United States from independence to the present, despite the deterioration in relations after the Pathet Lao came into power in 1975. Laos also maintained unbroken diplomatic relations with China, despite siding with Vietnam over its 1979 invasion of Cambodia, resulting in the downgrading of ties to the charge d'affaires level until the settlement of the Cambodia problem.

POST-COLD WAR

Vietnam, Cambodia and Laos joined ASEAN after the end of the Cold War in order to become members of a club that would provide them legitimacy and gain them acceptance in the international community. They also hoped to buttress their independence as sovereign states. One common concern was China's ambitions, although the degree of concern amongst the three states varied.

A new phase in the relations between the three Indochina states, the United States and China thus began with the end of the Cold War. It was a slow process of reconciliation for all parties that took up much of the last decade of the 20th century and the first decade of the new century. This was particularly so with the United States, as both American and Indochinese policymakers took a long time to discard the baggage of the Cold War years.

China

Having emerged from the Cold War as the three poorest countries in region, the Indochinese nations saw economic benefits from improving relations with China. The Chinese economy was then developing at a rapid pace and showed potential of becoming a global economic power in the future. For the two smaller Indochina countries – Cambodia and Laos – China also served their interests as a bulwark against Thai or Vietnamese hegemony, particularly since historically China had never physically invaded Cambodia or Laos. Beijing was also keen to improve relations with its immediate neighbours, strategically located along its southern border in what some writers have dubbed 'China's backyard'. China's good neighbourliness in Indochina stemmed from its desire for a peaceful and stable external environment to allow it to concentrate on its own economic development; the countries of Indochina, if not properly managed, could disrupt or contain its aspiration to be a global power.

Soon after the normalisation of relations in 1991, both Vietnam and China moved to resolve their outstanding bilateral issues, of which there were four. It took nearly ten years before Vietnam and China agreed on the demarcation of their land borders and the Tonkin Gulf in 1999 and 2000 respectively, thus settling two of the four issues. The remaining two - the sovereignty dispute over the Paracel Islands and that of the Spratly Islands persist till today. It is unlikely that Vietnam will be able to regain sovereignty of the Paracels as they are effectively under Chinese control. As for the Spratly dispute, the involvement of other claimants makes it more than a simple bilateral problem.

Cambodia took some years to coordinate a coherent foreign policy after the 1993 elections conducted by the United Nations, which saw the formation of an uneasy coalition government led by Sihanouk's son Norodom Ranariddh and Hun Sen. Since the breakdown of that coalition in 1997, Cambodia has been led by Hun Sen, whom Sihanouk once described as a more astute politician (and an image of himself) than his son Ranariddh. The Chinese had been unwavering in their support of Sihanouk and by extension his FUNCINPEC Party (led by Ranariddh), while Hun Sen was seen as a Vietnam protégé.

However, after 1997, Hun Sen began taking proactive steps to endear himself to China, most prominently when he cut links with Taiwan and paid a visit to Beijing to pay his respects. He also accepted China's help in building the National Assembly building after the 1998 elections which he won with a simple majority and thereafter became the sole prime minister. Like Sihanouk, Hun Sen has continued to maintain good relations with Beijing (despite its previous support of the Khmer Rouge). The Chinese have apparently now concluded that they prefer dealing with Hun Sen to Ranariddh, and China is now Cambodia's top aid donor and foreign investor. In the aftermath of the 45th ASEAN Ministerial Meeting (AMM) in Phnom Penh in July this year which failed to produce a joint communique – the first time it happened in ASEAN's history – the closeness of Sino-Cambodia relations has been the subject of intense regional scrutiny.

As for Laos, the successful settlement of the Sino-Laos frontier demarcation in 1992 has seen the development of a thriving cross-border trade. China has been actively competing with Vietnam for the political allegiance of Laos, and in 2010, China supplanted Thailand as the largest foreign investor in Laos. According to Dominique Van der Borght of Oxfam Belgium, Chinese projects in Laos are on a large scale and have led to concerns in Vientiane that China, Vietnam and Laos are competing to use Laos as 'an extension of their territory.'

The China Threat

Since the 1990s, there has been an uneasiness among Southeast Asian countries that China's rise might constitute a threat to the stability of South East Asia. Seeking to mitigate its neighbours' concerns, Beijing adopted a diplomatic charm offensive, emphasising that economic interdependence amongst the ASEAN countries and China was beneficial for all. The most notable examples are China's decision not to devalue its currency during the Asian Financial Crisis (1997), and the 2001 proposal to establish an ASEAN-China Free Trade Area (ACFTA) which came into effect in January 2010. The most recent is an in-principle agreement to create an Asian Free Trade Area. Yet China's efforts to co-opt its neighbours are not confined to economics. In 2003, China signed the

ASEAN Treaty of Amity and Cooperation (TAC), which commits Beijing to ASEAN norms in inter-state relations – mutual respect, non-interference in others' internal affairs, settlement of disputes in a peaceful manner, and the renunciation of the use of force. However, despite Chinese assurances, regional neighbours are yet to be fully persuaded that China will never seek hegemony. Such reservations aside, in the two decades after the end of the Cold War it remained essential for the Indochinese states to maintain good relations with their neighbour – a burgeoning economic (and in time potential military) giant – especially when there was no other countervailing power that they could count on.

United States

Compared to Beijing, Washington was slow to improve relations with the three Indochina countries. It was not that Indochina was reluctant to win American favour – in the period after the end of the Cold War, the United States was universally recognised as the most powerful country in the world – but rather that the importance of Southeast Asia waned considerably in Washington following the Vietnam War. With the end of the Cold War, Southeast Asia also had to compete with a new Europe and events in the Middle East for Washington's attention. Washington did re-orient its attention towards Southeast Asia after 9-11, but its interest was largely confined to the issue of terrorism and thus had little impact on its relations with the Indochinese states, as Vietnam, Cambodia and Laos do not have substantial Muslim communities.

The top priority for Indochina and China since the end of the Cold War has been economic growth, jobs and trade. The United States expected political and economic reforms as prerequisites for closer bilateral relations, whereas China was less constrained by such concerns, if at all. The formation of the ASEAN Regional Forum in 1994 was a tool not simply to tie an emerging China to a multilateral network, but to keep the US engaged in the region as well. Indeed, China's diplomatic successes following the end of the Cold War were to a large extent enabled by the United States' apparent lack of interest in the region as a whole.

The main impediments to enhancing Indochina-US relations were the baggage of the Vietnam War and America's focus on human rights and corruption in those countries. Although diplomatic relations between the US and Cambodia were established after the UN-sponsored election in 1993, relations were cool as a consequence of Hun Sen's seizure of power in 1997 and his subsequent poor human rights record. Relations only improved from around 2006-07 when US officials began to become cognisant of the increasingly close ties between Phnom Penh and Beijing. In early 2007, Washington lifted a decade-old ban on direct aid to Cambodia, which observers viewed as a harbinger of better US-Cambodia relations. In 2010, US Secretary of State Hillary Clinton used the occasion of her visit to Phnom Penh to urge Cambodians to diversify their international relationships and not to be over-dependent on China, by which time the Chinese had already established a significant presence in the country.

In the case of Laos, although diplomatic relations with the US were never broken, the relationship was plagued by the legacies of the Vietnam War, including concerns about prisoners of war and personnel missing in action, unexploded munitions, the poor treatment of the Hmong by the Lao government, and the Laotian suspicion that long after the Vietnam War the CIA continued to be in league with the Hmong leader Vang Pao to undermine the Lao regime. Laos did not gain Normal Trade Relations (NTR) status with the United States until 2004, a prerequisite under US law for any bilateral trade agreement. The US arrest of Vang Pao in 2007 apparently gave the relationship a fillip, and his death in 2011 finally closed this chapter in US-Lao relations even if not fully. Hillary Clinton visited Vientiane in July this year, the first Secretary of State to do so in almost five decades.

Vietnam normalised relations with the US in 1995 (just before its admission into ASEAN) but was only given NTR status in 2001. Like Laos, the legacies of the Vietnam War, notably the POW/MIA and Agent Orange issues impeded the development of better bilateral relations, as conservative elements in the Vietnamese leadership remained suspicious of the United States. Since President Clinton visited Vietnam

in 2000 – the first US president to do so – relations have been improving, despite occasional hiccups over trade and human rights issues.

Across the post-Cold War era and until very recently, US relations with the Indochinese states were very much driven by Washington's broader interest in and engagement with ASEAN. For example, the US normalised relations with Vietnam on 11 July 1995, just before Vietnam became a full-fledged ASEAN member in the same month, but bilateral relations were slow to develop thereafter. After years of debate, Laos was finally granted normal trade status in 2004, the year Vientiane assumed the rotating ASEAN chair.

A NEW TURN IN INDOCHINA-US-CHINA RELATIONS?

In January 2012, President Obama announced that the US intends to strengthen its presence in Asia, notwithstanding the largest cuts to the United States' defence budget since the end of the Cold War. The announcement also marks the beginning of a re-invigoration of US-Southeast Asia relations. Washington's new-found concern about a rising China at long last coincides with the long-running exhortation of the Southeast Asian countries for the US to be more engaged in the region in order to balance China.

It is, however, too soon to tell how the triangular relationships between the Indochinese states, the US, and China, will develop. As noted above, Hillary Clinton visited Laos in July this year after a five-decade hiatus, which is a good start. US-Vietnam relations are expected to continue to improve. Of all the Southeast Asian capitals, Hanoi is most enthusiastic about the US presence in the region; certainly, of the three Indochinese states, it is Vietnam that has the most problematic relations with China, and looks mainly - although not exclusively- to the US as a countervailing force against Beijing. As for Cambodia, their exceptionally close ties with China are no secret. Lee Kuan Yew was reported to have complained that China's close ties with the country (as well as Laos) meant that within hours, everything that is discussed in ASEAN meetings is known in Beijing. What is perhaps unexpected is Phnom Penh's failure, in its capacity as

ASEAN Chair of the 45th ASEAN Ministerial Meeting (AMM) in July 2012, to produce a joint-communiqué, and soon after it was reported that China had pledged more than \$500 million in soft loans and grants to Cambodia, which was interpreted by many as a 'reward' to Phnom Penh for putting China's interests on the issue of the South China Sea dispute ahead of the wider ASEAN community. Cambodia will need to recover the trust of its ASEAN colleagues, as well as better balance its relationship with China and its responsibilities as a member of ASEAN. The United States, too, will have to work much faster to improve relations with Cambodia and Laos if it hopes to steer Phnom Penh and Vientiane away from their over-reliance on China.

CONCLUSION

Vietnam, Cambodia and Laos recognise that they each have to live with a neighbour that is generally projected to be the world's largest economic power sometime in the coming decade, with the implication that the 21st century will be 'China's century'. Each recognises the reality distilled by Lee Kuan Yew when he said that 'your neighbours are not your best friend, wherever you are', and that diplomacy is easier with 'those who are farther afield with whom we can talk objectively'.

History has shown that none of the Indochinese countries willingly choose to be under the tutelage of China. Vietnam, Laos and even Cambodia want the US to be engaged in the region. They all want to have good relations with Washington. But the United States' economic and financial difficulty is troubling, and there is uncertainty about America's long-term commitment to the region, despite the Obama administration's strategic pivot to Asia. In Indochina, there has been a revival of the debate about American decline which receded from prominence in the 1990s after the end of the Cold War appeared to refute Paul Kennedy's 1989 thesis in *The Rise and Decline of Great Powers*. On that broader debate, the jury is still out, but neither Vietnam, Cambodia nor Laos want to be caught flat-footed. Collectively, they all seek a US presence in the region as a hedge against Chinese dominance, but fear that were such a presence to become confrontational it would oblige them to choose between Washington and Beijing, the very choice that to date each has sought to avoid. ■