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# Positioning Vietnam in India's "Look East" Policy

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## Two Decades of India's Eastward Shift

It has been two decades since India executed a calibrated shift in its foreign policy orientation, by pronouncing its "Look East" policy. The year 1991 witnessed not only a new wave of economic reforms and liberalisation that underpinned India's economic rise, but also a systemic shift in the overall geo-political international order.

The "Look East" policy primarily aimed at promoting India's economic integration with East Asia. With Asia undergoing regional transformation, a decade later, in 2001, India's articulation of a new Southeast Asian security structure found new meaning. New Delhi's own role in this regard was reflected with Prime Minister (PM) Atal Bihari Vajpayee stating, "...We are engaged in a process of dialogue and consultation... to help shape a new security environment... The security dialogue between India and Association of Southeast Asian Nations (ASEAN) is of utmost importance... Our region lies alongside sea lanes of great strategic importance, which need to be protected."<sup>1</sup>

India's accreditation of its ambassador to ASEAN was an important step following the entry into force of the ASEAN Charter and was based on the strong foundation of the ASEAN-India dialogue relations. The estimated two-way trade target by 2012 between India and the ASEAN is \$70 billion – a growth of nearly 40 percent. The merger of economic and geo-strategic imperatives binds the ASEAN and India even more closely and this, in effect, has managed to usher in dividends for both parties.

During the recently concluded ninth AEM-India Consultations, between the ASEAN Economic Ministers (AEM) and the Minister of Commerce and Industry of

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India, held in August 2011, a significant increase in trade and investment between ASEAN and India was underscored. The total trade between ASEAN and India increased by 41.4 percent in 2010, amounting to US \$55.3 billion, thereby, placing India as ASEAN's sixth-largest trading partner.<sup>2</sup> For that matter, steady cooperation on all fronts with India is evident on the agenda of Southeast Asian strategic planning. India and ASEAN have been engaging by means of regional confidence-building and cooperation mechanisms. The ASEAN Regional Forum (ARF), Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP) and the MILAN exercises that India holds every alternate year, are endeavours that reflect this bonhomie.

In this reference, a plausible characterisation of Vietnam as one of the critical pillars of India's "Look East" policy only goes to refurbish a proactive Indian approach in the said direction.

**Factoring Vietnam in India's "Look East" Policy**

The agreements signed during the India-visit of Vietnamese President Truong Tan Sang, in October 2011, included an accord to promote investments, exploration, refining, transportation and supply of oil and gas in Vietnamese waters of the South China Sea. A deal for oil exploration was signed between India's state-owned Oil and Natural Gas Corporation (ONGC) Videsh Ltd (OVL) and Vietnam's Oil and Gas Group, PetroVietnam. The agreement shall be in a framework coming into force for three years. The agreement says the two nations will cooperate on "various fronts in the oil and gas sectors – in upstream activities, in refining, in gas processing in Vietnam, in India and in third countries... as part of ongoing cooperation with Vietnam... We have a presence in two blocks – 128 and 6.1..."<sup>3</sup> Since India's relationship with Vietnam has acquired renewed gusto, Indian Foreign Minister SM Krishna rejected the possibility of any sort of reappraisal of its decision, by affirming that ONGC Videsh Ltd shall continue the drilling project in the Vietnamese waters of the South China Sea.

For all the objections being raised on account of 'sovereignty' over the South China Sea, Vietnamese President Sang asserted, "... all disputes in the Eastern Sea (South China Sea) should be settled through peaceful negotiations on the basis of respect for international laws, including the (1982) United Nations Convention

on the Law of the Seas." It needs to be noted that according to the 1982 United Nations Convention on the Law of the Sea, "...Every State has the right to establish the breadth of its territorial sea up to a limit not exceeding 12 nautical miles, measured from baselines determined in accordance with this Convention."<sup>4</sup> Supporting this sentiment, Indian PM Manmohan Singh highlighted, "A strong India-Vietnam partnership is a factor of peace, stability and development in the Asia-Pacific region... It is a partnership that stands on its own merits."<sup>5</sup>

It would only be prudent to state here that India's thrust toward its "Look East" policy has matched well with Vietnam's growing engagement in the Asia-Pacific. Both Hanoi and New Delhi closely cooperate in various regional fora such as the ASEAN, East Asia Summit, Mekong-Ganga Cooperation and the Asia-Europe Meeting (ASEM). The Joint Commission Meeting at the foreign ministers' level provides for the larger framework of bilateral cooperation while identifying concrete projects.<sup>6</sup> An example of this can be traced with India and Vietnam trying to clear Tata Steel Ltd's proposed \$5 billion factory in Vietnam. The proposed factory shall likely rank among Vietnam's biggest by virtue of investment capital. In fact, the agreement was first signed with Vietnam Steel Corp in May 2007 to develop a plant with an output capacity of about 4.5 million metric tonnes a year in coastal Ha Tinh province.<sup>7</sup> In addition, India and Vietnam have also decided to work for an early conclusion of the India-ASEAN free trade pact in services, apart from setting a bilateral trade target of US\$ 7 billion by 2015, to give a boost to bilateral economic ties.<sup>8</sup>

While economic integration with Vietnam is well acknowledged, perhaps what calls for greater credence is New Delhi's partnership with Hanoi extending into the strategic realm. The objective behind the announcement of the creation of an 'Arc of Advantage and Prosperity' in Southeast Asia by India and Vietnam in 2003 was reflected again recently by Indian PM Manmohan Singh, when he stated, "India and Vietnam are maritime neighbours... facing common security challenges... We believe that it is important to ensure the safety and security of the vital sea lanes of communication... We have agreed to continue and strengthen our exchanges in these fields."<sup>9</sup> In this backdrop, naval cooperation has assumed greater primacy between India and Vietnam, with Hanoi permitting New Delhi to use the southern

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port of Nha Trang. Additionally, reports of BrahMos Aerospace being keen to sell the non-nuclear BrahMos supersonic cruise missile to Vietnam shall only further accentuate India's strategic ties to Vietnam. Although there is no formal announcement regarding any such acquisition, deliberations have regularly been reported in the recent past.<sup>10</sup>

With a view that Vietnam assumes the role of becoming the lynchpin of India's “Look East” policy, cooperation in the realm of defence was sought with an agreement on defence cooperation earlier in 1994. This was followed up in March 2000 by the signing of a fresh protocol on defence cooperation which included the following:<sup>11</sup>

- Institutionalised framework for regular discussions between the Indian and Vietnamese defence ministers;
- Sharing of strategic threat perceptions and intelligence;
- Naval exercises between the Indian and Vietnamese Navies and respective coast guards; and
- Training of fighter pilots of the Vietnamese Air Force by the Indian Air Force.

Further, a “Joint Declaration on the Strategic Partnership” between India and Vietnam signed in July 2007, uplifted bilateral cooperation in defence supplies, joint projects, training cooperation and intelligence exchanges. The increased frequency of defence exchanges needs to be read within the framework of this joint declaration.

At the strategic level, it has been markedly evident that India's growing affinity with Vietnam is expected to be interpreted in a multifarious manner in the region. In a sense, India's relations with regional players like Vietnam are being viewed through the prism of tensions floating in the disputed waters of the South China Sea. Indo-Vietnamese affinity seems to have thrown caution to the winds as far as the People's Republic of China (PRC) is concerned.

### **Chinese Dissonance over Indo-Vietnamese Affinity**

Even as the ASEAN meet in 2010 was geared towards an enhanced understanding of Asia-Pacific's security architecture, much heed was paid to the fact that the invitation extended to India became a sore point for China. Given that Beijing

reaffirms that it would commit itself to becoming a force for peace and stability in Southeast Asia, maintaining and enhancing relations with ASEAN so as to achieve its regional objectives appears to be assuming prime importance in the Chinese policy-making process.

While China is raising loud objections over India entering into a joint oil and gas exploration project in two columns of Vietnamese waters of the South China Sea, it has chosen to be extremely coy and non-committal, when it comes to explaining its position vis-à-vis its own activities in India's backyard. The influx of Chinese People's Liberation Army (PLA) soldiers in the territory of Pakistan-Occupied-Kashmir (POK) that has illegally been occupied by China and Pakistan, in order to enhance connectivity with Pakistan, and maintain a constant military presence near India, will surely have direct military implications for New Delhi.

Recent trends in China's posturing in the South China Sea wherein it asserts "indisputable sovereignty" over sections of 1.2 million square miles could well be termed as abrasive. Given that China reaffirms that it would "commit itself to becoming a force for peace and stability in Southeast Asia", current trends in Chinese policy-making do not seem to conform to the above intent. Pertinacious Chinese behaviour shall only heighten its contention with Taiwan and other members of the ASEAN, including Vietnam, Brunei, Malaysia and the Philippines over the South China Sea.

The political leadership in China seems to interpret any movement in and around the South China Sea as an attempt to contain (*ezhi*) it and as a consequence, the Chinese leadership has sought to keep the involvement of other regional players restricted at minimalistic levels. That China's rise to power has ushered in benefits for the ASEAN member-states cannot be denied; however, an equally reinforcing reality is that of Beijing augmenting political, economic and military influence in the Asia-Pacific, more so to resolve the outstanding maritime territorial disputes in its favour at the cost of other nations. In August 1993, Gen Liu Huaqing, vice-chairman of the Central Military Commission (CMC) of the Chinese Communist Party (CCP), issued a very significant document called "The Strategic Guideline for the New Era."<sup>12</sup> In a response to Liu Huaqing's strategy, Cao Lugong, a military strategist, published a commentary in which he categorically stated that in the future, China's national interests should focus on dealing with local wars/conflicts that could be split into wars to defend the unity of the motherland; and wars to recover lost territories.<sup>13</sup>

Indo-Vietnamese cooperation in the field of oil and gas exploration is more than two decades old. In the given context, it is interesting to note that

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China did not formally raise objections to any of the agreements or projects till last year. However, beginning 2011, the state-controlled Chinese media has been carrying out a virulent campaign against the Indo-Vietnamese partnership. Publications including the *China National Defense News* of the Chinese PLA's General Political Department and the CCP-owned *Global Times* urged:<sup>14</sup>

China should denounce the agreement as illegal... India is willing to fish in the troubled waters of the

South China Sea so as to accumulate bargaining chips on other issues with China. There is strong political motivation behind the exploration projects... India has its ambitions in the South China Sea. However, its national strength cannot provide solid support for such ambitions yet. Indian society is unprepared for a fierce conflict with China on the South China Sea issue.

More significantly, *China Energy News* published by the CCP-mouthpiece *People's Daily* carried a front-page commentary calling upon the Chinese government to use force to disrupt Indian exploration in the South China Sea:<sup>15</sup>

India is playing with fire by agreeing to explore for oil with Vietnam in the disputed South China Sea... Challenging the core interests of a large, rising country for unknown oil at the bottom of the sea will not only lead to a crushing defeat for the Indian oil company, but will also most likely seriously harm India's whole energy security and interrupt its economic development.

Given that the contest over respective positions is only likely to get more intense with the passage of time, the Chinese government would be expected to clarify its position, especially with regards to the vituperative war of words being launched against India and Vietnam in its state-run media. Besides, the hardliners within China's official establishments appear to be dictating policy formulation. The signs of this are visible in the official tone, which certainly cannot be termed as positively reassuring. The Chinese Ministry of National Defence issued a statement cautioning, "Any move, which is designated to multilateralise or internationalise the South China Sea issue, will make the question more complex and neither

will it help.”<sup>16</sup> Much in line with the Ministry of National Defence, the Chinese Ministry of Foreign Affairs too reiterated, China's “indisputable sovereignty” over the South China Sea, and advocated that “India and Vietnam instead take positive steps to ensure peace and stability in the South China Sea.”

That both India and Vietnam have experienced a huge trust-deficit with regards to China, given the past conflicts of 1962 and 1979, is a well-acknowledged fact. It was way back in 2000 that a Vietnamese Foreign Ministry official had remarked, “... We don't trust China.”<sup>17</sup> With China's economic and military profile only expected to grow further, the unease regarding its geo-strategic intentions shall get amplified. According to Kent E Calder:<sup>18</sup>

**The strategic calculus of the region shall continue to remain precarious with China only more likely to increase its campaign of coercive diplomacy, to buttress its expansionist plan of establishing full control over the South China Sea.**

The unpredictability of Chinese politics has been extraordinarily volatile across the past half century and may well continue to be so. But such uncertainty is greatly intensified by the chronic lack of transparency in Chinese defence planning, weapons acquisitions and even defense budgeting.

While focussing on the changes ushered in by rapid economic globalisation, Beijing has maintained a pervasive stance in its latest 2010 White Paper on National Defence:<sup>19</sup>

The international balance of power is changing, most notably through the economic strength and growing international status and influence of emerging powers. Contradictions continue to surface between developed and developing countries... local conflicts and regional flashpoints are a recurrent theme... China has vigorously maintained national security and social stability, and its comprehensive national strength has stepped up to a new stage... In line with the requirements of offshore defence strategy, the PLA Navy endeavors to accelerate the modernization of its integrated combat forces, enhances its capabilities in strategic deterrence and counterattack,

and develops its capabilities in conducting operations in distant waters. The PLAN enhances the construction of composite support bases so as to build a shore-based support system which matches the deployment of forces and the development of weaponry and equipment.

Global expansion of China's economic interests is a critical driver that is redesigning its strategic stance. As per the views of Hongxun Hua, an associate research professor at the Institute for Astronautics Information, China Aerospace Corporation, Beijing, "...in the next century, the progress of technology will be critical in determining national strength in defense and economic well-being. The modernization of the PLA emphasizes the need to defend Chinese soil and nearby seas and to elevate defense and combat abilities to modern levels."<sup>20</sup> This statement is reflective of a larger sentiment wherein the missions of the PLA Navy (PLAN) encompass bureaucratic interests that are on the anvil. Maritime policy-making and implementation are becoming more complex and diffuse due to the rise of new bureaucratic actors – the PLAN is just one of those actors. China's recent assertion in pressing its claims to much of the South China Sea is undoubtedly aided by the build-up of its navy. A key component of how Chinese policy-makers think about maritime power is a belief that the ability to gain access to, and control of, marine resources – most of which lie within China's claimed territorial waters and exclusive economic zone (EEZ) – is essential for the economic development of the country.<sup>21</sup> Given the importance of these resources to its economic development plans, China is likely to assert its power at times to maintain its access and control over these resources. Determining how to use its current, and grow its future, maritime power, to protect its trade routes and overseas interests, is of great concern to China.<sup>22</sup>

## **Conclusion**

The regional standing of India in the backdrop of its economic rise has undoubtedly influenced its integration with Southeast Asia. The current upswing in Indo-Vietnamese relations only goes to reflect an improvement in India's operational capacity in the overall vision of its regional pursuits. The strategic calculus of the region shall continue to remain precarious with China only more likely to increase its campaign of coercive diplomacy, to buttress its expansionist plan of establishing full control over the South China Sea, as it moves ahead with the ambitious modernisation of the PLA. The formulation that Beijing's economic expansion has presented with positive trade-offs to the Southeast Asian region has a flip side to

it as well. The economic rise of China, and its consequent policy of engaging the region can, by no means, take the light away from the military-security dimension, given the apprehensions of the ASEAN states vis-à-vis China's quest for regional hegemony. As these nations vie for their share in the South China Sea, it exhibits a classical realist power play for all the contending parties.

The spate of current Chinese opinions and commentaries, when seen in the light of the official Chinese military position mentioned above, could best be inferred as a means to approach all contentious aspects concerning territory through the prism of diplomatic and military superiority. In a sense, the opinion pieces floating in China's state-run media also reflect China's domestic political equations. The CCP views a vociferous approach in protecting Chinese territorial sovereignty as a long-term strategy of securing the party's legitimacy within China. Nevertheless, New Delhi is seen to have arrived at a gradual yet resolute decision to take cognisance and address the regional strategy and policies of a nation that has, for long, been actively engaged in making inroads into India's neighbourhood. India needs to adopt a definitive posture and be forthright while placing on record its concerns regarding the tenor of the Chinese political and military footprints in India's backyard, and simultaneously assert that its relationship with Vietnam is one that is rooted in history, and shall continue to be a strong pillar of its "Look East" policy.

## Notes

1. Address by former Indian Prime Minister, Atal Bihari Vajpayee at the Institute of Diplomatic and Foreign Relations, Kuala Lumpur, Malaysia, May 16, 2001.
2. Official Joint Statement released at the 9th ASEAN AEM-India Consultations, Manado, Indonesia, August 13, 2011.
3. Statement by the managing director of the ONGC Videsh Ltd while signing the pact with the counterpart of Petro Vietnam, Phung Dinh Thuc; cited in, Elizabeth Roche, "India, Vietnam Sign Deal to Deepen Energy Cooperation," *The Wall Street Journal*, October 12, 2011.
4. As stated in the 1982 UN Convention on the Law of the Sea, United Nations.
5. Statement by Indian PM Manmohan Singh, cited in *The Hindu*, October 12, 2011.
6. "India-Vietnam Relations," Statement by the Indian Ministry of External Affairs, New Delhi, August 2011.
7. As cited in a *Bloomberg Report* titled, "India, Vietnam Trying to Clear Tata Project, President Sang Says," October 12, 2011.
8. Report cited in *The Economic Times*, October 12, 2011.

9. n. 5.
10. "India to Sell BrahMos Missile to Vietnam," *The Asian Age*, September 20, 2011.
11. For more details see, B Raman, "India-Vietnam Oil/Gas Cooperation Sparks Jingoistic Anger in Chinese Media," *South Asia Analysis Group*, Paper No. 4738, October 17, 2011.
12. Liu Huaqing, "*Jianding buyi de yanzhe jianshe you Zhongguo tese xiandaihua jundui de daolu qianjin*," (Unswervingly Advance along the Road of Building a Modern Army with Chinese Characteristics), *Qiu Shi*, No. 15, August 1993, p. 3; also available at Foreign Broadcast Information Service, People's Republic of China, 93-158, August 18, 1993, pp. 4-7.
13. For more details, see Cao Lugong, "*Zou qu lengzhan*" (Move beyond the Cold War), *Sichuan Tangshi*, No. 1, January 19-22, 1996, pp. 38-41; Abstracted from *Junshi Zhanwan* (Military Outlook), No. 5, 1995.
14. "India-Vietnam Oil Exploration Seal Must be Stopped," *Global Times*, October 14, 2011
15. Cited in, *China Energy News*, October 16, 2011.
16. Statement titled "China Opposes Attempts to Internationalize South China Sea Disputes," by Geng Yansheng, spokesman of the Ministry of National Defence, People's Republic of China, cited in a *Xinhua News Agency Report*, September 29, 2011.
17. Statement cited in S Prasadrajan, "Ahoy Hanoi: With India and Vietnam Reviving Old Bonds, the Chances of a Strategic Tie-up Become Stronger," *India Today*, November 20, 2000.
18. For more details, see Kent E Calder, *Asia's Deadly Triangle: How Arms, Energy and Growth Threatens to Destabilize Asia-Pacific* (London: Nicholas Brealy Publishing, 1996).
19. *China's National Defense in 2010* (Beijing: Information Office of the State Council, People's Republic of China, March 31, 2011.)
20. For further details on the subject, see Hongxun Hua, "China's Strategic Missile Programs: Limited Aims, Not Limited Deterrence," *The Nonproliferation Review*, Winter 1998, pp. 66-67; at the time of publication of this paper, Hongxun was an associate research professor at the Institute for Astronautics Information, China Aerospace Corporation, Beijing.
21. For more details, see Thomas J Bickford, Heidi A Holz and Frederic Vellucci Jr., *Uncertain Waters: Thinking about China's Emergence as a Maritime Power*, A China-Study Publication by the Centre for Naval Analyses, Virginia, September 2011.
22. Ibid.