

**INDIA'S ACT EAST POLICY: RE-INVENTING  
INDIA'S RELATIONS WITH VIETNAM**

BY

**ALOK KUMAR GUPTA**

*India and Vietnam decided to elevate their 'strategic partnership', which was established in July 2007, into a 'comprehensive strategic partnership' during Indian Prime Minister Narendra Modi's visit to Vietnam in September 2016.<sup>1</sup> Mr. Modi also announced a \$500 million line of credit to Vietnam during his visit. Subsequent to the visit, India and Vietnam started negotiations on possible sale of surface-to-air missile Akash to Vietnam. Both countries began to explore sale of many other arms to Vietnam, which sceptics opined that the sale would be called-off under the pressure of China. India and Vietnam steadily crank up their bilateral military ties with a watchful eye on a confrontational China in the Asia-Pacific region. Sino-Indian relations have been rampant with mistrust ever since the 1962 war. Relations got a boost when Chinese President Xi Jinping visited India in September 2014 followed by much hyped visit of Mr. Narendra Modi to China in May 2015. However, since then relations have once again on low ebb because of two major issues. First, China has been thwarting India's bid to join the 48-nation Nuclear Suppliers Group (NSG); and second Chinese opposition to India's attempt to get Jaish-e-Mohammed Chief Masood Azhar designated a terrorist by the United Nations, while also stepping-up its naval forays into the Indian Ocean Region. Moreover, India has lately been concerned with Chinese investment in various infrastructural projects, like ports, roads, and railways, in Pakistan, as well as in Sri Lanka and Nepal. These moves are interpreted by India as deliberate attempt to reduce India's influence in its neighbourhood.<sup>2</sup>*

India is responding by fast-tracking military ties with countries in China's own backyard. The expanding strategic and military ties with Japan and Vietnam, in particular and re-inventing 'Look East Policy' into 'Act East Policy' has emerged as a major thrust area within the matrix of India's foreign policy. US hot pursuit in South China Sea is another bone of contention in Sino-US relations that is turning out to be a strong determinant of India's foreign policy as Indo-US relations has gone on a different plank. Therefore, Indo-Vietnam relations need to be understood in proper perspective amidst changing global order and geopolitics of the region alongside India's relations with other countries of East Asian region.

New facts, new actors and new circumstance keep emerging from time to time in international politics giving rise to new geopolitics. Geo-politics are also engineered by nation-states to maximize on their national interests and also to rip benefit from consequent geo-economics. India's foreign policy is no exception to the rule. There are tremendous changes in the geo-politics of India's proximity and at the level of international order. Ways of conducting International economy is changing fast owing to liberalization, privatization and globalization. Accordingly, India too aspires to strengthen its economy and territorial security. Therefore, in the recent past India seems to be more proactive towards East Asia, with a view to explore greater prospects of peaceful economic engagement. The success story of ASEAN and its respective members too have attracted India in its endeavour to raise its economic prospects and opportunities. India thus is pursuing aggressively its East Asia policy to make its foreign policy choice of 'Act East' a meaningful and successful endeavour.

#### **REINVENTING INDIA'S RELATIONS WITH EAST ASIA: IMPERATIVES**

India's growing convergence with Vietnam in recent past could also be interpreted in the same light as Vietnam too is a part of East Asia. It indeed is a part of India's endeavour to reinvent its relations with East Asia. The renewed and increased Indo-Vietnam convergence in the recent past thus requires to be understood in terms of India's objectives, and emanating challenges to and prospects of achieving those objectives.

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Accordingly, following situations must be kept in mind before assessing the Indo-Vietnam bilateral relations:

- Firstly, India has not been able to make much of progress on the western front towards maximizing its economic and strategic prospects, which could have also contributed towards easement of impending tensions. The lack of success could be on account of first, that it could not break ice with Pakistan in spite of considerable efforts; secondly because of the hot pursuit adopted by India by raising the issue of Baluchistan's independence to decimate the Kashmir issue; thirdly, India is still struggling in Afghanistan to consolidate itself in its task of reconstruction of Afghanistan's infrastructure and polity; fourthly, India's hidden wish of sabotaging CPEC (China-Pakistan Economic Corridor) which is passing through Pak-occupied Kashmir and Gilgit and Baltistan; fifthly, the long impending issue of TAPI Gas pipeline which is supposed to pass through Pakistan. Chabahar port construction project in Iran could be a lone success in the cap of India on the western front. Accordingly, the present political leadership has transformed the Look East Policy (LEP) into Act East Policy (AEP) as it has tremendous potentials in terms of maximizing its economic prospects and safeguarding its strategic interests.
- Secondly, India's northeast region lacks both development and infrastructure and is one of the major causes of socio-political disturbance and conflict of different hues. If East Asia becomes the focus of India's Foreign Economic Policy, then it will have potentials to transform the economic fortune of its northeast region as its economy will increasingly get integrated with the economy of the East Asia with growth of trade and commerce, and consequent development of infrastructure.
- Thirdly, ASEAN has been a success story since long and India has been aspiring to attain full membership of this regional economic groupings. Two countries Myanmar and Vietnam have greater and better personality within ASEAN and could become a gateway to ASEAN for India. India has thus been courting both these countries for quite some time by now and the same must be appreciated. India's membership to ASEAN would come

as a boon to India given economic volume and prospects of the group.

- Fourthly, according to many scholars ASEAN countries are considered to be China's backyard, even though many consider it derogatory to use such word as 'backyard' for ASEAN countries given their economic might and regional personality. However, fact remains India's enhanced engagement with ASEAN and its members shall be at the strategic cost of China. Positive way of looking at it would be that the way India is learning to live with ever increasing Chinese presence in Indian subcontinent; in the same way China will have to learn to live with India's growing presence in East and South East Asia. Thus, India's engagement with East Asia has a strong strategic connotation vis-à-vis China.
- Fifthly, South China Sea has turned out to be the latest flashpoint not only in regional geo-politics but also in the strategic calculus of international politics. United States is making all strategic efforts to pool in India in its own strategic game relating to South China Sea, which India has successfully downplayed with its diplomatic manoeuvre. India as a sovereign nation-state has all right to design its own diplomatic game for upping the ante so far as the politics of South China Sea is concerned. Accordingly, India's convergence with Vietnam and other East Asian countries must also be understood and interpreted in terms of India's diplomatic game for safeguarding its own national interests in South China Sea.
- Sixthly, India slowly and gradually has started asserting that Indian Ocean is India's Ocean, as the name of the Ocean is a suggestive fact. However, India wishes to move beyond 'just the name' given China's intrusion into the Indian Ocean. India's Act East Policy will also facilitate India's strategic concerns in Indian Ocean, if India is able to pool-in as many countries as possible to its side through constructive economic and cultural engagement. Therefore, growing bilateral relations with Vietnam must also be understood in terms of India's aspirations in Indian Ocean.

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- Seventhly, India seems to be grooming its relations with adversaries of China; the way China has built its relation with adversaries of India like Pakistan. Vietnam has dispute with China over South China Sea. This could be a strategic foreign policy choice of India of simultaneously engage China and at the same time keep giving fillers which could act as pressures on China, that it must not take India lightly as a nation-state which is always at receiving end.
- Eighthly, there has been a paradigm shift in the conduct of foreign policy of India with the change of political leadership. The rightist government has adopted a more aggressive posture. The change is that to out-do Kashmir as jugular vein of India, it has engaged itself in making Balochistan as jugular vein of Pakistan and is fast internationalizing the same. India is also apprehensive about the China-Pakistan Economic Corridor passing through Gilgit and Baltistan, as stated above. Accordingly, India is engaging itself with Vietnam and other East Asian countries to counter China's increasing interference in Indian Subcontinent. Therefore, India's convergence with the East Asian countries like Vietnam must also be understood and interpreted in the light of such developments.
- Lastly, the United States with its 'pivot to Asia' provided strong moral and military support to Asia's smaller countries, which had dissuaded China from bulldozing its neighbours. With foreign policy in flux, US influence in East Asia is on the wane. Some of the smaller Asian countries are veering towards China to find a resolution to end their maritime disputes, as they are no longer sure about the United States' ability to come to their rescue if ever China resorts to arm-twisting tactics over South China Sea. Countries like Thailand, Laos, and Cambodia being unsure of the US role are now embracing China.<sup>3</sup> Vietnam has an ongoing dispute with China over the Paracel and Spratly island groups, as well as sovereign and jurisdictional rights in these waters, has responded differently. Vietnam has turned toward

*Alok Kumar Gupta*

India to shore up its defence capabilities along with engagement in other areas.

Author thus has made an attempt in the subsequent sections of the article to interpret India's growing relations with Vietnam in the light of above statements.

### **FROM LEP TO AEP**

Present Indian political dispensation has articulated its 'Act East' policy and seems to be pursuing aggressively to make it happen as well as strengthen it in a meaningful manner. India desires to play a more assertive and constructive role in the larger Indo-Pacific. Prime minister while addressing to the joint session of the US Congress made it explicit that a strong India-US partnership can anchor peace, prosperity and stability from Asia to Africa and from Indian Ocean to the Pacific. It can also help ensure security of the sea lanes of commerce and freedom of navigation on seas.

Prime Minister Narendra Modi launched his government's Act East Policy (AEP), at the East Asia Summit in Myanmar in November 2014. Some analysts considered it as the transformation of the Look East Policy (LEP) initiated by Prime Minister Narasimha Rao in 1992. Another group of analysts consider it merely as a change of nomenclature. One must understand that the fact of foreign policy of a country remains that it is hardly ever a complete break from the past. Foreign policies are often conducted in terms of change with continuity. It means even when there is change in foreign policy of a country; there happens to be enough of continuity with the past so that it does not lead to a chaos thereby messing-up the relations. There is hardly any doubt that a significant change has taken place in LEP in terms of what it could achieve in last 20+ years and more so in the wake of AEP.<sup>4</sup> These changes may be because of the doses of change injected into the policy by successive governments. The change has also taken place on account of extraneous considerations, such as: considerable change on the international policy front; collapse of Soviet Union; changing geo-political realities<sup>5</sup>; dwindling of foreign policy reserves; LPG (liberalization,

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privatization and globalization); failure on the western front on account of different reasons and so on and so forth. Therefore, right connotation of AEP would be that it is an extension of LEP owing to changes in internal as well as external logic.

India's convergence with Vietnam is a part of India's AEP endeavour. As part of this endeavour India is smoothening and strengthening its ties with strategic partners in Southeast Asia. This is reflected in travel by India's top leadership: president, vice president, and prime minister to nine out of 10 ASEAN countries over the span of 24 months (spread over mid-2014 to September 2016). The relation got a strong boost when Prime Minister Narendra Modi announced an allocation of \$1 billion for promoting connectivity at the India-ASEAN Summit in Kuala Lumpur in November 2015.<sup>6</sup> The allocation brought the primacy of 'connectivity, culture, and commerce' to the fore. This has injected a renewed vitality to stagnating relations with these countries. India has recognized that success of AEP will be determined by its contribution to security and economic development of Northeast India. Accordingly, relations with ASEAN have become multi-faceted to encompass security, strategic, political, counterterrorism, and defence collaboration in addition to economic ties.<sup>7</sup> Therefore, Prime Minister Modi's visit to Vietnam on September 2-3, 2016 was well in line with the advocated foreign policy choice of his government. Modi's visit was third significant visit to the region implying India's desire to rise up in the strategic calculus of the ASEAN countries.<sup>8</sup> Given India's desire to gain recognition as a significant player and partner in the Asia-Pacific and a balancing power by the Southeast Asian nations, India has resorted to multilateral diplomacy and its Act East Policy. Hence, the September 2016 visit must also be located and understood as part of India's aspirations to engage and enhance its connectivity with the East.

### **MODI'S VISIT TO VIETNAM—STRATEGIC IMPLICATIONS**

The short visit of Modi to Vietnam made him the first Indian head of government to visit the country in last 15 years. The visit celebrated 25 years of bilateral diplomatic ties and 10 years of strategic partnership between these two nations. He went to Vietnam on September 3, 2016

before attending the G-20 Summit in Hangzhou on September 4, 2016. It became exciting news for the Indian media as it has Sino-Indian implications. Indian media interpreted the visit to mean a signal showing that India is attempting to play a more proactive role in the South China Sea issue.<sup>9</sup> This visit was hailed greatly by Indian media and academics, in terms of sending a strong political message to China: “India can make the same statement in China’s backyard. The fact remains that Southeast Asia has never been and can hardly become China’s backyard. Generally, the term ‘backyard’ is used for smaller and insignificant nations. Hence, it speaks of arrogance and pride of Indian media in its relations with smaller countries. The usage of such statement is rather derogatory to the regional personality of Vietnam and hence may be unpleasant to Vietnam as well. The major thrust of the visit was to deepen ties in key areas of defence, security, trade, and oil exploration.<sup>10</sup> Hence, whatever may be the strategy of Indian foreign policy makers the visit must be understood in wider perspective of India looking for economic and strategic engagement to enhance its both hard as well as soft power and construe and construct the geopolitics of the region to the advantage of its own national interest.

Accordingly, it is made obvious by the key achievements of Modi’s visit to Vietnam which were as follows: the Indo-Vietnam relationship was upgraded to ‘Comprehensive Strategic Partnership’ which Vietnam only has with Russia and China; a new defence credit line of \$500 million from India was announced; signing of contract for fast offshore patrol vessels by L&T with Vietnam Border Guards under \$100 million from the defence credit line were given; agreement on cooperation in outer space for peaceful purposes; Memorandum of Understanding (MoU) on cyber security; Navy-to-navy agreement on White Shipping information sharing; India to assist Vietnam to participate in UN peace keeping; grant of \$5 million for software park; MoU on cooperation in the IT sector; MoU on setting up Centre for Excellence in software development; Postgraduate and doctoral scholarships for Buddhist and Sanskrit studies in India; Protocol on double taxation avoidance agreement; MoU for mutual recognition of standards; MoU on cooperation in health and medicine; MoU between Indian Council for World Affairs and Vietnamese Academy of Social Sciences; Protocol on celebration of 45<sup>th</sup> anniversary



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relations.<sup>11</sup> Thus, it is quite a comprehensive engagement where number of fields and areas of convergence have been identified. Once achieved, both countries will end up raising their stakes with each other to such a level that future governments cannot back-track even if they wish for.

#### **IMPERATIVES OF CONVERGENCE BETWEEN INDIA AND VIETNAM**

India-Vietnam relations have been almost cordial and friendly since their foundations were laid by Prime Minister Nehru and President Ho Chi Minh more than 50 years ago. The traditionally close and cordial relations have their historical roots in the common struggle for liberation from foreign rule and the national struggle for independence. Pandit Jawaharlal Nehru was one of the first visitors to Vietnam after its victory against the French at Dien Bien Phu in 1954. President Ho Chi Minh came to India in February 1958. President Rajendra Prasad visited Vietnam in 1959. Therefore, the bilateral relations between these two countries transcend back to fifties and were completely cordial.

The world as a whole and global as well as regional politics has changed considerably since fifties, giving rise to new facts and new actors. Accordingly, political contacts have strengthened as reflected in several high level visits by leaders from both sides. Trade and economic linkages have been ever growing. India's thrust under the LEP and now AEP combined with Vietnam's growing engagement within the region and with India has paid rich dividends. India and Vietnam now closely cooperate in various regional forums such as ASEAN, East Asia Summit, Mekong Ganga Cooperation, Asia Europe Meeting (ASEM) besides UN and WTO. Several institutionalized mechanisms have been developed for bilateral exchanges. The Joint Commission Meeting at the Foreign Ministers' level and the Foreign Office Consultations (FOCs) and Strategic Dialogue at Secretary-level provide the larger framework for bilateral cooperation in various areas. There is an annual Security Dialogue at Defence Secretary Level and a Joint Committee on Science and Technology that meets periodically. The India-Vietnam Joint Working Group on Educational Exchange was set up in 2012. The India-Vietnam Joint Sub-Commission on Trade was set up in 2013. However, given

the changing geo-politics of the region in and around South China Sea, Vietnam has acquired new strategic dimensions and accordingly renewed importance in the strategic calculus of India. Consequently, the changing imperatives of the renewed convergence between the two countries require be revisiting and understanding in right perspective.

#### **STRATEGIC IMPERATIVES**

According to Chinese media the Global Times, India and Vietnam seem to share quite a few common interests and similarities in terms of their policies toward China. They both have complicated and unresolved border disputes with China. They both have bitter history of being defeated in border wars with China. They both have doubts and concerns toward China's rising power and influence. During India's emergence, it has always been comparing itself with China. Indian media tend to hail every time their country outruns China in certain fields, and show their depression when their nation's development is surpassed by China's.<sup>12</sup> Both India and Vietnam are also interested towards maximization of their bargaining power in their dealings with China; on the other hand both want to avoid any direct confrontation with China.

Vietnam is one of the Southeast Asian nations that have overlapping maritime claims with China in the South China Sea. India, for its part is seeing a deteriorating bilateral relationship with China over a number of issues such as: an unsettled border; China's endorsement of Pakistan on issues relating to terrorism and Pakistan-occupied Kashmir (PoK); China's move to block India's bid to secure membership in the NSG; China's rising footprint in the Indian Ocean region; and most importantly China's escalating military ties with the nations in South Asia.<sup>13</sup> There is hardly any doubt that India needs to become an active player in Southeast Asia. It cannot be a passive player. Its approach towards issues like the South China Sea dispute should be well calculated and articulated in view of Chinese sensitivities. However, India too has its own sovereign rights to cultivate Southeast Asian nations to garner greater and better economic benefits. India also has huge considerable stake in the South China Sea (SCA) given its volume of trade through the region. Accordingly, Indian sensitivities must also be taken into account alongside the Chinese sensitivities. In this context, the

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strengthening of the 'strategic partnership' between India and Vietnam and subsequently raising its status to 'comprehensive strategic partnership' must be welcomed. There is hardly any doubt that economic interests could be maximised through ensuring and strengthening the strategic interests of a country. India is working well on that path.

Leverage for India is that both India and Vietnam find themselves on the same page with regard to respect for international law, advocacy of freedom of navigation, and their stand against China's escalating militarization in the land and sea domains.<sup>14</sup> SCA is of critical importance to both India and Vietnam. Fifty percent of India's trade passes through this waterway and the country possesses oil exploration interests in the territorial waters claimed by Vietnam. It is at this crossroads of India's Act East Policy and Vietnam's Westward-looking policy that the Indian and the Vietnamese leadership could find prospects for cooperation.<sup>15</sup> In September 2014 India and Vietnam issued a joint communique opposing threats to freedom of navigation and use of coercion in the SCS. Therefore, interpreting growth of Indo-Vietnam relations purely from regional and international political prisms is an improper way of looking at it. Indo-Vietnam convergence will also act as a balancing factor between India and China in the region could be at max a collateral outcome. Moreover, it is not Vietnam alone that has acquired importance in India's strategic imperatives. Vietnam's visit was the third substantive visit by Prime Minister Modi to South East Asia. This may be termed as by far the most momentous of all his forays to South East Asia.

#### **ECONOMIC IMPERATIVES**

Vietnam secured a 'Most Favoured Nation' status in 1975 itself with respect to trade and investment with India.<sup>16</sup> Both countries signed a bilateral trade agreement in 1978 and the Bilateral Investment Promotion and Protection Agreement (BIPPA) on March 8, 1997.<sup>17</sup> The Indo-Vietnam Joint Business Council has worked to promote trade and investment since 1993. In 2003, both nations promulgated a Joint Declaration on Comprehensive Cooperation when the General Secretary of the Communist party of Vietnam Nong Duc Manh visited India and both nations have been negotiating a Free Trade Agreement.<sup>18</sup> In 2007,

a fresh joint declaration was issued during the state visit of the Prime Minister of Vietnam Nguyen Tan Dung. Bilateral trade has increased rapidly since the liberalization of the economies of both Vietnam and India.<sup>19</sup>

The Vietnam-India 'strategic partnership' has greatly facilitated commercial ties between the two countries. Bilateral trade has sharply increased from \$500 million in 2008 to \$5.18 billion in 2015.<sup>20</sup> The volume of bilateral trade during 2001 to 2006, expanded at 20-30 % per annum to reach US\$1 billion by 2006.<sup>21</sup> In 2010, as the ASEAN-India Free Trade Agreement came into effect, bilateral trade exploded to US\$ 3.917 billion by the end of 2012, with Vietnam exporting \$1.7 billion to India in 2012, an increase of 56.5 % from 2011. India and Vietnam have also expanded cooperation in information technology, education and collaboration of the respective national space programmes. Direct air links and lax visa regulations have been established to bolster tourism.<sup>22</sup> India's private sector is getting increasingly engaged in promoting bilateral trade and investment. Tata power is constructing a 1,320 MW power plant, with an investment of US\$1.8 billion. ONGC Videsh Ltd. (OVL) [Its partnership with PetroVietnam (PVN)], NIVL Ltd., KCP Industries Limited, Ngon Coffee Manufacturing, Tech Mahindra, CCL are some major Indian companies that have invested in Vietnam's oil and gas exploration, mineral exploration and processing, sugar manufacturing, agro-chemicals, IT, and agricultural processing.<sup>23</sup> Therefore, one can only imagine the pace at which the economic engagement of both countries have been increasing and much before the South China Sea became an international flash point.

Moreover, with Vietnam's membership in the ASEAN Economic Community and the country being a signatory of various free trade agreements such as the Trans-Pacific Partnership; Vietnam has evolved to be an even more attractive investment opportunities in the country as it could act as a major gateway to direct exports into larger markets like the United States, the European Union, and Japan.<sup>24</sup> Therefore, the leadership may further deliberate on amplifying trade ties with respect to the comparative advantage of the two nations. Whereas Vietnam

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may increase exports of goods such as machinery, mobile phones, electronic hardware, chemicals, and rubber, India may amplify trade in fishery products, steel, pharmaceuticals, machinery, and cotton. India has completed negotiations on the Trans-Pacific Partnership agreement, and was keen to expeditiously conclude talks on the Regional Comprehensive Economic Partnership (RCEP) agreement, which stands achieved by now. The implementation of the Free Trade Agreement on Investment and Services between ASEAN and India in 2016 will promote the development of all member countries.<sup>25</sup> Thus, India's relations with Vietnam are marked by growing economic and commercial engagement. India is now among the top ten trading partners of Vietnam. Vietnam is one of the largest beneficiaries, barring India's neighbours, of scholarships under the India Technical and Economic Cooperation (ITEC) and Indian Council of Cultural Relations (ICCR) programmes. Both countries have set their target of \$15 billion trade and commerce by 2020 and that truly delineates the economic imperatives of convergence between the two nation-states.

#### **SECURITY IMPERATIVES**

Vietnam has its own threat perceptions like India. Accordingly, both India and Vietnam also endeavour to forge greater collaboration in the defence industry. Vietnam, India and Japan have privately agreed to work in a trilateral format to coordinate security policies.<sup>26</sup> India announced it would provide Vietnam with a \$500 million loan for defense purposes. It also agreed to lend Vietnam \$100 million to buy defense equipment in 2014. The PRC has complained about Indian cooperation for the exploration for oil in Vietnamese waters.<sup>27</sup> Especially in light of disputed political status of the Spratly Islands, and other nearby island chains, which

India currently recognises as part of Vietnam. India has also sold four offshore vessels to Vietnam, which is likely to be used to strengthen the nation's defences in the energy-rich South China Sea. India's abiding interest in Vietnam remains in the defence realm as well. Allegedly India wants to build relations with states like Vietnam that can act as pressure points against China. Accordingly, India is helping Vietnam to

beef up its naval and air capabilities. The two countries also have stakes in ensuring sea-lane security, as well as shared concerns about Chinese access to the Indian Ocean and the South China Sea.

The 9<sup>th</sup> Annual Security Dialogue at the Defence Secretary level was held in New Delhi on January 16, 2015. The Indian Armed Forces have been engaged with the capacity building of the Vietnamese Armed Forces particularly the Navy. The areas of focus have been training, repairs and maintenance support, exchanges between think-tanks, study tour and ship visits.<sup>28</sup> Therefore, India and Vietnam have also explored their need for security and cooperation in the field of security to enhance and strengthen it, which is needed given Chinese assertions in the region and impending disputes relating to Islands within Vietnam's proximity.

#### **SOFT-POWER POTENTIALS**

A festival of India was held in Vietnam during March 5-15, 2014, in three different cities of Hanoi, Danang, and Ho Chi Minh City, and had the following components: Classical Dance Recital by Sangeet Natak Academy, Buddhist Festival by Central Institute of Himalayan Cultural Studies, Food Festival, and Folk Dance by Kalbelia Group, Mehendi, and Yoga. All elements of the festival received an overwhelming response in Vietnam. Thus, Cultural cooperation and people-to-people contacts, Buddhism, Yoga, Bollywood, Indian Tele-serials, and classical music and dance, have strengthened the already strong bond between India and Vietnam. An Indian Cultural Centre is expected to be established soon at Hanoi to provide further impetus in this arena.<sup>29</sup> The Centre will strengthen India's cultural presence in Vietnam and constitute an important dimension of the friendly partnership between the two countries. A 12-member dance troupe from Dance Era, a Bollywood dance group sponsored by ICCR, visited Vietnam during June 25-29, 2014. The troupe performed in Hanoi, Phu Tho, and Yen Bai. India has accorded visa-on-arrival facility to Vietnamese nationals with effect from January 01, 2011 and this has facilitated enhanced convergence between the two countries. Therefore, there are enough potential in the field of soft power as well which India wishes to tap and promote as it too involves economy beside bringing the two countries together and strengthening the bilateral ties.

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### **SINO-VIETNAM RELATIONS: STRATEGIC IMPORTANCE FOR INDIA**

South China Sea is fast becoming a fulcrum of strategic relations among the nation-states of the world. Given this issue Sino-Vietnam relations have not been smooth over the past years. Negative emotions towards China among the Vietnamese people have also been rising. This bickering between China and Vietnam has come as a backdrop loaded with number of strategic meaning and interpretations. One such interpretation is that a convergence between India and Vietnam will create considerable and meaningful pressure on China.<sup>30</sup> During the last 15 years or more, Chinese former president Jiang Zemin, Hu Jintao, former premier Wen Jiabao, as well as sitting President XI Jinping and Premier Li Keqiang all paid formal visit to the country. Some of them even visited twice during their time in office. Therefore, it speaks volume about the relations between China and Vietnam in comparison with India and Vietnam. However, India has sought to firmly articulate its principled position of freedom of navigation, maritime security, expeditious resolution of dispute according to international law and the UN convention on the Law of the Sea, developing Code of Conduct, and settlement through dialogue and peaceful means. India is concerned because more than 40 percent<sup>31</sup> of its trade traverses through the South China Sea, and on account of its interest in harnessing fossil resources in the region.<sup>32</sup> However, India must not become possessive about Vietnam as it is a sovereign nation-state and has all right to calculate its own loss and gains in its interactions and relations with different countries of the world. Vietnam must have been aspiring to resolve its disputes with China and raise its economic prospects with the same. Vietnam may diplomatically handle both China and India two great powers in its neighbourhood to reap maximum benefits with both these countries. The best course of action of India would be to establish one-to-one relations with Vietnam to serve its own strategic interests, rather than asking Vietnam to act in manners that would check China's engagement with Vietnam.

### **SINO-INDIAN STRATEGIC RELATIONS—IMPERATIVES FOR VIETNAM**

The relation between India and China is mired with both competition and cooperation and by all likelihood it will continue to be the same.

Since both are considerably larger economic powers of the world they will compete to have larger share of the economic cake in South Asia and Southeast Asia. China is mightier than India; therefore, it shall be a tough fight for India and would demand greater pressure on its diplomatic resources to prevail in either of these two regions or elsewhere. On the other hand, both would avoid any military confrontation as they understand the negative consequences on their economic and strategic resources. Accordingly, India and China too are in a convergence mode for quite some time, as both are emerging powers of the world. Both are striving for their own international discourse; rights; collaboration among BRICS countries; as well as economic and trade cooperation. India strongly believes that it can improve its underdeveloped infrastructure with the help of Chinese investments and technology.<sup>33</sup> China endeavoured to block India's bid to join the Nuclear Suppliers Group (NSG) during the early part of 2016. India is being seen into an endeavour to sabotage China's flagship initiatives like One Belt One Road (OBOR) and China-Pakistan Economic Corridor (CPEC). This may not be a feasible endeavour, yet India's number of policy moves are being interpreted in that direction. Fact remains that the diplomatic game has never been one-sided and is no longer going to be one-sided. Therefore, Vietnam need to be extra cautious while managing its relations either with India or with Vietnam; if it aspires to get benefitted from both. Handling two great powers in the neighbourhood requires real smart diplomacy.

#### **ROLE OF UNITED STATES**

United States has been strategizing to pull India on its own side for its rebalance to the Asia-Pacific strategy. India has showed reluctance toward it and has not responded to US actively, which has made US officials quite grouchy. However, India's major concern is two-fold: one, about China's attempts to widen its influence in the Indian Ocean; two, protect its interests in South China Sea. India thus has carried out joint military exercise with the US and Japan, apparently to counter China's bid to expand its naval sway. This may be interpreted as a coalition being build-up against China as it assumes an ever more aggressive posture, which according to many analysts would be self-defeating in the long-



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term. India strongly condemned American action during the Vietnam War and was also one of the few non-communist countries to assist Vietnam during the Cambodian-Vietnamese War.<sup>34</sup> Accordingly, India needs to keep US at a distance while engaging countries of ASEAN. US foreign policy is geared up for Chinese containment in the South China Sea, which India is well aware of. However, India must not become a pawn in Sino-US rivalry and politics.

### **SOUTH CHINA SEA—FLASH POINT IN THE CONTEMPORARY WORLD**

Modi's visit to Vietnam and trip to the ASEAN region is critical as it comes in the wake of the final award by the Permanent Court of Arbitration (PCA) at the Hague on July 12, 2016 disqualifying China's historic rights to the South China Sea and China's escalating militarization in this body of water, where Vietnam is also a major claimant.<sup>35</sup> The verdict was given on a complaint filed by Philippines against assertions and actions by China in the recent past. The verdict was a comprehensive rebuke to China, declaring latter had no historical claim on SCS and that it was causing great ecological harm by constructing artificial islands to buttress its claims in the waters.<sup>36</sup> Although Vietnam was not a party to the dispute, it has substantial interests relating to harvesting energy and fishery resources from its Exclusive Economic Zone (EEZ). Vietnam has been experiencing difficulty for last many years to exploit resources due to harassment by China, which led to violent clashes resulting in death and damage to property in the past. Two recent attacks in June 2015 led to injuries to Vietnamese fishermen and damage to their boats near Parcel Islands which are a subject of dispute.<sup>37</sup> China adopted a belligerent and aggressive attitude in the immediate aftermath of the PCA Award. India was cautious enough not to be extravagant in its statement and spoil its diplomatic achievement thus far. Accordingly, it issued a measured statement emphasising the importance of freedom of navigation, maritime security, and the imperative need to abide by the provisions of the United Nations Convention on Law of the Sea (UNCLOS). India also has interests and contracted with Vietnam to prospect for oil and gas in areas which fall within its EEZ. Therefore, the emergence of SCS as one of the rich region of the world with oil and natural gas resources has been fast changing the geo-politics of the

region. India does not want to be left behind into that. Accordingly, India upgraded its bilateral relationship with Vietnam from ‘strategic partnership’ to ‘comprehensive strategic partnership’.<sup>38</sup> However, India must keep in mind that it cannot fight Vietnam’s claim over SCS with China. India has two courses of actions in its interaction with littoral countries in South China Sea: One, to cooperate for their defence build-up as it would strengthen India’s arms trade; second, it must develop allies in such countries to vent freedom at sea more strongly so that China is castigated for its act of defiance over SCS by the international community. This is essential as India needs China in more ways than one.

### CONCLUSION

The geopolitics of the region is in a state of flux. Under such circumstances it is beneficial for both Vietnam and India to stand by each other. Just as China has been wading into India’s neighbourhood, there is enough reason for India in retorting in the same vein in China’s extended neighbourhood. India’s soft power and lately hard power is in full flow in Vietnam, and India has the advantage of the first-mover in that country, which must be taken forwards aggressively without any squandering. India is an emerging power and the fastest growing major economy. It is playing a key role in regional and global issues. Accordingly, India’s foreign policy has acquired a renewed focus of promoting connectivity through Malaysia, Myanmar, Thailand, and now Vietnam as well as with all other ASEAN countries. Undoubtedly, Modi’s visit to Vietnam in the first week of September 2016 speaks volume about the kind of high regard it accords to Vietnam. The joint statement, subsequent to the visit, reiterated their support for peace, stability, security, safety and freedom of navigation and over-flight, and unimpeded commerce, based on the principles of international law, as reflected notably in United Nations Convention on the Law of the Sea. This statement assumes greater significance in view of the increasing pressure from China over the disputed islands in the South China Sea; as the statement also requests to respect the diplomatic and legal process and to fully observe the Declaration on the Conduct of Parties in the South China Sea (DOC) and soon finalize the Code of Conduct (COC). This

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cannot be taken as mere economic and strategic engagement with Vietnam or at max solidarity. This amounts to traversing beyond the day-to-day interactive relations with Vietnam and means to redesign the geo-politics of the region in India's favour. It is a rightful endeavour and is well within the International Law. This also reveals the pro-activeness under the leadership of present political dispensation at least in the arena of AEP. However, the fact remains that India's engagement with Vietnam has become a benchmark in India's rapidly evolving policy towards the region. As India's ties with China become more contentious, Vietnam is likely to play an ever more critical role in India's strategic calculus.

Convergence between India and Vietnam is being accelerated, not merely with an intention to create a pressure upon China; but it has other dimensions such as economic, strategic and security interests. The pressure may not be able to play any vital role. There is hardly any doubt that for Vietnam cooperating with an emerging power like India is beyond doubt of great value, which may have limited strategic influence on China. Vietnam's increasing convergence with India will enhance its prospects in the strategic calculus of China; as it may prompt China to be forthcoming towards Vietnam. Vietnam has also build enhanced relations with US and Tokyo, which has not yet worked in piling enough pressure on China as Vietnam may have hoped; but it is quite certain this may also motivate China to court Vietnam to keep its adversaries away. One may also raise the question that if a convergence between India and Vietnam had potentials to exert pressures on China then why they have made it so late. The same could have been initiated long back as China has always been a cause of major concern in India's security imperatives and strategic concerns, both at regional and international levels.

The style of conducting diplomacy and the focus of foreign policy of a country keeps changing with changing time and neighbourhood, region and international context. Therefore, India's Act East Policy is the demand of contemporary development at regional and international levels. Indo-Vietnam bilateral relations are rooted into such imperatives, regional and international geo-politics and geo-economics. Still, if India

aspires to promote its strategic interests in view of development in SCS, then India may use track two diplomacy, confidence building measures, and joint military exercises to foster deeper ties with Vietnam. Vietnam may be of great use for India at multilateral forums such as: supporting India's candidature for permanent berth at Security Council of United Nations; Asia-Pacific Economic Cooperation forum etc. Vietnam could also be of great use as members of the East Asia Summit and the Mekong Ganga Cooperation, as these platforms could promote solidarity among the Southeast Asian nations and India, to counter the rising militarization of China in the region. This would also help India towards realising its dreams of becoming a balancing power vis-à-vis China in Southeast Asia. As far as economic interests are concerned, India and Vietnam has tremendous potential areas for cooperation. Both these countries may enter into MoU in the field of Science and Technology for bolstering oceanographic research, biotechnology, information and communication technology, and medical research. They can also strive to enhance their cooperation in upping regional security by countering non-stop threats such as drug trafficking, terrorism, and transnational crime. Some development has taken place in some of these areas which requires to be taken to their logical levels.

There are some nation-states in the world who wishes to use India as leverage to contain China. India may either have been waiting for a higher bid, instead of actually selling its stance. India needs to be strong diplomatically so that it does not end up selling its prospects and concerns to an outside power, without gaining or bargaining its fortune. Undoubtedly, China's recalcitrance and assertiveness in the region requires to be checked. China's claim of being a responsible stakeholder in the international arena requires to be questioned. Forums such as UN, Mekong Ganga Cooperation, World Trade Organization, East Asia Europe Meeting, etc could also be used to initiate debate and discussions. Such an endeavour would help create an international as well as regional consensus against China's growing belligerence.

Therefore, Vietnam must not be considered as a strategic gambit thrown by India against China; rather it is the economic, strategic, cultural, and security concerns that is the cause of convergence and is an extension

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of an on-going foreign policy with certain boost as part of Act East policy of India. Thus, India's growing relationship with Vietnam is part of a broader strategic eastward push into Southeast Asia, and the present political dispensations deserves a pat for not only continuing the same but also for taking it forward in an aggressive manner.

### END NOTES

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8. Shaheli Das, "Modi's Visit to Vietnam: What's on the Agenda", *The Diplomat*, August 30, 2016. Available at [www.thediplomat.com](http://www.thediplomat.com) The said visit was marked the first visit by an Indian prime minister to Vietnam in the last 15 years and will celebrate 25 years of bilateral diplomatic ties and 10 years of strategic partnership between these two nations.
9. Zhou Fangyin, "India-Vientnam sea cooperation will be limited", *Global Times*, September 4, 2016. Available on [www.globaltimes.cn/content/1004616.shtml](http://www.globaltimes.cn/content/1004616.shtml)
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29. Op cit, no.23.

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30. Op cit, no.9.
31. This figure varies from different sources. According to some sources it is about 50 percent.
32. Op cit, no.25.
33. Op cit, no.30.
34. Ibid., no.29.
35. Ibid., no.13.
36. Ibid., no.29.
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38. Ibid.

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**ABOUT THE AUTHOR**

***Alok Kumar Gupta*** Associate Professor, at Central University of South Bihar. Doctorate from South SIS/SAS at Jawaharlal Nehru University. Published books and several articles on issues pertaining to terrorism, and internal conflicts.

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