Hegemonic Decline, Globalisation and the United States' Strategic Pivot to Asia:
Implications for Vietnam

By

Nguyen Huyen Phuong

A Thesis

Submitted to the Victoria University of Wellington in Partial Fulfillment of the
Requirements for the Degree of Master of International Relations (MIR)

School of History, Philosophy, Political Science and International Relations

Victoria University of Wellington

2013

CONTENTS

Acknowledgement	4
Abstract	5
Introduction	6
Chapter One: US hegemonic decline – is the US in decline?	
Theory and literature review	8
1. The hegemony concept revisited	9
2. American hegemony - decline or renewal?	12
3. U.S. hegemony? Wither the rising challengers?	19
Chapter Two: The US Pivot to Asia – Strategic goals and policy development	23
1. Strategic goals	23
2. The Asia Pacific security environment in Asia-Pacific	26
3. The rise of China	31
4. The viewpoints of the U.S. leadership	33
Chapter Three: Managing bilateral relations, institutions and economic cooperation	38
I. Bilateral relations	38
1. The U.S – China relationship	38
2. Boosting alliance relations with Japan and South Korea	44
2.1. The U.S – Japan alliance	45
2.2 The U.S and South Korea	47
II. Institutions and economic cooperation	49
1. Institutions	49
2. Economic cooperation	52
Chapter Four: Can the United States afford the Pivot? Political and Economic costs of the Strategy	57
I. How the pivot costs the U.S.	57
1. What China thinks	57
2. Budgetary pressures	59
3. Instability in the Middle East	61
4. European concerns	62
II..Reassessment of U.S’s capability and interests in Asia - the Hub-and-Spoke system	64

Chapter Five: Vietnam's perspective on the rebalancing and some implications	67
I. The position of the U.S. in the foreign policy of Vietnam	68
1. Vietnam's foreign policy since innovation	68
2. The position of the U.S. in the foreign policy of Vietnam	69
3. Vietnam's position in U.S. strategic calculations	71
II. Vietnam's perspective on the U.S pivot and some implications	74
1. New features impact on Vietnam – U.S. relations	74
1.1 The China factor	74
1.2 Relations between Vietnam and Vietnamese Americans	76
2. Implications for Vietnam	77
2.1 The impact of the U.S. security strategy adjustment in the Asia - Pacific in relation to the security of Vietnam	77
2.1.1 Positive impacts	77
2.1.1.1 A stable environment in the region?	77
2.1.1.2 Military-to-military cooperation	78
2.1.2 Negative impacts	79
2.1.2.1. Destabilizing factors for the security of Vietnam	79
2.1.2.2. Difficulties in dealing with the foreign relations of Vietnam	80
2.2 Some scenarios and recommendations on Vietnam's foreign policy making	81
2.2.1 Regional instability and fading pivot	81
2.2.2 Vietnam – U.S relations	83
Conclusion	86
Bibliography	94

Acknowledgement

First and foremost, I would like to express my deep gratitude to my supervisor Dr Joe Burton for his patient instruction, motivation and enthusiasm through the learning process of this master thesis. Without Dr Burton's precious comments, remarks and suggestions, this paper would not have been completed.

I would like to give special thanks to Professor Rob Rabel and Professors Robert Ayson, David Capie, Marc Lanteigne from the School of History, Philosophy, Political Science and International Relations for providing me and the class with great lectures on international relations from which most of my theoretical foundations are built.

My sincere gratitude also goes to all officials and staff from Victoria University of Wellington, the Project 165 of Vietnam, the Diplomatic Academy of Vietnam and my colleges at the State Committee for Overseas Vietnamese – Ministry of Foreign Affairs of Vietnam for giving me the opportunity and creating favorable conditions for me to join this Joint Masters Degree Program and experience a beautiful and memorable stay in New Zealand.

Last but of not least importance, I owe more than thanks to my family, my parents, husband and two lovely children for their endless support during eighteen months of this course and for the whole of my life. I would like to give this dissertation as a gift of gratitude to my beloved mother and wish her best health and happiness.

Abstract

The international order has been much in change since the beginning of the 21st century with the domination of power of the United States and the rise of emerging nations pursuing the ambitions of gaining more prosperity or influence. However, the hegemonic power of the United States is on the way down and this gives space for many other actors to come onto the stage. These movements play the role as an impellent force for the United States to build up and implement the so-called Asia pivot, otherwise known as the rebalancing strategy in Asia Pacific. This paper will discuss the impetus of the pivot and what it has done for the United States. It will examine whether the hegemonic stability of the United States will lead to world order and stability and whether the strategy is welcomed by the majority of world players. The influence of the pivot on the security environment of the Asia Pacific region in general and in Vietnam in particular will also be considered in order to draw up a clear picture for Vietnam to plan foreign policy in the coming years.

Introduction

One of the most often searched phrases in international relations since the beginning of the twenty first century is “China’s rise”, and since 2010 “American’s Asia pivot”. Since the end of the Cold War, the Asia-Pacific region continues to be the region of economic growth and the world's largest commercial center. The security stability of the region also has an important impact on the security strategy of the United States. However, together with the restless development of globalization and emergence of new economies in the Asia Pacific region, it has made up a popular discourse that America’s hegemonic power has been coming to an end and China, as the most serious competitor of the United States, will dominate the international arena in both economic and political power.

This thesis seeks to examine these important issues and is focused on the following crucial research questions: ‘Is US hegemonic decline driving the US pivot to the Asia Pacific Region and what are the implications for Vietnam of this changing strategy?’

In order to answer that question, the first Chapter will look at some theories of hegemonic stability to find out whether the concept is still useful in the context of the evolution of history, especially in a globalization age. The chapter questions whether the traditional concept of hegemony is a thing of the past and whether it is wrong in the sense that as a great power, the U.S. is still unconquerable and by no means in decline.

The impetuses of the United States in its adjustments in security policy making in the Asia Pacific will be carefully examined in Chapter Two, including the strategic goals of Obama administration, the security environment in the Asia Pacific, the impact of China’s rise, and the viewpoints of American leadership. All these factors have an impact on the process of building and implementing the strategy in Asia, which will be

clarified in the next Chapter. In this Chapter Three, I will also go into details about the development of some key bilateral relations between the United States and China, Korea and Japan and some other non-military cooperation areas including institutional and economic issues in clarifying that the aim of the pivot is not only to deal with China but also at cope with globalised security challenges.

The pivot does not only bring about benefits for the United States and the administration itself has conceived of the potential costs in its strategic calculations. Pivoting to the Asia Pacific means the United States has to deal with tensions with its most formidable opponent, China. The shortage of resources for the on-going conflicts in the Middle East, the concerns for increasingly blurred relationships with its traditional allies from Europe, and the challenges of the US budget process will also be examined.

The pivot policy of the United States will then be more specifically analyzed from Vietnam's perspective, and the thesis will outline both the positive and negative impacts on Vietnam's security interests. This research finds that although Vietnam may benefit from America's increasing presence in the region, an independent and transparent foreign policy which does not rely too much on close associations with other powers is an urgent requirement for Vietnam's diplomacy.

A comprehensive examination of the relationship between the theories of hegemonic decline and hegemonic stability, and also between the two theories in the context of the rebalancing strategy of the United States, will make an important contribution to the literature in the field of International Relations. Examining how Vietnam may choose to respond to these strategic changes will also make a contribution.

Chapter One: US hegemonic decline – is the US in decline? Theory and literature review

Since the early years of 21st century, the concept of hegemonic decline has become prevalent in the Western system, as has the notion of the rise of China from the South. The argument that a shifting world order will continue to be led by American hegemony has received much attention in scholarly debates. As argued by Stephen Walt in his article “The End of the American Era”, for a superpower standing alone at the pinnacle of power, there is nowhere to go but down¹. The relative decline of the United States in tandem with the rise of China and the rest of the world, especially the BRICS countries,² together with resistance to Western hegemony in the Muslim world and other parts of the subordinated South, has made this theory all the more relevant. However, Americans seem to have this debate every few decades. They had it in 1960 when John F. Kennedy promised to “get the country moving again.” They had it in 1980 after Vietnam, the Soviet invasion of Afghanistan and the taking of American hostages in Iran; when Ronald Reagan pledged to “make America great again.” Even after the shock of September 11th and the major financial crisis in 2008, which led to the most serious recession since the Second World War, both political and economic downturns could not move the U.S. out of its primary position. A close and balanced study of America’s power and the international order suggests that it is not that simple that one superpower will go up then fall, and America’s resilience as a great power has been proved time and again in the past century, and maybe in the current one.

¹ Stephen M. Walt, “The End of the American Era”, *The National Interest*, October 25, 2011.

² Brazil, Russia, India, China and South Africa.

This chapter will endeavor to shed some light on the above topic by arguing that the assumption that the U.S. is a hegemon in decline is both right and wrong. It is correct because the evolution of history, especially in the age of globalization, makes the traditional concept of hegemony seemingly a thing of the past. And it is wrong in the sense that as a great power, the U.S. is still unconquerable and by no means in decline as believed by numerous scholars and the-rise-of-China pundits.

1. The hegemony concept revisited

Among the complex system of international relations, the notion of hegemony has come to have several different shades of meaning in several different disciplines. Antonio Gramsci, a well-known Italian Marxist thinker of twentieth century, conceived hegemonic power as being based on a subtle fusion of coercion and consent, or smart power as being used more regularly recently. According to Gramsci, sustained leadership of any political system, particularly a global system of states, requires not only the hard military and economic power to enforce dominance when necessary, but also the ideological, political, cultural, and institutional power to persuade others to accept the rules and norms of a system largely designed and operated by the hegemon and its allies. He also emphasized the role of soft power as what allows a hegemonic system to function across decades without continuous resort to massive violence.³ That is to say virtually all theories of hegemony agree that a necessary condition for a state gaining hegemony in the global system is to become the leading economic power. That is the reason why international relation scholars and researchers have been mentioning the decline of American hegemonic power so prevalently over the last decade when the

³ Antonio Gramsci, *Selections from the Prison Notebooks*, New York, International Publishers, 1971.

United States has been suffering from the severe consequences of the global economic crisis.

By a more modern definition, Michael Beckley argues that hegemony is not just a preponderance of power; it is “structural power”- the power to set the agenda, shape normative frameworks for the behavior of states, and exercise influence without the direct use of force or pressure.⁴ The way of defining the greatest superpower’s strength with such “softening” words has been mentioned more recently in the U.S... When Joseph S. Nye, Jr. first introduced the concept of soft power in his *Bound to Lead* in 1990, he pointed out that the U.S. was not only the strongest nation in military and economic terms, but also supreme in what he called soft power, “the ability to get what you want through attraction rather than through coercion.”⁵ In becoming a hegemon, a center of comprehensive power, Washington had to draw on its soft-power resources to bring others into a system of alliances and institutions after World War II. Its role in the Cold War was the result of a strategy of containment that used soft power along with hard power. America cannot confront the threat of terrorism without the cooperation of other countries, not only including their closed allies, and this again relies on the attraction of the United States.

However we define the term hegemony, the question confronting American policy makers is “How far is American in decline?” In the Cold War years, the U.S. could avoid great-power war, contain the Soviet Union and keep communism in check, promote Franco-German reconciliation and the reconstruction of Western Europe, and

⁴ Michael Beckley, “China’s Century? Why America’s Edge will endure”, *Foreign Affairs*, Winter 2011/12 issue.

⁵ Tysha Bohorquez reviews Joseph Nye Jr. 's book “Soft Power -The Means to Success in World Politics”, December 01, 2005.

help rebuild a democratic and prosperous Japan from the ashes. Many of its failures notwithstanding, the aforementioned successes were amazing feats for a hegemon.

Today, it is almost impossible for the U.S. to help resolve the Euro zone crisis, contain China's rise, or effectively stand by allies in distress. Gone are the days when America can almost single-handedly shape and direct global events. *Pax Americana*, the post-1945 international order, has been replaced by a transition to a multi-polar world - or even a non-polar world order in the coming decades. Today's world is too complex for any superpower to exercise hegemony in its traditional meaning. Globalization has quickened the diffusion of power both horizontally and vertically. It is more clearly explained by Susan Strange when she said that:

*Where states were once the masters of markets, now it is the markets which, on many crucial issues, are the masters over the governments of states. And the declining authority of states is reflected in the growing diffusion of authority to other institutions and associations, and to local and regional bodies, and in a growing asymmetry between the larger states with structural power and weaker ones without it.*⁶

Robert Pape calculated that just over half of the U.S.'s relative decline from 2000 to 2008 was caused by the spread of technology to the rest of the world.⁷ Fareed Zakaria has similarly argued that the unipolar world of the last two decades is waning not because of the Iraq war but because of the broader diffusion of power across the world⁸. In addition, the emergence of more global issues and non-traditional security challenges, such as climate changes, cyber security, water resource security etc., means

⁶ Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy*, 1996, P.4

⁷ Robert A. Pape, "Empire falls", *The National Interest*, January-February 2009, P. 26.

⁸ Fareed Zakaria, *"The Post-America World"*, Norton Publisher, 2009, P.43.

that the resources of the top power in the international hierarchy are increasingly dispersed, weakening its ability to get things done in ways it once did. As Joseph Nye argues, power today is distributed in a much different pattern which resembles a three-dimensional chess game, with the military and economic power being the top and the middle chessboard and the bottom chessboard represents the growing power of non-state actors, such as terrorists, bank, environment groups, and NGOs. In this context the concept of unipolarity, multipolarity or hegemony just does not make sense at all.⁹

2. The American hegemony - decline or renewal?

Economic power

In a report to clients, analysts at Goldman Sachs argued that the United States still has the world's strongest economy, and will for years. There is a growing "awareness of the key economic, institutional, human capital and geopolitical advantages the U.S. enjoys over other economies," contend Goldman's analysts.¹⁰

As proof, they deploy voluminous facts. For starters, the U.S. economy is still the world's largest by a long way. Gross domestic product (GDP) is almost \$16 trillion, which is "nearly double the second largest (China), 2.5 times the third largest (Japan)."¹¹ Per capita GDP is about \$50,000; being surpassed by 10 other countries but most are small.¹² The size of the U.S. market makes it an attractive investment location.

⁹ Joseph Nye, "The Future of American Power: Dominance and Decline in perspective", Foreign Affairs, November/December 2010 issue.

¹⁰ Robert J. Samuelson, "Is America in decline?", The Washington Post, January 27, 2013

¹¹ Goldman Sachs, Over the Horizon, January 2013. P.9.,

¹² Goldman Sachs, Over the Horizon, January 2013. P.9.,

If we define decline in terms of growth rates, over the past twenty years more than half the countries in the world grew faster than the United States, most of them developing countries such as Bangladesh, Pakistan, Uzbekistan, and Rwanda.¹³ The United States has also been in decline to China since 1968, during the Cultural Revolution and over a decade before Reform and Opening. The problem with growth rates is that they compare countries to their former selves. China's growth rates are high in large part because its starting point was low.

Next, natural resources. In a world ravenous for food and energy, the United States has plenty of both. Its arable land is five times China's and nearly twice Brazil's.¹⁴ The advances in 'fracking' and horizontal drilling have opened vast natural gas and oil reserves that, until recently, seemed too expensive to develop. The International Energy Agency predicts that the United States will become the world's largest oil producer -- albeit temporarily -- by 2020.¹⁵

In turn, the oil and gas boom bolsters employment. A study by IHS, a consulting firm, estimates that it has already created 1.7 million direct and indirect jobs. By 2020, there should be 1.3 million more.¹⁶ Secure and inexpensive natural gas also encourages an expansion of U.S. manufacturing, Goldman argues. That's another plus.

Poorly skilled workers are often counted as a U.S. economic liability. Goldman's perspective is different. American workers will remain younger and more energetic

¹³ Michael Beckley, *The Unipolar Era: Why American Power Persists and China's Rise Is Limited*, Doctor Dissertation of Philosophy in the Graduate School of Arts and Sciences, Columbia University, 2012

¹⁴ Goldman Sachs, *Over the Horizon*, January 2013. P.9

¹⁵ International Energy Agency, *IEA World Energy Outlook 2012*, November 12, 2012.

¹⁶ IHS Special Report, *Energy Revolution Creates New Global Industry Landscape: US manufacturing competitiveness improves, creates risks for others*, January 21, 2013.

than their rapidly aging rivals. By 2050, workers' median age in China and Japan will be about 50, a decade higher than in America. Moreover, the United States attracts motivated immigrants, including "highly educated talent." A Gallup survey of 151 countries found the United States was the top choice for those wanting to move, at 23 percent. At 7 percent, the United Kingdom was second.¹⁷

Finally, Goldman expects the United States to remain the leader in innovation. America performs the largest amount of research and development (31 percent of the global total in 2012) and has more of the best universities (29 out of the top 50, according to one British ranking).

Up to a point, this is convincing. America's strengths have been underestimated. Compared with Europe and Japan -- the world's other enclaves of affluence -- US prospects are brighter. But the Goldman report, which advises investors where to put their money, is an incomplete guide to the future. It may explain why U.S. stocks have recovered to near pre-crisis records, but this is not how most people view national 'decline.'

If one looks into its economy's competitiveness, the U.S. still greatly outperforms China as well as other possible challengers in almost all indicators. According to the 2012-2013 Global Competitiveness Index announced by the World Economic Forum, the U.S. ranks 7th among 144 surveyed countries/economies while China trails at the 29th place, behind Malaysia and Saudi Arabia.¹⁸ The U.S.'s spending on R&D still accounts for 50 percent of the world's most advanced scientific branches. Among the top 100 universities in the world, the U.S. has either 34 or 54 depending on which survey is

¹⁷ Jon Clifton, 150 Million Adults Worldwide Would Migrate to the U.S., Gallup, April 20, 2012

¹⁸ Klaus Schwab, Global Competitiveness Report 2012-2013, World Economic Forum

consulted; China has two or zero. China also suffers from a massive brain drain in favor of the United States – 90 percent of Chinese students who received a science or engineering Ph.D. from an American university between 1987 and 2007 joined the American workforce. In the age of knowledge-and technology-intensive economy, this is an undeniable advantage for the U.S.

Declinists often cite the percentage of the U.S.'s GDP in the global economy to prove the decline of its power, but this largely distorts the real picture. It is true that after the WWII, America's GDP accounted for nearly 50 percent of the world economy as compared to roughly 23 percent today. However, the years following the WWII found the economic powerhouses in both Europe (the U.K., France, Germany, the Soviet Union, etc) and in Asia (Japan) still in ruins by the devastating war.¹⁹ 50 percent of that time and 23 percent of today's world economy (when most traditional economic powerhouses are in full swing, not to mention the rise of numerous emerging economies) can be compared to a case with a farmer owning half a cottage and a businessman owning one-fourth of a mansion. Since the early 1970s, the share of the U.S. in the world economy has remained largely unchanged, fluctuating around a quarter of the global GDP. If one agrees that economic strength is the most important indicator of a nation's overall power, can it be said that the U.S. is a hegemon in decline?

Military power

¹⁹ Samuel P. Huntington, "The U.S. - Decline or Renewal?", Foreign Affairs, Winter 1988/89 issue.

When it comes to the concept of power, it does matter who has the bigger stick. In terms of military spending, the U.S. defense budget 2012 (39%) still nearly doubles those of the 10 next biggest spenders combined (21,2%).²⁰

When Former Defense Secretary Robert Gates says that China "could threaten America's primary means of projecting power and helping allies in the Pacific,"²¹ and Admiral Robert Willard, former head of U.S. Pacific Command, notes that it "has exceeded most of our intelligence estimates of their military capability and capacity every year," there is cause for concern.²² Could China's military be growing at such a rate that the United States, saddled as it is by the Global War on Terror and economic depression, finds itself falling back?

Fortunately, there is not yet cause for concern. Though China has been working hard to generate a flexible, lean, capable military, it still has a very long way to go before it can hope to challenge the United States. It takes more than numbers and a good economy to enable an effective fighting force.

According to a recent article on The Policimic,²³ in terms of raw manpower, China's 2.2 million bests the United States' 1.4 (not counting roughly 700,000 defense contractors). However, the quality differs significantly. The United States' forces have been deployed regularly since the Gulf War, while the People's Liberation Army have

²⁰ Anup Shah , World Military Spending, Global Issues, June 30, 2013

²¹ Speesh on DoD Challenges submitted to the Senate Armed Services Committee by Secretary of Defense Robert M. Gates, January 27, 2009.

²² Bill Gertz Inside the Ring, The Washington Times, November 5, 2009

²³ Radu Vent, 4 Ways How China's Military Stacks Up Against the U.S., The Policymic, 10th May 2013.

not seen combat since the 1970s. The United States possesses three times the number of airplanes than China, which is still working on developing its own stealth fighters. Its greatest weakness lies in its engine industry; its new J-20 stealth fighter (designed to be a competitor to the F-22 or F-35) is still relying on Russian engines or weaker domestic models. China is offsetting this weakness by acquiring a small number of Su-35s and an undisclosed number of engines from Russia. The J-20 will likely not be operating until 2017 and it is not known how long before it is produced in sufficient numbers. It must also be noted that it takes more than stealth to make a lethal fighter. It must also possess dependable anti-air and anti-ground munitions, functional radar, electronic integration with other systems, and be mechanically reliable and resilient.

As before, the Chinese navy cannot compare to the U.S. Navy, not just in numbers but also in training. The United States has 10 aircraft carriers in service, while China's sole carrier is currently being used for training and evaluation purposes. It will be many years before it is able to operate as an effective part of a carrier force capable of long-distance deployments and combat operations. China is set to develop its own homegrown carrier force, with a domestic carrier potentially nearing completion by 2015. China is developing its nuclear submarine force, however, with nuclear submarines armed with ballistic missiles capable of hitting targets 7400km away. China is focusing on blue-water deployments, with the deployment of two warships and a supply vessel to anti-piracy missions off the Eastern coast of Africa in 2008, but these are still a far cry from the global patrols maintained by the United States.

China's first aircraft carrier, the Liaoning (or the Varyag), made headlines when it entered service in September 2012, but this sitting duck is no match for the U.S.'s eleven Nimitz-class nuclear-powered aircraft carriers. Nor can China and any other great power match the U.S. military's training and combat experiences. Since the end of

the Cold War, the U.S. has fought more wars than it did in all the Cold War years combined. The human and physical losses notwithstanding, these combat experiences give the U.S. military a credible edge that makes it harder for revisionist powers like China to challenge its hegemony. In other words, the U.S. still bears the bulk of the responsibility for its allies and partners in cases of war and peace.

Soft power

Unlike the U.S., China's rise has not been accompanied by a set of widely accepted and recognized values. Despite hundreds of Confucius Institutes it has built around the world, it is hard to believe that China's soft power has increased the way it wanted. On the contrary, by ways of both its domestic and foreign policy behavior, China's soft power seems to decrease as it grows stronger economically and militarily. It is said that the stronger China becomes the more isolated it is, and the richer China becomes the fewer friends it has. China's recent assertive and aggressive behavior in the South China and East China Seas is a case in point, which has almost helped form a de facto coalition led by the U.S. against China. Unless China changes its behavior, which is highly unlikely, this tacit coalition will contain China's rise and its power projection capability exactly the way the U.S. wishes.

By contrast, American values and culture still represent the West's liberal democratic values and norms. America's Hollywood movies, McDonalds and pop culture still attract billions of people. Presidential debates in the U.S. attract hundreds of millions of viewers. Can the same be said for China's five-yearly party Congress, during which Western reporters' cameras often catch many Chinese party members falling asleep? The U.S. also has a global network of valuable allies and partners. In the Asia-Pacific, many powers are strong allies or partners of the U.S., such as Japan, South Korea, Australia, New Zealand, Thailand, the Philippines and India. China would need

some regional friends should it want to drive the U.S. out of the western Pacific and become a regional hegemon itself, which does not seem feasible in the foreseeable future.

The central idea of hegemonic stability theory says that the stability of the international system requires a single dominant state to articulate and enforce the rules of interaction among the most important members of the system. It also assumes that security cooperation exhibits a “tendency toward disproportionality” in which the hegemon provides the bulk of global security while other states free ride on this service.²⁴ Being a hegemon brings both benefits and costs. The wealth, dominance in a leading technological or economic sector, and political power, backed up by projective military power, will allow it to stand and be accepted as the only capable candidate for a primary position in a changing international order.

3. Decline of the U.S. hegemony? Wither the rising challengers?

There was a time when almost everything about the American economy set the world standard. In 1960, the United States was the world’s largest market. It had by far the most developed infrastructure, easily the best educational system and undoubtedly the most business-friendly government. It was the source of most innovations, from safe highways and comfortable suburban houses to computers and advanced pharmaceuticals.

The United States is now still the global leader in many areas of industry, education and government, but it has fallen behind in some, and the gaps have narrowed in all. At its heart, the argument is largely about whether China has become the more dynamic and successful country and will outhaul the US within our lifetimes.

²⁴ Olson and Zeckhauser, “An Economic Theory of Alliances,” p. 24.

By some indices the argument can be settled very quickly - victory goes to China on population or the US by aircraft carrier count.

Almost everyone still agrees that the Americans are still militarily preponderant, although some reputable experts do express concerns about the long term consequences of Chinese defense budgets rising while Pentagon ones fall. If one argues for the decline of the U.S., it is necessary to make clear as to who are the challengers to U.S. hegemony. So far, it seems that China is the only great power with both the will and capability to unseat the U.S. hegemon. Most declinists associate America's decline with the rise of China and other emerging powers. For all the predictions that China's GDP will exceed that of the U.S. in the next decade, China's huge population and its increasingly complicated internal problems will tie down its resources, making it very difficult for China to project its power very far beyond East Asia.

In addition, it is stated that the quantitative indicators such as GNP or military expenditures are somehow the fallacy of hegemonic stability when people use them to measure the dominant power of a country.²⁵ Susan Strange also remarked that "the criteria for hegemony, such as monetary reserves and the ratio of trade to gross national product (GNP), are either irrelevant or imprecise" to justify justifies the sharp distinction between hegemons and nonhegemons.²⁶

While the likelihood of American hegemony being terminated by China, the top challenger, remains in doubt for the foreseeable future, the risks posed by the rest or the combination of the rest look even dimmer. The BRICS are often termed by IR scholars to

²⁵ Isabelle Grunberg, Exploring the "Myth" of Hegemonic Stability, *International Organization*, Vol. 44, No. 4 (Autumn, 1990), pp. 431-477.

²⁶ Susan Strange, *The Persistent Myth of Lost Hegemony*.

be a strong pole in the future multi-polar world order. However, both the separate strength of each member country and their power as a block are in question.²⁷

Every two or three decades the U.S. finds its hegemony challenged by a rising power, and declinism is in the air. In the late 1950s, it was the “Sputnik moment” with the Soviet Union looming large. In the late 1970s and early 1980s, it was the threat of ‘Japan buying the world’. And now, it is all about China’s century. The challenge from China may be more complex because the Soviet Union was a mere military threat and Japan was an economic giant but a political pygmy, China has both sources of power. However, the course for the rise of a power to a hegemon is not always simple or linear; and the resilience of the American power has been proved times and again in recent history.

However, competition is inevitable. China’s rise affects the United States because of what IR scholars call the ‘power transition’ effect. Throughout the history of the modern international states system, ascending powers have always challenged the position of the dominant (hegemonic) power in the international system—and these challenges have usually culminated in war.²⁸ Though a military war is unlikely to happen today, another war without guns is going on between the U.S and China, which is ‘a contest for world primacy’.²⁹

Recently, it is more noticeable in the area of international relations in the Asia-Pacific that a new leadership model has emerged, which is a “dual leadership structure”

²⁷ Joshua Kurlantzick, Don’t bet on the BRICS, *Businessweek*, November 3, 2011, at <http://www.businessweek.com/magazine/dont-bet-on-the-brics-11032011.html>.

²⁸ C. Layne, ‘China’s challenge to US hegemony’, *Current History* 107: 705, 2008, p. 16.

²⁹ Chan, China, the US and the power-transition theory, p. 11.

mentioning Sino-American relations. In the fields of economic, trade and international currency, China has been gradually improving its position, and began to play a key leadership role while the U.S. fell into economic hardship by the financial crisis of 2008. But in the fields of military, politics and security, the U.S. retains its hegemonic status. U.S. influence on these areas still far exceeds all other major countries including China. The forming "dual leadership structure" is an uneven development pattern between China and the U.S. in various fields, containing a reflection of the rapid developments in the economy as well as the expansion of influence for nearly 30 years in China. This phenomenon helps China and the U.S. express their advantages and promote leadership roles in various fields, while at the same time restraining and balancing each other which has become a cornerstone of regional stability.

It is safe to assume that the end of the American Era is around the corner, or simply put, the American hegemony is in relative decline. However, the decline of the American hegemony is due to the inevitable rule of evolution of international relations in a globalized world, not because of the decline of America itself.

Chapter Two: The US Pivot to Asia – Strategic Goals and Policy Development

The previous chapter has considered some of the literature on hegemonic decline and argued that the US is in relative decline and that globalisation is presenting challenges for the concept of hegemony and hegemonic powers. This chapter builds on this by looking at the origins of the US pivot to the Asia Pacific region, mapping the approaches of the Bush and Obama administrations, and setting out some of the causes of the change in US strategy.

1. Strategic goals

Not until the early years of the twenty-first century did the United States began to recognize that the Asia-Pacific's political and economic future, and the future of the United States, is deeply and increasingly linked. On his statement before the Senate Committee on Foreign Relations and the Subcommittee on East Asian and Pacific Affairs on March 21, 2013, Joseph Y. Yun, Acting Assistant Secretary for the Bureau of East Asian and Pacific Affairs of the U.S. Department of State, stated that: "The United States is bound to Asia through geography, history, alliances, trade, and people-to-people ties, which will continue to grow in importance over the next decade and beyond"³⁰. Thus, over the last four years, the U.S. government has made a deliberate, strategic effort to broaden and deepen engagements in the region in what has come to be known as the "rebalance" to the Asia-Pacific.

³⁰ Joseph Y. Yun, Statement before the Senate Committee on Foreign Relations and the Subcommittee on East Asian and Pacific Affairs, March 21, 2013,

The need to return to strengthen its influence in the Asia-Pacific can be explained by following principle understandings:

Firstly, the Asia-Pacific region possesses an increasingly important strategic geo-political and geo-economic position, with the sea routes connecting the Pacific and Indian Oceans controlling most of the trade and transportation of the world's energy resources. It is considered a gateway connecting America to the world. As the world's greatest power, the U.S. needs to maintain and ensure the freedom in this area to control its military and economic activities for the benefits of the United States as well as its close allies.

Secondly, in the strategy of building a direct belt in preventing and containing China, the Asia-Pacific becomes the central arena. After the Cold War, U.S. influence in the region has severely reduced, while many other new powers have emerged to bridge that gap. This area contains competing interests between many countries, including China. The remarkable growth in China, India, and the growing influence of Russia, constitute big challenges for the United States in ensuring its leadership position in the Asia-Pacific region.

Thirdly, the U.S. recognizes that the development of influence in the Asia-Pacific region is essential to ensure dominance in dealing with the challenges in the region, such as potential disputes in the South China Sea, the Taiwan Strait, the nuclear issue on the Korean Peninsula, and most recently, the rise of terrorism in the region.

Fourthly, involvement in the Asia-Pacific region is an urgent requirement to establish a new security structure beneficial for the adjustments of the U.S. global strategy. After the September 11 terrorist attacks, the Asia-Pacific, including Southeast Asia, is seen as a front in the war against terrorism. This area is home to more than two million Muslims and some extremist Islamic groups who are considered to be

associated with Al-Qaeda. In this context, the United States will take a greater concern in the security of the area.

Last but not least, the Asia-Pacific region, with rich resources and potential markets, is playing an increasingly important role in the global economy. These are favorable conditions for the U.S. to take advantage of and promote their leadership position.

When President Obama took office in 2009, the world had gone through a serious crisis. Time magazine called the period from 2001 to 2010 "the worst decade ever."³¹ This is especially true for Americans to witness their country stuck in two unconquerable wars, the advantage has been reduced and the American Dream is slowly disappearing. However, it is only a temporary weakness that America is going through. Targeting the maintenance of its world leader position and keeping national interests focused globally are constant factors in U.S. foreign policy from the mid-20th century to present.

In evaluating the role of the Asia-Pacific region, during the hearing before the House Committee on Foreign Affairs and Subcommittee on Asia, the Pacific, and the Global Environment in September 2010, Kurt Campbell, Assistant Secretary of State, has reaffirmed the importance of this sector in the security strategy of the United States: "The region is of vital importance to Asia-Pacific regional stability and to our shared interests in freedom of navigation, mitigation of climate change, energy security, sustainable, robust fisheries, and protecting biodiversity. Moreover, the Pacific nations

³¹ Andy Sewer, The '00s: Goodbye (at last) to the Decade from hell, Time Magazine, Tuesday, Nov. 24, 2009

play an important leadership role on global issues, particularly in the United Nations and in supporting international peacekeeping missions.”³²

Thus, the goal of the U.S. strategy in the Asia-Pacific region is to strengthen leadership in this area, which also means not allowing other emerging countries to threaten the position of the United States.

2. The security environment in the Asia-Pacific

After the end of the Cold War, the Asia-Pacific region continues to be the region of economic growth and the world's largest commercial center. However, this area also contains many potential risks. Problems of instability in the Asia-Pacific region have had an impact on the security strategy of the United States. Although the United States holds the best position to strengthen its influence in the region through its military and economic presence, tools of soft power, and technical science and modern technology, this superpower is still affected by the power, ambitions and strategic interests of other major countries.

In the Asia-Pacific, the issue of terrorism, the South China Sea dispute and the threat from weapons of mass destruction remain major challenges and threats to the regional security situation. The 11th September terrorist attacks have caused significant effects on a variety of fields: psychology, security, economics, politics, social and international relations, as well as playing a role in forcing the American leadership to make adjustments in their policies. The event has also urged the U.S. to adjust security strategy in Asia-Pacific, particularly in Southeast Asia because East Asia is considered home to a number of Islamic groups whose are closely linked to the Al Qaeda network,

³² Kurt M. Campbell, Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia, the Pacific, and the Global Environment, September 29, 2010.

such as Abu Sayyaf, Laska Jihad, and Jemaah Islamia.³³ The groups are suspected of receiving support and training from the Al Qaeda network. The terrorist activities of these organizations also threaten the maritime security of the United States in the region. Former Secretary of Defense Donald Rumsfeld judged that terrorist attacks have changed the threat to the United States after the Cold War. He said: "In a sense, we have the definition of a new battlefield of the twenty-first century. It is a new type of conflict, although this is not typical of this century, but with the nature and geography of the current condition of the United States, the attack has enormous significance for the U.S."³⁴

However, after the United States launched the war against terrorism throughout the world, terrorism is still a threat to global security, including in the Asia-Pacific region. Five years after opening a new front in the "war on terror" in Southeast Asia, although the United States has achieved some successes in suppressing and destroying the terrorists, like the killing of Osama bin Laden by a team of U.S. SEALs on May 2, 2011, or the two leaders of the Abu Sayyaf militant organization, JI, the military wing of Al Qaeda in Southeast Asia remains the most feared terrorist organization in the area and is said to be behind the bombings in Indonesia in 2005. America evaluates that forces of Islamic terrorism in Southeast Asia constitute a serious threat to U.S. security interests in the Asia-Pacific region. Islamic terrorism in the Philippines and Indonesia has affected the stability of the U.S. government in allied and closed countries of the U.S in the region. U.S. Secretary of State Hillary said: "Asia is home not only to rising

³³ U.S Department of Homeland Security, Container Security Initiative Ports, Department of Homeland Security website, http://dhs.gov/files/programs/gc_1165872287564.shtm.

³⁴ Tran Kien, Pre-Emptive Strike, Theory or a Choice (Tan cong phu dau, hoc thuyet hay chi la su lua chon), <http://vietbao.vn/The-gioi/Tan-cong-phu-dau-Hoc-thuyet-hay-chi-la-su-lua-chon/20035915/162/>.

powers, but also to isolated regimes; not only to longstanding challenges, but also unprecedented threats."³⁵

Besides the threat from terrorism, the security environment in the Asia-Pacific region also hides potential instability due to the dispute over sovereignty in the South China Sea. Territorial disputes in the South China Sea relate to the five countries (six-party) including: China, Vietnam, Brunei, Malaysia, Indonesia, the Philippines and Taiwan. Oil will continue to be an important factor in the dispute over sovereignty in the South China Sea. In the context of the energy scarcity in Asian-Pacific countries, the numbers gets higher. According to the "Global Trends 2015" report of the U.S. National Intelligence Council (NIC), the global economic development and population growth in the world will increase energy demand by 50 percent over the next 15 years. Asia will drive the expansion in energy demand, replacing North America as the leading energy consumption region and accounting for more than half of the world's total increase in demand. In particular, in order to serve the cause of modernization, China's oil demand will increase strongly. China since 1993 has become an oil importer. These factors suggest the increasing importance of strategic and economic calculations of the parties in the dispute over sovereignty.³⁶

When President Obama took office, the stress on South China Sea did not reduce but a more complex opposition emerged. In 2009, a rise in tensions in the South China Sea was marked with a bolder attitude of China oin both diplomacy and military terms. The re-emergence of the Spratlys dispute blurred the relationship between China and

³⁵ Hillary Clinton, Remarks on Regional Architecture in Asia: Principles and Priorities, Honolulu, Hawaii, January 12, 2010.

³⁶ U.S National Intelligence Council, Global Trends 2015: A Dialogue about the Future With Nongovernment Experts.

the Philippines, meanwhile Vietnamese fishermen were often collected by Chinese patrol boats for 'fishing in China's Sea.' American companies were under pressure to withdraw from the offshore energy business with Vietnam. China is also stepping up its naval operations, doubled the number of patrols around the two disputant Paracels and the Spratlys. Recent clashes in the South China Sea between China and the U.S. ship raised many concerns about the security of the sea as well as the ambitions towards the potentials of the sea.

In addition to the dispute over South China Sea, the common problem of weapons of mass destruction also attracts the attention of the U.S. leadership. The U.S. assessed that "the gravest danger to freedom lies at the perilous crossroads of radicalism and technology. When the spread of chemical and biological and nuclear weapons, along with ballistic missile technology -- when that occurs, even weak states and small groups could attain a catastrophic power to strike great nations."³⁷U.S. officials are also well aware that, if prevention fails, defense systems will never be perfect. Even though the U.S. controls all kinds of defense systems - ballistic missile defense, cruise missile defense and other types of air defense, civil defense, border... then the defense system considered to be most advanced of the U.S. cannot perform their utmost capability before the WMD threat at any time. U.S. Defense Secretary Donald Rumsfeld also admitted that: "It is not possible to defend against every conceivable kind of attack in every conceivable location at every minute of the day or night... The best, and in some cases, the only defense is a good offense."³⁸

³⁷ George W. Bush, Remarks by President Bush at 2002 Graduation Exercise of the United States Military Academy, West Point, New York. 1 June 2002.

³⁸ Donald Rumsfeld, Remarks on "21st Century Transformation" of U.S. Armed Forces, National Defense University, Fort McNair, Washington, D.C., January 31, 2002

For the United States, the North Korean nuclear weapons development has caused many potential threats.

First, it could create a domino effect in East Asia, revived the prospect of a nuclear armed Japan and South Korea. This could not only undermine the nuclear non-proliferation regime, break the balance in the region, and threaten U.S. strategic interests, but also undermine the role of the "nuclear umbrella" of the United States with its allies in the region.

Second, the U.S. allowed Pyongyang successfully produce its nuclear program. This means the superpower may have less influence in preventing other countries achieving the ultimate weapon.

Third, North Korea could become the focal point of exporting nuclear weapons or nuclear techniques to terrorist organizations or other states that is a direct threat to the security of the U.S..

In 2009, when President Obama took office, the process of denuclearization on the Korean Peninsula had experienced serious setbacks when North Korea made a series of provocations, including its test of five missiles in April and the declaration of the country's second nuclear test in May. President Obama viewed North Korea's actions as seriously violating the resolutions of the Security Council, creating a bold and direct challenge to the international community, increasing stress and damage to the stability in Northeast Asia.³⁹

Besides traditional security challenges, the Asia-Pacific region is faced with other potential problems, such as international crime, ethnic conflict, mass migration, and

³⁹ Do Minh Cao, China – U.S Relationship on Security Defense: some highlighted points, Defense – Security Relationship Magazine, Vol. 03.

environmental conflict. The challenges are becoming more urgent after the September 11th terrorist attacks. Therefore, the U.S. needs to take more concrete steps to ensure security and promote their leadership position in this area.

3. The rise of China

Former U.S. Secretary of State Henry Kissinger once said that a country becomes a threat of others when three factors converge: national power, determination to use the power, and eventually performance to rivals in perception of the two characteristics.⁴⁰ This statement is quite consistent with the case of China. China is now seen as peer competitors of the United States, but the strength of China together with its foreign policy and ambitions have put the U.S. in front of new potential risks.

Economically, over the last decade alone, the country has moved up four places, surpassing France, the United Kingdom, Germany and Japan to become the world's second largest economy behind the United States. At roughly \$7.9 trillion of GDP in 2011, China now accounts for more than a tenth of all global economic activity.⁴¹ According to economists from Goldman Sachs, China has already surpassed the U.S. when it comes to exporting and manufacturing, and is expected to overtake America's economy in size by 2027. Even Former U.S. Secretary of State Albright admitted that "no country has shaped the development role of Asia in the twenty-first century than China"⁴².

⁴⁰ Dinh Quy Do, American's economic policy towards Asia – Pacific region (Chinh sach kinh te cua My doi voi khu vuc Chau A Thai Binh Duong), Social Scientific Publishing House, 2000. P12.

⁴¹ Annalyn Censky, China's economic growing pains, [CNN Money](http://money.cnn.com/2012/04/23/news/economy/china-economy/index.htm), April 26, 2012, <http://money.cnn.com/2012/04/23/news/economy/china-economy/index.htm>

⁴² Dinh Quy Do, American's economic policy towards Asia – Pacific region (Chinh sach kinh te cua My doi voi khu vuc Chau A Thai Binh Duong), Social Scientific Publishing House, 2000. P14.

If these forecasts are correct, this can be seen as a manifestation of the rise of a new world power. A powerful China will change the structure of international and regional power. However exact the comparative calculation of the power in the future of China and the United States is, the obvious synergy of China is increasing and will affect most countries in the Asia Pacific. China's current and future competitive power will challenge the leadership role of the United States in the region. A powerful China will also challenge the balance of forces of the major powers in the Asia-Pacific.

Along with the efforts of economic reform, China has not stopped focusing on developing military with rapid increase in defense spending. In early 2009, China announced it would rise defense spending by 14.9 percent. Experts said that this is the nineteenth time China's defense budget increased over 20 years. The analysis shows that the defense budget increase was higher than GDP growth in China. In the past 10 years, China's official defense budget grew an average of 12.9 percent, while GDP increased by only 9.6%.⁴³

China's increased military strength causes insecurity in many neighboring countries.

India, for example, remains the world's biggest weapons importer for the third year in a row.⁴⁴ In recent years, India's defense budget has continued to increase. In 2006–2007, military spending was \$19.11 billion and in the following three periods were \$20.56

⁴³ Ngoc Tran, What does China aim at in modernizing its army (Trung Quoc hien dai hoa quan su lam gi?), March 10 2010. http://www.rfa.org/vietnamese/in_depth/in-modernizing-its-army-what-does-china-aim-at-03012010061140.html

⁴⁴ Sruthijith KK, ET Bureau, India remains top arms importer while China becomes fifth largest exporter, The Economics Times, March 18, 2013. http://articles.economictimes.indiatimes.com/2013-03-18/news/37815093_1_top-arms-importer-largest-importer-weapons-importer .

billion, \$ 29 billion and \$32 billion respectively. These increases are at least in part explained by China's growing strength.

Besides this strategic military modernization, China is challenging the role and influence of the U.S. in Asia-Pacific including military frictions such as the collision of five Chinese ships with the USNS Impeccable in the southern Hainan Island, and the Chinese submarine collision with the ground navigation equipment pulled by the USS John McCain. China has now become an exporter of weapons to third-world countries. China has provided arms to countries listed by the U.S. as countries of particular concern, and this affects U.S. interests in the region.

4. The viewpoints of U.S. leadership and the development of the pivot

In the process of strategic planning security, besides the impact of the objective factors mentioned above, the subjective factor focusing on the role of presidential leadership also contributes to their mark.

President George W. Bush's awareness of the international system was of an old and switching bipolar world order, which was opening the way for a unipolar world headed by the United States. In the hierarchy of national interests, Bush put power in the lead, with peace in second place. Bush's inclination on the intervention strategy was expressed through a tough diplomatic style and a desire to use force when the vital interests of the country were threatened. Additionally, the Bush administration included prominent figures of the Republican Party who were influential and experienced in security and foreign policy issues, such as Vice President Dick Cheney, Donald Rumsfeld, Colin Powell, and Condoleezza Rice.

According to this leadership group, after the Cold War the U.S. became the world's sole superpower. Therefore, the primary objective of U.S. foreign policy was to protect and further emphasize the status of U.S. global hegemony. To achieve these

goals, they made use of hard power. Only strengthening military power could guarantee safety America.⁴⁵ At the same time, Republican administrations have tended to rely more on unilateralism in policy approaches to international issues. Republican administrations have tended to be practical and define national interests narrowly, sometimes without regard to the interests of other nations in the international community. This view was reflected in the perceptions of National Security Adviser Condoleezza Rice of policy: "The policy of the Republican administration must surely stem from a solid foundation for the national interests, not for the benefit of any fantastic international community."⁴⁶

When Obama came to the presidency in 2009, he was rated as having little foreign policy experience, and he quickly filled this deficiency by the appointment of Vice President Joe Biden. The benchmark of his first term came by the end of 2010 when Obama vowed to expand US influence in the Asia-Pacific region in his speech to the Australian parliament in November 2011. By drawing out U.S. troops from Iraq and Afghanistan, the ultimate goal of his administration was to "rebalance" U.S. attention toward planning for future challenges and opportunities represented in the Asia-Pacific region, and to ensure that "the United States will play a larger and long-term role in shaping this region and its future, by upholding core principles and in close partnership with our allies and friends".⁴⁷ By strongly reaffirming that the U.S was a Pacific nation, Obama emphasized that U.S presence in the Asia-Pacific region was a top priority of his administration. The strategy had even been mentioned earlier in a variety of events by

⁴⁵ Ivo H. Daalder and James M. Lindsay, *America Unbound: The Bush Revolution in Foreign Policy*, New York: John Wiley and Sons, 2003.

⁴⁶ Le Linh Lan, *On the contemporary security strategy of America*, National Politics Publishing House, 2002, P.71.

⁴⁷ Remarks By President Obama to the Australian Parliament, November 17, 2011.

U.S. senior officials. Secretary of State Hillary Clinton in a remark in Honolulu on September 2010 paved the way for the new policy by saying that “this has been our priority since Day One of the Obama Administration, because we know that much of the history of the 21st century will be written in Asia”.

It was also in Singapore, a year ago, that the American defense secretary at the time, Leon Panetta, put more flesh on the bones of the military strategy. He announced a plan to locate 60% of America’s warships in the Pacific by 2020. At present the navy has 283 warships, of which 101 are deployed, 52 of them in the Pacific and Indian Oceans, where five of America’s ten aircraft-carrier groups are assigned. Mr. Panetta stressed that meeting the 60% target would take years, but that “in a steady, deliberate and sustainable way, the United States military is rebalancing.”⁴⁸ It means that reductions in U.S. defense spending will not come at the expense of the Asia Pacific.

The Obama administration also emphasized alliance consolidation, specifically maintaining their strong presence in Japan and the Korean Peninsula and reiterating the U.S.’s resolve to act firmly against any proliferation activities by North Korea. Concurrently they promised to enhance U.S. presence in other Southeast Asian countries in their partnership with Indonesia against piracy and violent extremism, in their work with Malaysia to prevent proliferation, in the ships they’ll deploy to Singapore, and in their closer cooperation with Vietnam and Cambodia. At the same time, Obama’s team has reengaged with regional organizations through strengthening cooperation with ASEAN leaders and attending the East Asia Summit for the first time.

Meanwhile, the United States has made a firm commitment to its continuation of its effort to build a cooperative relationship with China by seeking more opportunities

⁴⁸ Banyan, Pivotal concerns, *The Economist*, May 11 2013.

for cooperation with Beijing, including greater communication between the two militaries to promote understanding and avoid miscalculation.

In terms of tools for implementing such policies, in a hearing at the Senate Foreign Relations Committee, Secretary of State Clinton said that the U.S must use smart power and "with the smart power, diplomacy will be the vanguard of foreign policy."⁴⁹ They believed that the United States was strong still, but not strong enough to do as it wished with or without the world's approval. In terms of the administration's guidelines, smart power represents a more balanced relationship between the use of military force and diplomacy, and reflects a priority for diplomatic measures. Regarding the content of external relations, the U.S. insists on that soft power has advantages. In a report by the Centre for Research in International Strategy (CSIS), Professor Nye has said that 'smart power' in foreign policy can be represented by building alliances, partnerships and institutions to create the foundation for dealing with global problems.⁵⁰

In the process of planning the new security strategy for the Asia Pacific region, these points have been applied in line with the new situation in the region, creating a number of distinctions compared with the previous Bush administration.

It can be said that the pivot's implementation has been driven by both internal and external factors. When the inner strength of a country is not adequate to meet its own ambitions and to manage the difficulties, it will have to reach out to link and aggregate into larger power sources. The hegemonic power of the United States is by no

⁴⁹ U.S Senate Committee on Foreign Relations Hearings on nomination of Hillary R. Clinton to be Secretary of State, January 13, 2009. <http://www.foreign.senate.gov/hearings/2009/01/13/nomination>

⁵⁰ Craig Cohen, Joseph S. Nye Jr., Richard L. Armitage, A smarter, more secure America, Report of the CSIS Commission on Smart Power, Nov 6, 2007.

means conquered by a single China, but a single United States also cannot cover the whole world order under current conditions. Under this circumstance, the Asia Pacific pivot can be considered as a strategic tool of the United States to maintain its preponderance, or its hegemonic stability. The motivation for the pivot seems clear: while the global “center of gravity” is shifting toward the Asia Pacific region, President Obama desires to reorientate US foreign policy away from the politically unpopular war in Afghanistan, as well as the broader focus on the unstable, violent Middle East, to the Asia Pacific region.

Chapter Three: Managing bilateral relations, institutions and economic cooperation

One of the clearest articulations of the rationale and strategic logic behind the rebalance is the November 2011 *Foreign Policy* article by then-Secretary Clinton, in which she outlined six key lines of action to implement the strategy, including: strengthening bilateral security alliances; deepening the U.S. working relationship with emerging powers, including China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence that modernizes traditional basing arrangements in Northeast Asia while enhancing the U.S. presence in Southeast Asia and into the Indian Ocean; and advancing democracy and human rights.⁵¹ Some of these priorities will be inspected carefully to see how far the pivot has gone in Asia.

I. Bilateral relations settlement

1. The U.S – China relationship

In relations with the major powers in the Asia Pacific region, the U.S.'s relations with China contain many unpredictable and potentially dangerous factors.

Bilateral relations between the U.S and China during the eight-year term of George W. Bush experienced complicated developments. Coming into power, he had been highly critical of President Clinton's tendency to treat Beijing as a potential

⁵¹ Hillary Clinton, "America's Pacific Century," *Foreign Policy* 189 (November–December 2011), 56–63. Also see "Remarks by President Obama to the Australian Parliament," Canberra, Australia, November 17, 2011, available at <www.whitehouse.gov/the-pressoffice/2011/11/17/remarks-president-obama-australian-parliament>.

'strategic partner' of the United States and announced that "China is a competitor, not a strategic partner."⁵² The Bush administration assessed that the "'romantic' and 'unrealistic' Clinton administration's policy toward China had created favorable conditions for China's rise to dominate the region."⁵³

Firstly, the Bush administration characterized relations with China in a more complex way in which the two countries could cooperate both on some specific issues, but generally tended to be more competitive on other issues. The concept of 'competitor' was emphasized in the Quadrennial Defense Report (QDR) and nuclear posture report (NPR).⁵⁴ The United States would cooperate with China in some fields while at the same time address tough issues in a firm way. The cause of this change in foreign policy was explained by Former Adviser Condoleezza Rice through the notion that China insisted on an irresolvable conflict with Taiwan, that China was dissatisfied with the U.S. role, and that China showed discontent with the status quo and wanted to change the balance of power in Asia. Rice said that the policy meant that the US must pursue strategic partnerships whenever possible, but also that the United States "should never be afraid to confront Beijing" when it was beneficial to do so.⁵⁵

The readjustment of the U.S.-China relationship was also consistent with the global strategy by key members of the cabinet, such as Dick Cheney and Paul Wolfowitz. This strategy aimed to maintain the dominant position of the United States

⁵² George W. Bush, "A Distinctly American Internationalism," Ronald Reagan Presidential Library, Simi Valley, California, November 19, 1999

⁵³ Robert Zoelick, A republican foreign policy, Foreign Affairs, 2000.

⁵⁴ George W. Bush and Hu Jintao, President Bush and President Hu of People's Republic of China participate in arrival ceremony, April 20, 2006.

⁵⁵ George W. Bush and Hu Jintao, President Bush and President Hu of People's Republic of China participate in arrival ceremony, April 20, 2006.

in the world. It outlined a world order in which the United States should be able to prevent any nation or alliance becomes superpowers and not to allow any other country to emerge as a global competitor. With this strategic perspective, any country challenging the position of U.S. hegemony, such as China, would become a strategic competitor.

However, after the 11 September terrorist attack,, the Bush administration began adjusting attitudes toward China, expressing the desire to develop partnerships actively, and to maintain stability in U.S.-China relations. The status of this relation quickly moved to the opposite corner with many positive steps, such as agreements on sharing information related to terrorist threats, the U.S's granting the permanent favored trade status for China, and the exchange of high ranking officials.

It can be seen that the terrorist attacks on the United States have had a huge impact on U.S.-China relations. First, this event changed the strategic thinking in the foreign policy making of the United States. The Bush administration realized terrorism was a dangerous, new and immediate threat to U.S. security - rather than a potential rival and long-term threat as China. In fact, in the near future, the security threat to the United States was viewed as primarily originating not from the major powers but from the 'underground networks' of international terrorism. In a speech at West Point on May 6, 2002, Bush pointed out that: "We have our best chance since the rise of the nation state in the 17th century to build a world where the great powers compete in peace instead of prepare for war."⁵⁶

Second, the September 11 attacks provided an opportunity for the U.S to stand closer to China. Washington needed China's cooperation more than ever to maintain

⁵⁶ George W. Bush, Graduation Speech at the United States Military Academy, West Point, New York, June 2 2002

stability in the Asia-Pacific region. China's decision to quickly support the fight against terrorism of the United States once again put Beijing (at least superficially) in the position of one of Washington's key partners. This had an impact on the adjustment of the Bush administration's China policy. In response to China's goodwill, Bush decided to attend the APEC meeting in Shanghai, despite the ongoing war in Afghanistan, and this was the first foreign visit since the terrorist attacks of 9/11. Bush praised China's efforts in the war on terrorism and encouraged increased cooperation and economic security in this area. In a few months, President Bush visited China twice. This showed the interest and change in the attitude of Bush to China.

Under Obama administration, the U.S.-China relations gains more importance as the most influential bilateral relationship. In the security field, the two countries continued to promote cooperation in the fight against terrorism, non-proliferation of weapons of mass destruction pushing arms control, maintaining six-party talks on the nuclear issue on Korea Peninsula, and cooperating in international peacekeeping operations.

Overall, the Obama administration has taken advantage of the previous mechanisms and is willing to set aside the problems which America often used to pressure China, including democracy and human rights. However, the more concessions the Obama administration has made, the more assertive China has become, particularly in its strategic calculations.

The U.S Congress issued a resolution pressing China to increase the value of the Yuan in 2010; announced the sale of arms to Taiwan under an agreement under the Bush presidency valued at 6.4 billion dollars; and Obama and his Secretary of State met the Dalai Lama at the White House. America continues to adjust its forces in the region to create an enclosure around China. With this ambitious strategy by the two countries,

international analysts said that the risk of "confrontational strategy" and "soft war" between the two countries may be difficult to overcome.

The panorama of U.S. - China relations in 2010, however, showed brighter colors and in 2011, the U.S.-China relationship prospered again. The first warm signs were the visit of U.S. Secretary of Defense in December 9th 2011 to China and visit of Chinese President Hu Jintao to the United States on January 19th 2011. Speaking on the visit of President Hu Jintao to the United States, Jiang Yu, spokesperson of China's Foreign Ministry, described the occasion as "a major event in bilateral relations in the new era. China expects it to further advance bilateral relations in a positive, cooperative and comprehensive way."⁵⁷

Hillary Clinton also reaffirmed that U.S.-China ties were at a "critical juncture, a time when the choices we make – both big and small – will shape the trajectory of this relationship" and she said that the two countries needed to build positive, cooperative and comprehensive relationships in addressing economic and security challenges.⁵⁸ Clinton said the administration of President Barack Obama had been pursuing two strategic priorities to strengthen U.S.-China relations: Firstly, strengthening trust-building between the U.S. and China, as well as expanding economic, political and security cooperation. Second, that the two countries needed to develop the habits of cooperation and mutual respect in order to enhance efficiency and minimize disagreements. Clinton stressed that this cooperation could have a significant influence on the international security and development issues. Therefore, the two countries

⁵⁷ Chinese Foreign Ministry Spokesperson Jiang Yu's Regular Press Conference on December 23, 2010.

⁵⁸ Hillary Rodham Clinton, Inaugural Richard C. Holbrooke Lecture on a Broad Vision of U.S.-China Relations in the 21st Century, January 14, 2011.

needed to develop this relationship further in order to achieve better results in the future.⁵⁹

However, recently the Chinese government, especially the People's Liberation Army (PLA), has appeared more aggressive, self-confident, and assertive in dealing with the US and its allies. The answer for this movement could lie in an ancient Chinese strategy called the "unrelenting strategy" which was analyzed by Jenny Lin in her article entitled '*Navigating US-China Relations: Complicated by China's "Unrelenting Strategy"*'.⁶⁰ Step one in that strategy, according to Lin, is to confuse the opponent's judgments, meaning to surprise the U.S. with the PLA's rapid development. Step two seeks to induce the opponent's internal political conflicts by creating divisions between the US business and security communities. Other actions were implemented such as striving to create tension in US relations with ASEAN, Japan, South Korea, and Taiwan and seeking to divide and conquer with its preference for bilateral mechanisms. Through bilateral means, Beijing is able to entice parties with short-term economic benefits that the CCP can forgo, or coerce smaller and weaker parties in the region, for its longer-term gain. Step three – "launching an offensive attack" – is Beijing's long-term strategy and aims at eliminating Washington's influence. In the short-run, the CCP/PLA will not hesitate to demonstrate its military capabilities to US allies and partners in the region. Thus far, Beijing has been testing the waters by intimidating Japan, the Philippines, and Vietnam with assertive behavior over territorial disputes. Ultimately, China seeks to discredit a security alliance with the US, and eliminate or

⁵⁹ Hillary Rodham Clinton, Inaugural Richard C. Holbrooke Lecture on a Broad Vision of U.S.-China Relations in the 21st Century, January 14, 2011.

⁶⁰ Jenny Lin is a Sasakawa Peace Foundation resident fellow at Pacific Forum CSIS. She previously worked at Project 2049 Institute, and the Center for the Study of Chinese Military Affairs, Institute for National Strategic Studies.

reduce Washington's influence.⁶¹ However, in evaluating the actual results of this strategy, it can be said that China has not yet achieved its initial ambitions. The recent development of PLA as well as a 10.7 percent increase in 2013 defense budget is estimated to be enough to make China a force in its neighborhood, but not one to engage in combat overseas.⁶² The internal economic and political conflict of China itself and its not-so-good soft power which brings about low influential attraction has also prevented efforts in dealing with security issues. China is now confronting strong opposition within the international community for aggressive actions on the East Sea and failure to comply with international regulations.

2. Boosting alliance relations with Japan and South Korea

Although the United States has consistently encouraged such an intra-allied cooperation since the George W. Bush administration period, the Obama administration seems to recognize greater collaboration between regional allies and partners as the foundation of its new strategy that seeks a more flexible, low-cost and small-footprint approach in this region.

In the Asia Pacific, Japan and South Korea play an important role in the United States' strategy formation. These countries are considered to be both objectives in the U.S.'s calculations in boosting alliances and expanding its hegemonic influence, as well as policy tools in the pivot strategy. How does America's rebalance to Asia impact the security policies of Japan and Korea though? How does the new security posture of the United States change the status quo on the Korea Peninsula? This part of the paper

⁶¹ Jenny Lin, Navigating US-China Relations: Complicated by China's "Unrelenting Strategy", Pacific Forum CSIS, Honolulu, Hawaii, March 5, 2013.

⁶² Andrew S. Erickson, Adam P. Lift, A Player, but No Superpower, The Foreign Policy, March 7 2013

attempts to answer these questions by looking at the Obama administration's security policy towards Asia and Japanese and Korean responses to it.

2.1 The U.S – Japan alliance

During the Cold War, the United States used the US–Japan alliance to restrain the Soviet Union and implement U.S. intentions in the region and globally. After the Cold war, the U.S experienced a short period of being the only great power with no opponents, but soon began to be concerned about Japan's seemingly unstoppable economic momentum⁶³. However, Japan continued to serve as a key and irreplaceable ally for the United States in the region. Japan and the United States have much in common in their strategic interests in the region and the world. In the Asia-Pacific region, the U.S. regarded Japan as an important element in the strategy of balancing relations with major countries, especially in its relations with China and Russia.

After coming to power, President Bush held a number of high-level meetings between the two countries. Japanese Prime Minister Koizumi's paid a visit to the U.S. in March and July 2001. During the latter visit the two sides agreed on building a strategic dialogue on the regional situation in the Asia-Pacific, and signed a joint statement on building a strategic partnership for stability and prosperity. The relationship was further strengthened after the September 11 attacks when Japan quickly passed a law allowing Japanese self-defense forces to participate in activities to support the war outside Japanese territory. The Visit to Japan by President Bush in February 2002 further confirmed the importance of the U.S.–Japan security alliance. Moreover,

⁶³ Stephen M. Walt, *Taming American power – the global response to U.S Policy*, W.W. Norton & Company, 2005

President Bush even declared the twentieth first century the "Pacific century" motivated by power of U.S.-Japan economic and military alliance.⁶⁴

By the time President Obama took office, the U.S.-Japan alliance had been continuously strengthened. In February 2009, the two countries signed the "International Agreement on Guam ", planning in the next six years to move officers and soldiers of the U.S. Marine Corps stationed at Futenma Okinawa to Guam. The deployment of foreign troops of the United States had begun in 2005 and made more certain the strategic deterrence in the Asia-Pacific region. In addition, to reduce opposition among Japanese people over American troops, the U.S. began to establish a working group to review the agreement to replace the Futenma base.

President Obama had his first official visit to Japan in May 2009. In these high-level talks, the two sides agreed to develop and deepen the Japan-U.S. alliance, asserting relations between the two countries was fundamental to ensuring peace and stability in the region. The meeting also confirmed moving the Futema airbase. In the Quadrennial Defense Report, February 2010, the United States stressed strengthening alliances, building new strategic partnerships in key areas. Accordingly, the U.S. Defense Department is working closely with its strategic ally to implement the agreed plan, and building a bilateral, regional and global coalition.⁶⁵

It can be seen that the US - Japan relationships has been in a relatively stable orbit. America views the U.S.-Japan alliance as a pillar in the Asia-Pacific region. U.S.

⁶⁴ Christopher Hill, The Japan – US alliance nexus: The security treaty and search for mutuality, Journal of American History, 2003.

⁶⁵ Nguyen Nham, New Policy of the United States in Asia – Pacific region: Perspective from Foreign Defense (Chính sách mới của Mỹ với Châu Á Thái Bình Dương: góc nhìn từ đối ngoại quốc phòng), Security – Defense Relations Journal (Tạp chí Quan hệ quốc phòng – an ninh), Vol.3

policy in the coming years is likely to remain oriented towards close cooperation with Japan. U.S.-Japan relations will continue to be promoted under any US government.

2.2 U.S – South Korea

Korea has so far been considered the second strategic ally of the U.S. in the Asia - Pacific. U.S. security policy towards Korea has largely been dominated by U.S. policy towards North Korea and South-North relations. This relationship was somewhat slowed down in the first period, when U.S. President George W. Bush reviewed its policy towards North Korea. The United States did not want South Korea to continue to improve relations with North Korea in the spirit of the "Sunshine Policy" so that North Korea would not really want to stop the program of nuclear weapons development but just took advantage of the economic aid of ROK in order to further boost that ambition. The U.S. had publicly expressed its dissatisfaction during South Korean President Kim Dae Jung's visit to the U.S. in 2001. However, U.S. – South Korea security relations quickly changed. U.S. policy is increasingly leaning towards improving bilateral relations and respect for the position of Korea in inter-Korean relations. The U.S.'s perception is that the policy of pressurization on North Korea only helps when they possess close cooperation with South Korea.

When President Obama took office, the U.S. – South Korea coalition continued to be boosted. Obama emphasized the need to strengthen relations with South Korea and also displayed affection to the country. Obama estimated the relationship between the U.S. and South Korea stronger than ever before, and emphasized that America would never abandon South Korea from the North Korean threat. From 2009-2012, U.S.-South Korea relations were exceptionally strong, as evidenced by close coordination over North Korea policy, by the entry into force of a bilateral trade agreement in March 2012,

and by the positive personal relationship forged by Presidents Barack Obama and Lee Myung-bak.

In remarks in a Joint Press Conference with newly-elected President Park Geun-hye of South Korea in her first visit to the United States in May 2012? President Obama reaffirmed that “the United States and the Republic of Korea are as united as ever” and strongly committed to closer engagement with both ROK and Japan in dealing with any challenge or threat to our security, including the threat from North Korea.

*“For our part, we’ll continue to coordinate closely with South Korea and with Japan. And I want to make clear the United States is fully prepared and capable of defending ourselves and our allies with the full range of capabilities available, including the deterrence provided by our conventional and nuclear forces. As I said in Seoul last year, the commitment of the United States to the security of the Republic of Korea will never waver.”*⁶⁶

Thus, it can be stated that the U.S. –South Korea security alliance will continue to be one of the pillars of U.S. security strategy in the Asia Pacific region and the U.S. will continue and deepen its allied relations strategy.

II. Institutions and economic cooperation

1. Institutions

Institutions, or international institutions specifically, neither substitute for a state power nor exerts powerful constraints on great power behavior, but they provide useful mechanisms for overcoming dilemmas of collective action and other obstacles to multilateral cooperation.⁶⁷

⁶⁶ Remarks by President Obama and President Park of South Korea in a Joint Press Conference, May 7 2013.

⁶⁷ George W. Bush, Statement by the President in his address to the Nation, September 11, 2001

As Southeast Asia connects both sides of the Indian and Pacific Oceans, the U.S. sees a strong and integrated ASEAN as an important component in bolstering the security of the entire Asia-Pacific as well as guaranteeing its ability to project power in the region.

Regarding security interests and strategies, ASEAN contains three U.S. allies in Asia - the Philippines, Thailand and Singapore. Other countries such as Malaysia, Indonesia and Vietnam are also cooperating closely with the U.S. in many areas. A comprehensive U.S. strategy for Asia would be incomplete without a strong and clear strategy with ASEAN. ASEAN is a contemporary forum for the largest countries in the Asia Pacific to compete and the U.S. cannot retreat or underestimate the fundamental benefits in this very important region.

When it came to power, the Bush administration pursued pragmatic cosmopolitanism. Therefore, the Bush administration said it would continue to be involved in ASEAN. In relations with ASEAN, the potential insecurity of the South China Sea attracted the U.S.'s special attention. Freedom of navigation is a key benefit to America. It is clear that threat to the freedom of navigation through South China Sea would seriously disrupt the economic development of the region while the U.S. depends on the maintenance of freedom of navigation for merchant ships and warships over this area for its economic growth and security guarantee.

Deeply concerned over tensions in the South China Sea, Joseph Nye, while serving as Assistant Secretary of Defense for International security, announced that if military conflict on the South China Sea interfered "with the freedom of the sea, the US would be prepared to uphold freedom of navigation"⁶⁸.

⁶⁸ Derek da Cunha, Southeast Asian Perspective on security, Institute of Southeast Asian Studies, Singapore, 2000, P.73.

Since the end of the Cold War, the United States paid more attention to the conflict in the South China Sea when the disputes over claims in the area and the unilateral activities of coastal states were on the rise. The U.S. did not support any party in the dispute and encouraged the settlement of disputes by peaceful means. The U.S. supports and encourages ASEAN in cooperation for the peaceful settlement of disputes in the South China Sea.

However, by the time President Obama came to power, the situation in the East Sea was more stressed than before. America has since made landmark adjustments on this issue in its relations with ASEAN.

At the 12th ASEAN Regional Forum in Hanoi, Secretary of State Hilary Clinton declared:

*"The United States, like every nation, has a national interest in freedom of navigation, open access to Asia's maritime commons, and respect for international law in the South China Sea. We share these interests not only with ASEAN members or ASEAN Regional Forum participants, but with other maritime nations and the broader international community."*⁶⁹

Mrs. Clinton also said the U.S did not take sides on the competing territorial disputes over land features in the South China Sea but supported a collaborative diplomatic process by all claimants for resolving the various territorial disputes without coercion in accordance with the UN Convention on the Law of the Sea (UNCLOS). In addition, she also encouraged the parties to reach agreement on the South China Sea code of conduct, which reflects the spirit of the Declaration on the Conduct of the South China Sea stakeholders that ASEAN and China reached in 2002. This remark showed a major change in the strategy of the U.S. and its deep and real involvement in the region.

⁶⁹ Hillary Rodham Clinton, Remarks at Press Availability, 17th ASEAN Regional Forum, National Convention Center, Hanoi, Vietnam, July 23 2010.

In relations with ASEAN, the U.S. is especially focused on the regional security forum ARF, first initiated by ASEAN in 1993. ARF is a forum for open dialogue and consultation on security issues and regional politics. The U.S. government clearly understood that support for the development of ARF was necessary to maintain U.S. involvement in regional security issues.

The U.S. is utilizing the ARF to in preventive diplomacy. The U.S. government said that the annual report on defense policy from ARF members, along with the exchange of security officials, has increased members' transparency and helped understanding of the threats and concerns over the security of each country. However, America has not been satisfied with the inappropriate response of the ARF to crisis situations or the problem of security in the region, such as efforts to achieve clear progress on the Korean Peninsula. The U.S. said that the ARF members should be willing to discuss traditional and non-traditional security issues. Through the Forum, the U.S. has also shown a desire to share common concerns about other security issues, such as counter-terrorism.

During President Bush's administration, the U.S. has also expressed an interest in ASEAN while continuously strengthening relations with ASEAN members. However, the interest of the U.S. in Southeast Asia could not be compared with what America had done in Afghanistan and Iraq. America has facilitated deeper involvement of other countries in ASEAN, affecting the U.S.'s target not to let any country in the Asia Pacific threaten U.S. dominance.

Compared with the period of the President Bush administration, relations between the U.S. and ASEAN during the Obama era have made significant strides. During the eight years under President George Bush, Washington had avoided the Treaty of Amity and Cooperation with ASEAN, although many outsiders have joined.

The treaty emphasizes dispute resolution by peaceful means and non-interference in internal affairs. The treaty has long been regarded as obstacles to the foreign policy of the U.S. freedom. Why?

This attitude changed when Secretary of State Hillary Clinton signed the treaty on 22/7/2009. This new move was considered to be related to the return of America to the region and the belief that the regions occupied an important strategic position in the south eastern side of Asia. Besides, the neutrality of the ASEAN multilateral mechanism is also advantageous for the U.S. to put pressure on Myanmar and North Korea, particularly over the development of nuclear weapons.

The Obama administration has conducted many activities and efforts to promote relations with ASEAN. U.S. Secretary Hillary Clinton visited the ASEAN headquarters in Jakarta, Indonesia during her first trip to the region in February 2009. ASEAN's Former Secretary General Surin Pitsuwan assessed the visit expressing the seriousness of the U.S. in strengthening relations with the region. On July 2009, Hillary Clinton attended the ASEAN Regional Forum in Thailand with the message that America was returning in the area. She and ASEAN Foreign Ministers signed the Treaty of Amity and Cooperation - an agreement China had signed with ASEAN in 2003, and this U.S. decision came after more than 17 years of receiving an offer from ASEAN. In the new U.S. strategy, the Obama administration has sent the message that the U.S. will again compete for influence in ASEAN. It can be confirmed that the U.S. interests in ASEAN are of considerable importance. The new approach of the Obama administration will open up many more opportunities for development cooperation on both sides.

2. Economic cooperation

For various reasons, U.S. engagement with the region over the past few years has emphasized the political and security dimensions, with the economic dimension seen as

a few steps back. Trade expansion is always a difficult issue for Democratic Presidents whose coalition includes significant support from labor unions and other groups seeking protection from what they view as “unfair” competition. Moreover, in the U.S. system most economic activity is performed by the private sector; the U.S. Government cannot create a favorable business environment in Asia Pacific countries. This is unbalanced, and it is important to move the economic dimension of U.S. policy to center-stage. At the core of this approach is an understanding that diplomatic, security and economic relationships in the Asia-Pacific region are mutually supportive.

This is particularly so as the rise of Asia over the past five decades has been an economic emergence, which in turn has served to underpin the region’s growing political significance. As the global economic and political poles shift to Asia, the imperatives for sustained U.S. engagement will only strengthen. As former secretary of state Hillary Clinton said in Singapore last year, the history of the 21st century is being written in Asia.

With the U.S. emphasis on domestic economic growth, engaging Asia makes economic sense for the United States in terms of trade, jobs, and manufacturing strength. U.S. companies stand to benefit enormously from the opportunities and markets available in Asia. Growing numbers of American companies are investing in and exporting their products and services to rapidly expanding East Asian markets. Asian-Pacific businesses are increasing their profiles in the United States and providing jobs for American workers.

The United States has a robust economic agenda that recognizes the importance of the Asia-Pacific region. They are working to accomplish the objectives of an economic agenda through multiple avenues, including the Trans-Pacific Partnership (TPP), a comprehensive high standard trade and investment agreement that will boost U.S.

economic growth and support the creation and retention of high-quality American jobs. The TPP is intended to be a “high-quality” trade agreement that sets high standards for environmental and labor regulations, protection of intellectual property, financial services, government procurement, and competition policy. As of June 2013, 12 countries are participating in TPP negotiations (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam). TPP is an example of “open regionalism,” meaning that other Asia-Pacific countries willing to meet TPP standards will eventually be able to join the agreement.

And at a broader level, the U.S continues to work through APEC to strengthen regional economic integration and promote trade and investment liberalization among the twenty-one member economies. More recently, at the U.S.-ASEAN Leaders meeting in November 2012, President Obama and the Leaders of the ten ASEAN states announced the launch of a new initiative, the U.S.-ASEAN Expanded Economic Engagement (E3), which is a new framework for economic cooperation designed to expand trade ties between the United States and ASEAN, creating new business opportunities and jobs in all eleven countries. At the East Asia Summit (EAS), the President announced a new initiative called the U.S.-Asia-Pacific Comprehensive Energy Partnership, which cuts across ASEAN, APEC and other Asian regional forums to promote the development of new and sustainable energy markets in the region.

According to a recent research on the forthcoming assessment of the rebalance to Asia carried out by Phillip C. Saunders, the empirical record indicates some success for the Obama administration’s efforts to enhance U.S. trade, aid, and investment ties with the Asia-Pacific region. Despite the economic headwinds caused by the global financial crisis, U.S. exports and overall trade with Asia-Pacific countries increased from 2008 to 2012, and the region’s share in U.S. exports and overall trade also increased. When

compared with China's trade with the region, the United States is still a very important market for Asian countries (including China). Moreover, despite China's nominal status as the number one market for countries such as Japan and South Korea, a significant percentage of Asian exports to China are components for assembly and re-export to North American, European, and other third country markets. Although most of this trade, investment, and aid data predate the formal announcement of the U.S. strategic rebalance, the numbers indicate that efforts to increase U.S. economic ties with the Asia-Pacific region have paid dividends.⁷⁰

After evaluating all of the above aspects, there should be three points to be pre-conclude with the implementation of Asia pivot. First, in the efforts to renew and develop bilateral relations with countries in the region, despite tensions over bilateral cooperation and influence competition in Asia and assertive predictions of realist pessimists on a recurrent struggle for power and survival,⁷¹ the United States and China acknowledge themselves to be the most two influential countries on international playground and that every adjustment in their actions and policies may put a huge impact on international and regional security and economic stability. Witnessing all collision in interests and actions between the two giants over the past two decades and looking around on current international situation with much instability happening in each country's internal affairs as well as in the very hotspot Syria, it should be stated that heading to cooperation for mutual benefits is still the key trend in partnership between the United States and China. The alliance system of the United States in Asia Pacific with two biggest economies Japan and Korea have also played an important role

⁷⁰ Phillip C. Saunders, *The Rebalance to Asia: U.S.-China Relations and Regional Security*, Strategic Forum of National Defense University, August 2013.

⁷¹ Aaron L. Friedberg, *The Future of U.S.-China Relations: Is Conflict inevitable?*, *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7–45.

in U.S's policy in strengthening its primacy in the region and will be more focus in the coming time especially in confronting globalised security challenges and balancing a rising China.

Second, the Obama administration has also recognized the increasingly important role of institutional cooperation in dealing with conflicts in Asia Pacific. The promotion in its relationship with regional institutions and results achieved from both two sides since President Obama took office, for example within ASEAN and EAS, has proved that these mechanisms would contribute to regional stability and assist the United States in confronting its challenges. Third, the administration has been reported on its hegemonic decline, though its leading position in world order is by no means replaced by any other power in the years to come, it is necessary for the United States at this moment to enhance trading relationships with the region, and economic interdependence with countries in the Asia Pacific to consolidate the mutual benefit cooperation mechanisms and enlist the support of the emerging economies in the region.

Chapter Four: Can the United States afford the Pivot? Political and Economic costs of the Strategy

Everything has side effects, and so does the Pivot. It is an important decision that brings the United States greater influence and economic benefits, but no less risks, including rising tensions in bilateral relations with China, worries about the shortage of financial resources, the instability in the Middle East or even concerns from its traditional allies in Europe. This Chapter will examine whether the US pivot to Asia will actually cost the US too much both economically and politically and reassess the United States' capability, or more specifically the longevity of United States' alliance system in Asia, and whether it could/is contributing to US hegemonic decline.

I. How the pivot costs the U.S

1. What China thinks

It is said that the pivot's aims could have been pursued without the trumpets. Its promise of modest new defense resources for the area changes little but injects a major psychological irritant into relations with China that help fuel Chinese nationalism and the PLA's campaign for a larger budget. It also exposes the limited help the US can expect from allies and gives conservatives a reason to insist on more defense spending.

From China's perspective, although American political leaders regularly deny it, the U.S. military is working to contain China in the Asia-Pacific region. American military planners have developed a posture in Asia that is designed with the obvious purpose of putting China's seaborne commerce at risk.⁷² China acknowledges the United States "pivot" or "rebalance" to Asia under the Obama Administration has

⁷² Justin Logan, China, America, and the Pivot to Asia. Policy Analysis, January 8 2013.

compounded the difficulties they confront in their foreign and security policy environment. The rebalance is routinely described in official Chinese statements and literature as part of a concerted policy of containment of China by the United States and its allies in Asia.

To Beijing, using the theory of “China Threat”, the pivot policy of the Obama administration is a remnant and vestige of the Cold War. Beijing believes that, for fear of the rise of China, Washington is trying to add fuel to the tensions in the region to isolate them and to encourage countries that have territorial disputes with China to believe that the Asia-Pacific region requires the presence and protection of Washington. Such thinking has increased tensions in bilateral relations, putting negative effects on trust-building between the two countries, which Secretary of State Hilary Clinton has mentioned as a top priority in cooperation between the two countries.⁷³

However, the model of containment of the Soviet Union in the Cold War could no longer apply for current U.S.–China relations. It is rejected for two reasons, as explained by Joseph Nye:

*“If we treated China as an enemy, we were guaranteeing an enemy in the future. If we treated China as a friend, we could not guarantee friendship, but we kept open the possibility of more benign futures. In addition, it would have been difficult to persuade other countries to join in a coalition to contain China unless China resorted to bullying tactics such as the Soviets used after World War II. China, by its behavior, would be the only country that could organize the containment of China.”*⁷⁴

⁷³ Hillary Rodham Clinton, Inaugural Richard C. Holbrooke Lecture on a Broad Vision of U.S.-China Relations in the 21st Century, January 14, 2011.

⁷⁴ Joseph S. Nye, Jr., Our Pacific Predicament, The American Interests, Spring (March/April) 2013, <http://www.the-american-interest.com/article.cfm?piece=1388>

The questions for American policy makers, according to Logan, are whether to convince the American people to deploy huge assets to Pacific Ocean with such rationales of humanitarian assistance, stifling nuclear proliferation, suppressing narco-traffickers, and dispatching pirates,⁷⁵ or whether to emphasize how this policy will help China's peaceful rise by reassuring China's neighbors that the US will be there to help in the event of a conflict. This would hopefully reduce the desire of China's neighbors to align against it more forcefully, thus reducing the risk of conflict breaking out in the region.

2. Budgetary pressures

The 2014 U.S. Budget provides \$526.6 billion for the Department of Defense's (DOD's) base funding, representing a decrease of \$3.9 billion, or 0.7 percent, below the 2012 enacted level.⁷⁶ This budget reflects the difficult choices involved with protecting America's security interests and role as a global power at a time of declining budgets and ongoing fiscal uncertainty about the future.

However, the Budget still continues to pursue strategic priorities that reflect America's renewed commitment to a role in the Asia Pacific region. One of DOD's first priorities is to strengthen U.S. alliances and economic ties across the Asia-Pacific region.

DOD's overarching objective in the region is to sustain a stable security environment and a regional order rooted in economic openness, peaceful resolution of disputes, democratic governance, and political freedom. The Budget funds critical investments in the region that further this objective. It provides \$95 million for Guam

⁷⁵ Justin Logan, China, America, and the Pivot to Asia. Policy Analysis, January 8 2013.

⁷⁶ The White House, Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/budget.pdf>

military infrastructure to bolster Guam's position as a strategic hub in the western Pacific while taking important steps toward establishing fully capable Marine Air-Ground Task Forces in Japan, Guam, and Hawaii with the intent to rotate forces to Australia. It also provides resources to support up to four Littoral Combat Ships that would maintain a rotational presence in Singapore to improve the ability to counter a range of transnational threats in the region. In addition, the Budget supports increased military-to-military cooperation and training, which will help build the capacity of allies and partners to address security challenges. These and other investments, along with increased engagement with the region, are critical to the Government-wide effort to promote regional security and ensure the free flow of commerce and trade throughout the region.⁷⁷

At the same time, in FY 2014, among of \$47.8 billion in discretionary funding for the Department of State and U.S. Agency for International Development which is a decrease of six percent from the 2012 enacted level, the Department of States will spend part of its resources for diplomatic assistance to the Asia Pacific Region. Under the proposed budget, the biggest cuts go to aid to Iraq and Afghanistan while the allocation of funds for programs and activities in East Asia and the Pacific increased 7%. Specifically, the Budget provides over \$1.2 billion to support the Presidential priority of advancing security, prosperity, and human dignity across the Asia-Pacific region by supporting programs such as the Lower Mekong Initiative to foster sub-regional cooperation and capacity-building among Cambodia, Laos, Thailand, Vietnam, and

⁷⁷ The White House, Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/budget.pdf>

Burma. The Budget also provides significant resources for economic and security assistance to the region.⁷⁸

The U.S. Defense Department is facing cuts of \$ 500 billion in the next nine years, a part of the plan to cut the budget deficit. Defense Secretary Chuck Hagel said that the DoD will have fewer resources than in the past but it is inconclusive to commit that the rebalance of the U.S. is unsustainable.⁷⁹ Historically, the U.S. military has experienced four prior drawdowns in defense spending since the end of World War II, all of which resulted in disproportionate losses of capability. The force was maintained at a size and operated at a rate much higher than anticipated relative to overall funding levels. Consequently, resources had to come from other defense accounts leading to serious gaps in military readiness. When circumstances changed and new conflicts emerged, large infusions of money were required to restore the health of the force. In conceiving the new strategic concept, the DoD leadership was determined not to repeat the mistakes of the past, and have therefore structured this budget drawdown to protect readiness and avoid a “hollowing” of the military, a scenario in which the resources available for training, operations and maintenance are not adequate relative to the size of the force.

3. Instability and recurrent in Middle East

Between February and July 2013 U.S. Secretary of State John Kerry made six trips to the Middle East. The purpose of the sixth visit was confirmed by the White House: to seek to resume peace negotiations deadlocked for years between Israel and Palestine, to

⁷⁸ The White House, Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/budget.pdf>

⁷⁹ The White House, Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/budget.pdf>

discuss the latest developments related to the Syrian civil war and the bloody wave of violence in Egypt after the overthrow of the Muslim Brotherhood led government of President Mohammed Morsi. However, observers said that the focus of this trip was still looking for a peaceful solution for Israel and Palestine, a strategic priority of foreign policy in the second term of President Barack Obama.

Obviously, bringing Israel and the Palestinians to the negotiating table is a very challenging task. However, the surprisingly dense shuttle diplomacy trips by Secretary Kerry to the region confirmed the U.S. Middle East policy and the role of Washington in the region, which is witnessing historical change. In that unprecedented move, peace in the Middle East is seen by the administration of President Obama as a core issue to help solve other conflicts taking place in this troubled region. The presence of foreign ministers from the world's greatest superpower has brought hope to the direction of a lasting peace.

It is indubitable that the U.S cannot turn their back to the Middle East and not continue to spend sufficient efforts and resources here. The Obama administration would not want to give up their responsibility as a global player, because it enhances the primary and reaffirms the symbol of American leading power over decades.

4. European concerns

President Obama dispatched Secretary Kerry to Europe and the Middle East, while former Secretary of State Hillary Clinton's first foreign visit was to Asia. The implication of Kerry's premiere in Europe was very clear: the U.S. and Europe were committed to revitalizing the transatlantic alliance through cooperation on the economic, security and political issues, ranging from the Middle East peace process to Iran's nuclear ambition, and from the Syrian crisis to cyber security. The Transatlantic Trade and Investment Partnership (TTP) negotiation, which will be soon on track, is a

measure of the stronger economic ties over a quarter of a century and the most recent signal for the rapprochement of relationships. The revival of closer U.S.-Europe cooperation is not only aimed at saving a sluggish economic recovery in the U.S. and another recession in Europe, but is also addressing the daunting long-term challenges ahead, including economic competition from emerging market countries. Furthermore, the U.S. also wants to “pivot to Asia” in conjunction with the Europeans, who are eager to benefit from economic prosperity in the Asia-Pacific. The U.S. reassurance of the strategic value of Europe as its closest ally helps alleviate Europe’s worries over the American strategic shift. And the U.S. also treats Europe as a cooperative partner in its “pivot to Asia” strategy. Looking from another corner, three historic shifts are transforming the global security environment. There is an economic shift of wealth generation and finance from West to East, the climate shift to higher temperatures and sea levels, and a geopolitical shift to a multi-polar world order. All of them will bring about changes that cause Europe and Asia’s security interests to overlap to an extent not seen since the onset of the Cold War period.⁸⁰

In a recent round-table, the European Union External Action Service’s (EEAS) Director for Northeast Asia, Gerhard Sabathil, pointed out that the EU’s trade with East Asia (28%) now exceeds transatlantic trade (23%).⁸¹ If Asia has a security sneeze, Europe will catch a cold in its export trade with big knock-on effects for the rest of its economy. Climate change is causing a geo-political shift, which will also increase the area of overlap between Europe’s and Asia’s security interests if the Arctic ice melts and creates a completely new zone for European security interests, connecting directly with

⁸⁰ Qian Liwei, U.S.: A Strategy of Re-Rebalance?, China-U.S Focus, April 12, 2013.

⁸¹ Europe Asia Security Forum, [The three great shifts and why Europe should be more engaged in Asian security issues.](#), April 16 2012.

Asia. The third shift is to a multi-polar world order. Because the demise of the unipolar moment and the rise of the 'rest' means that Europe has to look a bit beyond the Atlantic alliance to meet its security needs. That's the way the U.S has been aiming at both dispelling the concerns of their traditional allies and bringing them into the playfield of Asia Pacific.

II. Reassessment of U.S's capability in Asia - the Hub-and-Spoke system

The hub-and-spoke system (explain what this is!) has long been proved to be the firmest and most effective in the history of alliances. However, it does not mean it is not challenged by outside factors. The wake-up and rapid but unendurable growth of China poses visible security threats to US allies, especially on maritime issue.

The Asia pacific region has now been undergoing dramatic developments and transformations including three main widely-recognized characteristics: (1) the rise of China as second largest economy worldwide together with its military modernization; (2) the pivot strategy of the United States towards Asia Pacific; and (3) the unsolved maritime disputes in the South China Sea, Taiwan Strait and Korean Peninsula.⁸²

Those changes exert considerable impacts on the regional security structure, especially on the role of the United States as an external balancer and security guarantor as it has long been defined. Moreover, the relationships among the U.S and its allies in the region now face significant challenges and the current regional context is no longer as beneficial for them as in last decade. The U.S itself has also been forced to deal with its internal economic crisis as its first national priority. Some observers believe that the American era is coming to an end, as the Western-oriented world order is replaced by

⁸² Yao Yunzhu, New Developments Impact Asia Pacific Security, China-US Focus, September 7, 2012, <http://www.chinausfocus.com/peace-security/new-developments-in-the-asia-pacific-region-and-their-security-implications/>

one increasingly dominated by the East. That is to say many closed friends of the U.S in Asia will have to cleave the waves to another direction, though where to lean on is not clear yet but no longer on the U.S. They will have to seek for other sources of power and support in the battle against crisis, in dispute settlement with the big neighbor, or secure national interest in the long-term.

The Senkaku/Diaoyu tension acts as a challenging test over the alliance of U.S–Japan as well as the relation between China and the U.S. While both the American and the Chinese governments are taking steps to avoid escalating tensions between Asia's two biggest economies, there were signs that Washington's alliance with Japan and its intentions in the region remain a source of friction. While American high ranking officials still urged China and Japan to exercise restraint and repeated Washington's insistence that it does not take sides in the dispute, China said it is "obvious" that Washington is partial to Japan. And everyone knows it for sure that the United States will abide by its treaty agreements to come to Japan's aid if it is attacked,⁸³ though unexpectedly.

One may claim that the America's era is over, and its Asian allies should start practicing battling alone in the yard with the giant China. But the hegemony of the U.S over the decades, and the consolidation of its alliance with loyal partners, are not that easily broken down. Many have insisted that America hegemony is in decline, but just a relative one in comparison with the rise of China. Should the U.S withdraw from East Asia and act as an 'offshore balancer', or continue to maintain its role as 'inshore balancer'? With withdrawal, it may have to accept some disadvantages: the arising of regional power vacuum and harsh competition between new great powers which may

⁸³ Steve Herman, US Defense Chief in Talks Over China-Japan Tensions, Voice of America, September 17, 2012, <http://www.voanews.com/content/us-defense-secretary-seeks-to-ease-worsening-china-japan-tensions/1509292.html>

lead the Asia Pacific to a very complicated status, and clearly not beneficial for U.S's interests; not being able to deploy its troops in case of conflict; losing influence in the eyes of adversaries and competitors; facing up with the danger of allies bandwagoning with a possible challenger; and not being prepared enough if a future maritime conflict occurs. Finally, being an offshore balancer does not mean a smaller requirement of defense budget. The pivot has a number of costs which must be recognized.

Chapter Five: Vietnam's perspective on the rebalancing and some implications

In responding to the Asia Pivot strategy of the United States, many Asian countries have different perspectives in acknowledging the effects of the policy on their own and regional security. Like every other Asian state, India wants to benefit from China's economic growth but is deeply concerned about the country's growing military might. While recognizing the benefits of the U.S. pivot, the Indian government understands the dangers of provoking China's hostility. India also has to manage the domestic political consequences of a military alignment with the United States against China. While responding cautiously to the U.S. pivot, New Delhi has steadily expanded defense cooperation with the United States and deepened diplomatic engagement with U.S. allies and other leading actors in Asia. At the same time, it has sought to reassure Beijing that India will not become a mere adjunct to the new U.S. rebalancing strategy toward Asia.

Thailand would also be a special case. While it is designated as a major Non-NATO ally of the United States; Thailand aims to cultivate good ties with both the United States and China. Thailand is concerned that rebalancing could hurt its vibrant ties with China, especially in trade. Accordingly, Thailand has become very careful in dealing with the United States, especially on military matters and reluctance to go along with the United States, even on nonmilitary projects.⁸⁴

⁸⁴ For more explanation, see "Regional Perspectives on U.S. Strategic Rebalancing", Asia Policy, number 15 (January 2013), 1–44.

Vietnam is among the partner with a very special historical relation with the United States. The countries used to stand on two opposite sides in the harsh Vietnam War, now they have gradually elevated the relations in various cooperation fields for the mutual benefits of the two nations. Thus, in evaluating the influence of the U.S.'s pivot to Asia and implications for Vietnam, it is necessary to review the foreign policy as well as strategic calculations of the two governments.

I. The position of the U.S. in the foreign policy of Vietnam

1. Vietnam's foreign policy since Innovation

When the Cold War ended, Vietnam gradually showed an active and dynamic process in flexible ways to promote relations with major countries in the direction of balancing, making full use of the favorable conditions from these relationships to serve economic development, social and political stability, national independence as well as sovereignty and national security. For Vietnam, the guiding ideology of foreign relations with major countries is "creating balance towards benefits"⁸⁵, meaning on the one hand promoting relations with major countries while on the other hand continuing to maintain independence, unity, a socialist orientation, and not allowing being pressurized or manipulated into gathering detrimental force in international relations.

Entering the twenty-first century, the Tenth National Party Congress affirmed its desire to "promote long-term cooperative relations with major countries, economic and political centers"⁸⁶. Documents of the Eleventh National Party Congress reaffirmed the

⁸⁵ Ha My Huong, "Chính sách của Việt Nam với Mỹ và quan hệ Việt - Mỹ những năm đầu thế kỷ 21: Thực trạng và triển vọng" (Vietnam's policy towards the United States and the United States – Viet Nam relationship in early 21st century: Reality and Prospects), Nghiên cứu Quốc tế (International Studies), Vol.75, 2005. http://www.hids.hochiminhcity.gov.vn/c/document_library/get_file?uuid=27a112ae-1037-4676-9db7-ab0049d353c1&groupId=13025

⁸⁶ Vietnam Communist Party, The Tenth National Party Congress Document, Page 5.

foreign policy orientations of Vietnam in the new period to “strengthen relationships with our partners, continue to hold an important role in the framework of cooperation in the Asia Pacific region”, while “Promoting comprehensive cooperation and effectively with the Asian - Pacific” and “extend relations with all countries, including relations with major countries.”⁸⁷ The basic principles of Vietnam foreign activities towards major powers include: respect for independence, sovereignty and territorial integrity; non-interference in each other's internal affairs; no use of force or threat of use of force; and resolving inequality to mutual benefit. In general, performing balancing relations with other countries is a consistent policy of the Party and State of Vietnam since the end of the Cold War and was clearly expressed over time, notably from the Ninth National Party Congress. The practice of foreign affairs of Vietnam over the past decade increasingly demonstrates the soundness of the strategy.

2. The position of the U.S. in the foreign policy of Vietnam

Currently, the U.S. is the largest economy in the world, capable of controlling the global economy. Meanwhile, Vietnam after more than 20 years of innovation has been gradually deepening and widening its integration into the world market. The boost in relations with the U.S. will create momentum for further positive integration for Vietnam. The benchmarks of Vietnam becoming a member of WTO, and the U.S. applying the permanent normal trade relation (PNTR) status with Vietnam in 2001, open great prospects for economic, trade and investment cooperation between the two countries in the coming years and create more opportunities for business in both countries.

During the current international integration period, Vietnam considers the U.S. one of its major trading partners with a huge market potential and a supplier of

⁸⁷ Vietnam Communist Party, The Eleventh National Party Congress Document, Page 237.

precious funding. Prime Minister Nguyen Tan Dung once stated: “*Consistent policy of Vietnam with the United States is to promote mutually beneficial cooperation between the two countries*”.⁸⁸ Developing relations with the U.S. will help Vietnam to enlist advanced and broad markets, investment, capital, technology and management methods of the U.S. to serve the construction and development of the country. Politically, because the U.S. plays a dominant role in many international organizations, developing relations with the United States will create favorable conditions for Vietnam after integration into the international community, as well as an opportunity for Vietnam to improve its position in international and regional forums.

However, Vietnam neither sets the economic interests above all others nor embraces the U.S in resolving recent territorial tensions on the border with its big neighbor. It has been recently frequently stated that although Vietnam and China share an ideology, Hanoi wants to preserve its strategic autonomy by moving closer to Washington in confronting China in maritime dispute settlement.⁸⁹ This comment derives from the fact that in the ASEAN–China relationship smaller countries in the region can't compel China to accept international legal norms, and recognize Beijing's ability to divide the region without much effort. China's recent actions, especially the latest conflicts over South China Sea, have given rise to the Philippines to bring China to the International Tribunal for the Law of the Sea and has urged many Asian states to cultivate a strategic partnership with the United States and other regional powers.

⁸⁸ The Embassy of The Socialist Republic of Vietnam in the United States of America, Viet Nam and the United States of America promote mutual benefits (Việt Nam và Hoa Kỳ thúc đẩy hợp tác cùng có lợi), 15th July 2010, <http://vietnamembassy-usa.org/vi/tin-tuc/2010/07/viet-nam-va-hoa-ky-thuc-day-hop-tac-cung-co-loi>.

⁸⁹ C. Raja Mohan, “Facing China threat, Vietnam seeks American balance”, The Indian Express, Jun 01 2013. (<http://www.indianexpress.com/news/facing-china-threat-vietnam-seeks-american-balance/1123706/1>)

Vietnam is not the exception, but it has its own ways in managing both two powers and preserving its value. While seeking a deeper engagement with the United States, Vietnam has no intention of giving up its independent foreign policy. In his keynote address at the Shangri La dialogue last May, Prime Minister Nguyen Tan Dung emphasized the Three-No policy of Vietnam: "Vietnam will not be a military ally to any country and will not allow any country to set up military bases on Vietnamese territory. Vietnam will not ally itself with any country to counter another."⁹⁰

3. Vietnam's position in U.S. strategic calculations

After the Vietnam War, and especially after the military collision between Cambodia and Vietnam, the U.S. viewed Vietnam as a tool for Soviet expansionism in Southeast Asia then stood on the same side with China against Vietnam and ASEAN on the Cambodia issue. However, since Vietnam entered a period of economic reform, redirected foreign policy, enhanced integration into ASEAN, and particularly since the normalization of relations between the two countries, the U.S. approach to Vietnam has changed.

Vietnam currently plays an important position in the U.S.'s new strategy. The U.S. intends to use Vietnam as the key card to enhance its influence in Southeast Asia and the Asia Pacific. The development of relations with Vietnam will bring significant benefits to U.S. in political, strategic and economic areas. Vietnam's particular geographical location has important implications, which is the intersection of strategic interests of all major countries, namely the U.S., Russia, China, Japan and India. Vietnam borders with China both on land and sea and possesses disputed long

⁹⁰ Nguyen Tan Dung, Building Strategic Trust for Peace, Cooperation and Prosperity in the Asia-Pacific Region: Nguyen Tan Dung, Shangri La Dialogue 2013

coastline areas with China. Vietnam and China split with the Gulf of Tonkin, which is not far from the largest nuclear submarine base of China. With such geographical and historical conditions, Vietnam is the advantageous country in the South China Sea. Concerned about the rise of China and the ability to challenge America's position in the future, the U.S. recognized that "Vietnam can create a certain counterweight to the growing influence of China in the region".⁹¹

In the triangle of U.S.-Vietnam-China, the United States felt a lot more comfortable with Vietnam. Although the U.S. needs China's cooperation to deal with a number of important global issues, such as termination of the nuclear programs of North Korea and Iran, and combating global warming, America still considers China as a potential competitor. While China may become a threat to security and global position of the United States, Vietnam would not compound a threat to America. There is no strategic conflict between the U.S. in Vietnam, and in the view of the United States, Vietnam is an important force contributing to the security and emerging order in Asia-Pacific. This positive view of Vietnam has encouraged the United States to promote closer relations between the two countries.

Economically, the United States has growing interests in Vietnam. Vietnam is a potential market with many untapped resources, a young workforce, and more than 60% of the population under 25 years of age. According to the United States, Vietnam is one of ten emerging markets with high growth rates that U.S. firms cannot pass up the opportunity to enter. Many U.S. businesses expressed dissatisfaction about the current level of trade and economic cooperation between the U.S. and Vietnam and strongly

⁹¹ Le Linh Lan, Quan hệ Việt – Mỹ 10 năm sau bình thường hóa: từ đối đầu sang đối thoại (The United State – Vietnam relations 10 years after normalization: from confrontation to dialogue), Center of European – American Research, Diplomatic Academy of Vietnam, 2005, p.4.

requested the U.S. government to do more to develop economic relations and trade.⁹² Senator Jim Webb and John McCain have praised Vietnam's social and economic achievements in recent years. The two politicians said that economic relations has and will continue to be the driving force behind the US–Vietnam relation, stressed that the two sides need to accelerate efforts to further deepen good relations between the two countries at present, particularly enhancing economic relations.⁹³ Clearly, a prosperous and dynamic Vietnamese leadership would contribute to stability in the region, which is very consistent with the interests of the U.S. Besides, promoting security cooperation with Vietnam will not only make Vietnam gradually change in favor of the U.S. but will allow America to expand its access network throughout Southeast Asia, provide a link to Northeast Asia's defense system, and help the U.S. to influence the vast East Asian region.

While there is definitely new momentum in the relationship, there are constraints and potential difficulties in the path ahead. The first concern is what Secretary Clinton described as “profound differences” over human rights and political freedom. Any difference in human rights between Vietnam and the United States is inevitable. This stems from several reasons, such as differences in culture, the historical traditions, and the level of development. If the pride of Americans comes from democracy with broad space for private freedom, on Vietnam’s side there is an awareness of the responsibility of each person to the community. Human rights are noble values, the common property

⁹² Nguyen Hoang Giap, Phát triển quan hệ với các nước lớn trong chính sách đối ngoại đổi mới của Đảng và Nhà nước ta (Developing relations with major powers in Reformed foreign policy of Party and State), International Studies, Vol. 61, 2005.

⁹³ Vietnam Embassy in the United States, Việt Nam – Mỹ cam kết thúc đẩy hợp tác thương mại (Vietnam-the U.S. commit to promote trade cooperation), <http://vietnamembassy-usa.org/vi/quan-he-viet-my/viet-nam-my-cam-ket-thuc-day-hop-tac-thuong-mai>

of humanity that every nation and every people have the right to share. Today, the level of protection for human rights is considered a measure of the social system. Vietnam's efforts in the field of human rights cannot be denied. The legal system is being improved in Vietnam to ensure better human rights. Many international conventions on human rights which ratified by Vietnam Congress have been the legalized in the system of domestic law.

II. Vietnam's perspective on the U.S. pivot and some implications

1. New features in Vietnam–U.S. relations

1.1 China factor

For strategic calculations, China does not want to see a close alliance relationship between Vietnam and the United States formed adjacent to its southern border. Both the U.S. and Vietnam do not want to see an aggressive China. As the reigning superpower, the U.S. has many more options than Vietnam does. If good relations with China is the desire of the U.S., then to Vietnam it is essential. Being a small country next to a giant neighbor with a complicated history Vietnam has to make difficult choices between the need for good relations with China and the urgent need to assert sovereignty in the pursuit of diplomatic relations with other countries in order to protect its sovereignty and its territorial integrity.

If the need to pay attention to the sensitive relations with China can become obstructions or slow the progress of rebuilding relations between Vietnam and the U.S., particularly in the field of defense and security, the excessive demands and aggressive attitude of China in the South China Sea in recent years have led to the convergence of security interests between the U.S. and Vietnam.⁹⁴ Both countries are concerned about

⁹⁴ Carlyle Thayer, Vietnam and the United States: Convergence but Not Congruence of Strategic Interests in the South China Sea, The International Relations and Security Network (ISN), 13 February 2013,

the modernization of China's military capability, which could impose the will of the China in the South China Sea dispute. The territorial conflicts both at sea and on land between Vietnam and China have taken place for years. The nine-dashed line, for example, drawn by China to claim 80% of the South China Sea, overlaps the exclusive economic zone and continental shelf of Vietnam. The ban on unilateral fishing in the disputed sea zone and the arrest and mistreatment of Vietnamese fishermen have also forced Vietnam to react. The Vietnamese government has tried to internationalize the issue, buying new weapons to strengthen defense capabilities, and launching a campaign to strengthen the military's determination to protect "every inch of land, every inches of sea".

For the U.S., the excessive claims of China are not subject to international law. The U.S. rejects China's threat to U.S. firms operating in these sea zones. If China is able to enforce its claims, the South China Sea will become China's pond, preventing freedom of navigation. These claims are not acceptable for a global maritime power like the United States. The attitude of China, therefore, has led to a convergence of strategic interests between the U.S. and Vietnam and the improvement of military cooperation between the two countries.

Recently, China has officially released a white paper on China's Foreign Affairs (17th July 2013). The highlighted feature of this book is the emphasis on China's steadfast protection of national sovereignty, security and development interests, and "full sovereignty and territorial integrity." The document continues to blame the Philippines on the Scarborough issue and suggests Japan "bought the island illegally".

<http://www.isn.ethz.ch/Digital-Library/Articles/Special-Feature/Detail/?lng=en&id=159647&contextid774=159647&contextid775=159646&tabid=1453526659>

It also claims that the issuing of the Vietnam Law of the Sea last year by the National Assembly of Vietnam violates China's sovereignty. In assessing the role of the U.S. in the territorial disputes between China and its neighbors in the South China Sea and the East China Sea, China's white paper affirms that the United States plays an important role, but Beijing has "severe communication" issues with the U.S. statement on the South China Sea and East China.

Chinese White Paper 2013 is evidence that China's aggression over territorial disputes with its neighbors has not changed and this will be the main obstacle to peaceful measures to handle conflicts.

1.2 Relations between Vietnam and Vietnamese Americans

Vietnamese Americans may have both a positive and a negative effect for U.S.–Vietnam relation. However, it depends entirely on the relationship between the Vietnamese communities in the U.S. with the Vietnamese Government.

In recent years, the Government of Vietnam has made significant efforts to reach out to Vietnam from overseas, particularly in America, through the policy of "national reconciliation". The 36 Resolution of the Politburo issued on 26th March 2004 confirms the standpoint of Vietnam towards the Vietnam Overseas community as : *"an integral part and is a resource of Vietnam people community, an important factor contributing to strengthen cooperation and friendship between our country and other countries."*⁹⁵ The Vietnamese government has taken a series of concrete steps to fill the gap between the domestic and overseas Vietnamese community by issuing a number of policies in creating favorable conditions for Vietnamese from all over the world to return to their Motherland, looking for opportunities in business and investment, in Vietnam. For

⁹⁵ Politburo of Vietnam, The 36-NQ/TW Resolution on the work of oversea Vietnamese, 26th March 2004

instance, the visa exemption regulation for overseas Vietnamese, the Nationality Law permitting Vietnamese residing abroad to keep both their foreign nationality and Vietnamese nationality, and the Land Law and Housing Law amended to allow overseas Vietnamese, including both people holding Vietnamese nationality and Vietnamese origins, to have the right to own house as a citizen domestic. All these policies attract concerns and receive positive responses from the community.

The emergence of a new generation of Vietnamese people both at home and abroad, now no longer carry the consequences of war but the connections and exchanges between Vietnamese Americans and Vietnam in the country, as well as those who are studying in the U.S. (including government officials), will bring better mutual understanding, narrowing the gap between their perceptions, and promote cooperation between the U.S. and Vietnam.

2. Implications for Vietnam

2.1 The impact of the U.S. security strategy adjustment in the Asia Pacific for the security of Vietnam

2.1.1 Positive impacts

2.1.1.1 Creating a stable environment in the region

Both Vietnam and the United States have interests in the stability and development of the Asia Pacific region. The U.S. buildup and deployment of military operations in the area are designed to prevent the rising acts of terrorism, separatism in some countries, and to contribute to creating a relatively stable environment the area. The measures to supervise and prevent proliferation of weapons of mass destruction that the U.S. and other countries in the region have implemented also contribute to security of Vietnam.

In the South China Sea dispute, the U.S. position recently has shown positive signs in stabilizing the situation and preventing the "provocative" actions of China that would threaten regional security. The active involvement of the United States will affect all countries bordering the East Sea including Vietnam, boosting regional cooperation mechanisms in politics, security and economics, and maintaining peace, stability in the region. The common thread between Vietnam and the U.S. in this regard is that both parties oppose the use of force or threat of use of force in international relations, support settlement of disputes by peaceful means, and respect the Code of Conduct in the East Sea (2002) between ASEAN countries and China. The U.S. raising the South China Sea as an issue to be discussed at the regional security conferences is a good sign, aimed at internationalizing the South China Sea issue and looking for solutions that benefit the individual stakeholders.

2.1.1.2 Military-to-military cooperation

At the end of the previous decade, the United States and Vietnam began significantly upgrading military-to-military relations. In August 2010, the United States and Vietnam held their inaugural Defense Policy Dialogue, a high-level channel for direct military-to-military discussions. Previously, the main formal vehicle for the two militaries to hold regular annual dialogues had been through the U.S.-Vietnam Security Dialogue on Political, Security, and Defense Issues, a forum that is run by the U.S. State Department and Vietnamese Ministry of Foreign Affairs and includes officials from the two countries' militaries. Other signs of a deepening military-military relationship include U.S.-Vietnam joint naval engagements (involving noncombat training), Vietnamese shipyards repairing U.S. noncombatant naval vessels, and the Vietnamese Ministry of Defense sending Vietnamese officers to U.S. staff colleges and other military institutions.

In June 2012, then-Secretary of Defense Leon Panetta made a symbolic trip to the Vietnamese shipyards at Cam Ranh Bay, which was a U.S. base during the Vietnam War. It was the first visit to the former base by a U.S. Secretary of Defense since the end of the war. Panetta and his counterpart, Gen. Phung Quang Thanh, discussed ways to expand military cooperation in five areas: high-level dialogues; maritime security; search-and-rescue operations; peacekeeping operations; and humanitarian assistance and disaster relief.

2.1.2. Negative impacts

2.1.2.1. Potentially destabilizing factors in the security of Vietnam

The Asia Pacific region is large and has witnessed a convergence of strategic interests between major countries. It is also home to existing security hot spots. Therefore, the security environment in the region is full of potential uncertainties. Vietnam is a country with an important strategic position in the region. Given the rising trend of globalization and regionalization, interdependence among nations in all areas will be promoted. It is also recognized that a nation's security is inseparable from others' and the entire region. Therefore, the national security of Vietnam will also be affected by the unstable situation of the region.

In the long term, the strengthening of U.S. military forces in the region could create more complex effects on the security and stability of many countries in the region, including Vietnam. Especially in the U.S. focus on terrorism forces in the area, dragging the country to participate in the battle against terrorism led by the United States, Vietnam is not beyond the orbit of this set of forces. That will affect the policy of independence, peace and friendship all Vietnam with other countries, for several reasons.

First, the U.S. wants to form a second front against terrorism in Southeast Asia and this involves pressure on Vietnam to open ports of Vietnam to the U.S. presence. After Russia withdrew from Vietnam's Cam Ranh port in 2012, the U.S has been renting the base from Vietnam. Second, strengthening the U.S. military presence and arms sales to a number of countries in Southeast Asia would be one of the factors pushing the secessionist movements to increase the use of violence, including terrorist attacks, to achieve their goal. The U.S. war on terrorism in Southeast Asia is an opportunity for the armed Islamic group to propagate the idea that the war is against Islam, since it can take advantage of certain empathy on the part of Muslims. Vietnam is also a country which has a significant Muslim population. In the context of rising anti-Americanism, the United States strengthened the presence of troops and military equipment in a number of countries in the region which may provoke terrorist attacks in the region, threatening the security of the entire region, including Vietnam.

2.1.2.2. Difficulties in dealing with the foreign relations of Vietnam

The Eleventh Party National Congress of Vietnam confirmed the consistent foreign policy implementation of independence, self-reliance, peace, cooperation and development; multilateralism and diversification of relations, proactive and positive international integration, being a friendly, reliable partner and a responsible member of the international community.⁹⁶

In the context of the U.S. promoting its rebalancing strategy in the region, the implementation of a balanced policy of Vietnam may become more difficult. The United States strengthening its relations with regional countries will create some dilemmas for Vietnam in handling relations with neighboring China as well as other ASEAN countries. The attitude and stance on many issues will become more complex

⁹⁶ Vietnam Communist Party, The Eleventh National Party Congress Document.

due to the need to take into account the attitudes of China and ASEAN. How to balance relations with major powers, develop relations with the U.S. but not "offend" neighboring China, poses many challenges for Vietnam.

On the other hand, in the currently implemented policy of the United States, Vietnam is not a strategic priority. Among U.S.'s relations with other small countries, Vietnam would be at risk of neglect compared with the global priorities of the U.S.⁹⁷ Although in recent years bilateral relations have improved considerably, in general observers have commented that Vietnam's importance seems to be attached to the relationship between the U.S. with China.⁹⁸

2.2 Some scenarios and recommendations on Vietnam's foreign policy making

2.2.1 Regional instability and fading pivot

If the storms happening in the Middle East can be considered security hotspots worldwide, the ongoing uncertainty implicit in the Asia Pacific is also a potential cause of concern.

The rising tensions in the East China Sea led to a prediction of turbulent relations in the coming years. Both China and Japan are increasing their military presence in and around the disputed Diaoyu / Senkaku. Meanwhile, Japan's Prime Minister, Shinzo Abe, a nationalist, is promoting a more active stance against regional ambitions and

⁹⁷ Ta Minh Tuan, Quan hệ Việt – Mỹ: những thách thức trong nhiệm kỳ của Tổng thống Obama (Vietnam- U.S relations: challenges in President Obama's term), Today American, Vol. 04, 2009.

⁹⁸ Ta Minh Tuan, Quan hệ Việt – Mỹ: những thách thức trong nhiệm kỳ của Tổng thống Obama (Vietnam- U.S relations: challenges in President Obama's term), Today American, Vol. 04, 2009.

claims on territorial sovereignty of China. The new active stance of Japanese could have a great impact on U.S. policy in the region. A mainstay for American involvement in Asia was committed in a mutual defense treaty signed with Japan. The latest Defense Act passed by the Congress includes two crucial terms for US-China relations. A provision says that the U.S. does not take sides in the territorial dispute over the islands the Diaoyu / Senkaku, while another still recognizes Japanese control of the islands. Words like that could contribute to conflict over the Diaoyu Islands / Senkaku.

One other provision of the National Defense Authorization Act has angered Beijing. The U.S. Congress agreed to support the sale of advanced fighter jets to Taiwan. Beijing considers any deal to sell arms to Taiwan as support for a "rebel province" and a blatant violation of the internal security issues of China.

Meanwhile, the conflicts over South China Sea reached a new level of the thermometer when the proceeding case in territorial disputes between the Philippines and China officially started in The Hague - Netherlands. The Philippines has consistently expressed its strong commitment to pursuing the case in the court, regardless of a call from China to bring back the case to bilateral discussions. At the same time, Philippines' President Benigno Aquino has said the Philippines needs assistance from its allies, including the U.S and Japan, to deal with China's increasing military presence in the South China Sea. Nevertheless, China is still needed as a global economic player and continues to be a decisive player in regional security and development.

The U.S standpoint on this issue has been repeatedly affirmed not to take sides with any country in the dispute; but being a Pacific nation, the U.S has an interest in ensuring freedom of navigation in sea lanes in the region. In doing this, the U.S surely will not abandon its allies and partners who are longing for its rebalance. However, as

stated previously, it will not devote all resources and prestige into the region while the need to re-strengthen ties with traditional allies in European and the engagement in resolving conflicts in Middle East remain priorities in ensuring its global hegemony. In another words, the U.S will not make such a huge sacrifice of its relations with China for the interests of other countries, whether they are allies or not.

2.2.2 Vietnam – U.S relations

50 years after Uncle Ho sent a letter to President Truman in November 1945 expressing Vietnam's willingness to build "full cooperation" with the United States, only until July 1995, Vietnam officially normalized and establish diplomatic relations with the United States. Leaving aside the painful history, the two countries are committed to heading forward and building new relationships of mutually beneficial cooperation. Until today, Vietnam continues to build a deep and solid foundation for Vietnam- U.S relations, based on "full cooperation" and the will of Uncle Ho.

Also, there are difficulties and challenges that must be overcome in the relationship between the two countries. The first is how to fully exploit the mutual benefits between the two countries, especially in economics, trade and investment. This is an area where much work could be done because of a convergence of the two sides' need. America should continue to open their markets for the goods of Vietnam, reduce trade barriers, especially in the case of anti-dumping and anti-subsidy measures. Vietnam has a market economy and there are benefits of Vietnam in the TPP negotiations. For its part, Vietnam should also attempt to have a more attractive and open investment environment to U.S. investors.

Second, it is essential to find more effective ways to overcome difficulties due to historical tensions. To do this, the U.S. should show more responsibility and active support for overcoming the consequences of war in Vietnam.

The initial contribution of U.S. in demining issues, bleaching Agent Orange / dioxin, searching Vietnam soldiers missing at war were remarkable, but need to be further strengthened in the future, especially support for victims of Agent Orange / dioxin.

Third, both sides should endeavor to overcome differences and disagreements, especially in matters of democracy and human rights. The key is to fully implement the principles of mutual respect for independence, sovereignty, territorial integrity and security, to not interfere in each other's internal affairs, and promote equality and mutual benefit.

In the coming years, Vietnam continues to implement the Resolution of the XI Congress of comprehensive international integration, bringing relations with other countries, including the U.S., into an in-depth, substantive and effective level. In the context of changing regional political chessboard, Vietnam continues to consider America an important partner and needs to develop comprehensive multifaceted bilateral cooperation. A comprehensive framework for cooperation will create a favorable environment for the economy and business community in both countries. According to the latest results of the visit of President Truong Tan Sang to the United States in July 2013, the leaders of the two countries have decided to form a U.S.-Vietnam Comprehensive Partnership to provide an overarching framework for advancing the relationship.⁹⁹ An outstanding achievement of the visit, among other important political and economic results, is that it represents the goodwill of Vietnam in exchanging opinions frankly, openly and constructively on the issues that the two sides still have differences on, including human rights. The religious leaders accompanied the President's delegation and have had substantive dialogues with the State Department

⁹⁹ Joint Statement by President Barack Obama of the United States of America and President Truong Tan Sang of the Socialist Republic of Vietnam, 25th July 2013.

officials, the Congress and representatives of non-governmental organizations such as Amnesty International, Human Rights Watch. The delegation provided objective information on the religious situation in Vietnam, Vietnam's achievements in religious freedom issues, enables organizations and individuals of the United States to better understand human rights in Vietnam. This type of straight dialogue has not been seen in any other bilateral relation, even with the nearest neighbor China, which shares many mutual interests with Vietnam.

In the coming years, Vietnam has to take advantage of the mechanisms of economic cooperation such as APEC, FTA and especially TPP to promote cooperation in various fields including trade, investment, science and technology, especially in high technology in order to build an advanced economy based on knowledge.

Vietnam should also promote cooperation with the U.S within the framework of ASEAN, which would help alleviate some of the sensitive issues in both bilateral and other multilateral relations. Having a friend like the U.S will do more good than harm for Vietnam.

Conclusion

In dealing with its bilateral relationship with China - the most focused objective of the pivot - the Obama administration has devoted significant efforts to broadening and deepening U.S.-China relations to better address bilateral as well as regional and global challenges. However, , the more concessions the Obama administration has made, the more assertive China has become, particularly in its strategic calculations. China's increasingly important role in U.S. foreign policy has forced the Obama administration to engage China in cooperation on regional and global issues, such as efforts to deal with North Korean and Iranian nuclear ambitions, address climate change and mitigate the effects of the global financial crisis. The policies have attained certain results in engaging and restraining China. However, the economic and military rise of China and its assertive approach to claims over the South China Sea is causing insecurity among Asia Pacific countries. This is why the future of bilateral relations between the two countries is likely to be tense for some time to come., The U.S needs to take flexible standpoints so as not to offend China and at the same time protect its core interests in the region. A military confrontation between the two countries would be disastrous but conflicts will also continue to dominate the relations in many non violent battlefields too.

Another question is whether Obama's pivot to Asia will make conflicts more likely or whether it will minimize the potential risks of opposition in the region. The answer could be both. One of the predictable consequences of Obama's Asia-Pivot is that, by boosting support to all of China's U.S.-allied neighbors, those countries are emboldened to stand up to China as an enemy and China is likewise emboldened to counter the onslaught. Needless to say, this makes conflict more likely. Meanwhile, despite headlining preparations on modernizing landline and maritime weapons, the

U.S and its allies are doing their best to stay away from a direct military confrontation with China that may damage their huge interest in economic recovery.

How should the Obama administration move forward? After 4 years focusing on Asia, where it is experienced hidden challenges as well as the great opportunities, the Obama administration is sending out the message that Washington wants to re-strengthen ties European allies, which had been neglected to some degree under Secretary of State Hillary Clinton.

According to some analysts, the complex developments in the Middle East in recent years have forced President Obama to acknowledge the need to seek the support of traditional allies. When John Kerry decided to go to Europe and the Middle East as the destination of the first trip in his capacity as Secretary of State, many people pinned doubts on the U.S.'s rebalancing policies in Asia. Prior to such suspicions, Nuland said Secretary Kerry would pay a visit Asia in the near future -He subsequently attended the ASEAN Regional Forum in Brunei, an annual multilateral dialogue on 1st of July 2013.

With such adjustments in foreign policy, it appears that the U.S. will not give up its rebalancing strategy but translate into long-term strategy due to several reasons. The first is the increasingly bloody conflict in Egypt and Syria, nuclear threats from Iran, persistent conflict between Israel and Palestine and the implications of the "Arab Spring" that America cannot feel safe in the Middle East if focusing all resources in all fields, from diplomacy, defense and security, economic, on Asia.

Concerning China's rise, as former under-secretary of state for East Asia and key architect of the pivot, Kurt Campbell, recently said, the United States must recognize that every country in the region wants a better relationship with China as well as the United States. This is not necessarily due to geo-strategic concerns, he noted, but

simple geography.¹⁰⁰ Under that circumstance, a renewed focus on Asia should have an economic and cultural component. Until now, the U.S. has had relatively few economic levers in its Asia pivot, with the exception of free trade agreements (FTAs) with its firmest friends: Australia, Singapore and Korea. The TPP, the economic piece of the pivot, has not and will not be able to pull Asian neighbors out of China's inexorable pull, but it will play a role in binding the US to its allies. If implemented, the TPP fixes the economic gap in America's Asia policy by increasing trade flows among its members, making them less dependent on trade with China, and thereby strengthening their economic position relative to their giant neighbor.

For Vietnam, a medium power in Southeast Asia who has a very special diplomatic and political cooperation framework with the United States and being neighbor to China – the U.S's most potential competitor, the implementation of the pivot would significantly affect one of Vietnam's foreign policy in the years to come. Being a proactive player on international arena to comprehensively and effectively carry out external activities and proactively take part in international integration poses a challenging task for Vietnam's diplomatic department. However, Vietnam has started to embrace its international security role by two recent specific decisions of removal of highly enriched uranium from its territory and joining UN peacekeeping operations which announced by Prime Minister Nguyen Tan Dung at the 12th Shangri La Dialogue in Singapore. This skillful handling manner would pave the way for Vietnam to integrate more intensively into international community, contributing to strengthening the position and prestige of Vietnam, thus the voice from Hanoi would gain more weight in multilateral forum. Being flexible in bilateral relations as well as being more active in multilateral institutions would be a wise choice for Vietnam. Eventually, in

¹⁰⁰ The Foreign Policy Initiative <http://www.foreignpolicyi.org/content/obama-administrations-pivot-asia>

answering to the original research question, the pivot of the United States to Asia would be considered one of the strategic tools for Obama administration to manage its relative hegemonic decline. By implementing specific and comprehensive policies in various areas, the United States has gradually regained its leading influence and also managed to deal wisely and efficiently with challenges arising from China as well as other globalised issues. For Vietnam, this would be a high time for strengthening relations with the United States, but the country also should be more careful and tactical in strategic calculations with other important partners.

Bibliography

Aaron L. Friedberg, *The Future of U.S.-China Relations: Is Conflict inevitable?*, *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7–45.

Andrew S. Erickson, Adam P. Lift, *A Player, but No Superpower*, *The Foreign Policy*, March 7 2013

Andy Sewer, *The '00s: Goodbye (at last) to the Decade from hell*, *Time Magazine*, Tuesday, Nov. 24, 2009

Annalyn Censky, *China's economic growing pains*, *CNN Money*, April 26, 2012, <http://money.cnn.com/2012/04/23/news/economy/china-economy/index.htm>

Antonio Gramsci, *Selections from the Prison Notebooks*, New York, International Publishers, 1971.

Anup Shah , *World Military Spending*, *Global Issues*, June 30, 2013

Banyan, *Pivotal concerns*, *The Economist*, May 11 2013.

Bill Gertz *Inside the Ring*, *The Washington Times*, November 5, 2009

Brazil, Russia, India, China and South Africa.

C. Layne, *'China's challenge to US hegemony'*, *Current History* 107: 705, 2008, p. 16.

C. Raja Mohan, *"Facing China threat, Vietnam seeks American balance"*, *The Indian Express*, Jun 01 2013. (<http://www.indianexpress.com/news/facing-china-threat-vietnam-seeks-american-balance/1123706/1>)

Carlyle Thayer, *Vietnam and the United States: Convergence but Not Congruence of Strategic Interests in the South China Sea*, *The International Relations*

and Security Network (ISN), 13 February 2013, <http://www.isn.ethz.ch/Digital-Library/Articles/Special-Feature/Detail/?lng=en&id=159647&contextid774=159647&contextid775=159646&tabid=1453526659>

Chan, China, the US and the power-transition theory, p. 11.

Chinese Foreign Ministry Spokesperson Jiang Yu's Regular Press Conference on December 23, 2010.

Christopher Hill, The Japan – US alliance nexus: The security treaty and search for mutuality, *Journal of American History*, 2003.

Craig Cohen, Joseph S. Nye Jr., Richard L. Armitage, A smarter, more secure America, Report of the CSIS Commission on Smart Power, Nov 6, 2007.

Derek da Cunha, Southeast Asian Perspective on security, Institute of Southeast Asian Studies, Singapore, 2000, P.73.

Dinh Quy Do, American's economic policy towards Asia – Pacific region (Chinh sach kinh te cua My doi voi khu vuc Chau A Thai Binh Duong), Social Scientific Publishing House, 2000. P12.

Dinh Quy Do, American's economic policy towards Asia – Pacific region (Chinh sach kinh te cua My doi voi khu vuc Chau A Thai Binh Duong), Social Scientific Publishing House, 2000. P14.

Do Minh Cao, China – U.S Relationship on Security Defense: some highlighted points, *Defense – Security Relationship Magazine*, Vol. 03.

Donald Rumsfeld, Remarks on "21st Century Transformation" of U.S. Armed Forces, National Defense University, Fort McNair, Washington, D.C., January 31, 2002

Europe Asia Security Forum, The three great shifts and why Europe should be more engaged in Asian security issues., April 16 2012.

Fareed Zakaria, "The Post-America World", Norton Publisher, 2009, P.43.

Asia Policy , "Regional Perspectives on U.S. Strategic Rebalancing", number 15 (january 2013), 1–44.

George W. Bush and Hu Jintao, President Bush and President Hu of People's Republic of China participate in arrival ceremony, April 20, 2006.

George W. Bush, "A Distinctly American Internationalism," Ronald Reagan Presidential Library, Simi Valley, California, November 19, 1999

George W. Bush, Graduation Speech at the United States Military Academy, West Point, New York, June 2 2002

George W. Bush, Remarks by President Bush at 2002 Graduation Exercise of the United States Military Academy, West Point, New York. 1 June 2002.

George W. Bush, Statement by the President in his address to the Nation, September 11, 2001

Goldman Sachs, Over the Horizon, January 2013.

Ha My Huong, "Chính sách của Việt Nam với Mỹ và quan hệ Việt - Mỹ những năm đầu thế kỷ 21: Thực trạng và triển vọng" (Vietnam's policy towards the United States and the United States – Viet Nam relationship in early 21st century: Reality and Prospects), Nghiên cứu Quốc tế (International Studies), Vol.75, 2005. http://www.hids.hochiminhcity.gov.vn/c/document_library/get_file?uuid=27a112ae-1037-4676-9db7-ab0049d353c1&groupId=13025

Hillary Clinton, "America's Pacific Century," Foreign Policy 189 (November–December 2011), 56–63. Also see "Remarks by President Obama to the Australian

Parliament,” Canberra, Australia, November 17, 2011, available at <www.whitehouse.gov/the-pressoffice/2011/11/17/remarks-president-obama-australian-parliament>.

Hillary Clinton, Remarks on Regional Architecture in Asia: Principles and Priorities, Honolulu, Hawaii, January 12, 2010.

Hillary Rodham Clinton, Inaugural Richard C. Holbrooke Lecture on a Broad Vision of U.S.-China Relations in the 21st Century, January 14, 2011.

Hillary Rodham Clinton, Remarks at Press Availability, 17th ASEAN Regional Forum, National Convention Center, Hanoi, Vietnam, July 23 2010.

IHS Special Report, Energy Revolution Creates New Global Industry Landscape: US manufacturing competitiveness improves, creates risks for others, January 21, 2013.

International Energy Agency, IEA World Energy Outlook 2012, November 12, 2012.

Isabelle Grunberg, Exploring the "Myth" of Hegemonic Stability, International Organization, Vol. 44, No. 4 (Autumn, 1990), pp. 431-477.

Ivo H. Daalder and James M. Lindsay, America Unbound: The Bush Revolution in Foreign Policy, New York: John Wiley and Sons, 2003.

Jenny Lin is a Sasakawa Peace Foundation resident fellow at Pacific Forum CSIS. She previously worked at Project 2049 Institute, and the Center for the Study of Chinese Military Affairs, Institute for National Strategic Studies.

Jenny Lin, Navigating US-China Relations: Complicated by China’s “Unrelenting Strategy”, Pacific Forum CSIS, Honolulu, Hawaii, March 5, 2013.

Joint Statement by President Barack Obama of the United States of America and President Truong Tan Sang of the Socialist Republic of Vietnam, 25th July 2013.

Jon Clifton, 150 Million Adults Worldwide Would Migrate to the U.S., Gallup, April 20, 2012

Joseph Nye, “The Future of American Power: Dominance and Decline in perspective”, Foreign Affairs, November/December 2010 issue.

Joseph S. Nye, Jr., Our Pacific Predicament, The American Interests, Spring (March/April) 2013, <http://www.the-american-interest.com/article.cfm?piece=1388>

Joseph Y. Yun, Statement before the Senate Committee on Foreign Relations and the Subcommittee on East Asian and Pacific Affairs, March 21, 2013,

Joshua Kurlantzick, Don’t bet on the BRICS, Businessweek, November 3, 2011, at <http://www.businessweek.com/magazine/dont-bet-on-the-brics-11032011.html>.

Justin Logan, China, America, and the Pivot to Asia, Policy Analysis, January 8 2013.

Klaus Schwab, Global Competitiveness Report 2012-2013, World Economic Forum

Kurt M. Campbell, Testimony Before the House Committee on Foreign Affairs Subcommittee on Asia, the Pacific, and the Global Environment, September 29, 2010.

Le Linh Lan, On the contemporary security strategy of America, National Politics Publishing House, 2002, P.71.

Le Linh Lan, Quan hệ Việt – Mỹ 10 năm sau bình thường hóa: từ đối đầu sang đối thoại (The United State – Vietnam relations 10 years after normalization: from confrontation to dialogue), Center of European – American Research, Diplomatic Academy of Vietnam, 2005, p.4.

Michael Beckley, "China's Century? Why America's Edge will endure", Foreign Affairs, Winter 2011/12 issue.

Michael Beckley, The Unipolar Era: Why American Power Persists and China's Rise Is Limited, Doctor Dissertation of Philosophy in the Graduate School of Arts and Sciences, Columbia University, 2012

Ngoc Tran, What does China aim at in modernizing its army (Trung Quoc hien dai hoa quan su lam gi?), March 10 2010. http://www.rfa.org/vietnamese/in_depth/in-modernizing-its-army-what-does-china-aim-at-03012010061140.html

Nguyen Hoang Giap, Phát triển quan hệ với các nước lớn trong chính sách đối ngoại đổi mới của Đảng và Nhà nước ta (Developing relations with major powers in Reformed foreign policy of Party and State), International Studies, Vol. 61, 2005.

Nguyen Nham, New Policy of the United States in Asia – Pacific region: Perspective from Foreign Defense (Chính sách mới của Mỹ với Châu Á Thái Bình Dương: góc nhìn từ đối ngoại quốc phòng), Security – Defense Relations Journal (Tạp chí Quan hệ quốc phòng – an ninh), Vol.3

Nguyen Tan Dung, Building Strategic Trust for Peace, Cooperation and Prosperity in the Asia-Pacific Region: Nguyen Tan Dung, Shangri La Dialogue 2013

Olson and Zeckhauser, "An Economic Theory of Alliances," p. 24.

Phillip C. Saunders, The Rebalance to Asia: U.S.-China Relations and Regional Security, Strategic Forum of National Defense University, August 2013.

Politburo of Vietnam, The 36-NQ/TW Resolution on the work of oversea Vietnamese, 26th March 2004

Qian Liwei, U.S.: A Strategy of Re-Rebalance?, China-U.S Focus, April 12, 2013.

Radu Vent, 4 Ways How China's Military Stacks Up Against the U.S., The Policymic, 10th May 2013.

Remarks by President Obama and President Park of South Korea in a Joint Press Conference, May 7 2013.

Remarks By President Obama to the Australian Parliament, November 17, 2011.

Robert A. Pape, "Empire falls", The National Interest, January-February 2009, P. 26.

Robert J. Samuelson, "Is America in decline?", The Washington Post, January 27, 2013

Robert Zoelick, A republican foreign policy, Foreign Affairs, 2000.

Samuel P. Huntington, "The U.S. - Decline or Renewal?", Foreign Affairs, Winter 1988/89 issue.

Speech on DoD Challenges submitted to the Senate Armed Services Committee by Secretary of Defense Robert M. Gates, January 27, 2009.

Sruthijith KK, ET Bureau, India remains top arms importer while China becomes fifth largest exporter, The Economics Times, March 18, 2013. http://articles.economictimes.indiatimes.com/2013-03-18/news/37815093_1_top-arms-importer-largest-importer-weapons-importer .

Stephen M. Walt, "The End of the American Era", The National Interest, October 25, 2011.

Stephen M. Walt, Taming American power – the global response to U.S Policy, W.W. Norton & Company, 2005

Steve Herman, US Defense Chief in Talks Over China-Japan Tensions, Voice of America, September 17, 2012, <http://www.voanews.com/content/us-defense-secretary-seeks-to-ease-worsening-china-japan-tensions/1509292.html>

Susan Strange, The Persistent Myth of Lost Hegemony.

Susan Strange, The Retreat of the State: The Diffusion of Power in the World Economy, 1996, P.4

Ta Minh Tuan, Quan hệ Việt – Mỹ: những thách thức trong nhiệm kỳ của Tổng thống Obama (Vietnam- U.S relations: challenges in President Obama’s term), Today American, Vol. 04, 2009.

Ta Minh Tuan, Quan hệ Việt – Mỹ: những thách thức trong nhiệm kỳ của Tổng thống Obama (Vietnam- U.S relations: challenges in President Obama’s term), Today American, Vol. 04, 2009.

The Embassy of The Socialist Republic of Vietnam in the United States of America, Viet Nam and the United States of America promote mutual benefits (Việt Nam và Hoa Kỳ thúc đẩy hợp tác cùng có lợi), 15th July 2010, <http://vietnamembassy-usa.org/vi/tin-tuc/2010/07/viet-nam-va-hoa-ky-thuc-day-hop-tac-cung-co-loi>.

The Foreign Policy Initiative <http://www.foreignpolicyi.org/content/obama-administrations-pivot-asia>

The White House, Office of Management and Budget, Budget of the United States Government Fiscal Year 2014, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/budget.pdf>

Tran Kien, Pre-Emptive Strike, Theory or a Choice (Tan cong phu dau, hoc thuyet hay chi la su lua chon), <http://vietbao.vn/The-gioi/Tan-cong-phu-dau-Hoc-thuyet-hay-chi-la-su-lua-chon/20035915/162/>.

Tysha Bohorquez reviews Joseph Nye Jr.'s book "Soft Power -The Means to Success in World Politics", December 01, 2005.

U.S Department of Homeland Security, Container Security Initiative Ports,
Department of Homeland Security website,
http://dhs.gov/files/programs/gc_1165872287564.shtm.

U.S National Intelligence Council, Global Trends 2015: A Dialogue about the Future With Nongovernment Experts.

U.S Senate Committee on Foreign Relations Hearings on nomination of Hillary R. Clinton to be Secretary of State, January 13, 2009.
<http://www.foreign.senate.gov/hearings/2009/01/13/nomination>

Vietnam Communist Party, The Eleventh National Party Congress Document

Vietnam Embassy in the United States, Việt Nam – Mỹ cam kết thúc đẩy hợp tác thương mại (Vietnam- the U.S commit to promote trade cooperation),
<http://vietnamembassy-usa.org/vi/quan-he-viet-my/viet-nam-my-cam-ket-thuc-day-hop-tac-thuong-mai>

Yao Yunzhu, New Developments Impact Asia Pacific Security, China-US Focus, September 7, 2012, <http://www.chinausfocus.com/peace-security/new-developments-in-the-asia-pacific-region-and-their-security-implications/>