

DISCUSSION PAPER

Making U.S.-Vietnam Ties a Model for a Free and Open Indo-Pacific

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Introduction

Since Donald J. Trump became president, many U.S. partners in Southeast Asia have worried about whether the United States will remain the region's guarantor of security and trade integration. Although the Barack Obama White House did not always follow through on promises to deliver its rebalance to Asia, it pushed for U.S. participation in the Trans-Pacific Partnership (TPP) and advocated focusing strategically on Asia. The Trump administration's approach to Southeast Asia, meanwhile, has lacked consistency. But there is still time for the Trump White House to advance its goals and restore Southeast Asians' trust in the United States. U.S.-Vietnamese relations provide an ideal opportunity to do so.

Trump himself has taken several trips to Asia, indicating his interest in the region, although he is skipping important meetings in Asia later this year. The White House has adopted a tougher approach to the South China Sea, expanding freedom of navigation operations.¹ It has also taken a stronger stance against China's anticompetitive trade practices. Southeast Asian countries, despite their close trade links with China, share some of the Trump administration's concerns about Chinese trade policies.² In addition, the Trump administration has rolled out a broad strategy for the region, called the Free and Open Indo-Pacific. It vows to promote a rules-based security and economic order in Asia, while also encouraging closer cooperation among regional U.S. partners. By encouraging this cooperation, the strategy aims to create what the recent U.S. National Defense Strategy calls a "networked security architecture" in Asia, one at least implicitly designed to deter China from coercion.³

Yet at the same time, the Trump administration has sent worrying signals to Southeast Asia. The White House's trade strategy has at times targeted Southeast Asian states. In democracies like Indonesia and Malaysia, U.S. indifference to human rights alienates local leaders.⁴ Overall, the administration's erratic approach to policymaking has undermined Southeast Asians' confidence in the United States. Due to the White House's nationalist tone and inconsistent approach to Southeast Asia, some Southeast Asian states have begun to accept China's growing regional power. Still, Southeast Asian states fear aspects of China's Belt and Road Initiative (BRI) like potential debt burdens, worry about Beijing's approach to the South China Sea, and resent Chinese influence in their domestic politics. Considering border disputes in South Asia and territorial claims in Southeast Asian waters, many Southeast Asian states remain uneasy with the idea of China becoming the preeminent power.

For the Trump administration to restore Southeast Asian states' trust in the United States as an indispensable external actor, it needs to show that tough policies are not just designed to favor the United States but also can benefit Southeast Asia, one of the world's fastest-growing regions economically and an area of significant strategic value. It can do so in Vietnam. There, Trump's tough rhetoric on trade and security jibes with sentiment in the country, and Vietnam is the Southeast Asian state most actively defending its interests in the South China Sea.⁵ Hanoi recognizes that though working with Washington risks provoking Beijing, China is already trying to intimidate Vietnam.⁶ Hanoi is already essentially putting into effect aspects of the Free and Open Indo-Pacific strategy. By adopting tougher regional strategic and economic measures with Vietnam, the Trump administration could demonstrate to Southeast Asia that its harder approach could be in their interests. It could further convince them to embrace the Free and Open Indo-Pacific.

Why Vietnam is the Best Partner for Modeling a Trump Administration Asia Strategy

After Hanoi and Washington normalized relations during the Bill Clinton administration, the bilateral relationship expanded rapidly under Presidents George W. Bush and Barack Obama. Despite Vietnam's close Communist Party links and deep bilateral trade ties with China, the Vietnamese public remains extremely wary of broader relations with China. China fought a border war with Vietnam in 1979, and, historically, China was the main regional power affecting Vietnam. Following the normalization of U.S.-Vietnam relations in 1995, Hanoi sought closer ties with Washington partly as a balance to Beijing's traditional dominance of mainland Southeast Asia.

Since 1995, people-to-people contacts between the United States and Vietnam have expanded. The 2016–17 academic year marked the sixteenth year in a row that the number of Vietnamese students in higher education in the United States had risen.⁷ Further, as the era of the Vietnam War receded, the Vietnamese American community has built close business links to Vietnam.

ECONOMIC RELATIONS

As Vietnam has reformed its economy over the past three decades, it has become highly attractive to foreign investors. As scholars Sebastian Eckhardt, Deepak Mishra, and Viet Tuan Dinh note, Vietnam has been a model of economic growth and liberalization for other developing economies. The country's trade has nearly tripled over the past decade, even as world trade has stalled, and Vietnam created 1.5 million new manufacturing jobs between 2014 and 2016, due to a combination of economic reforms, improved rule of law, and investments in human capital.⁸

Vietnam has become even more alluring to multinational corporations as China backslides on investor protections. In fact, some foreign investors would likely relocate to Vietnam if U.S.-China trade tensions rose. Registered foreign investment into Vietnam grew by over 40 percent during 2017.⁹ While corruption remains a serious problem, Hanoi has in recent years taken steps to battle graft.¹⁰ Notably, in December 2017, Vietnamese authorities arrested a former member of the Politburo, Dinh La Thang, for alleged crimes related to economic management while running the state oil and gas company.¹¹

In addition to welcoming investment, Vietnamese leaders also share U.S. concerns about China's trade practices. Vietnamese leaders appear willing to work with the White House on a tough but fair Asia-Pacific trade policy that addresses China's trade practices, while accepting that China will remain an enormous driver of regional trade. While Hanoi has not abandoned the desire for multilateral trade liberalization, it appears willing to launch bilateral trade negotiations with Washington.¹²

The Trump White House, however, has had mixed relations with Vietnam on trade issues. Although Hanoi approves of some tough trade tactics toward Beijing, and Vietnam could benefit from U.S. economic tensions with China, Vietnamese leaders were disappointed when the Trump administration pulled the United States out of the TPP. (Hanoi had invested significant political capital overhauling its own regulatory regimes on many industries in advance of the TPP coming into effect.) In addition, Trump reportedly has harangued Vietnamese leaders over that country's trade surpluses with the United States, and has claimed that Vietnam is "stealing"

U.S. jobs, a point he has raised about many states in Asia.¹³ Hanoi has tried to soothe tensions with Washington over trade. During a visit to the United States by Vietnamese Prime Minister Nguyen Xuan Phuc in May 2017, Vietnam announced some \$8 billion in commercial deals with the United States. (It remains unclear how many of these deals will come to fruition.¹⁴) Meanwhile, Vietnam has continued to promote economic integration across the Pacific Rim, helping push forward a revamped version of the TPP without the United States, now called the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

GROWING DEFENSE TIES

The U.S.-Vietnam defense relationship grew closer during the Obama administration. While there remain legitimate concerns about Vietnam's human rights record—it is one of the most authoritarian regimes in East Asia—Vietnam's champions in the White House and Congress have pushed for an upgraded security relationship. The two countries now hold an annual secretary of defense-level dialogue, and U.S. ships make regular calls at Cam Ranh Bay, one of the most strategically vital ports in Southeast Asia. In 2013, the Obama administration signed a comprehensive partnership with Vietnam. The partnership was supposed to provide what the White House called an “overarching framework” for improving ties on a range of issues.¹⁵ Following up on the comprehensive partnership, the Obama administration lifted a longstanding embargo on arms exports to Vietnam in 2016. It also instituted regular cooperation between the U.S. and Vietnamese coast guards, and began delivering maritime security assistance to Hanoi.¹⁶

In 2016, Vietnam's Party Congress selected new leaders of the country. The new general secretary, Nguyen Phu Trong, was according to some reports more pro-China than his predecessor, and some news coverage suggested that Vietnam would pivot away from the United States and embrace China more closely.

Yet Nguyen Phu Trong and other leaders have not fulfilled these predictions. Instead, Vietnam's leaders have continued to tilt toward the United States while also pursuing security relationships with medium-sized Asian powers. Vietnamese leaders understand that they cannot hope to match China's militarization of the South China Sea, but Hanoi seeks to deter Beijing from thinking of attacking Vietnam, or from totally dominating the South China Sea. Moving closer to the United States, Australia, India, and Japan, among others, helps Vietnam achieve this goal.

On security issues, the Trump administration has continued Obama's approach of building closer ties with Vietnam, while also rhetorically shifting to a more confrontational approach toward China. Secretary of Defense Jim Mattis visited Vietnam in January 2018, and shortly afterward, the USS *Carl Vinson* arrived in Da Nang. It was the first U.S. aircraft carrier to make a port call in Vietnam since the Vietnam War—and a sign of growing military-to-military links. The Trump administration has provided patrol boats to Vietnam and has pushed to more closely integrate Coast Guard officers through more regular visits.¹⁷

Meanwhile, Vietnam, like most Southeast Asian states, has faced growing Chinese pressure on many fronts. In the past two years, China has squeezed Vietnam to give up claims on oil and gas in disputed areas of the South China Sea.¹⁸ Vietnam's oil exports have dropped by around 40 percent since 2015, as Beijing has worked to prevent Hanoi from new exploration in the South China Sea.¹⁹ Vietnamese leaders also have become increasingly alarmed by the placement of missiles on Chinese installations in the South China Sea, and at other Chinese efforts to consolidate gains in disputed waters. The Vietnamese public has pushed Hanoi away from Beijing. The Vietnamese government is authoritarian, but it is not totalitarian, and it has to respond to public sentiment to some extent. On multiple occasions in the past five years, large anti-China protests have broken out in Vietnam, including in June 2018.

HUMAN RIGHTS ISSUES

The fact that the White House has downgraded human rights and democracy as priorities in U.S. foreign policy has made improving U.S.-Vietnam strategic ties easier. Trump did not publicly mention Vietnam's rights abuses during his visit to the country in November 2017.²⁰ When Secretary of State Mike Pompeo visited Vietnam in July 2018, he asked Vietnamese lawmakers for a "speedy resolution" to the case of a U.S. citizen who had been detained in Vietnam for joining public protests, but he did not offer a broader critique of Hanoi's rights record.²¹ (The U.S. citizen, William Anh Nguyen, was convicted in July of "disturbing public order" but then released and deported.²²) However, members of the U.S. Congress and some mid-ranking executive branch officials continue to highlight Vietnam's human rights record.²³

In the long run, if Vietnamese citizens become increasingly alienated from Hanoi and push to change their government, there might be lingering popular anger at countries that built close ties with the present leadership. But polls show that most Vietnamese approve of closer ties with the United States, and do not see closer links as indicative of U.S. support for the Vietnamese Communist Party.²⁴ Indeed, while the Trump administration is unpopular across much of Asia, the Vietnamese have relatively positive views of Trump, probably because they appreciate the White House's tough approach to China and regional security in general. A survey by the Pew Research Center found that 58 percent of Vietnamese have "confidence in Trump" to take the right measures in international relations.²⁵

VIETNAMESE AND U.S. PRIORITIES

Of all the Southeast Asian states (other than city-state Singapore), Vietnam has shown the fewest illusions about the implications of China's rise, and the greatest willingness to employ tough, sophisticated strategies to prevent Chinese dominance of the South China Sea and the region more generally. Vietnamese leaders are thus the most natural fit in Southeast Asia for working with the Trump administration on both strategic and economic issues. Vietnamese leaders tend to be skeptical that China could become a trustworthy dominant power, even as leaders of countries like Thailand become more comfortable with the idea. Popular support in Vietnam for a tough approach to the South China Sea and China generally makes Vietnamese cooperation with the United States sustainable. Conversely, in Thailand, popular sentiment is increasingly friendly toward China and disdainful of the United States, a factor that could limit the future of U.S.-Thai relations even if opinion leaders want to maintain close links to the United States.

Vietnam has launched a multifaceted strategy to convince Asian countries to partner with Hanoi on protecting freedom of navigation and territorial waters, and staving off Chinese regional dominance. Hanoi's strategy is similar in many respects to proposed White House policies to tighten links among partners in Asia, expand deterrence, and improve interoperability among regional navies and coast guards.

Vietnam has focused these efforts on Australia, India, and Japan, some of the same partners that the United States is enlisting within the Free and Open Indo-Pacific concept. Vietnam signed a new strategic partnership with Australia in March 2018. Vietnam and India have created a comprehensive strategic partnership, which will entail closer cooperation on maritime security and oil and gas exploration. India is training Vietnamese fighter pilots and could sell surface-to-air missiles to Hanoi; the two states have rapidly stepped up the pace of joint naval exercises in recent years.²⁶ Vietnam also signed a new strategic partnership with Australia in March 2018. Vietnam also has significantly expanded strategic links with Japan in the past five years. The expanded

ties include more regular Japanese port calls to Vietnam, growing Japanese maritime security assistance to Vietnam, and defense industrial cooperation.²⁷

Vietnam's approach to regional security indeed closely tracks many of the goals of the Trump administration's Free and Open Indo-Pacific strategy, although Hanoi does not necessarily score highly on the program's goal of open markets and respect for the rule of law domestically. Hanoi is, in its own way, helping build a "networked security architecture" of regional powers that will defend sovereignty, freedom from coercion, and freedom of navigation. Three of the states that Vietnam is courting are also part of an informal regional partnership called the Quadrilateral Security Dialogue, or "Quad": Australia, India, and Japan.²⁸

In addition, Vietnamese leaders have recently explicitly echoed concepts of the Free and Open Indo-Pacific strategy. In a speech to an Indian think tank in March 2018, senior defense analyst and Asia expert Derek Grossman notes, Vietnamese President Tran Dai Quang referred to Vietnam's desire for an "Indo-Asia-Pacific" security concept and "signal[ed] Hanoi's willingness to accept [the] concept most strongly pushed by the United States that partners must work together across regions to balance and deter Beijing's activities."²⁹

Moving the U.S.-Vietnam Relationship Forward

Vietnamese leaders' continuing embrace of closer ties with the United States, and the Vietnamese public's relatively positive views of the Trump White House, make the country a current outlier in Southeast Asia. Many Southeast Asian leaders today are confused by the current inconsistency in U.S. foreign policy toward the region. People in many Southeast Asian states are also alienated by what they perceive as strains of xenophobia in U.S. economic and immigration policy; in Indonesia and Malaysia, for instance, the United States' image and perceived trustworthiness has deteriorated in recent years.³⁰

Still, most Southeast Asian countries are not fully prepared to abandon their reliance on the United States as the main external regional power. For the White House to show Southeast Asian states that its tough strategic and economic approach is going to benefit not only the United States, it will need to convince Southeast Asian countries of several points. It will need to assure them that the United States has staying power in Asia, and that the Trump administration's view of the region, set forth in the Free and Open Indo-Pacific idea, values Southeast Asia itself. It further needs to assure Southeast Asian countries that although China's rise should not and cannot be stopped, the United States can offer viable options for helping Southeast Asian countries push back if China uses economic and strategic coercion. It needs to assure countries that in promoting a rules-based order on security and trade, the Trump administration will apply rules fairly and based on evidence, rather than issuing condemnations of countries based upon spurious charges—like the idea that states running trade surpluses with the United States are somehow taking advantage.

Vietnam is the ideal place for the Trump administration to model its strategy for South and Southeast Asia. This model will keep the White House's hard-edged approach on many issues but shows that the Trump administration's trade and security policies can work for Southeast Asia. Washington stands to benefit if Hanoi provides a Southeast Asian imprimatur for the Free and Open Indo-Pacific strategy. The two powers can work closely to develop the strategy and implement it region-wide. In the event of a regional conflict, Vietnam offers the largest military in Southeast Asia and one of the best-trained forces, as well as a vital port in Cam Ranh Bay.

Hanoi stands to benefit from an upgraded bilateral relationship with the United States that helps address security challenges from China and links Vietnam's efforts to "multilateralize" its South China Sea strategy with the U.S. Free and Open Indo-Pacific concept. An upgraded U.S.-Vietnam relationship would provide Hanoi with clearer security promises, and would help it modernize its navy and coast guard. Vietnam can never match China's military might—Beijing's most recent buildup has included the reported installation of surface-to-air and anti-ship missile systems on some Chinese outposts in the South China Sea—but Hanoi wants to improve its military capabilities and be able to rely on enough partners to deter Beijing from gaining more advantage in the South China Sea or consider attacking Vietnam.³¹ It already has taken steps to do so, buying the biggest submarine fleet in Southeast Asia and enlisting partners like India and Japan.³² Building these closer ties to the United States would bolster Vietnam's deterrence.

To be sure, if Vietnam moves even closer to the United States, it could draw a rhetorical backlash, and possibly other punishments, from China. But Hanoi's efforts to more finely balance between Washington and Beijing are not working: They have not prevented China from expanding its territorial claims in the South China Sea, intimidating Vietnam into giving up oil and gas claims, and sidelining Vietnam within ASEAN. Given that

China is anyway taking a hardline approach to Vietnam, Hanoi could develop tighter links with the United States without triggering a substantially more assertive response from China.

Developing closer links to the United States would allow Vietnam to help shape the Free and Open Indo-Pacific concept, giving it some say over how the idea is turned into concrete action. A stronger collective defense of freedom of navigation in the South China Sea also would help Vietnam protect its offshore oil and gas reserves.

To upgrade the two nations' relationship, Washington should take the following steps:

- *Boost bilateral ties to strategic partnership status.* The United States and Vietnam reportedly plan to upgrade their relationship to a strategic partnership, from the existing comprehensive partnership.³³ As one scholar has noted, the current status is vague and did not come with clear steps the two sides could take to bolster ties.³⁴ A strategic partnership would be a clearly defined bilateral relationship in which both sides would treat each other on the level of treaty allies, although Vietnam is not ready to publicly accept being a U.S. treaty ally. The strategic partnership should include a clear joint plan of action for upgrading security ties over the next decade. Such a plan would include specific elements designed to bolster Vietnam's navy and air force, and elements setting up regular joint exercises between U.S. and Vietnamese forces, improving interoperability between the nations' militaries and making it easier for U.S. forces to use the vital Cam Ranh Bay port in the event of conflict in Southeast Asia. It also would send a signal to China that the Trump administration will enlist new strategic partners to prevent China from completely dominating the South China Sea and other regional waters. In addition, it would show—to Vietnamese opinion leaders, to China, and to the Vietnamese public—that Hanoi's top leaders are willing to publicly recognize the growing closeness of U.S.-Vietnam ties.³⁵
- *Increase port calls and other measures to demonstrate that the U.S.-Vietnam security relationship can deter Chinese actions in the South China Sea.* This action would involve both countries by making the aircraft carrier port call in Vietnam an annual event, and ensuring that Hanoi participates every year in the Rim of the Pacific multinational joint exercises. The Trump administration should double the annual U.S. funding, categorized as additional U.S. assistance for Vietnam's maritime capacity, that could be used for coast guard modernization from \$16 million to \$32 million. In addition, Vietnam should rhetorically support U.S.-led freedom of navigation operations in regional waters. The two sides should discreetly plan for Hanoi to join freedom of navigation operations within the next year, since it is important for both Washington and Hanoi to demonstrate to China enhanced deterrence in regional waters. Vietnam joining freedom of navigation operations would send the strongest possible signal that Washington and Hanoi together will aggressively defend freedom of navigation in the South China Sea. Vietnam joining such operations might lead other regional states to join as well, allowing the Trump administration to make the operations truly multilateral undertakings. This tougher approach might embolden other regional leaders who would be critical to a broad, tough U.S. strategy toward the South China Sea. Leaders in Indonesia, Malaysia, Singapore, and even the Philippines recently have tried to respond to China's South China Sea assertiveness, but they are limited in what they can accomplish on their own. A tough U.S. strategy, with Vietnam at the center, that enlists Southeast Asian states to push back against coercive behavior, would dramatically increase Southeast Asian countries' bargaining power.
- *Endorse Hanoi's joint exploration projects with foreign oil and gas companies.* Vietnam uses joint exploration projects to protect its exclusive economic zones. China applied enough pressure to stop a Vietnamese venture with Spanish oil firm Repsol in the South China Sea, but Hanoi still has a planned gas project with Exxon Mobil, which would potentially be the biggest offshore gas investment in the country.³⁶ Both Hanoi and Washington should warn Beijing, which might try to target this investment, not to attempt to

stop the project from moving forward, or risk the United States and Vietnam applying pressure on foreign companies not to get involved in joint projects with Chinese companies like the China National Offshore Oil Corporation in South China Sea waters.³⁷ A successful PetroVietnam-Exxon Mobil project would help calm Hanoi's fears about the country's falling oil and gas reserves and show U.S. companies that the risk of investing in resources in Vietnam has reduced. For Exxon Mobil, which controls 64 percent of the project, it would open up an offshore field that supposedly has 150 billion cubic meters of reserves.³⁸

- *Invite Vietnam to join the Quadrilateral Security Dialogue.* Washington should invite Hanoi to join the United States, Australia, India, and Japan in the Quadrilateral Security Dialogue. The strategic dialogue, which was conceived during the George W. Bush administration, was dormant for nearly a decade but was revived in 2017. As Tom Corben of the University of Sydney notes, the four Quad members already have “striven to upgrade bilateral strategic relations with Vietnam through conducting joint military exercises, port visits, extending lines of defense credit, and donating or selling naval assets to improve Hanoi's maritime security capacity.”³⁹ Vietnam should also be a major recipient of the roughly \$300 million in new funding for maritime security in Southeast Asia announced in August by Secretary of State Pompeo. Vietnam is already a kind of discreet partner of the Quad, given its close security ties with all Quad members. Formally joining the dialogue would give Vietnam a bigger say in regional security and send a signal that Washington increasingly sees Hanoi as a security partner on the level of other Quad members. It also would show other Southeast Asian states that the Quad can include Southeast Asian states as equal partners; Vietnam joining might entice other Southeast Asian states to join as well.
- *Complete a bilateral investment treaty and launch talks on a bilateral free trade agreement.* Although Vietnam's leaders were major proponents of the TPP, which included the United States—according to studies, Vietnam stood to gain more from the TPP than any other state in it—they are, generally, realists who seek any options to improve trade ties.⁴⁰ Like many other Southeast Asian states, Vietnam, while still supportive of multilateral trade deals, is willing to consider moving forward on trade liberalization with the United States to keep Washington involved in trade deals in Asia.⁴¹ The United States is already Vietnam's second-biggest export market in terms of individual countries.⁴² The Trump administration should, by the end of the first quarter of 2019, conclude a much-delayed bilateral investment treaty with Vietnam and then begin, next year, talks with Vietnam on a trade deal, while also launching talks with other Southeast Asian states; exploratory talks already have begun with the Philippines on a bilateral deal.⁴³ By starting negotiations with both Vietnam and the Philippines, the White House can demonstrate that it actually intends to push free trade via bilateral deals in Asia, is not simply aiming to roll back trade liberalization, and will punish trade violators while rewarding countries that adhere to trade rules and norms. Vietnam would benefit substantially from a bilateral deal. U.S. exporters would gain too; Vietnam is the fastest-growing market for U.S. exports, although the precedents in the revised North American Free Trade Agreement (NAFTA) deal may lead to tough negotiations with Vietnam over issues like labor.⁴⁴
- *Cooperate to develop regional alternatives to the BRI.* The United States, Japan, and Southeast Asian states will not be able to launch an infrastructure fund comparable in size to the BRI. The initial U.S. alternative, announced by Secretary of State Pompeo in July 2018, encompasses \$113 million in funding, a fraction of the BRI budget.⁴⁵ Japan currently spends more on infrastructure development in Southeast Asia than China, but China likely will surpass it in the next decade. However, given that many Southeast Asian states are concerned about the BRI, the United States should offer to assist them in creating their own infrastructure fund. The United States and Japan should provide technical assistance, favorable loans, and in-

centives to U.S. and Japanese firms to focus on infrastructure development in Vietnam and other Southeast Asian states. The White House also should increase, by at least a factor of ten, the amount of U.S. assistance provided under the new initiative announced by Pompeo. In so doing, Washington would show that it is attuned both to Southeast Asian states' need for infrastructure and to their concerns about the BRI. For its part, Vietnam badly needs better infrastructure. An Asian Development Bank estimate concluded that Vietnam needs nearly \$500 billion in new infrastructure investment over the next decade.⁴⁶

- *Do no harm to people-to-people contacts.* People-to-people ties have been critical in rebuilding the U.S.-Vietnam relationship since the normalization of bilateral relations. However, a White House plan to deport thousands of Vietnamese who arrived in the United States before 1995, and were protected under a 2008 U.S.-Vietnam immigration accord, could poison people-to-people relations.⁴⁷ Such actions could embitter Vietnamese Americans and make Vietnamese nationals wary of traveling to the United States. As former U.S. Ambassador to Vietnam Ted Osius has noted, most who were scheduled to be deported were refugees whose families supported the U.S. side in the Vietnam War, and have not committed major felonies.⁴⁸ In addition, the Trump administration's threats to severely tighten student visa rules could deter Vietnamese students from coming to the United States. Already, the number of foreign students obtaining visas to come to the United States has dropped under the Trump administration; a study by the National Foundation for American Policy noted that the number of foreign students at U.S. universities fell 4 percent in 2017 compared to 2016.⁴⁹ The Trump administration should halt plans to deport Vietnamese nationals who came to the United States prior to 1995. It also should stop tightening student visa regulations, including for Vietnamese nationals; educational contacts are critical to U.S.-Vietnam people-to-people ties and are also an important source of revenue for U.S. universities.
- *Cooperate with China when it plays by regional rules and norms, while also pursuing a tougher strategic and economic approach.* Neither the United States nor Vietnam can prevent China from becoming a more powerful regional and global actor. On some important regional issues, like public health, China has played a helpful role.⁵⁰ For instance, China has worked with other countries to address emerging epidemics, supported existing institutions like the World Health Organization, and led efforts to reduce vaccine prices.⁵¹ While the Trump administration aims to limit Beijing's ambitions in the South China Sea and within the domestic affairs of other states in Asia, it should accept that Southeast Asian countries have to work with China on a wide array of issues. On issues where Beijing is becoming a trusted, responsible leader, Washington and Hanoi should accommodate its growing power. Doing so would simply reflect reality—the United States and its partners cannot prevent China from becoming far more influential in Southeast Asia. It also would show Chinese leaders that if they do not seek to aggressively revise norms and rules, they can improve ties with Vietnam, and probably with other Southeast Asian states skeptical of China's rise, such as Indonesia and Malaysia.

Conclusion

Building a closer U.S.-Vietnam relationship would benefit both Washington and Hanoi and send a signal to other Southeast Asian states that the Trump administration's regional policies are not zero-sum. Upgraded ties with Vietnam, based on the ideas set forth in the Free and Open Indo-Pacific concept, would demonstrate that the White House has a clear regional policy that can actually take into account Southeast Asian states' strategic viewpoints as well.

Using Vietnam as a model for how Trump administration policies can benefit Southeast Asia, the United States could mend its deteriorating links with the Philippines and Thailand, and reinforce ties with Indonesia, Malaysia, and Singapore, three countries that are increasingly skeptical of China's regional strategic aims and concerned about Beijing using the BRI as a coercive weapon, possibly to get other states to become heavily indebted to China. The Philippines and Thailand are probably uninterested in any approach that alienates China, but could be open to closer ties with the United States if they saw Vietnam benefit from them. If states see that the White House's harder approach to Asia could actually be in their interests, they may be convinced to support the Free and Open Indo-Pacific concept.

Restoring closer links with Southeast Asia is important to U.S. interests. The region has some of the fastest economic growth in the world, and it sits astride several of the busiest international trade routes and the strategically vital South China Sea; at least 20 percent of global trade transits through the South China Sea annually.⁵² The region faces serious threats from terrorism, piracy, and rising Islamism. It also is the first place where China has emerged as a real challenger to U.S. dominance, and could presage Xi Jinping's approach to other regions of the world; an effective U.S. strategy in Southeast Asia could potentially be applied to other regions where China is ascendant. Perhaps most important, Southeast Asia provides a chance to show that Trump-era foreign policy can actually win over other countries—that even a more nationalist United States still often needs, and can work with, partners across the Asia-Pacific.

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