

SOUTH CHINA SEA SOVEREIGNTY AND MARITIME RIGHTS: STRATEGIC POLICY ANALYSIS

Policy Analysis for the Ministry of Foreign Affairs, Socialist Republic of Vietnam

I. ISSUE BRIEF

The South China Sea maritime disputes represent an existential sovereignty challenge for the Socialist Republic of Vietnam, affecting territorial integrity, economic development, and national security. Vietnam claims sovereignty over the Paracel Islands (Hoàng Sa archipelago), the Spratly Islands (Trường Sa archipelago), and extensive maritime zones totaling approximately 1 million square kilometers within its exclusive economic zone as defined under the United Nations Convention on the Law of the Sea.[1]

Vietnam's legal position rests on historical sovereignty claims documented through continuous administrative presence dating to the 17th century Nguyễn Dynasty,[2] inheritance of French colonial administration (1884-1954),[3] and exclusive economic zone rights under UNCLOS, ratified by Vietnam in 1994.[4] The Vietnamese government's 2019 Note Verbale to the United Nations comprehensively rejected China's Nine-Dash Line claims, asserting that such claims lack legal basis under international law and violate Vietnamese sovereign rights.[5]

Current operational realities reflect contested control and ongoing coercion. The People's Republic of China has exercised complete administrative control over the Paracel Islands since forcibly seizing them from South Vietnamese forces in the 1974 Battle of the Paracel Islands,[6] establishing military installations, airfields, and civilian settlements on Woody Island and other features.[7] In the Spratly Islands, Vietnam maintains physical presence on 21 features,[8] while China controls 7 militarized artificial islands,[9] the Philippines occupies 9 features,[10] Malaysia holds 5 outposts,[11] and Taiwan controls Itu Aba (the largest naturally occurring feature).[12]

Chinese maritime coercion has intensified significantly. In 2014, China deployed the HD-981 oil rig within Vietnam's exclusive economic zone 120 nautical miles from the Vietnamese coast, triggering a two-month standoff involving over 40 Chinese coast guard vessels and resulting in violent ship-ramming incidents.[13] In 2019, the Chinese survey vessel Haiyang Dizhi 8 conducted seismic surveys within Block 06-1 of Vietnam's continental shelf for three months, escorted by coast guard and maritime militia vessels.[14] Chinese fishing restrictions through unilateral "fishing bans" in Vietnamese waters occur annually,[15] while coast guard vessels regularly interfere with Vietnamese hydrocarbon exploration activities, most notably forcing Repsol to abandon drilling in Block 136-03 in 2017 under Chinese pressure.[16]

Strategic complications arise from the asymmetric power relationship with China and complex ideological-economic dependencies. Vietnam and China share a 1,450-kilometer

land border,[17] maintain Communist Party-to-Party relations through annual high-level exchanges,[18] and conduct \$171.9 billion in bilateral trade (2023), making China Vietnam's largest trading partner.[19] Simultaneously, Vietnam has no mutual defense treaty with any major power, possesses limited power projection capabilities despite recent military modernization, and must navigate ASEAN consensus requirements that Chinese diplomatic pressure on Cambodia and Laos repeatedly exploits to prevent collective support for Vietnamese positions.[20]

The fundamental policy challenge lies in defending vital sovereignty interests and maritime rights against a vastly superior adversary while preserving essential economic relationships, maintaining Communist Party legitimacy through nationalist credibility and economic development, avoiding military confrontation that would guarantee defeat, and developing asymmetric responses that impose costs without triggering overwhelming retaliation.

II. STRATEGIC INTERESTS

Primary Interests:

Protection of territorial sovereignty over the Paracel and Spratly Islands constitutes a non-negotiable national interest grounded in historical administration, international law, and national identity. The Vietnamese Communist Party's legitimacy derives substantially from nationalist credentials established through resistance against foreign occupation—first against France, then the United States, and critically including the 1979 Sino-Vietnamese War.[21] The 2013 amendment to Vietnam's Constitution explicitly identifies the Paracel and Spratly archipelagos as integral Vietnamese territory,[22] establishing constitutional constraints on any government compromise regarding sovereignty.

Preservation of exclusive economic zone rights, particularly access to hydrocarbon resources and fishery stocks, directly affects economic development objectives outlined in the Socio-Economic Development Strategy 2021-2030.[23] Vietnam's proven offshore oil and gas reserves are estimated at 4.4 billion barrels of oil equivalent,[24] with 95% of these reserves located in areas within 200 nautical miles of the Vietnamese coastline but contested by Chinese claims.[25] Petroleum revenue contributes approximately 7% of state budget revenue,[26] making secure exploitation critical for fiscal sustainability. Fishing stocks support approximately 4.6 million Vietnamese citizens dependent on marine fisheries,[27] with South China Sea waters providing 60% of Vietnam's total marine catch valued at \$7.4 billion annually.[28]

Secondary Interests:

Energy security represents a vital interest given domestic consumption growth and declining production from mature fields. Vietnam transitioned from net oil exporter to net importer in 2011,[29] with crude oil imports reaching 145,000 barrels per day in 2023.[30] Natural gas demand is projected to increase 400% by 2035 to support industrialization and power generation,[31] requiring exploitation of offshore reserves including those in contested areas such as Block 06-1 (estimated 5 trillion cubic feet of gas).[32]

Maintenance of maritime communication lines carries significant economic importance, with approximately 80% of Vietnam's international trade by volume transiting South China Sea

waters.[33] Vietnamese exports totaled \$355.5 billion in 2023,[34] heavily dependent on manufactured goods and agricultural products requiring reliable sea access to markets in East Asia, Europe, and North America.

Strategic Autonomy Interests:

Preservation of independent foreign policy decision-making remains essential despite economic and ideological ties with China. Vietnam's "bamboo diplomacy" doctrine emphasizes flexibility, resilience, and multi-directional partnerships to avoid overdependence on any single power.[35] The 2019 Defense White Paper articulates Vietnam's policy of "no military alliances, no foreign military bases on Vietnamese territory, and no reliance on one country to fight another,"[36] establishing constraints on alliance formation while permitting selective security cooperation.

Communist Party legitimacy requires balancing nationalist sovereignty defense with economic development achievements. Public opinion surveys indicate 84% of Vietnamese view China as the greatest threat to Vietnam,[37] while 91% support strong defense of territorial claims.[38] Perceived weakness on sovereignty issues creates domestic political vulnerability, as demonstrated by mass protests in 2014 following the HD-981 oil rig deployment[39] and 2018 demonstrations against proposed special economic zones perceived as enabling Chinese influence.[40]

III. CONSTRAINTS

Military Constraints:

The Vietnam People's Army possesses regional power capabilities but faces overwhelming disadvantage against Chinese forces in sustained high-intensity conflict. According to the International Institute for Strategic Studies, the Vietnam People's Navy operates 6 Kilo-class submarines (acquired from Russia 2013-2017), 11 frigates and corvettes including modern Gepard-class vessels, and approximately 50 patrol craft.[41] The Vietnam People's Air Force operates 36 Su-30MK2 multirole fighters and 12 Su-27 air superiority aircraft.[42] Total active military personnel number approximately 482,000.[43]

In comparison, the PLA Navy operates over 370 battle force ships including aircraft carriers, 50+ modern destroyers with integrated air defense, 49 frigates, and a submarine fleet exceeding 60 vessels including nuclear-powered attack submarines.[44] PLA Air Force assets in the Southern Theater Command include hundreds of fourth and fifth-generation fighters.[45] Chinese military spending (\$292 billion in 2023)[46] exceeds Vietnam's entire GDP (\$430 billion in 2023).[47]

Geographic vulnerabilities compound force disadvantages. China's militarized artificial islands in the Spratly Islands—particularly Fiery Cross Reef (3,000-meter runway, fighter aircraft, advanced radar), Subi Reef (3,000-meter runway, anti-aircraft missiles), and Mischief Reef (2,700-meter runway, 72 aircraft shelters)[48]—provide forward operating bases closer to Vietnamese-controlled features than Vietnam's mainland bases. Hanoi lies only 150 kilometers from the Chinese border, within range of PLA rocket artillery and short-range ballistic missiles.[49]

Vietnam's military modernization program, while improving baseline capabilities through \$6.5 billion in defense spending (2023),[50] cannot achieve conventional parity within any realistic timeframe. The absence of aircraft carriers, strategic bombers, or long-range precision strike capabilities limits power projection. Submarine capabilities provide asymmetric advantages for sea denial but insufficient for sea control or sustained operations beyond territorial waters.[51]

Ideological-Political Constraints:

Communist Party-to-Party relations with the Chinese Communist Party create unique constraints absent in Vietnam's relationships with other South China Sea claimants. Annual high-level party exchanges, ideological training cooperation, and shared governance models generate institutional ties and communication channels,[52] but also Chinese expectations of special consideration that complicate public confrontation. The CCP's influence within Vietnamese internal politics, while limited, remains non-trivial given historical revolutionary cooperation and ongoing exchanges.[53]

Nationalist legitimacy requirements simultaneously constrain accommodation. The Vietnamese Communist Party derives legitimacy from three sources: economic development achievements, socialist governance, and nationalist defense of independence.[54] With economic growth slowing (5.05% in 2023 versus 8.02% in 2022)[55] and limited democratic legitimacy, nationalist credibility on sovereignty issues becomes increasingly important for regime stability. The 2014 anti-China protests, which escalated to riots targeting Chinese-owned factories and resulted in multiple deaths,[56] demonstrated the risks of perceived weakness on territorial disputes.

Economic Constraints:

China represents Vietnam's largest trading partner at \$171.9 billion bilateral trade (2023), accounting for 19.2% of total Vietnamese trade.[57] Vietnamese manufacturing depends heavily on Chinese intermediate goods, with 35% of imports from China consisting of machinery, electronics components, and raw materials essential for export-oriented industries.[58] The trade deficit with China reached \$60.4 billion in 2023,[59] reflecting structural dependence on Chinese inputs.

Chinese foreign direct investment, while representing only 6.8% of total FDI in Vietnam (\$2.53 billion in 2023),[60] concentrates in strategic sectors including manufacturing, energy, and infrastructure. Belt and Road Initiative commitments include the Cat Linh-Ha Dong elevated railway (\$868 million Chinese loan),[61] various power plant projects, and proposed high-speed rail connections.[62] Economic coercion risks include trade restrictions, as demonstrated by 2014 informal bans on Vietnamese agricultural products following Paracel tensions,[63] and disruption of manufacturing supply chains.

Tourism from China contributed \$5.8 billion to the Vietnamese economy in 2019 (pre-COVID baseline), representing 30% of international tourist arrivals.[64] Chinese tourists declined to 449,000 in 2023,[65] demonstrating vulnerability to politically motivated restrictions.

Hydrocarbon development in contested areas requires international oil company participation and substantial capital investment. However, major energy companies demonstrate extreme

reluctance to operate in Chinese-contested blocks following explicit Chinese threats. In 2017, China threatened Repsol with exclusion from Chinese markets if it proceeded with drilling in Block 136-03, forcing project abandonment.[66] In 2019, Chinese pressure similarly affected ExxonMobil and Rosneft operations in Vietnamese waters.[67] This "economic warfare" approach effectively prevents exploitation of Vietnam's most promising offshore reserves without Chinese consent.

Alliance and Partnership Constraints:

Vietnam's "no alliances" policy precludes mutual defense treaties that could provide security guarantees against Chinese aggression. While the 2015 U.S.-Vietnam Comprehensive Partnership and 2023 elevation to Comprehensive Strategic Partnership expand defense cooperation,[68] these frameworks explicitly avoid military alliance commitments and provide no automatic intervention obligations comparable to the U.S.-Philippines Mutual Defense Treaty.[69]

Security partnerships with Russia, historically Vietnam's primary arms supplier providing 85% of weapons imports during 2000-2020,[70] have deteriorated following Russia's 2022 invasion of Ukraine. Western sanctions on Russian defense exports complicate spare parts acquisition and future procurement,[71] while Russia's strategic alignment with China limits Moscow's willingness to support Vietnam in South China Sea disputes. The 2023 Vietnam-Russia joint statement emphasized strategic coordination but contained no specific security commitments regarding maritime disputes.[72]

ASEAN institutional constraints mirror those affecting the Philippines. The consensus principle enables Chinese influence through Cambodia and Laos to block collective positions. In 2012, Cambodia's ASEAN chairmanship prevented any joint statement on the South China Sea.[73] In 2016, Cambodia and Laos blocked references to the Philippines arbitral award.[74] In 2023, Cambodia again resisted language critical of Chinese activities.[75] Vietnam cannot rely on ASEAN mechanisms for meaningful support in bilateral disputes with China.

IV. POLICY OPTIONS

Option A: Escalatory Resistance Through Unilateral Assertion

Accelerate unilateral hydrocarbon exploitation in contested blocks through state-owned PetroVietnam drilling operations without international oil company participation, accepting technical limitations and reduced efficiency. Expand military installations on occupied Spratly features including runway extension on Spratly Island airfield (currently 600 meters),[76] deployment of mobile anti-ship missile batteries on select features, and increased naval patrol frequency in contested waters. Publicize Chinese violations through international media campaigns and pursue additional legal mechanisms including potential ICJ advisory opinion requests or bilateral arbitration under UNCLOS Annex VII. Strengthen defense cooperation with external powers including expanded U.S. Navy port visits, joint exercises with India and Japan, and accelerated military modernization through diversified procurement beyond Russian suppliers.

Assessment: Demonstrates sovereignty resolve and imposes reputational costs on China through international attention. Advances nationalist legitimacy domestically and potentially deters further Chinese encroachment through demonstrated willingness to resist. However, generates near-certain Chinese retaliation through economic coercion (trade restrictions, tourism bans, FDI withdrawal), potential kinetic responses including seizure of additional features or blockade of Vietnamese-occupied islands, and risks military escalation Vietnam cannot win. The 2014 HD-981 incident demonstrated Chinese willingness to deploy overwhelming maritime forces (over 40 coast guard vessels, military vessels on standby)[77] against Vietnamese resistance. Unilateral drilling without international oil company participation faces technical limitations reducing production efficiency and commercial viability. International support likely limited to diplomatic statements without material assistance, as demonstrated by muted global response to 2019 Haiyang Dizhi 8 intrusion.[78] Option incompatible with economic development objectives and risks regime stability through conflict-induced economic disruption.

Option B: Strategic Accommodation Through Bilateral Framework

Pursue comprehensive bilateral negotiations with China on maritime disputes, accepting provisional arrangements for joint development in contested areas pending final sovereignty delimitation. Propose joint management zones for hydrocarbon resources modeled on 2000-2008 China-Vietnam Tonkin Gulf agreements that successfully delimited maritime boundaries and established fishery cooperation frameworks.[79] De-emphasize Paracel Islands sovereignty claims (where Vietnam possesses zero operational presence) in exchange for Chinese recognition of Vietnamese rights in Spratly Islands and Vietnamese exclusive economic zone. Reduce military presence on occupied Spratly features and accept limitations on further installations. Deepen Communist Party-to-Party relations and align foreign policy more closely with Chinese positions on regional issues, reducing Washington's strategic access to Vietnam.

Assessment: Offers potential economic gains through joint resource development, reduces immediate conflict risks, and aligns with some Chinese proposals for bilateral dispute resolution outside multilateral frameworks.[80] Could generate substantial hydrocarbon revenues through cooperative exploitation of previously inaccessible reserves, partially offsetting lost sovereignty. Precedent exists in successful Tonkin Gulf delimitation, suggesting Chinese willingness to reach negotiated outcomes when Vietnamese bargaining position is credible.[81] However, creates catastrophic domestic political risks. Abandonment of Paracel claims and accommodation on Spratlys would trigger mass protests comparable to or exceeding 2014 anti-China demonstrations, potentially threatening regime stability.[82] Communist Party legitimacy fundamentally tied to nationalist resistance narrative dating to anti-Chinese resistance throughout history, including 1979 war explicitly framed as defending national sovereignty.[83] Any perceived "selling out" of territorial claims could fracture elite consensus and mobilize opposition. Establishes dangerous precedent suggesting Vietnamese sovereignty negotiable under pressure, potentially encouraging further Chinese demands. International legal position undermined, affecting future disputes. Strategic autonomy compromised through increased dependence on Chinese economic goodwill and reduced partnership options with external powers suspicious of Hanoi-Beijing alignment.

Option C: Asymmetric Resistance With Strategic Diversification

Maintain firm sovereignty claims through consistent diplomatic assertion while pursuing asymmetric approaches that impose costs on Chinese coercion without triggering overwhelming retaliation. Employ "cabbage tactics" in reverse—use numerous fishing vessels, coast guard patrols, and maritime militia to establish persistent presence in contested areas, forcing China to expend resources on monitoring and interdiction. Develop anti-access/area denial capabilities through submarine forces, mobile coastal defense cruise missiles (Bastion-P systems, range 300km),[84] and land-based anti-ship ballistic missiles, creating credible sea denial threats that complicate Chinese power projection. Accelerate economic diversification away from Chinese dependence through expanded trade agreements, particularly CPTPP membership (joined 2023),[85] EU-Vietnam Free Trade Agreement implementation,[86] and enhanced economic partnerships with Japan, South Korea, and India. Pursue selective security cooperation with external powers through bilateral frameworks avoiding alliance commitments: expanded U.S. defense cooperation under Comprehensive Strategic Partnership,[87] naval cooperation with India including submarine training and joint exercises,[88] defense industrial cooperation with Japan and South Korea. Engage in limited joint development discussions with China exclusively for specific blocks where unilateral exploitation is impossible, structured to preserve sovereignty claims.

Assessment: Balances sovereignty defense with conflict management, imposing costs on Chinese coercion while avoiding escalation triggers. Asymmetric capabilities exploit Chinese vulnerabilities—submarines threaten surface fleet operations, coastal defense missiles create exclusion zones protecting critical infrastructure and offshore platforms. Diversification reduces economic leverage China can employ for coercion, as demonstrated by Vietnam's manufacturing growth benefiting from supply chain restructuring away from China following COVID-19 and U.S.-China trade tensions.[89] Security partnerships enhance capabilities without alliance entanglements that could trigger Chinese preemptive action or compromise strategic autonomy. Fishing vessel and maritime militia tactics proven effective in Philippine context for maintaining presence and complicating Chinese operations.[90] However, carries moderate escalation risks through cumulative provocations and potential for miscalculation during maritime encounters. Economic diversification incomplete—China likely remains largest trading partner for foreseeable future given geographic proximity and industrial integration. Asymmetric capabilities provide denial but not decisive victory, merely raising costs without fundamentally altering power balance. Domestic nationalist pressure may view approach as insufficient, creating political vulnerability if framed as weak response.

Option D: Multilateral Legalism With Coalition Building

Prioritize international law mechanisms and coalition building with other claimants and external powers. Pursue legal avenues including potential UNCLOS Annex VII arbitration modeled on Philippines case, ICJ advisory opinion request on historic rights and Nine-Dash Line legality, and systematic documentation of Chinese violations for international adjudication. Build coordination mechanisms with the Philippines on overlapping claims and shared opposition to Chinese expansion, accepting compromises on bilateral disputes to present unified ASEAN claimant front. Strengthen ASEAN mechanisms through persistent advocacy for substantive Code of Conduct provisions including binding dispute resolution, militarization constraints, and resource management frameworks. Enhance security cooperation with Quad countries (U.S., Japan, India, Australia) through participation in multilateral exercises, intelligence sharing on Chinese maritime activities, and coordination on freedom of navigation operations in Vietnamese exclusive economic zone.

Assessment: Maximizes international law advantages and moral-legal high ground, potentially isolating China diplomatically as occurred following 2016 Philippines arbitral award.[91] Coalition approaches amplify Vietnamese positions and reduce isolation, particularly if Philippines and Vietnam coordinate claims. External power involvement through Quad frameworks provides implicit security backing and complicates Chinese coercion by raising international stakes.[92] ASEAN Code of Conduct, if achieved with substantive provisions, could constrain Chinese activities through institutionalized rules.[93] However, legal mechanisms demonstrate severe limitations in enforcement. China comprehensively rejected 2016 arbitral award with no material consequences,[94] suggesting similar Vietnamese case would produce paper victory without operational change. Coalition building limited by conflicting interests—Philippines claims overlap with Vietnamese claims in Spratlys, creating tensions despite shared opposition to China. ASEAN consensus requirements render institutional approaches largely ineffective given Cambodian and Laotian obstruction.[95] Quad security cooperation explicitly avoids formal alliance commitments and provides no automatic intervention guarantees. Multilateral legalism risks appearing as substitute for concrete action, creating domestic political vulnerability if perceived as avoiding direct confrontation while failing to prevent Chinese expansion. Chinese strategy of bilateral pressure and economic inducements has proven effective at fragmenting potential coalitions, as demonstrated by Philippine pivot toward China during Duterte administration (2016-2022).[96]

V. RISK ASSESSMENT AND RECOMMENDED COURSE OF ACTION

Recommended Strategy: Option C – Asymmetric Resistance With Strategic Diversification

This approach optimally balances Vietnam's competing imperatives given severe military disadvantages, economic dependencies, and domestic political requirements for sovereignty credibility. Strategic culture scholarship on Vietnamese asymmetric warfare traditions—from resistance against Chinese domination historically, to guerrilla warfare against France and the United States—emphasizes leveraging advantages in will, endurance, and asymmetric tactics against superior conventional forces.[97] This historical pattern provides both doctrinal foundation and nationalist legitimacy for asymmetric approaches.

Implementation Framework:

Military-Strategic Component:

Prioritize capabilities providing maximum deterrent value relative to cost through anti-access/area denial systems rather than conventional power projection forces that cannot achieve parity. Accelerate deployment of mobile coastal defense cruise missile systems including existing Bastion-P batteries (range 300km)[98] and consider acquisition of longer-range systems such as Naval Strike Missile (range 185km+).[99] These systems create credible threats to Chinese surface vessels operating near Vietnamese coastline and offshore platforms, raising operational costs and risks for coercive deployments comparable to HD-981 incident.

Maximize submarine capabilities through operational proficiency enhancement and potential additional acquisitions beyond current six Kilo-class vessels. Vietnam People's Navy submarine doctrine should emphasize sea denial—threatening Chinese surface action groups, creating uncertainty for amphibious operations against Vietnamese-occupied features, and complicating blockade scenarios.[100] Expand submarine training cooperation with India (which operates similar Kilo-class submarines)[101] and pursue crew training partnerships with Japan and South Korea to enhance operational effectiveness.

Develop integrated surveillance and early warning systems through radar installations on occupied Spratly features, unmanned aerial vehicle acquisition for persistent maritime domain awareness, and satellite imagery analysis capabilities. Enhanced maritime domain awareness enables timely responses to Chinese incursions and provides evidentiary documentation for diplomatic protests. Pursue technology partnerships with Israel, Japan, and European suppliers for surveillance systems avoiding dependence on any single source.[102]

Maintain and moderately enhance military presence on occupied Spratly features within sustainable resource constraints. Extend Spratly Island airfield from current 600 meters to 1,000+ meters capable of accommodating larger transport aircraft and potentially fighter operations, improving logistics and rapid reinforcement capabilities.[103] Deploy mobile air defense systems on select features creating localized air denial zones. However, avoid provocative large-scale militarization comparable to Chinese artificial island construction, which would provide Beijing justification for escalatory responses.

Expand maritime militia capabilities through fishing vessel modernization, improved communications equipment, and coordination mechanisms with Vietnam Coast Guard and Navy. Vietnam's fishing fleet (approximately 110,000 vessels)[104] represents substantial asymmetric asset for persistent presence operations, complicating Chinese efforts to establish exclusive control. Provide selected vessels with satellite communications, distress beacons, and coordination with government forces ensuring rapid response to Chinese harassment while maintaining civilian status avoiding military escalation.

Economic Diversification Component:

Accelerate trade diversification through comprehensive exploitation of existing agreements. CPTPP membership (joined 2023)[105] provides preferential access to markets including Japan, Canada, Australia, and potentially future members, reducing proportional dependence on Chinese markets. Full implementation of EU-Vietnam Free Trade Agreement[106] expands European market access for manufacturing exports. Negotiate additional bilateral free trade agreements with India, targeting \$20 billion bilateral trade by 2025,[107] and pursue enhanced economic partnership with South Korea.

Develop alternative supply chains for critical intermediate goods currently sourced from China. Establish industrial cooperation frameworks with Japan, South Korea, and Taiwan for machinery, electronics components, and raw materials, reducing vulnerability to Chinese economic coercion. The Vietnamese government's 2023 supply chain diversification strategy explicitly targets reduction of import dependence from any single source exceeding 40%.[108]

Pursue non-Chinese capital for infrastructure development through Japanese Official Development Assistance (historically Vietnam's largest ODA source),[109] Asian

Development Bank lending, World Bank programs, and potential U.S. Development Finance Corporation investments. Reduce reliance on Chinese BRI financing which creates debt leverage and political influence.

Diversify tourism markets through targeted promotion in Northeast Asian markets (Japan, South Korea), India, and Western countries, reducing proportional dependence on Chinese tourists. Pre-COVID diversification efforts showed success with South Korean tourists reaching 4.3 million in 2019 (versus 5.8 million Chinese),[110] demonstrating viable alternatives exist.

Selective Hydrocarbon Cooperation Component:

Maintain firm sovereignty positions on all territorial claims and exclusive economic zone rights consistent with UNCLOS and Vietnamese law. However, explore strictly limited joint development arrangements with China exclusively for specific offshore blocks where: (a) Vietnamese unilateral exploitation is technically or commercially impossible without international oil company participation, (b) international oil companies refuse participation due to Chinese pressure, and (c) reserves are substantial enough to justify compromise.

Structure any joint development under explicit provisional frameworks consistent with Article 74(3) and Article 83(3) of UNCLOS regarding provisional arrangements "without prejudice to the final delimitation." [111] Utilize 2000 China-Vietnam Agreement on Maritime Boundary Delimitation in the Tonkin Gulf and 2004 Agreement on Fishery Cooperation as precedent demonstrating feasibility of functional cooperation without sovereignty concession.[112] Insist on equal participation, transparent revenue sharing, and Vietnamese operational involvement ensuring technology transfer and capacity building.

Limit cooperation to offshore blocks furthest from Vietnamese coastline where Chinese claims have maximum plausibility under any interpretation, avoiding blocks clearly within Vietnamese exclusive economic zone where cooperation would undermine legal positions. Potential candidates include portions of overlapping claims area between Vietnamese and Chinese continental shelf projections. Explicitly exclude Paracel Islands area and near-shore blocks within 100 nautical miles of Vietnamese baseline.

Partnership Enhancement Component:

Deepen comprehensive strategic partnership with the United States through expanded defense cooperation within framework avoiding formal alliance. Implement regular U.S. Navy port visits to Cam Ranh Bay (occurred with USS Carl Vinson 2018, USS Theodore Roosevelt 2020),[113] increase bilateral and multilateral exercise participation including RIMPAC and regional maritime security exercises, and pursue defense industrial cooperation including potential licensed production of selected systems in Vietnam.

Critical limitation: Maintain explicit "no alliances" policy and avoid permanent U.S. military basing, which would trigger severe Chinese reaction and contradict constitutional neutrality principles. The 2023 elevation to Comprehensive Strategic Partnership[114] provides framework for enhanced cooperation without alliance commitments, balancing U.S. engagement with strategic autonomy preservation.

Expand defense cooperation with India through Comprehensive Strategic Partnership framework established in 2016.[115] Pursue submarine crew training programs (India operates both Russian Kilo-class and indigenous submarines), joint naval exercises in South China Sea, and potential Indian naval presence operations in Vietnamese exclusive economic zone. India's "Act East" policy and concern over Chinese Indian Ocean presence create aligned interests without entangling alliance obligations.[116]

Develop closer security ties with Japan through bilateral mechanisms including joint coast guard exercises, maritime surveillance cooperation, and potential Japanese Official Development Assistance for maritime security capacity building. Japan's Free and Open Indo-Pacific strategy emphasizes ASEAN partnerships and maritime security,[117] while Japanese concerns over East China Sea disputes create parallel interests in constraining Chinese maritime expansion.

Strengthen regional coordination with the Philippines despite competing claims. Propose bilateral dialogue mechanism for managing overlapping claims in Spratlys through functional cooperation (environmental protection, search and rescue, scientific research) without prejudicing sovereignty positions. Coordinate diplomatic approaches at ASEAN and United Nations forums, presenting unified claimant front on opposition to Nine-Dash Line despite bilateral disputes.

Diplomatic-Legal Component:

Maintain consistent international law positions through regular diplomatic notes, United Nations submissions, and public statements affirming Vietnamese sovereignty and exclusive economic zone rights. Continue systematic rejection of Chinese Nine-Dash Line claims through Note Verbales to UN Secretary-General, as done in 2019.[118] Documentation establishes legal record preventing acquiescence claims and preserving options for future adjudication.

Pursue ASEAN Code of Conduct negotiations but maintain realistic expectations given Chinese strategy of prolonging negotiations while continuing expansion. Advocate for substantive provisions including binding dispute resolution mechanisms, militarization constraints with verification procedures, and resource management frameworks prohibiting unilateral exploitation. However, recognize that Chinese consent to meaningful constraints remains unlikely given advantageous status quo.

Consider potential UNCLOS Annex VII arbitration as strategic option for future deployment if Chinese behavior escalates beyond current levels. Maintain arbitration as implicit threat imposing diplomatic costs, while recognizing enforcement limitations demonstrated by 2016 Philippines award. Timing of potential arbitration filing should consider political context, international support mobilization, and domestic legitimacy requirements—premature filing without adequate preparation risks replicating Philippines experience of legal victory without operational change.[119]

Risk Mitigation:

This strategy accepts continued Chinese presence in Paracel Islands and portions of Spratly Islands as near-term reality impossible to reverse through available means, while preventing legitimization through persistent legal and diplomatic challenge. Principal risk lies in

incremental expansion of Chinese control through "salami-slicing" tactics—gradual encroachment establishing new facts that become normalized over time.[120] Mitigation requires consistent responses to each incremental action, maintaining international attention, and imposing reputational costs preventing normalization.

Escalation risks from asymmetric resistance require careful crisis management mechanisms. Establish robust communications channels with Chinese counterparts including hotline arrangements between defense ministries and coast guard agencies, enabling rapid de-escalation during maritime incidents. Model on ASEAN-China hotline proposals[121] and bilateral military communication mechanisms. Clear rules of engagement for Vietnamese maritime forces emphasizing non-lethal responses while documenting Chinese violations, avoiding provocations that provide justification for overwhelming Chinese retaliation.

Economic retaliation risks necessitate accelerated diversification timelines. Vietnam should target reduction of Chinese trade proportion from current 19.2% to below 15% within five years through CPTPP and EU FTA implementation.[122] Develop contingency plans for Chinese economic coercion including trade restrictions, tourism bans, and FDI withdrawal, identifying alternative suppliers and markets in advance.

Domestic political risks from nationalist criticism require transparent communication emphasizing long-term strategic logic, capability constraints, and incremental progress. Nationalist sentiment demanding immediate confrontational action must be balanced against existential risks of premature conflict. Communist Party messaging should emphasize historical Vietnamese strategic tradition of protracted resistance, patient accumulation of advantages, and ultimate victory through perseverance rather than reckless confrontation—narrative continuity with anti-American resistance resonating with historical legitimacy.[123]

Alliance abandonment risks from U.S. partnership require continuous diplomatic engagement and realistic expectations management. United States provides valuable capabilities enhancement and diplomatic support but will not automatically intervene in Sino-Vietnamese military confrontation absent direct U.S. interests. Vietnamese strategy must not depend on external intervention while leveraging partnerships to enhance independent capabilities and raise costs of Chinese coercion.

This framework preserves non-negotiable sovereignty positions while acknowledging operational realities, builds asymmetric capabilities enabling credible resistance, reduces economic vulnerabilities limiting coercive leverage, and manages existential risks that confrontational approaches would generate. The strategy aligns with Vietnamese strategic culture emphasizing patient resistance, asymmetric advantages, and ultimate independence, providing both operational effectiveness and domestic legitimacy within Communist Party nationalist narrative framework.[124]

FOOTNOTES

[1] United Nations Convention on the Law of the Sea, arts. 55-57, opened for signature Dec. 10, 1982, 1833 U.N.T.S. 397 (entered into force Nov. 16, 1994) [hereinafter UNCLOS];

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- [28] *Id.* at 235-237.
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- [30] General Statistics Office of Vietnam, *supra* note 19, at 456.
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