The strategic relationship between India and Vietnam: 

The search for a diamond on the South China Sea?

For more than 40 years, India and its “most trusted friend and ally” Vietnam, have consistently stood together in resisting external domination of Indochina. In recent years, India has been seeking – with limited success - to recalibrate the relationship to address not only China’s growing economic and military power in Southeast Asia and beyond, but also India’s own security ambitions in the region. This article looks at developments in this long-standing political alliance and what it reveals about potential limitations on India’s attempts to engage in the security of Southeast Asia. The developing relationship provides an excellent example of the meeting point between imperatives to balance China’s power in Asia and the realities faced by China’s neighbors in East Asia.

This article will first consider the foundations of the political alliance between India and Vietnam and assess attempts since the turn of this century to create a “strategic partnership” with significant security and economic dimensions. It will then review India’s ambitions to become a naval power in the South China Sea and the potential role that Vietnam may play in fulfilling those ambitions. How credible are India’s ambitions to play a security role in the region and will such a role be welcomed by countries such as Vietnam? Finally, this article will consider how these developments fit with competing theories of strategic balance and order in Asia. This article will argue that India is at least partly motivated by a desire to balance against China through strengthening Vietnam’s military
capabilities and to challenge the perceived growth in China’s naval capabilities. While Vietnam is seeking to diversify its international relationships and enmesh itself in ASEAN, it is willing to do so only within a framework of public deference towards China. Accordingly, if India wishes to extend its role as a potential security provider in Southeast Asia it will need to do so in a way which takes proper account of regional security needs and historical relationships with China.

1. India’s most trusted friend and ally: the long-running political alliance

The relationship between India and Vietnam over the last half a century or more was built on an ideological foundation of pan-Asian nationalism, reinforced by the Cold War struggle against the United States and by shared fears of Chinese hegemony. In many ways, the relationship predates their modern history as independent states. During the 1940s, Indian and Vietnamese nationalists were at the forefront of independence struggles in Asia. In the immediate post-war years, Ho Chi Minh looked to Nehru and the Indian leadership for support, which was forthcoming in moral if not material terms.\(^1\) Although Nehru’s support for the Vietnamese nationalists was initially tempered by suspicions of communism,\(^2\) Nehru was the first foreign leader to visit Hanoi on the establishment of the separate North

\(^1\) In November 1946, for example, while praising the Vietnamese nationalists, Nehru blocked an attempt to organize a volunteer brigade to fight against the French colonial forces. See D.R.SarDesai, *Indian Foreign Policy in Cambodia, Laos and Vietnam 1947 – 1964* (Berkeley: University of California Press, 1968), at p.12.

\(^2\) As well as India’s own negotiations to evict the French from their small colonial possessions in India.
Vietnamese state in October 1954 and his public embrace of Ho Chi Minh reportedly provided him “incalculable prestige.”³

India also saw itself as having an important role to play in securing the independence of Vietnam through the negotiation of the French withdrawal from Indochina. Although not an official party to the Geneva Peace talks in 1954 (largely due to U.S. opposition), the Indians made significant efforts to insert themselves into the discussions, and the role of Indian Foreign Minister Krishna Menon in the talks has been described as “ubiquitous.”⁴ The Indians saw the issues as essentially a process of applying to Indochina the principles of Panchasheel, as well as minimizing the influence of China, the United States and France in the region. India took the job of overseeing the implementation of the Geneva agreements through the International Control Commission, which had the job of supervising the separation of rival forces, dealing with refugees and overseeing proposed nation-wide elections. In contrast to the South Vietnamese administration, which rejected the authority of the ICC, the North generally sought to co-operate with the Indians.⁵

While India’s relationship with North Vietnam was not entirely smooth, particularly when the North gave political support to China in the 1962 India-China border war, the Indians

³ Ibid. at p.76.

⁴ One journalist at the Geneva talks commented, “there is no antechamber where one does not find oneself face to face with Mr. Krishna Menon.” Quoted in Frank N.Trager, Why Vietnam? (London: Pall Mall Press, 1966), p.88.

⁵ For a detailed discussion of India’s role in the ICC, see Ramesh Thakur, Peacekeeping in Vietnam: Canada, India, Poland, and the International Commission (Edmonton : University of Alberta Press, 1984).
were generally understanding of the extent to which the North relied on Chinese economic and military support. According to Thakur, “[India’s] identification with Hanoi may on occasion have been dormant, but it was omnipresent.”\textsuperscript{6} As the 1960s progressed, the Indians increasingly believed that the administration in the South would collapse without American support, which would one day be withdrawn, and it was therefore prudent and sensible to cultivate relations with the North rather than the South.\textsuperscript{7}

As a political rift between Beijing and Hanoi developed through the 1960s, Hanoi leaned more and more towards New Delhi. India reciprocated, viewing Vietnam as a major long term regional actor because of its intrinsic moral and material strength. Indira Gandhi, aware of the increasing divergence of North Vietnamese and Chinese views, took the opportunity to draw North Vietnam into the anti-Chinese camp during the late 1960s. However, the relationship was still driven more by a mutual desire to keep Indochina free from superpower alignment and from shared ideals of Asian nationalism than by overt hostility to China.\textsuperscript{8} By the time the fall of Saigon was greeted with thunderous applause in the Indian Parliament in 1975, New Delhi and Hanoi had developed a mutually supportive political relationship. The Chinese invasion of Vietnam in 1979, made to “teach Vietnam a lesson” not only brought back memories of India’s own lesson at the hands of China in 1962, but heightened perceptions of a continuing Chinese threat to India’s position in South Asia. The Indians had identified Vietnam and Indonesia as the two pillars which would help keep

\textsuperscript{6} Ibid, p.239.


\textsuperscript{8} Ibid., at pp.231-2.
minimize the influence in Southeast Asia of outside powers (which included China and the United States), although as one commentator has observed, “this was more of an expression of hope than a policy.”\(^9\) Indira Gandhi had believed that if India were to become the paramount power in South Asia, it must prevent a Chinese advance into Southeast Asia. A strong, anti-Chinese Indochina, led by Vietnam, would guard the flank of India’s sphere of influence in South Asia.\(^10\)

Even in the face of the perceived threat presented by China in the late 1970s, the India-Vietnam relationship remained essentially one of mutual political and diplomatic support. The Indians shied away from developing a security relationship despite influential calls within India to create an India-Vietnam axis to contain China, in the nature of relationship between China and Pakistan which the Indians saw as aimed at containing them.\(^11\) The Vietnamese did make at least one attempt to add a security element to the relationship. In 1978 Vietnamese General Giap, *en route* to Moscow to negotiate Vietnam’s Friendship

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\(^11\) In 1979, India’s long time senior diplomat and former foreign secretary, T.N. Kaul, was dispatched on a “private” visit to Hanoi and subsequently argued that India should enter into Soviet-style “Friendship Treaties” with Vietnam and other Indochinese states, including a mutual consultation clause in the nature of Article 9 of the India-Soviet treaty, in order to “protect” Indochina from Great Power rivalry. See T.N. Kaul, *India, China and Indochina* (New Delhi: Lancer Press, 1987) at p.150; and T.N. Kaul (ed.), *India and Indochina: Perspectives in Cooperation* (New Delhi: Patriot Publishers, 1987), p.2.
Treaty with the Soviet Union, made an unpublicized stop in New Delhi to seek Indian assistance in the establishment of local arms manufacturing capability to reduce their increasing reliance on the Soviets. The Indians politely shelved the request.\(^\text{12}\) It is uncertain whether the Indian response reflected caution about the Soviet relationship or their traditional reticence about security ties outside of South Asia. Whether or not an India-Vietnam security relationship may have been possible during the 1970s and 1980s, India did not pursue the opportunity and security relations with Vietnam were limited to information sharing arrangements.\(^\text{13}\) Indian support for Vietnam remained firmly at a political-diplomatic level even after the Chinese invasion of Vietnam in February 1979. Although India provided some economic aid India in the late 1970s and early 1980s, bilateral trade remained minimal until well after the Cold War.

India’s diplomatic support for Vietnam, opposing US hegemony in Indochina in the 1960s and 70s and Chinese hegemony in the 1970s and 80s, came at a significant cost in its political relations with the United States, China and much of Southeast Asia. Indian political support for Hanoi during the Vietnam War and calls for the withdrawal of US forces was an important factor in the development of a hostile relationship between India and the United States during the 1960s and 1970s. As early as 1965, India’s position on Vietnam led to the U.S. President Johnson postponing the planned visit to the United States by Indian Prime


Minister Shastri and a decade later New Delhi’s glee at the fall of Saigon in 1975 led to the cancellation of a planned visit by President Ford. India’s later support for Vietnam on the Cambodian issue merely confirmed India’s place in US policy perspectives as a Soviet fellow-traveler.

India’s support for Vietnam over the Chinese invasion of Vietnam in February 1979 and the Vietnamese occupation of Cambodia through the 1980s also delayed improvements in Sino-Indian relations for a decade. The intended reopening of high-level relations with China in 1979, frozen since the 1962 war, was wrecked when the Chinese invaded Vietnam during the visit of Indian Foreign Minister Vajpayee to China, the first such visit for two decades. The invasion to “teach Vietnam a lesson” evoked bitter memories of India’s own defeat at the hands of China in 1962. The Indian Prime Minister expressed his “profound shock and distress” at the invasion, which evoked India’s defeat at the hands of China in 1962, and the Indian press described it as “perfidy” and “studied insult” by China.14 Whether the timing of the invasion during Vajpayee’s visit was intended to achieve tactical surprise,15 as a reminder to India of Chinese military power or, as some thought, an attempt to create suspicions between India and Vietnam, it seems unlikely to have been a coincidence, particularly given the care with which the Chinese had given prior notification of the attack to the Americans. In all events, it pointed to an extraordinary disregard held by the Chinese


for their relations with India. The Indians cut the visit short, and Vajpayee returned to Delhi, humiliated. The planned return visit by Chinese Foreign Minister Huang Hua to New Delhi, scheduled for August 1980, was also postponed by almost a year after India recognized the Vietnamese-backed Cambodian government a few weeks earlier. In January 2001, Vajpayee, now Prime Minister, repaid the diplomatic insult from 1979 by pointedly keeping Chinese Premier Li Peng waiting for two days in New Delhi while he completed an official visit to Vietnam.

India’s relationship with Vietnam also had a major impact on its relations in Southeast Asia. From the early 1970s, the burgeoning relationship between New Delhi and Hanoi was viewed with a significant degree of suspicion in South East Asia in light of Hanoi’s open hostility to ASEAN and its apparent strategic designs on the remainder of Indochina. This came to a head following Vietnam’s invasion of Cambodia with India’s recognition of the Vietnamese-installed Phnom Penh government in July 1980, an episode which would set back India’s relations with ASEAN for perhaps a decade, and was a spectacular example of the reputed clumsiness and insensitivity of Indian diplomacy in regional diplomacy. India had at that time been seeking recognition as an official dialogue partner of ASEAN. In a major diplomatic misstep, in June 1980 the Gandhi government had cancelled scheduled discussions with ASEAN and officially recognized the Vietnam-backed Heng Samrin government, becoming the first non-communist state to recognize the regime. The ASEAN states interpreted India’s action as proof of it toeing the Moscow-Hanoi line, not only

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placing India in opposition to the more hawkish ASEAN states such as Singapore and Thailand, but also as sabotaging attempts by Malaysia and Indonesia to work out a compromise settlement in Cambodia. The Indians saw ASEAN’s concerns as merely reflecting Sino-U.S. demands. India’s continuing support for Vietnam over Cambodia together with its failure to condemn the Soviet occupation of Afghanistan would bedevil Indian relations with Southeast Asia throughout the 1980s. India’s unsuccessful attempts over the next decade to work with Hanoi to facilitate a Vietnamese withdrawal from Cambodia without strengthening China’s regional position continued to place it at odds with the ASEAN states which, by and large, feared Vietnam as a Soviet regional proxy more than China. It was only with the collapse of the Soviet Union that India’s relationship with Vietnam has become a potential asset in its political and security relationships in East Asia.17

2. India Looks East and Vietnam looks to the West: attempts to develop a post Cold War security relationship

Mending fences

It took almost a decade after the end of the Cold War for India and Vietnam to seek to revitalise and extend their bilateral relationship beyond the Cold War and anti-colonial

comraderie. This occurred only after both India and Vietnam had taken significant steps to develop other economic and political relationships in East Asia.

Spurred by the collapse of the Soviet Union and a severe balance of payments crisis in 1991, India began to take significant steps in the early 1990s to liberalise its economy and move beyond the long-running Nehruvian constraints on its relations with Southeast Asia. In particular, in 1992 India announced its Look East Policy, signaling a new economic and political engagement in Southeast Asia. Under the sponsorship of Singapore, among other things, India was made an ASEAN sectoral dialogue partner in 1992, a full ASEAN dialogue partner in December 1995 and a participant in the East Asian Summit in 2005. Over the past decade or so this strategy has led to a significant acceleration in trade and investment between India and ASEAN, resulting in an India-ASEAN free trade agreement concluded in late 2008.

India’s steps at mending political fences in Southeast Asia were accompanied by a more assertive regional strategic policy. In 1994 Indian Prime Minister Rao declared that: “India would like to be part of the evolving security framework in the region to assuage doubts about arising from its potential military might as to contribute to the security edifice that was being crafted by the Asia-Pacific powers.”\(^\text{18}\) India became a member of the ASEAN Regional Forum in 1996 and India’s Pokhran II nuclear tests in 1998 signaled a new strategic posture in which India would no longer be confined to security threats in South Asia and wished to be judged as a strategic peer of China. Around the turn of the century India

began implementing what has since been called “Phase 2” of its Look East Policy, which would include a more direct strategic engagement in East Asia. Over the following years, this would include the engagement by India on a political and security level with key states in East Asia including Vietnam, Japan, South Korea and Singapore. However, it should be of little surprise that India, given its longstanding political relationship with Vietnam, should make its first attempts at developing a security role there.

The end of the Cold War also forced a major change in Vietnam’s strategic thinking. For Vietnam, like India, the collapse of the Soviet Union meant the loss of their longstanding strategic guarantor against China and left it largely bereft of its traditional source of arms. However, the end of the Cold War also facilitated a resolution of the longstanding impasse over the Vietnamese occupation of Cambodia and the consequent room for improvement of relations with ASEAN states and China. Vietnam moved quickly in the new strategic environment to stabilize its regional security relationships, beginning with Southeast Asia. Vietnam signed the ASEAN Treaty of Amity and Cooperation in 1992 and, in a major political coup, was invited to join ASEAN in 1995. Beginning in the early 1990s, Vietnam also made significant efforts to repair relations with China. A “good neighborliness” treaty was signed

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in February 1999, leading to the resolution of their land border dispute in December 1999, and an agreement delimiting the maritime boundary in the Gulf of Tonkin in December 2000. While the boundary disputes in the South China Sea remain a major source of disagreement, tensions have moderated and in November 2002 China and ASEAN states (including Vietnam) signed the Code of Conduct on the South China Sea in which the parties committed to avoiding provocative actions and to the peaceful resolution of disputes.

Despite significant progress in stabilizing its relations in the region, sharp ideological divisions remained between Vietnamese reformists and conservatives over whether China should be viewed as Vietnam’s last remaining socialist friend and the extent of Vietnam’s relations with non-socialist states.\(^{20}\) Vietnam’s policy of reengagement with China also reflected the centuries-long pendulum between obeisance and outright hostility. As one Vietnamese official remarked: “Remember after defeating the Chinese we always sent tribute.”\(^{21}\) In the late 1990s, the balance had swung towards paying “due respect” towards China and acceptance of a position as “Little Brother” in the relationship. Vietnam’s leaders took the view that strategic stability was a precondition to economic development and that it would be better to settle territorial disputes sooner rather than later, given the continuing


rise of China’s power. As one observer put it: “Economics has replaced security as the central concern of the normalcy era.” As will be seen, the increasing importance placed on “economic security” within the context of national security would also be played out in Vietnam’s relationship with India.

In April 2001, the conservative Vietnamese Communist Party General Secretary Le Kha Phieu, criticized as being too accommodating towards China, was replaced by Nong Duc Manh, who re-emphasized a policy of seeking a diversification of international relations. Vietnam had moved to revitalize its relationship with Russia, declaring a “new strategic partnership” between them in 1998, and now also sought (if hesitantly) to improve relations with the United States, Japan and India, among others. In particular, the Vietnamese regime may well have seen an enhanced relationship with India as not just providing a measure of balance with China, but also in helping to provide a balance between the conflicting pressures coming from the US and Russia. However, in hedging its relationships, the Vietnamese avoided any explicit discussion of any threat from China and continued to pay public respect towards their socialist brother.

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Consistent with moves towards a diversification of international relations, the Vietnamese military were also looking for diversification in arms procurement and training beyond its traditional partner, Russia. Despite a significant amount of military to military contact between the Vietnamese and Chinese military since the end of the Cold War, China was not considered an appropriate weapons procurement partner at least until 2005. While Russia and former Soviet republics would remain Vietnam’s predominant arms suppliers, India, with its large inventory of Soviet weapons and indigenous defense industry, also seemed to be a good source of weapons and training. The Vietnamese military had been pursuing a defense supply and training relationship with India since the mid-1990s and was eager to develop closer military to military relations.

**Attempts to develop a new security partnership**

The first significant steps in expanding India-Vietnam relations beyond the traditional political alliance were taken in 2000, seemingly at the initiative of India. During a visit by Vietnamese Prime Minister Phan Van Khai to New Delhi in January 2000, Indian Defense Minister George Fernandes, part of the BJP-led government, called for a renewed political relationship with a strong security focus, calling Vietnam India’s “most trusted friend and

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27 In 1994, the Indians and Vietnamese had entered into a low key protocol providing for limited training of Vietnamese Officers at India’s defence academy and some maintenance services. A broader defence cooperation agreement was also negotiated but not signed. Ibid.,p.18.
ally.” The Indians called for a new relationship with Vietnam, with a significant security dimension, including joint defence training, the supply of advanced weapons to Vietnam and a proposal to develop India’s naval presence in the South China Sea through access to the Cam Ranh Bay naval and air base. Although the Indians were no doubt seeking new markets for its defence industry, they clearly hoped to develop a comprehensive security relationship with Vietnam. As will be discussed in detail later, the Indian proposal for access to Cam Ranh Bay, which had followed earlier discussions between the Indian and Vietnamese military in the early 1990s, went nowhere. The Indians and Vietnamese did however formalize a wide-ranging defence cooperation agreement. This provided among other things for regular exchange of intelligence, joint coastguard training to combat piracy, jungle warfare and counterinsurgency training for the Indian army (something particularly useful in dealing both with the Naga insurgency in northeast India), repair of Vietnamese MiG aircraft, training of Vietnamese pilots and Indian assistance on small and medium arms production. Indian Defense Minister George Fernandes declared that India could supply Vietnam with not only warships, but also anti-ship and air defence missiles. Pursuant to the agreement, Hindustan Aeronautics and Bharat Electronics were contracted to repair and overhaul up to 125 of the VPAF’s Russian-built MiG-21s, including new avionics and radar to support Russian antiaircraft missiles. The Indian Navy also supplied much-needed spares

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28 Which was perhaps indicative of how few friends and allies India could claim to have at that time.


for Vietnamese Osa II-class missile gunboats and other Russian built warships and in October 2002, the Vietnamese requested India to provide submarine training for its navy.

While the Vietnamese made steps towards closer security relations with New Delhi, they remained cautious, concerned not to upset the newly-found stability in relations with China. It was only in early 2003 that the General Secretary Nong Duc Manh yielded to pressure from the integrationist camp within the Vietnamese Communist Party to enter what they termed a “strategic relationship” with India. This resulted in the “Joint Declaration on the Comprehensive Cooperation Framework” between Vietnam and India in May 2003, which included commitments to regular high-level meetings, close cooperation in international fora and gradual steps to expand cooperation in security and defense. At the same time, the Vietnamese decided to pursue what they called a “reliable partnership” with Japan and later that year made significant steps to improve political ties with the United States. In agreeing to develop relationships with key non-socialist states, the Vietnamese however continued to delicately balance its relations with China. As a result, the development of the security dimension of the Vietnam-India relationship has been much slower than India had originally hoped.

For its part, India has turned out to be a less than reliable weapons procurement partner, proving itself to be often uncompetitive, bureaucratic and politically hesitant in supplying weapons to Vietnam. While Vietnam was initially keen on sourcing the spares for many of

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its Soviet-vintage equipment from India, the Indians found themselves undercut by cheap suppliers from Belarus, Ukraine and Russia. Other deals have been lost through payment-related problems and Indian bureaucratic bottlenecks.\textsuperscript{32} One Indian observer complained of excessive bureaucracy, coupled with highly complex and uncoordinated procedures required to export military goods.\textsuperscript{33} However, there was also an element of political caution by the Indians, particularly in relation to the supply of advanced missile technology. The Vietnamese formally requested the supply of Indian Prithvi and Brahmos missiles, both of which can be supplied under the Missile Technology Control Regime.\textsuperscript{34} The supply of Brahmos cruise missiles was vetoed by India’s Russian partners. Although the Indians reportedly agreed “in principle” to the sale of Prithvi missiles as long ago as 2003, they have since stalled.\textsuperscript{35} The Vietnamese are believed to have indicated their displeasure at delays in the supply of Prithvi missiles through the purchase by the Vietnamese Ministry of Public Security of a small number of small arms from Pakistan in August 2007.\textsuperscript{36}

As will be discussed later, bilateral discussions after 2003 have increasingly placed greater emphasis on political and economic aspects of the relationship and less on security aspects.

\textsuperscript{32} John Cherian, “The Vietnamese Prime Minister’s visit comes at a time when his country is emerging as an economic powerhouse in Asia,” \textit{Frontline} Vol.24, Issue 14, 14 July 2007.


\textsuperscript{34} “What’s Hot? – Analysis of Recent Happenings – Indian Navy Update” \textit{India Defence Consultants}, 20 November 2005.


The Congress-led Indian government, elected in May 2004, was significantly less assertive in regional security matters than its BJP predecessors and the Vietnamese too sought greater focus on an economic partnership. As a result, the joint statement following the October 2004 visit to Hanoi by Indian Foreign Minister Natwar Singh did not include the references to security and defence cooperation that were so prominent in the 2003 Cooperation Framework. India and Vietnam have nevertheless continued and enhanced their tradition of remarkably consistent support on regional political issues. Vietnam has continued its support of India’s position on Kashmir, India’s status as a nuclear weapons state, and India’s bid for inclusion in the Asia-Europe Meetings (ASEM) and a permanent seat on the Security Council. Vietnam took the lead in blocking Pakistan’s bid for membership of the ASEAN Regional Forum. India also supported Vietnam in its recent successful bid for a non-permanent Security Council seat.

The development of the bilateral relationship has been complemented by stronger cross-regional links among China’s southern neighbors. In November 2000, India and Thailand sponsored the Mekong Ganga Cooperation initiative among regional states, ostensibly to promote greater east-west transport connectivity between South Asia and Indochina, as well as regional tourism, culture and education. Its members include India, Burma, Thailand, Vietnam and the other Indochinese states. China, a major Mekong river state, was conspicuous by its absence. As might be expected, the Indian Foreign Minister Jaswant

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Singh claimed that the initiative “was not aimed at China or a means of increasing India’s power projection.” China has shown interest in joining the grouping several times, but has made no formal request (presumably reflecting a desire by the majority of members not to include China). The Indians continue to emphasise the non-security and even non-economic focus of the MGC grouping, describing it as “engaging India’s civilisational neighbours.” Although it has had few concrete achievements, it remains for both India and Vietnam a potentially useful regional talk shop for China’s southern neighbours. China has also taken steps to cultivate a separate grouping of Mekong River states. However, no formal Indochina regional grouping which includes China has yet been established.

Despite slow progress in a number of areas (and a reduced priority in overhauling the Vietnamese armed forces), both the Indians and Vietnamese are continuing to develop their security relationship, declaring a “New Strategic Partnership” during a July 2007 visit to Delhi by Vietnam Prime Minister Nguyen Tan Dun. In their third Strategic Dialogue held in November 2007 it was decided to step up training of junior level officers, hold annual security dialogues and to share other expertise. This was followed by a flurry of official visits to Vietnam by the Indian Defence Minister A.K. Antony and senior Indian officers and to India by Vietnamese dignatories. In early 2009, Vietnam announced the acquisition from Russia of 12 Sukhoi aircraft and 6 Kilo class submarines. If those acquisitions proceed, it is

40 For example, in April 2000 it signed an agreement with Burma, Thailand and Laos (but not Vietnam or Cambodia) relating to Mekong River navigation.
likely that India will play a significant role in the provision of training and maintenance Services for these platforms.

3. Lust, Caution: India’s ambitions in the South China Sea and the role of Vietnam

The trajectory of the India-Vietnam relationship since the 1950s provides a telling insight into India’s strategic ambitions and strategic limitations in the Indochina region and East Asia generally. One of the most interesting and intriguing aspects of India’s recent attempts to create a security relationship with Vietnam were India’s naval ambitions in the South China Sea and, in particular, the request India’s request in 2000 that Vietnam provide India with rights to the Cam Ranh Bay naval and air base. This was not the first time that the Indians had sought to establish a naval presence in the South China Sea. In the early 1990s, there had reportedly been preliminary talks between Indian and Vietnamese officers about the use of Cam Ranh Bay by Indian warships and/or an Indian naval squadron of Bear maritime reconnaissance aircraft.

It is well worth reflecting on India’s thinking about the South China Sea, then and now, as well as the perspectives of Vietnam, ASEAN states and China on India’s aspirations. How credible are India’s ambitions to become a security provider in Indochina and in East Asia generally and what role is Vietnam likely to play in those ambitions? To what extent is India

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seeking to secure immediate interests and to what extent is it merely a balancing exercise against China?

When Indian Defence Minister George Fernandes visited Vietnam in March 2000, he proffered India’s capabilities not only in policing sea lanes of communication in the South China Sea but, significantly, also India’s capability in “containing” local conflicts. In referring to the South China Sea, he stated: “A strong India, economically and militarily well endowed, will be a very solid agent to see that the sea lanes are not disturbed and that conflict situations are contained.” He was, of course, referring to the longstanding disputes between Vietnam and other littoral states with China over maritime boundaries in the South China Sea. As recently as 1988, the Vietnamese and Chinese navies had clashed in the Spratly Islands, when several Vietnamese naval vessels were sunk. In 1992, Vietnam protested against the Chinese landing troops at Da Luc Reef and the Chinese seizure of Vietnamese commercial vessels. There were further naval confrontations about Vietnam’s claims in the mid-1990s and in 2007, the Chinese PLA navy sank an “armed” Vietnamese fishing boat as part of a dispute about the grant of oil exploration blocks. The Vietnamese were also involved in military incidents in the South China Sea with Taiwan in 1995 and the Philippines in 1998 and 1999. The disputed maritime boundaries in the South China Sea remain one of Asia’s military flashpoints, and represent a clear and continuing strategic divide between China and Vietnam.

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Nevertheless, it should have come as no surprise to the Indians when the Vietnamese turned down their requests to use Cam Ranh Bay. It is widely understood that the Vietnamese consider Cam Ranh Bay as a strategic trump card, to be treated with extreme domestic and international political sensitivity. The Soviets were only granted rights in 1978 as part of the Vietnam-Soviet Friendship Treaty, which was signed by Vietnam only when it became clear that they would require significant Soviet assistance in dealing with both Pol Pot and an increasingly threatening China. Although the base was provided as quid pro quo for considerable Soviet military and economic support, the Vietnamese quickly decided that they gained little direct benefit from the Soviet presence. By the early 1990s, the Vietnamese were actively trying to evict the Russians, and managed to negotiate their complete departure in 2002.

If the Indians believed in the early 1990s or in 2000 that they might be the post-Cold War inheritors of the strategic mantle of the Soviets in the South China Sea, they were mistaken. Since the late 1980s with the gradual draw-down of the Russian presence, the Vietnamese have sought to use Cam Ranh in what has been called a “subtle game” of balancing relations with the United States and China and seeking to increase Vietnam’s strategic options. For almost two decades the Vietnamese have tried to use Cam Ranh Bay as leverage in its

45 For example, the Soviets reportedly failed to provide the Vietnamese with SIGINT information at the time of the Sino-Vietnamese naval clash in the Spratly Islands in 1988.


47 In November 1988, Vietnamese Deputy Foreign Minister Tran Quant Co stated that “Cam Ranh Bay will be offered to others in the future.” Bangkok Post, 28 November 1988.
relations with the United States and Japan including as a carrot to normalize relations, obtain aid, and extract promises of not to support local opposition groups. Even before the final departure of the Russians, the United States Navy was flirting with the possibility of returning to Cam Ranh and the idea of US access or prepositioning rights (in the style of US access rights in Singapore) appears to have been a regular item on the agenda of US-Vietnamese discussions. While the Vietnamese would undoubtedly be highly sensitive to the potential impact of any foreign naval presence at Cam Ranh Bay on relations with China they would also be increasingly sensitive to the attitude of their ASEAN partners. Despite significant improvements in India’s relations with ASEAN, it is likely that an Indian naval presence at Cam Ranh Bay would have been seen with significant misgivings.

As a result, the Vietnamese have increasingly emphasized Cam Ranh Bay’s commercial rather than military potential in the same way that the former US naval base at Subic Bay in the Philippines has been converted into a commercial port. Thus in November 2004, while on a visit to India, Vietnamese Foreign Minister Nguyen Dy Nien, when asked about use of Cam Ranh by the Indian navy, claimed that it was no longer a military port (although it is

48 Vietnamese General Secretary Nguyen Van Linh is reported to have stated in June 1990 that Japan and US would be allowed to use Cam Ranh if they agreed to normalize relations with Vietnam. IDSA News Review on Southeast Asia and Australia, June 1990.


likely to be open to use by foreign naval vessels on an open access basis). Despite
significant political friction between Vietnam and China in 2007 over the Vietnamese grant
of oil exploration rights in the South China Sea (which led to the sinking of a Vietnamese
vessel by the PLA navy), and revelations of the construction by China of a major naval base
on Hainan island, there is no reason to believe that Vietnam will revise its attitude towards
any Indian military presence in Cam Ranh Bay. India may nevertheless still seek to be
involved in developing commercial facilities at the port.

*The search for a diamond in the South China Sea?*

If the Indians’ request for rights to Cam Ranh Bay at the turn of the century reflected a
general desire to extend the Indian naval reach into Southeast Asia, it was also undoubtedly
driven by a wish to respond to the believed extension of China’s naval reach into the Indian
Ocean. As long ago as the 1940s, Indian strategic thinker K.M.Pannikar had recognized the
importance of the position of Vietnam in control of the South China Sea and its potential to
block Chinese naval penetration of the Indian Ocean to threaten India.52 Since the
beginning of the 1990s there have been perceptions – widely held among strategists in India
in particular - that China has been increasing its naval presence in the Indian Ocean, which
has been dubbed China’s “String of Pearls” strategy. While there is now some scepticism
about the extent to which there is an actual Chinese naval or military presence in the region,
until recent years at least it was believed in Indian military circles that the China’s increasing

influence in the northern Indian Ocean was the naval element of an overall Chinese strategy of “encirclement” of India.

Ironically, a Chinese naval presence in the northern Indian Ocean may initially have been prompted - at least in part - by India’s relationship with Vietnam. The first Chinese naval tour of South Asia occurred in November 1985, when a Chinese naval squadron visited Pakistan, Sri Lanka and Bangladesh (representing the first ever foreign visits by the PLA navy). The tour commenced only a week after Indian Prime Minister Rajiv Gandhi visited Hanoi to receive Vietnam’s highest honor on behalf of his mother, Indira, posthumously awarded for her long running support for Vietnam. While in Hanoi, Gandhi pointedly commented that: “India and Vietnam shared a determination never to bend their knees before insolent might.”53 The Chinese naval tour was seen by some as a none-too-subtle warning about India’s ongoing support for Vietnam, particularly over Vietnam’s then-occupation of Cambodia.54

Since the early 1990s there has been regular reports and speculation over Chinese involvement in the construction of deep water ports in Pakistan, Burma, Bangladesh, Sri Lanka, the establishment of a Chinese military listening or communications facilities in Pakistan and Burma and an attempt by China to construct a submarine base in the


However, despite the apparent development of security relationships by China in the Indian Ocean region, the presence of Chinese naval surface vessels in the region has been infrequent. Whether or not many claims about the Chinese presence in the northern Indian Ocean has been exaggerated, as some think, many Indian strategists believed that Chinese naval capabilities in the region were intended to serve the purpose of keeping India strategically preoccupied in South Asia. There were calls for India to respond to China’s perceived String of Pearls strategy through expanding its own naval presence into Southeast Asia, a strategy which some have rather poetically called India’s “String of Diamonds.”

Certainly the Indian navy has been seeking to expand its reach for many years, starting well before concerns were expressed about China’s activities in the Indian Ocean. Since the 1980s, India has had an ambitious naval expansion program to build a so-called “Blue Water” navy and India’s stated ambitions as a maritime power were broadened in April 2000 when Indian Defence Minister Fernandes declared that India’s maritime “area of interest... extends from the north of the Arabian Sea to the South China Sea.” This was formalized in a new Maritime Doctrine adopted in May 2004. The intention to extend

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57 “India Challenges China in the South China Sea” *Asia Times*, 27 April 2000.
Indian naval influence well into Southeast Asia was designed to underpin India’s Look East trade policy in East Asia as well as to respond to China’s strategy in the Indian Ocean. An expansion of Indian naval influence was also encouraged by the United States, which called for India to coordinate its maritime strategy with the United States in the Persian Gulf, Southeast Asia and as far as the Taiwan straits.\(^{58}\)

The extension of Indian naval power up to the Malacca Straits was signaled by the Indians by the establishment of a Far Eastern Naval Command in 2001 to be based in the Andaman Islands in the Bay of Bengal. After September 2001, India significantly stepped up its presence in the Malacca Straits, providing naval escorts of commercial traffic in coordination with the United States, and since 2004 participating in coordinated anti-piracy patrols with Indonesia in the area west of the straits. Since 2000, the Indians have also been quietly extending their naval power into the South China Sea through regular visits and joint exercises in what has been called “deliberate, significant and maintained long range Indian naval appearances.”\(^{59}\) The Indians began implementing a “detailed plan”\(^{60}\) to expand the horizons of Indian naval diplomacy in late 2000, when 5 Indian warships made an extended visit to the South China Sea including port visits to Vietnam, China (Shanghai) and the Philippines, and as far north as South Korea and Japan. During 2004, the Indian navy made

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three separate deployments into South China Sea as part of “Presence-cum-Surveillance Missions” in the Malacca Strait, and has conducted multi-ship deployments to the region in each year since then. Many of these deployments in the South China Sea or further north have been as part of bilateral exercises with Singapore, Japan, and the United States. The Indians conducted joint coastguard exercises with Vietnam in 2000 and naval exercises in 2007, but their ability to conduct joint exercises with Vietnam is very limited given the parlous state of Vietnam’s sea-going vessels.

While in the 1990s, India was regarded only as of marginal interest in the naval balance in the South China Sea, some now see India as a factor in the naval balance of power as far north as the Taiwan Straits.61 However, most East Asian states still regard India as an Indian Ocean and not a Pacific maritime power, and the credibility of Indian naval power in the region is limited. One Indian commentator conceded at the turn of the century that it was difficult to see a direct Indian role in a conflict in the South China Sea.62

The Indian approach since 2000 of fostering cooperative “blue water” frameworks with littoral states in Southeast Asia has been successful in establishing a regular naval presence while avoiding overt confrontation with China. As one observer has claimed: “the exquisiteness of India’s naval diplomacy is that the objective of balancing [China] is being undertaken through a policy of cooperation.”63 After years of ringing alarm bells about

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China’s activities in the Indian Ocean there are also indications that India might now be
downplaying the Chinese naval presence. In October 2005, Admiral Arun Prakash, the
Indian Chief of Naval Staff, called the Chinese naval presence in the Indian Ocean “token”64
and in the same month the Chinese ambassador to India was reported to have commented
that China did not have “any problem” with the Indian navy patrolling the Malacca Strait.65
In an October 2006 article Admiral Prakash commented on China’s “String of Pearls” with
apparent equanimity:

“[India and China] are growing maritime powers too, whose interests overlap in
several areas.... To India, China’s actions in the Indian Ocean Region are of particular
interest. The PLA Navy’s maritime forays into the Indian Ocean, while not as
grandiose or frequent as those by Zheng He’s fleets of yore, do arouse our interest or
curiosity. As I am sure, do our visits to East Asia and exercises in the South China Sea
do in China.”66

These statements might well reflect a realization by the Indians that their concerns about
the Chinese presence in the Indian Ocean were exaggerated or, perhaps, reflected a desire
by both India and China to try to avoid overt rivalry in the Indian Ocean region and the

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64 “Interview with Admiral Arun Prakash, Chief of Naval Staff, Indian Navy,” Asian Defence Journal (October

65 Kerala News report quoted in Gurpreet S. Khurana, “The Malacca Straits ‘Conundrum’ and India” in
N.S.Sisodia and Sreeradha Datta (eds.), Changing Security Dynamics in Southeast Asia (New Delhi: Institute for
Defence Studies and Analysis, 2008).

66 Admiral Arun Prakash, “China and the Indian Ocean Region,” Indian Defence Review Vol.21 No. 4 (October-
December 2006), pp7-12 at p.11.
South China Sea. However, it seems likely that India will continue to gradually increase its security presence in the South China Sea, although it remains to be seen to what extent it will be able to finesse further steps without forcing a response from China.

While one would expect that the Vietnamese would not be unhappy to see an increase in India’s naval presence in the region, in the current strategic circumstances it seems unlikely that any (inevitably small) Indian naval presence at Cam Ranh Bay could justify China’s likely reaction, whether in strategic or economic terms. The practical benefits for Vietnam from such an arrangement would seem small and any implicit security guarantees arising from such an arrangement doubtful. One could argue that it would look a little like the French security guarantee of Poland in 1939, but with less credibility. It would also run entirely counter to the Vietnamese strategy of creating security stability so as to provide the basis for economic development. It is therefore difficult in the current strategic environment to see the India-Vietnam security relationship extending much past an arms supply relationship, even assuming that India will overcome its caution regarding the supply of missiles to Vietnam.

India too has been developing a relationship with Singapore as an alternative security partner in the region, leading to speculation that the Indian navy may be granted access and

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logistics rights to Singapore’s Changi naval base in the nature of the rights granted to the
U.S. Seventh Fleet. Certainly it now seems much more likely that the Indian navy would
establish a presence in the South China Sea through an arrangement with Singapore than an
arrangement with Vietnam.

4. The dragon is scratching away and the elephant must move fast: economics comes
to the fore

Over the past several years, the India-Vietnam relationship has also increasingly focused on
mutual economic interests, particularly so following the announcement of a “New Strategic
Partnership” between them in July 2007. The shift of the relationship primarily into the
economic dimension reflects India’s increasing economic integration into East Asia, as well
as a response to widely-held fears of Chinese economic dominance of Vietnam and the
wider region. It is something that the Vietnamese have been emphasizing to the Indians for
some time. As one senior Vietnamese Foreign Ministry official commented, “The dragon is
scratching away and the elephant must move fast.”

Although Vietnam began its process of economic liberalization and globalization later than
India, its recent economic performance has been impressive, with annual economic growth
of around 7-9% and annual export growth of around 25%. Economic growth has been
driven to a significant extent by economic integration with ASEAN (which it joined as a full
member in 1995), and to a lesser extent China. Its location in East Asia in proximity to

Japanese and South Korean markets, low wage rates and an autocratic political system make it an attractive destination for foreign investment. Nevertheless, Vietnam remains relatively poor and many years behind India in economic development. As a result, India’s economic relationship with Vietnam is in many ways the reverse of its relationship with capital rich East Asian states such as Japan, South Korea and Singapore. Vietnam looks to India as a potential investor and provider of technology and manufactured goods. India-Vietnam bilateral trade is growing strongly (though from a low base) from a nominal $72 million in 1995 to over $2 billion in 2008. Indian exports largely consist of animal feed, plastic, pharmaceuticals, plastics, machinery and equipment, while Vietnam’s exports consist of a small amount of agricultural products. In the reverse of India’s normal trading position, the India-Vietnam balance of trade is strongly in favour of India. The Vietnamese are impatient to gain greater access to the Indian market through a reduction of tariff barriers over agricultural and manufactured goods.

Indian foreign direct investment in Vietnam aggregated $580m in 2006, making it the largest destination of Indian FDI in ASEAN (although ranks only as the sixth largest source of FDI for Vietnam). Indian FDI to Vietnam is growing, with recently announced investments including a $500 million steel refinery, a $600 million oil exploration project and a project announced by Tata Steel in 2007 for the establishment of steel mills with a value of $4 billion. The Indian and Vietnamese governments have targeted increased future Indian investment in the Vietnamese energy sector, including in oil exploration, refining and downstream marketing and in nuclear and conventional power generation. Some of the proposed and targeted investments have strong political overtones, including, for example, the October
2000 grant to Indian state-owned ONGC Videsh Limited (in partnership with BP) of major
gas production blocks in areas of the South China Sea claimed by China. This has particular
political significance in light of the rivalry between India and China to acquire strategic
stakes in hydrocarbon deposits in the region and elsewhere, and China’s armed response to
Vietnam’s grant of exploration blocks in disputed territory in 2007. India has also been a
strong supporter of the development of civil nuclear technology by Vietnam since the 1970s,
and in 2002 funded the establishment of a joint nuclear research centre in southern
Vietnam.69 However, the ability of India to fully participate in the development of a civilian
power industry will be limited.70

The Vietnamese have long supported Indian economic integration in East Asia, reflecting
their concern about regional economic dominance by China. The Vietnamese are
concerned about the potential for Chinese domination of multilateral arrangements, and
were reportedly privately unenthusiastic about the China-ASEAN Free Trade Area, which is
due to be established by 2010.71 There were also concerns about the proposed East Asian
economic community which would include the ASEAN + 3 (China, Japan and South Korea)
but not others such as India. Since at least July 2007, Vietnam has publicly supported

69 Some see India’s assistance in Vietnam’s nuclear program as a strategic parallel to the assistance given by
China to Pakistan in the development of nuclear weapons, but there is no indication that India has been
involved in nuclear weapons proliferation with Vietnam.

70 In May 2008, a Japanese company was awarded a contract to develop the Vietnamese nuclear generation
industry.

India’s alternative “Arc of Advantage and Prosperity” proposal involving an Asian economic community including India, which would be preceded by a multilateral Pan Asian Free Trade Agreement. However, it is apparent to many that an Asia-wide free trade area is many years away. Even the India-ASEAN free trade agreement, [expected to be finalized by the end of 2008], will be of limited scope, especially in relation to the commodities that dominate Vietnam’s exports to India. Of more immediate concern, particularly to the Vietnamese, is to put in place a bilateral free trade agreement with India, including access to the Indian market and facilitation of Indian FDI. In July 2007, the Vietnamese proposed negotiations on a free trade agreement. However, the Indians, as beneficiaries of the trade imbalance, have stalled.

Some might see the failure of India to open its markets to Vietnam and actively pursue an economic partnership as being short-sighted in view of India’s broader ambitions in the South China Sea. While there is little doubt the long-term political alliance will continue, the experience since 2000 suggests that the relationship needs to be placed on a more comprehensive footing. Vietnam is enjoying a relatively stable security relationship with China and, at least in the short term, is likely to give priority to economic development over the development of new security partnerships.

5. Perspectives

The story of the attempt by India at the turn of this century to inject a significant security dimension into the India-Vietnam relationship is an interesting one. It highlights India’s long
term security ambitions in Indochina and East Asia generally. It also highlights the limitations of India as a regional security partner, including its reliability as an arms supplier and its credibility in projecting naval power beyond its immediate neighborhood. Despite hesitations and road bumps in the development of the India-Vietnam relationship since the turn of the century, it seems likely in the long term that the relationship will grow in significance - if nothing else as a result of India’s closer engagement with East Asia. The relationship is underpinned by more than six decades of anti-colonialism, pan-Asian nationalism and fiercely independent foreign policies. For much of their modern history as independent states, India and Vietnam have stood together in resisting “external” domination of Indochina, whether by France, the United States or China. Their shared concerns about Chinese hegemony are derived from perceptions of past Chinese military aggression and fears of future economic domination. These shared perceptions provide an unusually strong foundation for a bilateral relationship. However, the key question is in what direction the relationship will grow? Will it remain a relationship primarily characterized by mutual political/diplomatic support, as was the case for much of the Cold War? Will it assume a significant strategic dimension, either bilaterally or as part of a chain of relationships? Or will economics become a primary factor in the relationship?

The longstanding political alliance between India and Vietnam has provided an interesting, though limited, exception to this strategic separation. Nevertheless, the overall strategic estrangement between East and South Asia has been breaking down over the past decade. The end of the Cold War together with the rising influence of China in Southeast Asia and the Indian Ocean region has propelled India out of its traditional preoccupation with the
security of South Asia and into a strategic engagement with East Asia. For the last decade or so, India has been actively cultivating relationships with a number of key states in East Asia while seeking to extend its role as a potential security provider into South East Asia, the South China Sea and beyond. India’s attempt to give its long-running political relationship with Vietnam a new security dimension is merely part of these wider strategic readjustments.

The development of relations between India and Vietnam since the turn of the century is also a story of the meeting point between two potentially inconsistent strategic forces: on one hand, apparent imperatives to balance against of China’s rising power and on the other hand, traditions within East Asia of showing formal deference towards China. This intersection is reflected in recent debate between those who broadly argue that old fashioned “balancing” in the neorealist sense of the term is alive and well in Asia (at least in some places),72 those who broadly argue that Southeast Asian states are following an integrationist strategy,73 and those who argue that there are fundamental differences in the Asian strategic order that need to be considered in any analysis, for example, that a strong and stable China has historically been associated with a hierarchical but peaceful and stable region.74 Of particular interest is the question of whether East Asian states will welcome the


strategic engagement of India in the region so as to balance the rising power of China or whether those states, following a long tradition, will be content to see China establish a hierarchical and stable regional order in which East Asians to a greater or lesser extent pay deference to China. Developments in the relationship between India and Vietnam might be seen as a case of both forces at work. There can be little doubt that a significant factor in India’s strategic calculus in this instance was to balance against China through strengthening Vietnam’s military capabilities and to challenge the perceived growth in China’s naval capabilities in India’s neighborhood.\(^{75}\) In contrast, although Vietnam was seeking to diversify its international relationships and enmesh itself in ASEAN, it was willing to do so only in a context of showing overall deference towards China. David Kang has claimed that among East Asian states, with the exception of North Korea, Vietnam has gone the farthest in accommodating China and that balancing “is simply absent” as part of its strategic calculus towards China.\(^{76}\) Others would argue that, while showing formal deference to China, Vietnam is simply playing the balancing game in a subtle and cautious way. As Indian strategist C.Raja Mohan commented following the declaration of an India-Vietnam strategic partnership in July 2007: “An acute sensitivity to the changing balance of power in Asia guides the current Vietnamese strategy of befriending the US and Japan and intensifying security cooperation with India without antagonizing China.”\(^{77}\) According to Mohan,

\(^{75}\) Although this should not be taken as a general proposition that India’s economic, political and security engagement in Southeast Asia and East Asia is primarily driven by a desire to balance against China.

\(^{76}\) David C. Kang, China Rising: Peace, Power and Order in East Asia (New York: Columbia University Press, 2007) at p.140-1.

Vietnam has the history and self-confidence to play the game of realpolitik, something in which by implication India has less experience.

Whether or not Vietnam is overtly balancing against China, the Vietnamese are at least be signalling to China that they have a number of options in security partnerships. Certainly, Vietnam has over the last decade or so sought to diversify its international relations through the development of partnerships with Russia, India, Japan (and, perhaps, the United States) in addition to its ASEAN partners. These include political and economic dimensions as well as inevitable (at least implicit) security dimensions. Nevertheless, in revitalizing its relationship with New Delhi at the turn of the century, Hanoi, it appears, was primarily seeking to diversify its relations and to form a new partnership to assist in its economic development. It was not seeking to take any actions that would result in the destabilization of the security of the region – as granting the Indian navy rights to Cam Ranh Bay certainly would have. One could argue that the Vietnamese would be entitled to be disappointed in India as a partner. India has been shown to be far from a reliable arms supplier and neither has India shown a great deal of commitment in contributing towards Vietnam’s economic development, as the slow pace of progress on an India-Vietnam FTA attests.

It may be that India, which unlike many Asian states has no cultural or historical tradition of showing deference to China, may have underestimated the influence of the long tradition of formal deference that Vietnam has shown to China in matters political, economic and strategic, and failed to understand that Vietnam’s relationship with the Soviet Union during the latter half of the Cold War was an exception to this tradition. There is little chance for
example that Vietnam would allow India to merely step into the Soviet Union’s strategic shoes in Cam Ranh Bay; rather, if India wishes to extend its role as a potential security provider in Southeast Asia it will need to do so in a cautious and cooperative manner so as to allow Vietnam and other states to continue their traditions on formal deference to China. India will also need to take greater care in assisting Vietnam’s economic development and not merely treat Vietnam as merely a potential customer or a host for the Indian navy.

India’s strategy in the region does seem to have evolved, whether by choice or circumstance. It is perhaps for the better that India’s attempt to develop a bilateral security relationship with Vietnam has yielded little. An Indian naval presence at Cam Ranh at the beginning of this decade would no doubt have been seen as highly confrontational by China and, perhaps more importantly, is unlikely to have been welcomed by the ASEAN states. It would have reflected an older Indian way of doing business with both China and ASEAN. Instead, the Indians have been forced to take a more cooperative approach with ASEAN in expanding its naval presence in the Malacca Strait and developing a broad security partnership with Singapore. This approach has avoided direct confrontation with China and won support from ASEAN states. From the Indian perspective, a cooperative and low key naval presence in the region would enhance India’s political and security credentials with the ASEAN states and in East Asia generally and is likely to be encouraged by the United States. A small (and perhaps growing) naval presence in the South China Sea would be consistent with an overall strategy of muting strategic rivalry with China while signaling that India can, if necessary, become part of an anti-China coalition.
China has so far remained publicly quiet about the development of India’s relationship with Vietnam. Perhaps there is a tacit understanding that rhetoric (and actions) in the development of Chinese and Indian naval capabilities in the northern Indian Ocean and the South China Sea should be downplayed. Perhaps the Chinese do not believe that India has what it takes to become a serious factor in the security of Indochina, and that India’s own systemic inadequacies will limit its influence in the region.78

India is nevertheless in the process of developing a series of good bilateral relationships with other key East Asian states, including Japan, South Korea and Singapore, and Vietnam is likely to be an important part of that chain. Some of these relationships, such as those with Japan and South Korea will largely be political and economic, while others such as India’s relationship with Singapore may also have a strong security dimension. Due to their shared history and India’s perceived special role in Indochina, it seems that India’s relationship with Vietnam will always have a strong political element, although to what extent that is translated into a direct security relationship remains to be seen. While India doubtless has a strong strategic interest in Indochina, India’s aims can be achieved without an overt security relationship with Vietnam, at least at this point in time. Such a relationship, certainly in the current strategic environment, could in some ways be arguably counterproductive to India’s strategy.

In any event, while India develops a cooperative security presence in Southeast Asia, the economic integration of India into East Asia is likely to be the main game for some time to come. The interests of India and Vietnam (and most East Asian states) in gaining access to markets and capital are aligned as are interests in ensuring that China does not dominate any regional economic grouping. India would also be well served in focusing on an economic partnership with Vietnam which promotes Vietnam’s economic development and India’s influence in the region. India might well find that an economic String of Diamonds in East Asia has greater value than a military String of Pearls.