Thayer Consultancy ABN # 65 648 097 123



Background Brief:

Impact of Changes on Vietnam's Politburo and Foreign Policy

January 19, 2023

We request your assessment of how the change of Vietnam's Politburo members will affect Vietnam's foreign policy. We have five major concerns:

Q1. In Vietnam, foreign policies are decided by the Politburo. Currently, the Politburo has lost two members (including President Nguyen Xuan Phuc); what effect will that have on Vietnam's future foreign policy?

ANSWER: The framework, objectives and immediate goals of Vietnam's foreign policy were set by the 13th national party congress and further shaped by resolutions adopted subsequently by the Central Committee.

Tactical changes and adjustments will be advised by the Foreign Minister Bui Thanh Son and will be reviewed and approved by the Politburo. It is a consensual process. The loss of Pham Binh Minh from the Politburo will rob the Politburo of expertise and institutional memory.

Minh's oversight of foreign affairs, as deputy prime minister, has passed to a new deputy prime minister, Tran Luu Quang. Quang is not a member of the Politburo and has no discernable experience or expertise in foreign relations.

In sum, personnel changes in the Politburo will only have a marginal effect on the future long-term direction of Vietnam's foreign policy.

Q2. If yes, how would Vietnam's foreign policies towards essential partners like China and the US change?

ANSWER: Vietnam's policies towards partners like China and the United States will continue as usual. Decision-making may be slowed because of personnel changes at high-level. No new initiatives are anticipated.

Q3. Will there be any change on policy on the South China Sea?

ANSWER: Vietnam's policy on the South China Sea is set within the framework of cooperation and struggle (vừa hợp tác, vừa đấu tranh) adopted in 2003 and refined since then. The major changes of note occurred in 2017 and 2018 when Vietnam acquiesced to Chinese pressure and stopped oil exploration activities involving foreign contractors in waters near Vanguard Bank. There have been no major incidents since then, in contrast to Chinese assertiveness in waters claimed by Philippine, Indonesia and Malaysia.

Q4. Although there has been no official information, some scholars believe that the successor to the State President may be To Lam (Minister of Public Security) or Nguyen Van Thuong (Head of the Propaganda Department). If one of these two men wins the Presidential seat, how will it affect Vietnam's diplomacy?

ANSWER: The President of Vietnam represents the country in its relations with foreign powers. Meetings at head of state level are highly scripted, with joint statements processed by the bureaucracy in advance. The president is like an actor who reads his lines in a play written by someone else. Both Lam and Thuong would be relatively unknown quantities on the international stage and their encounters with foreign leaders will be important mainly to the extent that they can develop rapport with their counterparts. There is no room for the Vietnamese president to freelance and advance initiatives that have not already been endorsed by the Politburo.

Q5. Will the change of high-ranking leaders affect foreign economic investment in Vietnam?

ANSWER: The 13th national party congress set the framework and objectives for economic development over the next ten years and out to 2045. The Central Committee and the National Assembly have both adopted resolutions focusing on objectives for the next year as well as a five-year framework. In other words, the personnel changes that are occurring in Vietnam will have little impact on attracting foreign investment. More important are such factors as Vietnam's high GDP growth rate and its effective implementation of a broad range of free trade agreements, including the Comprehensive and Progressive Trade Pacific Partnership and the Regional Comprehensive Economic Partnership. Improvement in governance with respect to foreign investment will play a major role.

One immediate priority for Vietnam's leaders is how to respond to discussions on the Biden Administration's Indo-Pacific Economic Framework (IPEF). Vietnamese officials charged with responsibility in this area will have to give priority to on-going discussions on the IPEF. This will be a major role for the new deputy prime ministers. Ultimately, however, the Politburo will have to sign off on the recommendations put before them.

Suggested citation: Carlyle A. Thayer, "Impact of Changes on Vietnam's Politburo and Foreign Policy," *Thayer Consultancy Background Brief*, January 19, 2023. All background briefs are posted on Scribd.com (search for Thayer). To remove yourself from the mailing list type, UNSUBSCRIBE in the Subject heading and hit the Reply key.

Thayer Consultancy provides political analysis of current regional security issues and other research support to selected clients. Thayer Consultancy was officially registered as a small business in Australia in 2002.