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A SCIENTIFIC DISCUSSION ON THE CURRENT STATE OF RELATIONS BETWEEN RUSSIA AND VIETNAM: MIXED ESTIMATES BY THE TWO PARTIES

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Abstract. The article provides an overview of the round table held by CIVAS RAS ICCA together with scientists from the VASS Institute for European Studies to discuss the results of the decade-long comprehensive strategic partnership between Russia and Vietnam, as well as an international conference of the Institute of Economics of the Russian Academy of Sciences and the same Vietnamese partner dedicated to Russian-Vietnamese cooperation in the era of sanctions. Vietnamese scientists are convinced that mutual relations are being strengthened and improved, and interaction is developing in all areas. Russian scientists are more critical. They noted the decline in Russian influence in Vietnam in all areas, which worsened after the start of the NWO. A particularly weak point is trade and economic cooperation. The causes of this phenomenon were analyzed and measures were proposed to correct the situation. According to experts, one of the main conditions for improving the current situation is Vietnam's departure from pro-Western guidelines.

Keywords: Vietnam, Russia, Russian-Vietnamese economic cooperation, Russian-Vietnamese cooperation in science and culture, energy cooperation, comprehensive strategic partnership, sanctions.

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On September 20, 2022 the Center for Vietnam and ASEAN Studies held a round-table discussion with the researchers of the Institute for European Studies (IES) VASS dedicated to the results of the decade-long comprehensive strategic partnership of Russia and Vietnam (Fig. 1). The relative aspect of the subject (the influence of sanctions on the bilateral cooperation) was discussed at the international conference of the RAS Institute of Economics and the above-mentioned Vietnamese partner on October 18, 2022. The participants discussed achievements, prospects and issues of the bilateral cooperation.



Fig. 1. Round table at RAS ICCA. *Author's photo*

Vietnamese researchers are convinced that mutual relations are being fortified and improved allowing not only to maintain the traditions of our true friendship, but also to develop the interaction in every sphere of the bilateral cooperation. Thus, Nguyen Chien Thang, Director of the VASS IES, drew attention to the fact that multi-vector policy of Russia contributed to real changes in the relations with the SRV. Vu Thuy Trang, Head of the Center for Russia and the CIS Studies of the VASS IES, mentioned that “despite numerous ups and downs, the leaders of the two countries always prioritize the maintenance and promotion of good values, cultivated by the two peoples, creating important premises for the development of cooperation in all fields”. Nevertheless (so I.A. Korgun, leader of the Center of Russian Strategy in Asia of the RAS IE, and Nguyen Quoc Hung, senior researcher of the Center), in the near future the Soviet legacy devaluation is probable due to the special military operation in Ukraine and the deterioration of the bilateral relations.

Russian researchers emphasized a significant difference of nature and results of the parties' cooperation in various spheres. E.V. Kobelev, leading researcher of the Center for Vietnam and ASEAN Studies, pointed out a political component having shown a special dynamism in its development. He emphasized that the leaders of all branches of power of the two countries maintain regular and intensive contacts. Even despite COVID-19 pandemics and the aggravation of the international situation, the dialogue at the higher and other levels continues. Inter-parliamentary ties allow to timely provide the necessary legislative basis for the bilateral relations. The high level of cooperation is maintained in the sphere of defense and security. The two countries' Defense Ministries regularly pursue the strategic dialogue, a number of documents on military interaction have been signed, common military exercises are held, Russian specialists provide technical assistance, the warships of the both countries enter each other's ports, they both fight piracy in the Strait of Malacca.

Russian researchers emphasized the hardships of the bilateral relations, while their Vietnamese colleagues avoided this. E.V. Kobelev pointed out two multi-directional factors which recently negatively affected the cooperation dynamics, i.e., on the one hand, the tension of Vietnam-China relations due to the debated islands in the South China Sea, on the other, Hanoi's course to the close cooperation with the US, Hanoi expecting the US assistance in the case of a serious conflict with China. Under the influence of these factors (so the patriarch of the Vietnamese studies in Russia),

the former confidence is disappearing, and important common projects in economic and military-technical fields are being hampered, etc.

The condition of the bilateral relations was most acutely estimated by D.V. Mosyakov, D.Sc. (History), Head of the Center for SEA, Australia and Oceania, RAS Institute of Oriental Studies. He thinks that the statements of the officials of Russia and Vietnam do not correspond to the current realities of cooperation. The thing is that influence groups in Vietnam oriented to the US interfere with the expansion of ties with Russia. Vietnam takes advantages out of trade confrontation of the US and China and out of capital transfer of foreign investors from China to Vietnam, while Russia is becoming a toxic partner. The economic elite connected with Russia can influence some political decisions of Vietnam, but it is necessary to work with it to fortify the relations.

The weakest sphere where since 2012 difficulties have increased, is acknowledged the trade-economic cooperation. Such an estimate found its reflection in numerous papers with the theme (Vu Thuy Trang, Head of the Center for Russia and the CIS Studies, Nguyen Ha Phuong, a researcher of the Institute of Southeastern Asia, VASS, Russian researchers V.M. Mazyrin and D.V. Mosyakov). According to Russian experts' data, the commodity turnover between Russia and Vietnam was USD 2,48 billion for eight months of 2022, as compared with USD 7,8 billion as the result of 2021. It is expected its more than doubled drop, while the RF and EAEU share in the structure of Vietnamese import and export is no more than 1%.

It was mentioned the increasing RF deficit in the trade with the SRV due to a quicker and more successful development of Vietnamese export compared to Russian one. Among the causes, restraining the flow of goods from Vietnam V.M. Mazyrin mentioned trigger mechanisms in the Agreement on the Free Trade Area of the SRV–EAEU, concerning such Vietnam's priorities as rice, clothes etc. Thus, supplying cars from Russia is limited with the shortage of assembly facilities in the SRV, supplying oil, oil products and coal is limited with high prices, inefficient logistic and other barriers. Thus, Russian export is limited with the Vietnamese measures for the protection of some export groups (cardboard, fertilizers).

The participants of the discussions concluded that these results do not meet the parties' potentials and pointed to such issues as non-tariff barriers, foreign competition, high costs and time for transporting goods, binding of payments essentially to the equivalent in US dollars, insufficient diversification of trade and investments.

In conditions of confrontation with the West the RF found other difficulties in the way of supplying its goods, both traditional (rolled steel, fertilizers, oil products) and new, perspective, gaining momentum (grain). Fearing secondary sanctions, Vietnamese companies reduced or stopped buying Russian goods, not to risk the trade with Western partners. An obvious barrier in the payment of goods is the disconnection of Russian banks from SWIFT and other consequences of the sanction pressure, such as the absence of direct flights. The researchers of the RAS IE are expecting that the US and their Western allies will soon introduce new sanctions aggravating trade conditions between Russia and Vietnam.

Russian experts state that chief competitors of Russia, as far as Vietnam is concerned, i.e., the US and China, increase the commodity turnover with Vietnam much quicker and left Russia far behind (in 2012-2021 our average annual growth was about 10%, while theirs being 30-40%). As a consequence, in the list of trade partners Russia takes still lower positions, and the economic influence of our opponents and their soft power are increasing.

Also, the Russian-Vietnamese trade is interfered with decreasing investment cooperation, Russia is losing positions in the strategic branches of Vietnamese economy. A great damage to our

relations was “the postponement” of building a number of big industrial facilities, such as NPP, due, in the opinion of Russian experts, to Washington’s recommendations blocking the promotion of the RF companies to these branches. For instance, the sanctions concerned Rostec, Rosneft projects and others. Retired Vietnamese experts, among them Nguyen Chi Tam, the former trade representative of the SRV in the RF, consider that the continuation of projects in the initial stage of their realization (both big energy projects and military-technical ones) today is hardly possible, and they are supposed to be frozen.

Also, the direct VASS participants of the discussion acknowledging the negative influence of sanctions (but in 2022) see one of the causes in the oil price volatility since 2015. At the same time, they emphasize that due to the Agreement on the Free Trade with EAEU the flow of Vietnamese investments in Russia significantly increased, mostly due to energy projects, building industrial dairy complexes by TH True Milk. According to the data given by M.O. Turaeva, leading researcher of the Center for Post-Soviet Studies of the RAS IE, 68% of Vietnamese FDI have been made into mining, agriculture, IT, energy. Russia’s share of the total investment volume from the SRV is 7,7%. At the same time, the leaders of attracting FDI to Vietnam are still the Republic of Korea, Singapore and Japan, while Russia ranks 26th in September 2022 (Fig. 2). Mentioning the obvious importance of maintaining and developing of investment cooperation with the SRV, D.V. Mosyakov pointed out among their premises the desire of JSC Zarubezhneft to become the chief Russian partner of SC PetroVietnam, launching ships on the line Haiphong–Ho Chi Minh City–Vladivostok, the discourse of the opportunities of parallel import-export and direct flights.



Fig. 2. Report by M. O. Turaeva at the Institute of Economics. *Author's photo*

V.M. Mazyrin pointed to the task of overcoming this situation, namely, the transfer of Russian trade flows from the West to Asia and at the same time their diversification in order to direct them not only to China and India, but also to ASEAN-countries, in particular, to Vietnam. Therefore, experts from RAS IE suggested to re-consider the mechanism of the Agreement on the Free Trade Area, to deepen the cooperation in wood treatment and building livestock complexes, to continue the exploration of deposits on the SRV shelf, the construction of a gas-fired power plant in Quang Tri province. The urgent tasks are acknowledged improving conditions for export-import operations, enhancing competitiveness and efficiency of logistic, facilitating mutual settlement realized in national currencies, cooperation diversification, including the projects in the sphere of renewable energy resources. At the same time, the colleagues from the SRV agreed that to increase commodity

turnover and investments by 15-20 times, on the suggestion of the SRV President Nguyen Xuan Phuc, is not possible, so far.

Unlike other economic branches, in the opinion of the experts, the most successful one is the energy cooperation. In his paper V.M. Mazyrin, D.Sc. (Economics), Head of the Center for Vietnam and ASEAN Studies of the RAS Institute of China and Contemporary Asia, and I.D. Kalmykov, undergraduate of the Institute of Asian and African Countries at Lomonosov Moscow State University mentioned that for more than thirty years hydrocarbon production has remained the most profitable sphere of this cooperation, Vietsovpetro being currently the leader of the oil and gas sector and the most successful foreign enterprise in Vietnam.

Nguyen Thanh Lan, Deputy Director of the Center for Russia and CIS Studies of the Institute for European Studies VASS, stated that Russia–Vietnam cooperation in the efficiently developed energy sphere is of great importance in the SRV energy sustainability. In the near future Vietnam's need in energy import will swiftly grow, its economy's forecasts being super-optimistic. Thus, the enlarging and fortifying trade with Russia will be of great importance; it has a great potential creating objective grounds for new projects in the energy sphere and for the participation of Russian companies. Among the obstacles for promoting cooperation in this sphere there has been mentioned infrastructure which does not meet the needs, logistic service and anti-Russian sanctions.

Experts gave different estimates of the cooperation in scientific-technical and cultural spheres. Tran Thi Hanh Ha (the Institute for European Studies VASS) pointed out its formal premises: both governments maintain cultural exchange, which is reflected in the Cultural diplomacy strategy of Vietnam and in the principles of Russian policy in the field of cultural and humanitarian cooperation. The legal base for the interaction serves the Agreement on the Strategic Partnership in the field of education, science and techniques (November 2014). Nguyen Chien Thang considers a big Vietnamese diaspora (more than 80 thousand persons) in the RF and the agreements providing legal guarantees for it to be a positive factor of fortifying bilateral economic and cultural relations. In 2022 the Society of Vietnamese-Russian friendship intends to deepen the cooperation with the partners through its diaspora and inter-regional ties.

Dang Thi Phuong Hoa, acting editor-in-chief of “The European Studies” journal, mentioned a great contribution of the USSR/RF into the development of Vietnam's science and technique, training of skilled specialists, and reminded that Soviet specialists shared their rich experience and conducted joint research. Scientific and technical cooperation is priority up to 2030; the parties intend to conduct joint research in the sphere of energy and IT, medicine, and training of personnel.

E.V. Nikulina, a researcher of the Center for Vietnam and ASEAN Studies made an objective analysis of the cooperation in this sphere. According to her data, currently the mutual links are limited with the exchange of scientific and technical information, and the transfer of technologies and joint research are much weaker due to the imperfect mechanism of management and legal support, the absence of development stimuli, the administrative support, also, complicated with limited funding. In comparison with the Soviet period the situation has changed dramatically. Vietnam intensifies the cooperation in the field of science and education with the US, Japan, Australia, EU countries. Currently, the number of Vietnamese students in these countries surpasses the number of the SRV students at Russian universities. At this background Russia has a modest place in the international relations of Vietnamese scientific institutions.

At the same time, E.V. Nikulina called to maintain unique projects with long history, including the Joint Russian-Vietnamese Tropical research and technological Center, projects of the Far Eastern Branch of the RAS and the Vietnam Academy of Science and Technology in the field of marine

biology and ecology, pharmacology and biotechnology, marine-geological and geophysical research, biology, ecology and genetics of land and water ecosystems. Also, joint expeditions in Vietnam's territorial waters on the science ships of the Far Eastern Branch of the RAS, which allow to update numerous data on Vietnam's maritime resources.

A special attention was drawn to the cooperation in the field of nuclear science. It was proposed to transit as soon as possible to the stage of realization of the Hi-Tech innovation project, namely to construct, with the assistance of Rosatom, the Center for Nuclear Science and Technologies in Vietnam. Its target is, in particular, to produce nuclear isotopes for needs of agricultural complex and medicine, create premises for a NPP construction.

The rare examples of successful cooperation in the field of humanities were mentioned, such as linguistic expeditions with the task to describe phonetics, lexica and grammar of the languages of small nations of Vietnam, as well as the edition of a New Big Vietnamese-Russian Dictionary in two volumes, the result of the more than 20 years' work of the team of the two countries' researchers.

At the same time, there were mentioned unfavorable tendencies; Russian literature has lost its leading positions in Vietnamese society; translation and dissemination of Russian literature is more complicated every day due to the reduction in the number of translators; the number of books printed is low; therefore, they are not available to the general reader.

The situation in the field of cinema, theater and painting in the scope of the cultural exchange is still more alarming, than in literature. The only opportunity to get acquainted with the other country's culture are the Days of culture of the two countries, which are held in turn once every three years. Tran Thi Hanh Ha acknowledged that such a cultural exchange is insufficient to attract the young generation, who is more interested in art and literature of Europe, America, China or Korea, than in those of Russia.

Vietnamese researchers inform that the actors of Vietnamese culture and its leaders, many of them being the graduates of Soviet and Russian universities, call to intensify cultural exchanges, to increase the number of students in Russian art universities. They need to oppose the total expansion of the Western, first of all, American culture.

Summing up the above-mentioned successes and hardships, P.Yu. Tsvetov, an assistant professor of the Diplomatic Academy of the Ministry of Foreign Affairs of the RF, concluded that current bilateral relations do not meet the spirit of comprehensive strategic partnership. He emphasized a rather skeptical attitude to the results of our decade-long partnership in the expert community of the two countries and the absence of consensus on the meaning of the term. In the expert's opinion, it means the relations of the two countries with a broad field of mutually beneficial cooperation. a certain degree of confidence between the parties' leaders aimed to a long-term prospect with no confrontation on any issues. The expert concludes that Russia and Vietnam possess obviously more spheres of interaction and mutual understanding than with many other countries, but you should not expect something special. These are not allied relations of the Soviet era. Today they are relations of friendship and cooperation between close partners, along with the others.

Still more optimistic was Dr. Dang Thi Phuong Hoa. She believes that Vietnam's role in ASEAN for the RF has increased after the launching of the special military operation. The situation in Vietnam is stable, foreign policy is well-balanced, and this has a positive effect on Russia. The interest to Russia in Vietnam is sufficiently high to continue the cooperation.

Estimating prospects and challenges of mutual relations, V.M. Mazyrin supposed that one of the chief conditions to improve the current situation is Vietnam's diversion from pro-Western guiding lines. In the expert's opinion, this may happen, if Hanoi is aware of the world's being broken into

two camps, i.e., on the one hand, the developing countries fighting for their independence with Russia and China at the head, on the other, the Western block, desiring to maintain the US hegemony and one-polar architecture.