

ABSTRACT

The territorial claims over the Spratly and Paracel archipelagos and maritime areas in the South China Sea have been the major source of tension between Vietnam and China. South China Sea has strategic significances in national security and economic security so the sovereignty over South China Sea becomes a crucial interest for both countries. In spite of competing claims over the South China Sea areas, Vietnam and China have sought to manage the tensions through bilateral and multilateral dialogues. The adoption of the ASEAN - China Declaration on the Conduct of Parties in the South China Sea (DOC) in 2002 marked a progress in South China Sea dispute. According to DOC all signing parties pledge to resolve South China Sea dispute by peaceful means and exercise self-restraint in the conduct of activities that would escalate the dispute. However, as a non-binding political document, DOC has shown failure in maintaining stability and reducing tension between claimant parties, especially between Vietnam and China. After signing the DOC, China has increased its assertive behavior toward Vietnam in the dispute area that fueled the tension. In order to face China's growing assertiveness in South China Sea and manage the good relations with China in the same time, Vietnam has adopted hedging strategy. This thesis aims to explain Vietnam's hedging strategy toward China in the South China Sea dispute. Vietnam's hedging strategy consists of three major components namely economic pragmatism, direct engagement, and indirect balancing which each component has significances in managing Vietnam – China relations.

Keywords: Vietnam, China, South China Sea dispute, hedging strategy