

Vietnam's Strategic Balancing in China-EU Competition in the Mekong Subregion

Dang Minh Duc*

*Institute of European and Americas Studies
Vietnam Academy of Social Sciences*

Nguyen Bich Thuan**

*Institute of International Finance Education
Academy of Finance*

Vu Thanh Ha***

*Institute of European and Americas Studies
Vietnam Academy of Social Sciences*

Abstract

The Greater Mekong Subregion (GMS) has recently emerged as a new focal point of geostrategic competition between China and the European Union (EU). China has expanded its influence through the Lancang-Mekong Cooperation initiative and large-scale infrastructure projects, whereas the EU has prioritized sustainable development cooperation, the promotion of good governance, and human rights. This article analyzes the divergence between China's "hard power" approach and the EU's "soft power" strategy, and assesses their impacts on downstream countries, including Laos, Cambodia, Vietnam, Thailand, and Myanmar. This article evaluates the strategies and approaches of both China and the EU in the GMS and their Implications for Vietnam's National Interests and Regional Positioning.

Keywords: *China-EU competition, geostrategy, sustainable development, Great Mekong Subregion*

1. Introduction

The Greater Mekong Subregion (GMS), home to over 240 million people, constitutes a significant market and labor force (Jensen et al., 2023). It has increasingly become a driving force for economic growth and regional connectivity. Geographically, the GMS serves as a strategic land bridge linking China, Southeast Asia, and the Indian Ocean. The region is evolving into a confluence point of various geopolitical initiatives, including China's Belt and Road Initiative (BRI), the Mekong–United States (US) Partnership, and the Lancang–Mekong Cooperation (LMC). While the GMS is endowed with abundant water resources and natural assets, it simultaneously faces considerable challenges related to economic development, infrastructure gaps, environmental degradation, and sustainable development imperatives.

The Mekong Subregion has emerged as a new hotspot of geostrategic competition among major powers. In particular, the rivalry between the European Union (EU) and China in this region is multifaceted and complex, presenting both opportunities and challenges. China, leveraging its growing economic might and the BRI, has established itself as a dominant actor in infrastructure development and trade integration in the GMS. Meanwhile, the EU has recently intensified its efforts in regional engagement through connectivity and sustainable development mechanisms, notably via its Global Gateway strategy and the 2021 Indo-Pacific Strategy. The EU's approach emphasizes higher governance standards and value-based cooperation, positioning itself as a reliable and long-term development partner.

Vietnam, as a key downstream country of the Mekong River basin, benefits from development cooperation initiatives but also faces significant vulnerabilities—particularly in water security and food security in the Mekong Delta. This article analyzes the strategic approaches and geostrategic rivalry between China and the EU in the GMS, with a focus on the implications for Vietnam. The study employs a qualitative methodology based on the synthesis and analysis of academic literature, international reports, and publicly available

data from reputable sources such as the Asian Development Bank (ADB), the World Bank (WB), the Center for Strategic and International Studies (CSIS), authoritative media outlets, and official documents from both the EU and China.

2. Methodological and Theoretical Framework of Geostrategic Competition and the Role of Major Powers in the Mekong Subregion

Conceptually, this article understands geostrategic competition as a multidimensional process through which major powers deploy material capabilities, institutional mechanisms, and normative influence to shape political, economic, and governance outcomes in strategically significant regions. In the Greater Mekong Subregion, this competition is manifested through the interaction of “hard power”, “soft power”, and development-oriented strategies embedded in regional cooperation frameworks. Hard power, particularly in its geo-economic dimension, primarily refers to material leverage, including infrastructure investment and control over critical resources, while soft power operates through norms, governance standards, and development assistance. These dimensions are closely linked through the development–security nexus, whereby development initiatives serve broader strategic objectives. Building on this framework, the article employs the concept of strategic hedging to examine how Vietnam diversifies external partnerships and preserves strategic autonomy.

Geostrategic competition refers to the contest for influence and strategic interests in a region of critical geopolitical importance. The Mekong Subregion constitutes a pivotal theater within the emerging “Indo-Pacific” strategy, where major powers—including the United States, China, the EU, Japan, and India—seek to enhance economic, political, and security linkages with subregional countries. China, as the upstream power along the Mekong River, advocates a development-security nexus model, promoting “security through development” by investing in infrastructure and reinforcing bilateral cooperation to expand its strategic influence (Gong, 2023). Conversely, the EU emphasizes sustainable development, green technologies, digitalization, and resilient connectivity, aiming to diversify its partnerships and reduce overreliance on China (Delegation

of the European Union to Vietnam, 2022). Subregional institutions such as the Mekong River Commission (MRC) and the Lancang–Mekong Cooperation mechanism to initiated by China in 2016 have become platforms through which major powers project both political and economic influence in the region. Vietnam, as a downstream nation, must grasp the theoretical dynamics of this power competition to effectively position its bilateral and multilateral engagement strategies—leveraging opportunities while mitigating potential vulnerabilities. According to the “development-security leverage” theory, Vietnam can utilize foreign investment to promote economic growth while safeguarding its policy independence, avoiding debt traps or overdependence on any single external actor (Jensen et al., 2023).

Methodologically, the study adopts a qualitative, comparative, and policy-oriented case study approach, drawing on policy documents, institutional reports, and secondary literature to assess the implications of EU–China competition for Vietnam's national interests and regional positioning.

3. Strategic Importance of the Greater Mekong Subregion

The GMS, comprising the five lower Mekong countries—Vietnam, Laos, Cambodia, Thailand, and Myanmar—is situated on the Indochinese Peninsula, bordered upstream by China (where the Mekong is known as the Lancang River) and flowing into the South China Sea through Vietnam's Mekong Delta. With a population exceeding 240 million, the GMS represents a significant market and labor force (Jensen et al., 2023), and has emerged as a dynamic zone of economic growth and regional connectivity. Strategically located between Southeast Asia and the Indian Ocean, the subregion serves as a critical land bridge linking China with continental Southeast Asia and the broader Indo-Pacific region¹.

The GMS holds growing geostrategic and economic significance. Economically, the region is endowed with abundant natural resources—including fertile agricultural land, vast hydropower potential, and rich freshwater fisheries—making it vital for regional food security and energy supply. The Mekong River acts

as the region's lifeline, supporting the livelihoods of millions and facilitating inland trade and integration through road, rail, and river corridors. Over the past decade, GMS economies have maintained robust growth, with increasing economic interlinkages fostered by initiatives such as China's BRI, as well as alternative strategies proposed by Japan, India, South Korea, the United States, and the EU.

Geopolitically, the Mekong Subregion has become a focal point of renewed interest and engagement by multiple great powers. Long overlooked, the lower Mekong has re-emerged in the Indo-Pacific strategies of the US and its allies, while China has simultaneously expanded its presence to reinforce historical ties and upstream control (Jensen et al., 2023). Countries such as Japan, South Korea, India, Australia, and the EU have also enhanced investment and cooperation in the region (SEI, 2022). The Mekong's proximity to critical maritime routes, adjacency to China, and its direct impact on mainland Southeast Asia's political stability make it a contested arena where power projection, connectivity, and resource security converge.

Nevertheless, the region also faces multidimensional challenges. Politically, institutional differences among countries and instability in some have hampered coherent subregional cooperation. Disputes over sovereignty and transboundary water governance to particularly between downstream states and China to underscore the need for institutionalized dialogue. Economically, despite growth, disparities persist. Infrastructure deficits, reliance on external financing, especially from China, and public debt accumulation have raised concerns over fiscal sustainability and dependency (Figiaconi, 2020). Integration into global trade via agreements like Regional Comprehensive Economic Partnership (RCEP) or EU Free Trade Agreements (FTAs) to demands governance and competitiveness reforms, without which countries risk stagnation.

Environmental challenges are most pressing. The Mekong is among the world's most stressed river systems due to extensive upstream and downstream dam construction and the effects of climate change. China's 12 dams on the Lancang River, along with dozens more on tributaries and by Laos and Cambodia, have significantly reduced sediment flow and altered water levels in

Vietnam's Mekong Delta (Ha, 2022). Studies suggest that Chinese dams—particularly Jinghong and Nuozhadu—can store up to 50 percent of the basin's available water, leading to dry-season droughts and wet-season flooding downstream. Sediment flow to the delta has declined by roughly 30 percent, potentially dropping by 97 percent if planned dams are completed (Dung, 2025). This severely impacts soil fertility, accelerates erosion, deepens salinity intrusion, and threatens fishery yields. Vietnam estimates that it could lose up to 30 percent of its inland fisheries catch by 2040 (*ibid.*). Climate-induced extreme weather has compounded these threats, increasing the frequency of droughts and floods, with devastating consequences for food security and millions of rural livelihoods.

4. China's Strategy in the Greater Mekong Subregion

To consolidate its leadership role in the GMS, China launched the LMC initiative in 2016. This multilateral mechanism, led by China, includes itself as the upstream country and five downstream states: Cambodia, Laos, Myanmar, Thailand, and Vietnam. Initially proposed by Premier Li Keqiang in 2014, the LMC quickly materialized with its first foreign ministers' meeting in 2015 and the inaugural summit in Sanya, China in 2016 (Ha, 2022). Officially, the LMC aims to promote socio-economic development, reduce development gaps, and support sustainable development in the region. It focuses on five priority areas: infrastructure connectivity, energy cooperation, cross-border economic collaboration, water resource management, and poverty reduction. With the slogan "Shared River, Shared Future," China seeks to position the LMC as a comprehensive cooperation platform, gradually replacing Western- or ASEAN-led frameworks.

Substantively, the LMC reflects China's more proactive "hydro-diplomacy" approach to the Mekong. Previously only a dialogue partner of the MRC and often criticized for its lack of transparency in dam operations, China now leverages the LMC to establish its own rules of engagement and maintain central authority. The LMC adopts a "hub-and-spoke" model revolving around China, with its Secretariat housed in Beijing under the Ministry of Foreign Affairs. In

addition, China established a LMC Special Fund worth USD 300 million to offer grants and concessional loans to member states. By 2021, the fund had supported over 500 small-scale projects in sectors such as agriculture, healthcare, poverty alleviation, and environmental protection (Ha, 2022). Notably, disbursement decisions are made bilaterally between China and each country, allowing China to selectively gain political favor and influence.

China has also set up regional centers in water cooperation, environmental research, and capacity building under the LMC framework, often located in China, attracting young professionals and officials from GMS countries to promote China's development perspective (*ibid.*). The LMC embodies what has been described as “Chinese-style multilateralism,” which emphasizes sovereignty over transboundary resources, prioritizes economic development over environmental standards, and avoids contentious political issues such as the negative impacts of hydropower dams.

Through the LMC, China projects itself both as a generous development partner and a regional norm-setter, counterbalancing the influence of US-led and EU-backed initiatives. It strategically uses the LMC to legitimize its upstream dominance and retain control over water flows while simultaneously winning the goodwill of neighboring countries via economic cooperation.

Beyond institutional frameworks, China extends its influence in the GMS through major infrastructure, energy, and investment projects as part of the Belt and Road Initiative (BRI). In Laos, China financed the USD 5.9 billion high-speed China–Laos railway, inaugurated in late 2021, connecting Vientiane with Kunming. China also invests heavily in roads, special economic zones (SEZs), and telecommunications in Laos, effectively transforming the country into a key land link in China's continental corridor.

In Cambodia, China is the largest investor and aid provider, funding high-profile projects such as the Phnom Penh–Sihanoukville Expressway, the Lower Sesan 2 hydropower plant (400 MW), and the Sihanoukville SEZ. In Myanmar, China pushes forward the China–Myanmar Economic Corridor (CMEC), including infrastructure such as the Kyaukpyu deep-sea port, the China–Myanmar oil and

gas pipeline (completed in 2017), and planned high-speed rail links from Yunnan to Yangon.

China's regional ambitions extend beyond economics to security presence. Following the 2011 killing of 13 Chinese sailors on the Mekong, China initiated joint riverine patrols with Laos, Myanmar, and Thailand. However, Thailand remains cautious and refuses to allow armed Chinese vessels deep into its territory, fearing strategic encroachment (Seth et al., 2021). China is also suspected of assisting in the construction of a naval facility at Ream port in Cambodia, which, if confirmed, would mark its first permanent military presence in Southeast Asia—raising serious concerns among the US and its allies (Jensen et al., 2023).

In summary, China's strategy in the GMS combines economic power and institutional presence to entrench long-term influence. It finances large-scale infrastructure projects and dominates hydropower development in Laos and Cambodia (Dung, 2025), while leveraging platforms like the LMC to shape rules in its favor. While China has secured deep influence in countries such as Laos and Cambodia, its expanding presence is met with skepticism in others like Vietnam and Thailand. This growing Chinese footprint has prompted strategic rivals—including the US, Japan, and increasingly the EU—to devise counterbalancing strategies for influence in the subregion.

5. The EU's Strategy in the Greater Mekong Subregion

The EU has long been interested in supporting the development of Southeast Asian countries, but it is only in recent years that the EU has formulated a clear strategy for the Mekong subregion. A key turning point was the elevation of EU–ASEAN relations to a Strategic Partnership in 2020, paving the way for deeper cooperation on regional issues (EC, 2024). Within this framework, the EU is committed to integrating its support for the Mekong subregion into its broader policy with Southeast Asia, viewing the subregion as vital for ensuring stability and sustainable development for both ASEAN and the Indo-Pacific at large.

Although the EU is not a proximate power like China, its contribution to development aid in the Mekong region ranks among the highest. Over the years, the EU and its member states—particularly Germany and France—have been leading partners in supporting the Mekong River Commission (MRC), an intergovernmental body comprising the four lower Mekong countries (Laos, Cambodia, Thailand, and Vietnam) specializing in water resource management. The EU views the MRC as a crucial institution that promotes regional cooperation and rule-based governance in the Mekong basin (Søn, 2022). It has provided EUR 5 million in funding for the MRC (2016–2022) to strengthen integrated water resource management and promote sustainable development in the lower basin (Søn, 2022). In addition, the EU and member states such as Germany frequently offer technical support and share river basin management experiences, drawing from European models like the Danube and Rhine rivers (GIZ, 2025). This commitment reflects the EU's desire for greater transparency and mutual consultation among Mekong countries on major projects—an approach notably absent in China's Lancang–Mekong Cooperation (LMC).

Beyond ASEAN- and MRC-focused projects, the EU also implements direct cooperation programs with individual Mekong countries. In December 2021, the EU adopted a Multiannual Indicative Programme for development cooperation (2021–2027) with Cambodia, Laos, Vietnam, and Thailand, focusing on priority areas such as governance and the rule of law, green and inclusive development, education and vocational training, and regional integration (Søn, 2022). The EU also actively uses trade agreements as instruments of regional engagement: it signed Free Trade Agreements (FTAs) with Vietnam (in force since 2020) and Singapore, is renegotiating with Thailand, and envisions a future ASEAN-wide FTA. Through trade and investment, the EU aims to stimulate sustainable economic growth in Mekong countries while reducing their dependency on China's market.

In 2021, the EU launched its Strategy for Cooperation in the Indo-Pacific and the Global Gateway initiative, signifying a strategic shift toward this emerging region (Søn, 2022). The Indo-Pacific Strategy underscores a comprehensive EU presence in regional economic and security affairs, while the Global Gateway - mobilizing EUR 300 billion worldwide - aims to deliver high-quality, sustainable

infrastructure as an alternative to China's Belt and Road Initiative (BRI) (Okano-Heijmans, 2023). The Mekong subregion has been identified as a priority area for these strategies due to its strategic significance and challenges such as climate change, water security, and post-COVID recovery that demand international solutions (SEI, 2022). Notably, the EU held its first "EU–Mekong Cooperation Forum" in Hanoi in October 2021, gathering EU ambassadors in the subregion and regional officials to discuss new cooperation orientations. At the forum, EU representatives expressed their intent to enhance ties with the Mekong, support public–private investment in green growth, and ensure equitable post-pandemic recovery (Søn, 2022). This demonstrates the EU's growing strategic awareness of the Mekong's role within the Indo-Pacific geopolitical landscape, moving beyond previous aid-centric approaches.

In contrast to China's infrastructure-heavy model, the EU emphasizes comprehensive and sustainable development cooperation, with a strong focus on human rights, good governance, and environmental protection. In the Mekong subregion, the EU has funded numerous programs aimed at strengthening institutional capacity, promoting the rule of law, and supporting vulnerable groups. On human rights and governance, the EU has implemented tools such as the Justice Initiative in Vietnam and Myanmar, and supported legislative and civil society institutions in Cambodia and Laos. It has also incorporated human rights conditions into trade relations—for example, through the "Everything But Arms" (EBA) mechanism for Least Developed Countries. In the case of Cambodia, due to concerns over human rights violations, the EU partially withdrew EBA preferences in August 2020, reinstating a 20 percent tariff on Cambodian exports to the EU (Turton, 2020). Although this move strained EU–Cambodia relations, the EU reiterated its commitment to linking economic development with human rights and democratic progress. Similarly, following the 2021 military coup in Myanmar, the EU suspended all direct financial assistance to the junta and imposed personal sanctions on military leaders (EC, 2024). EU High Representative Josep Borrell openly criticized China and Russia for obstructing international responses to Myanmar, highlighting the EU's value-based stance even amid geostrategic rivalry (Abnett, 2021).

On sustainability and the environment, the EU has supported projects at both regional and national levels. For instance, it allocated resources for conserving the Tonle Sap ecosystem in Cambodia—the largest freshwater lake in Southeast Asia—through biodiversity protection and sustainable livelihoods for local fishers (EC, 2021). In Laos and Myanmar, the EU (alongside Germany) backed the “Transboundary Water Cooperation” initiative to improve joint river basin management in the subregion (Greatermekongsubregion, 2018). Under the ASEAN cooperation framework, the EU implemented the ASEAN Regional Integration Support from the EU Plus (ARISE Plus) project to enhance sustainable connectivity and trade, benefiting the Mekong through improved cross-border infrastructure and agricultural safety standards. The EU is also a key partner in helping Mekong countries address climate change. It supports programs like the “Sustainable Use of Peatlands and Haze Mitigation in ASEAN” (SUPA) to protect upstream forests, the WeCARE project on climate-smart agriculture, and multiple grants to the Green Climate Fund in Vietnam.

In the education and cultural sectors, the EU aims to enhance soft power and people-to-people linkages. Each year, the EU provides Erasmus+ scholarships for students from the Mekong countries to study in Europe and assists regional universities in improving their training quality. European cultural centers from France, Germany, and the UK (a member before Brexit) remain active in teaching European languages and organizing cultural exchanges. The EU believes that people-to-people cooperation and human capacity building contribute to long-term development and foster goodwill among Mekong societies—areas in which China has been less engaged. Notably, in 2021, the EU initiated the European Green Deal for ASEAN, prioritizing the Mekong for projects in renewable energy, sustainable cities, and circular economy. The EU encourages European businesses to invest “green” in the Mekong—such as solar and wind energy development (e.g., a French company investing in offshore wind farms in Vietnam). The message is clear: economic development does not have to come at the cost of the environment or society, and the EU stands ready to support a sustainable development path that differs from growth-at-all-costs models.

Nevertheless, the EU is also aware of the limitations of its approach. Linking aid to human rights conditions may sometimes diminish EU influence when local governments react negatively—e.g., Cambodia “pivoting” toward China. EU development programs often lack the immediate political leverage of large-scale Chinese infrastructure projects. For example, local people tend to notice roads and bridges built by China more than governance workshops funded by the EU. Moreover, the EU’s financial scale in the Mekong remains modest. Total European aid to the four MRC countries amounts to only a few hundred million euros over seven years, whereas China has pledged billions of dollars for BRI projects. This presents a challenge for the EU in competing for influence, as China is willing to provide substantial aid and financial loans to the Mekong countries.

6. Approaches of the EU and China in the Greater Mekong Subregion

The geostrategic competition between the EU and China in the *GMS* is expected to continue and intensify in the near future. This competition is not entirely direct but rather interwoven with localized cooperation, reflecting broader global rivalry between the two powers.

On the EU side, the implementation of its Indo-Pacific strategy underscores growing attention to the Mekong Subregion, which has been elevated on the EU’s policy agenda. While the EU cannot rival China in financial terms, it aims to deepen cooperation with like-minded partners such as the US, Japan, Australia, and India to support development and engagement in the region. The EU is expected to play a more active role in multilateral mechanisms such as the Mekong–US Partnership (MUSP) and the Mekong–Japan initiative to increase its indirect influence. It may also utilize the Global Gateway Strategy to finance “model” infrastructure projects in the Mekong to assert its presence—for example, a bridge connecting Thailand and Laos built to European standards or a power transmission line linking Vietnam and Cambodia. Should these projects be realized, the EU would not only create a visible counterweight to China’s BRI but also promote its “no-debt-trap, environmentally-friendly” development model.

There is also potential for selective cooperation between the EU and China. Despite underlying competition, both sides may identify common ground in technical and non-political areas. For instance, given their mutual concern over climate change, they could jointly fund a study on flood impacts in the Mekong region. The EU has already supported the Mekong Delta Plan in Vietnam, while China promotes the Lancang–Mekong Environmental Cooperation. Such small-scale collaboration, though limited, sends a positive signal and yields tangible benefits for the region.

The EU's strategy in the GMS faces inherent limitations but also opens unique opportunities based on Europe's strengths. The EU cannot compete on equal footing with China in terms of infrastructure investment volume. Even the ambitious Global Gateway, aiming to mobilize €300 billion globally over six years, pales in comparison to China's BRI investments, which total hundreds of billions in Southeast Asia alone (Alicia, 2023). Moreover, the EU's funding disbursement tends to be slow and is accompanied by strict procedural and transparency requirements, which may frustrate some developing countries. For example, Thailand spent years negotiating with the EU over a Bangkok metro project (due to tendering and environmental issues), while it took only months to secure a loan from China for a high-speed rail line. Mekong countries sometimes prioritize speed and scale, making Chinese offers more attractive than those from the EU. Similarly, the EU's strong criticism of Myanmar's military regime or Cambodia's human rights record may have inadvertently pushed these countries closer to China and further away from the EU (Nikkei Asian Review, 2020).

Nonetheless, the EU possesses several opportunities and advantages in engaging the GMS. First, the EU's reputation for sustainable development and good governance is highly regarded. Many in the Mekong admire the EU model, which balances economic growth with social welfare and rule of law. As a result, EU-funded projects in education, health, and the environment, though less visible, generate long-term trust and goodwill. For example, farmers and fishers in Vietnam's Mekong Delta have benefitted from EU- and Germany-funded climate-adaptive water management projects and value the practical support provided by European experts in addressing salinity intrusion. Such community-

level impacts are a comparative strength of the EU over China's large-scale infrastructure projects.

Second, the EU does not carry the historical baggage or hegemonic ambitions that China does in Southeast Asia, and is thus perceived as a neutral and less threatening partner. Its presence does not trigger sovereignty concerns or perceptions of political imposition. This enables the EU to play the role of a “trusted intermediary” on regional issues. For example, it could fund joint research on the environmental impacts of Mekong river projects without arousing suspicion. The EU is also a member of the Friends of the Mekong—a group that includes Australia, Japan, the US, the World Bank, and the MRC—working to coordinate aid. The EU's presence in this group promotes a multilateral approach that respects ASEAN's role, making it more acceptable to Mekong countries than US–China rivalry.

Third, the EU can leverage its technological expertise and regulatory standards to assist Mekong countries in transitioning to higher-quality development. These countries currently face a strategic choice: continue resource-intensive growth (e.g., hydropower dams, mining, deforestation) or shift to greener, more innovative models. The EU is a global leader in renewable energy, high-tech agriculture, urban management, and digital transformation. By focusing investment in these areas through technical and financial assistance packages (combining ODA and European private capital), the EU can offer concrete, distinctive benefits. For example, the EU is considering a major investment in a smart grid system connecting Laos, Vietnam, and Cambodia, which would optimize electricity sharing and reduce the need for new dams. If realized, this project would protect the environment and enhance regional economic integration to a win-win outcome that would elevate the EU's influence.

Fourth, geostrategic competition with China provides an opportunity for the EU to assert its role. Previously, the EU's foreign policy in Southeast Asia was relatively muted, but China's rise has spurred it to act more cohesively to safeguard its interests and values. The GMS is a testing ground for coordination between EU member states and the European Commission, which are

increasingly cooperating on joint initiatives in the region (L.B., 2022). If the EU can capitalize on this opportunity, it could simultaneously support developing countries and enhance its strategic voice in regional order.

In essence, the EU approaches the Mekong with a "soft power" strategy that emphasizes sustainable development and a rules-based order. Despite limited resources and political clout compared to China, the EU is gradually asserting its presence through practical contributions and normative influence. It prioritizes institutional, human, and regulatory support over "hard" infrastructure—focusing on governance reform, capacity building, fair trade, and sustainable development. The EU also upholds multilateralism and shared rules. Thus, EU–China competition in the Mekong manifests as a clash of models: the EU's comprehensive sustainable development versus China's rapid infrastructure-driven growth.

Meanwhile, China will certainly not scale back its presence in this vital upstream basin. On the contrary, it is likely to double down on LMC, increase capital for the LMC Special Fund, and pressure countries to expedite stalled BRI projects (e.g., the second phase of the Laos–Thailand railway and Kyaukpyu port). China also seeks to institutionalize its upstream dominance, potentially through bilateral water-sharing agreements (on its terms). Its goal is to lock in the economic linkage of Laos, Cambodia, and Myanmar with itself while neutralizing external efforts to influence water decisions. Thus, China is expected to ramp up "soft competition" with the EU—for instance, by enhancing green diplomacy (e.g., dry-season water releases or riverbank tree planting) to win public favor, while refusing to cede control over joint governance. It may also intensify engagement with Thailand under LMC to isolate Vietnam's critical voice in the MRC.

China's approach largely relies on "hard power" - economic might and, to some extent, military strength - to exert influence over GMS countries. It mobilizes vast capital, state-owned enterprises, and rapid construction capacity to implement strategic infrastructure projects (roads, dams, railways, ports). It also leverages upstream political control (e.g., water flow regulation) as bargaining power. China's top-down, state-centric model involves direct government-to-

government dealings, major agreements, and minimal attention to transparency or community consultation. This allows China to deliver rapid, tangible results—e.g., completing a bridge or disbursing hundreds of millions in loans—thereby building influence among national elites. However, this approach risks dependency and negative spillovers: debt dependency, policy alignment (recipients find it hard to oppose China), and environmental or social harm due to insufficient sustainability assessments. China seems willing to accept these consequences in pursuit of its strategic interests—consistent with a pragmatic great power logic.

Looking ahead, EU–China geostrategic competition in the Mekong will persist and intensify, echoing their broader global rivalry. Yet, the Mekong's unique context may shape a competitive relationship marked by localized cooperation. China will not reduce its presence in the vital river basin on its doorstep. Instead, it is poised to expand LMC, inject more funds into the LMC Fund, and push forward incomplete BRI projects (e.g., Laos–Thailand railway phase two, Kyaukpyu port). It also aims to formalize its upstream position through bilateral water-sharing agreements. China's objective is to deepen its economic entanglement with Laos, Cambodia, and Myanmar while sidelining external influence over water governance. Therefore, one can anticipate intensified “soft competition” with the EU—such as green diplomacy efforts (e.g., dry-season water releases or tree planting) to gain public favor, while avoiding joint governance concessions. China might also pull Thailand further into LMC to marginalize Vietnam's dissenting voice within the MRC.

On the EU side, the tilt toward the Indo-Pacific is now unmistakable, and attention to the Mekong will likely increase rather than decline. The EU may not match China financially, but it will strengthen ties with like-minded partners (the US, Japan, Australia, India). It could play a greater role in multilateral frameworks such as MUSP or Mekong–Japan to amplify indirect influence. The EU may also use the Global Gateway to fund “model” infrastructure projects in the Mekong—like a bridge between Thailand and Laos built to European standards or a Vietnam–Cambodia transmission line. These initiatives would leave a visible mark to rival BRI while promoting a “no-debt, no-environmental-harm” approach.

Selective EU–China cooperation is also possible, especially on non-political, technical issues such as joint research on flood impacts (e.g., EU’s Mekong Delta Plan and China’s Lancang–Mekong Environmental Co-op). Though limited, such cooperation would signal goodwill and benefit the region directly.

A critical factor shaping future prospects is the overall EU–China relationship. If tensions worsen over issues like Taiwan, Xinjiang human rights, or the Ukraine conflict, Mekong cooperation will become even more difficult. In a worst-case scenario, the region could become a “proxy battlefield,” with the EU aligning with the US and Japan to “contain” China’s influence, while China uses Cambodia and Laos as “outposts” to obstruct Western engagement. In such a case, forums like ASEAN or the MRC risk deep division along bloc lines. However, this outcome is unlikely in full, as the EU differs from the US in favoring engagement and cooperation with China where possible. The EU is more likely to maintain a dual approach—competing and dialoguing with China in Asia. In the Mekong, this may manifest as a delicate balance: opposing harmful behaviors (e.g., water opacity, militarization) while encouraging China to contribute positively (e.g., joint vaccine funding or disaster relief). Ultimately, the EU seeks to uphold an open, rules-based multilateral order in which even China must abide—rather than aiming to exclude China entirely, which would be unrealistic.

7. Perspectives and Approaches of Vietnam and Mekong Subregion Countries amid the Intensifying Geostrategic Competition between China and the EU

The strategic competition between the EU and China has exerted multidimensional impacts on the countries of the GMS. Laos and Cambodia—two nations most closely aligned with China—may reap substantial economic benefits from Chinese capital flows and infrastructure projects. However, they simultaneously face the risk of being caught in the crossfire of major power rivalry. EU support for institutional reform and governance transparency in these countries may enhance their autonomy and reduce overdependence on China. The geostrategic contest between the EU and China in the GMS has yielded

notable implications in three key areas: regional security, economic dynamics, and environmental sustainability.

In terms of security, the overlapping presence of multiple major powers has both stabilizing and destabilizing effects. On the positive side, it may help deter direct conflict. However, it also raises concerns over potential militarization and geopolitical fragmentation. China's increased military footprint—indirectly manifested through river patrols and logistical outposts—could destabilize the security balance in mainland Southeast Asia. Should China establish a military base in Cambodia, it would undermine the longstanding neutrality of the Indochinese Peninsula since the Cold War, prompting countermeasures from the United States and its allies, including possibly heightened military activities in Thailand or Vietnam. This could turn the region into a strategic battleground akin to the South China Sea.

However, the EU's involvement as a moderate power has, to some extent, helped mitigate rising tensions. The EU advocates for multilateral mechanisms and confidence-building measures, encouraging peaceful dialogue over armed confrontation (Mekong–US Partnership, 2021). For instance, the EU supports ASEAN's central role and endorses the ASEAN Outlook on the Indo-Pacific (AOIP) initiative, which promotes an inclusive regional architecture without military alliances. As a result, Mekong countries have thus far avoided entanglement in formal military blocs, while maintaining flexible security cooperation with multiple actors.

In short, the security implications are twofold: the risk of escalating influence competition—especially if China establishes military facilities or if Myanmar becomes a satellite state of China—is counterbalanced by the potential for strategic restraint and equilibrium. This is due to the increased involvement and oversight by the EU, the US, Japan, and South Korea, which collectively act as a moderating force.

While Vietnam occupies a relatively advantageous position among Mekong countries in terms of institutional capacity and diplomatic experience, its policy choices are nevertheless shaped by a range of domestic constraints. These include coordination challenges among government agencies, uneven

implementation capacity at the local level, budgetary limitations, and the need to balance economic development priorities with environmental protection. Acknowledging these constraints is essential for assessing Vietnam's strategic options in a realistic and analytically balanced manner.

Vietnam, in particular, may leverage the EU's growing attention to the region to further enhance maritime security cooperation in the South China Sea, especially through multilateral platforms such as ASEAN and ASEM. However, the scope and pace of such engagement are likely to be constrained by Vietnam's commitment to maintaining strategic balance, avoiding overt alignment, and managing sensitivities in its relationship with China. The strategic competition between China and the West in the Mekong has further incentivized major powers to support ASEAN cohesion, thereby providing Vietnam with an opportunity to strengthen its leadership role in regional cooperation. Moreover, Chinese investment in Vietnam—if prudently managed—could be converted into dual-purpose economic–security partnerships, contributing to broader defense collaboration.

China may increase political pressure on Vietnam through water resource negotiations if Vietnam becomes more actively involved in EU- or US-led initiatives in the region. In particular, the issue of hydropower dams on the Mekong River poses a serious threat to food security in Vietnam's Mekong Delta. For years, Vietnam has consistently called for greater transparency in hydrological data and information sharing on dam operations by China in order to safeguard the interests of downstream countries (Linh, 2023). According to recent research, Vietnam is considered the “best-positioned” country to raise water security concerns, as the Mekong Delta is both densely populated and highly dependent on the river (Phanachet, 2025). However, Vietnam has remained cautious in addressing the issue, aiming to preserve diplomatic balance with China. As a result, many of its actions have been symbolic rather than assertively enforced. A similar water crisis during the 2023 dry season in Vietnam highlighted the vulnerability of the country's water supply and agricultural livelihoods if China continues to manipulate upstream dam flows.

On economic matters, the involvement of both the EU and China has provided substantial resources, stimulating subregional growth while simultaneously exposing structural vulnerabilities. On the positive side, Chinese investment flows have significantly improved infrastructure—a long-standing bottleneck—and boosted intraregional trade. In 2024, trade volume between China and Mekong countries reached approximately USD 389.68 billion, an increase from 2023. Vietnam remains China's largest trading partner in the region, accounting for a significant share of total bilateral trade (Jensen et al., 2023), thereby facilitating deeper integration of these countries into regional supply chains.

Simultaneously, the EU's market access and support for quality improvement have helped countries such as Vietnam diversify export destinations, reducing overreliance on China. EU investments in manufacturing and service sectors in Vietnam and Thailand have also created jobs and facilitated high-tech transfers. However, there are also downsides, notably the increased risk of debt traps and financial instability among weaker economies. Laos and Cambodia have accumulated substantial debt from China, and their external balances remain heavily skewed. For instance, in 2019, 25 percent of Cambodia's exports were dependent on the EU market, while 40 percent of Laos's public debt was held by China (Turton, 2020). Any major disruptions—such as the EU withdrawing EBA trade preferences or China tightening lending during economic downturns—could push these countries into crisis.

Additionally, domestic inequality tends to worsen: Chinese projects often disproportionately benefit a small elite (e.g., officials, contractors) rather than the broader population, while EU-funded initiatives may be hampered by weak or unwilling local governments. For example, prior to the military coup in Myanmar, the EU had invested significantly in healthcare and education, but the benefits had yet to fully materialize before instability erupted. In contrast, Chinese projects created economic bubbles concentrated around military elites. In sum, while the overall economic impact is one of growth, it is accompanied by macroeconomic risks and challenges to social equity. If managed effectively, the opportunities provided by both the EU and China could serve as a springboard for

development. However, poor governance may lead these countries into a state of dual dependency—simultaneously indebted to China and excluded from Western economic preferences.

Meanwhile, the economic relationship between Vietnam and the EU has benefited from the EU's increasing engagement in the region. The EU–Vietnam Free Trade Agreement (EVFTA) has facilitated Vietnam's exports of agricultural products, seafood, and industrial goods to the EU, opening access to a vast European market. The EU also actively encourages direct investment from European enterprises into Vietnam in key sectors such as high technology, renewable energy, and green infrastructure, thereby diversifying Vietnam's capital sources.

At the same time, the surge in Chinese investment could also support Vietnam's economic development. Chinese foreign direct investment (FDI) has been concentrated in sectors such as manufacturing, energy, and supporting industries, contributing to the growth of Vietnam's electric vehicle and electronics industries. For instance, Chinese conglomerates like BYD and Geely are currently investing in manufacturing facilities in Vietnam (Linh, 2025).

However, the intensifying economic and trade competition places pressure on Vietnam's domestic industries. Vietnamese enterprises face challenges from low-cost Chinese goods in the domestic market and fierce competition in export markets. Moreover, the massive influx of Chinese investment must be carefully managed to avoid excessive dependence or falling into debt traps—particularly if Vietnam were to take on large infrastructure loans financed by China. The EU, by contrast, prioritizes high environmental and labor standards; thus, if Vietnam lags in production reforms, its access to European markets could be at risk.

On environmental matters, the impacts thus far have largely been negative due to the unsustainable nature of rapid development projects, although the EU is actively working to mitigate and reverse this trend. China's construction of hydropower dams and river dredging projects has caused severe consequences: sediment loss, erosion, declining fish populations, and threats to the Mekong River's ecological balance (Phan Xuan Dung, 2025). The unplanned expansion of

urban and industrial zones—such as the Sihanoukville special economic zone in Cambodia—has also led to pollution and deforestation.

Although the EU and other international partners have consistently issued warnings and offered technical assistance, improvements have been slow compared to the pace of environmental degradation. Nevertheless, there are emerging signs of positive change. Thanks to advocacy from the Mekong River Commission (MRC) and international donors, Cambodia in 2020 declared a 10-year moratorium on new dam construction on the Mekong mainstream (Phan Xuan Dung, 2025)—a landmark decision to protect fish ecosystems. The presence of the EU, the US, and Japan—as providers of data and alternative energy solutions—played a key role in influencing Cambodia's decision.

EU-funded reforestation and nature conservation programs have also contributed to the partial restoration of local ecosystems. For example, mangrove reforestation initiatives in Vietnam's Mekong Delta have shown some success. Overall, the environmental balance remains tilted toward the negative due to overwhelming development pressures. However, a trend toward sustainable cooperation is taking shape, driven in part by the EU and the broader international community.

If Mekong countries begin to recognize the long-term value of environmental preservation—an area where the EU is helping quantify impacts and raise awareness—they are more likely to revise policy priorities. Only then will the environmental benefits of international engagement become more clearly visible. For Vietnam, the EU's approach—focused on climate change, water resources, and sustainable development—provides new resources and knowledge for environmental management. For example, the EU and the World Bank (WB) have supported efforts to improve coastal dike systems, promote climate-smart agriculture, and develop adaptive livelihood models in the Mekong Delta (WB, 2021). Initiatives such as the Lancang–Mekong Cooperation (LMC) hydrological monitoring program and renewable energy projects have enhanced Vietnam's scientific and technical infrastructure. Vietnam also has the opportunity to learn from the EU's experiences in building a circular economy, promoting clean energy, and advancing sustainable agriculture (Linh, 2023).

The environmental impact of Chinese activities is particularly alarming: upstream hydropower dams have altered water flow regimes, threatened biodiversity, and caused erosion in downstream areas. According to Vietnam's Ministry of Agriculture and Rural Development, the Mekong Delta is losing approximately 500 hectares of land per year due to coastal erosion and increasing salinity (WB, 2021). In 2023, China's water impoundment operations, combined with the El Niño phenomenon, led to severe water shortages during the rainy season (Linh, 2023). This mounting pressure presents a critical challenge to food security and the livelihoods of farmers in the delta. Moreover, the environmental governance approaches of China and the EU differ significantly. China tends to lack transparency in impact assessments, whereas EU projects are closely tied to strict environmental and social safeguards. Vietnam must navigate these conflicting interests skillfully, balancing the imperatives of infrastructure development with environmental protection.

Inevitably, the parallel presence of EU and Chinese strategies in the Mekong gives rise to conflicting interests due to their divergent goals. First and foremost is the clash over river governance norms. The EU and its international partners advocate for a cross-border, transparent, and rules-based approach to managing the Mekong Basin, as evidenced by their support for the Mekong River Commission (MRC) and their call for China to comply with the 1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses (Ha, 2022). In contrast, China maintains an absolutist upstream sovereignty stance and only engages in voluntary cooperation through the LMC, which it controls, while evading international legal obligations (*ibid.*).

These opposing approaches have led the EU to issue indirect criticisms of China's lack of water transparency through statements at forums such as Friends of the Mekong or ASEAN, while China has systematically excluded the EU from LMC mechanisms. As a result, EU and Chinese initiatives in this domain often lack coordination and may even cancel each other out. For instance, China shares hydrological data with the MRC, but only through its own LMC Water Center, bypassing MRC protocols—an attempt to “circumvent” standards favored by the West (*ibid.*).

Conflicts of interest are also evident in trade and investment, especially concerning social standards. The EU seeks to use trade as leverage to elevate governance norms (as in the case of EBA in Cambodia), while China imposes no political conditions on its investments. As a result, some governments have responded harshly to EU criticism of human rights, willingly forfeiting EU benefits in exchange for unconditional Chinese support (Turton, 2020).

The GMS countries are not passive “pawns” in the geopolitical rivalry between major powers. On the contrary, they play a significant role in shaping the balance of influence between the EU and China. Their policy decisions and strategic choices will determine whether this competition generates opportunities or risks for the region.

First, these countries pursue a “diversification and balancing” (hedging) strategy to avoid excessive dependence on any single actor. As discussed, most Mekong states welcome both Chinese investment and Western aid, participate in both the LMC and the MRC, and sign FTAs with both China and the EU. This tightrope-walking strategy demands diplomatic agility and political acumen from national leaders. ASEAN serves as a vital instrument in helping these countries maintain regional balance. Through ASEAN, Mekong countries uphold a baseline level of unity and adhere to the principle of “non-alignment.” For instance, the 2020 ASEAN Outlook on the Indo-Pacific (AOIP) emphasized cooperation with all partners, thus providing a framework for welcoming initiatives from both China and the EU in the subregion (Mekong–US Partnership, 2021). ASEAN's diplomatic finesse enables smaller states to avoid direct confrontation: they can justify collaboration with the EU as being aligned with ASEAN priorities—and vice versa. Therefore, ASEAN's collective strength is a crucial asset for Mekong countries to balance great power influence.

Second, these countries actively shape cooperation in ways that maximize national benefit. They may “pair benefits” from China and the EU—for example, using Chinese capital to build dams while leveraging EU expertise to mitigate environmental harm. Or they may use access to the EU market as leverage to negotiate better technology transfer from China. To achieve this, they must strengthen negotiation capacities and develop clear national strategies.

Vietnam is often cited as a model in this regard: it has its own Mekong Cooperation Strategy, which mobilizes maximum international support for the Mekong Delta while conducting careful negotiations with China on flood data sharing. As a result, in 2020, China agreed for the first time to share year-round dam operation data with the MRC (Dung, 2025)—a testament to how small states can influence great power behavior by skillfully utilizing multilateral leverage.

Third, the role of Mekong countries is reflected in their regional coalition-building to amplify their collective voice. Individually, these countries risk being overshadowed by China or overlooked by the EU. However, as a united lower Mekong bloc with common interests, they can negotiate more effectively as a group. The MRC serves as a core platform for this, strongly supported by the EU. While China is not an MRC member, the unified demands of the four lower Mekong countries (e.g., on coordinated reservoir operations) carry more weight than fragmented voices. In practice, these countries have tried to align their positions - for example, jointly requesting China to release more water during the 2019 drought or opposing rock-blasting projects in the river (both Thailand and Cambodia expressed opposition). Intra-regional coordination is also promoted through mechanisms such as ACMECS (Ayeyarwady–Chao Phraya–Mekong Economic Cooperation Strategy), led by Thailand, to jointly manage infrastructure projects. If Mekong countries use ACMECS to determine which projects should be funded by China versus the EU, they can avoid duplication and policy incoherence. For instance, they should not allow both China and the EU to finance parallel transport corridors, but rather assign complementary roles based on a shared regional plan. This is an area in which subregional countries must assert leadership.

Fourth, public opinion and civil society in the Mekong states also play a crucial role. Citizens, businesses, and social organizations will ultimately evaluate the effectiveness of external influences. Whichever development model earns public support is likely to prevail in the long run. Consequently, governments must listen to domestic constituencies when adjusting the balance of cooperation. In recent years, many social voices in the Mekong have called for greater transparency and environmental protection to values more aligned with the EU.

Even in China-friendly countries like Laos and Cambodia, youth groups and journalists have spoken out against the negative impacts of Chinese projects. As a result, Mekong governments often seek to balance the competing interests of groups benefiting from either EU or Chinese engagement.

In sum, Mekong countries are the primary agents determining the outcome of geopolitical competition. If they act in unity and with foresight, they can convert rivalry into complementary cooperation. Conversely, if they remain divided or passive, the region risks becoming a geopolitical chessboard reminiscent of the Cold War. For Vietnam, this requires a sustained policy of “diversification and multilateralization” in foreign partnerships: strengthening traditional ties with China while expanding engagement with the EU, the US, and Japan. It is essential to operationalize cooperation with the EU at the governmental level - for example, through regular policy dialogues, facilitating EU business investment in Vietnam, and mobilizing funding from the EU's Global Gateway program, especially for clean energy projects.

At the same time, Vietnam must steadfastly protect its national interests. This includes publicly disclosing data and commissioning independent research on the environmental impacts of the Mekong hydropower system, and proposing joint monitoring mechanisms with international participation to mitigate political risks. Vietnam should proactively enhance its role in subregional frameworks such as the MRC and LMC to defend shared interests like water data transparency and green development. Vietnam's proposal at the 8th MLC Summit to “complete the Water Resources Cooperation Action Plan 2023–2027 and expand hydrological data sharing and dam operation transparency” is a step in the right direction. Continued close coordination with Laos, Cambodia, and Thailand is necessary to promote sustainable joint development and present a unified voice vis-à-vis China. Vietnam should capitalize on the advantages of the EVFTA to promote exports to the EU, while simultaneously upgrading technology and enhancing the quality of agricultural and aquatic products to meet green standards.

It is increasingly important for Vietnam to diversify import markets for high-technology equipment and advanced technologies from the EU and other partners in order to reduce potential overdependence on less transparent

sources of capital. However, progress in this area will depend on Vietnam's ability to upgrade domestic industrial standards, meet stringent regulatory requirements, and enhance absorptive capacity for advanced technologies.

In particular, Vietnam may further develop coastal protection projects and sediment nourishment initiatives in the Mekong Delta in order to mitigate erosion and salinization. Simultaneously, it is necessary to strengthen hydrological forecasting capabilities and invest in independent monitoring stations at estuarine regions to enable timely responses to sudden fluctuations caused by upstream hydropower activities. Vietnam should cooperate with the EU and international organizations (such as the ADB and the WB) to learn from resilient agricultural development models and seek support for circular bioeconomy technology and green production.

It is also vital to further develop the quality of human resources in digital technology and smart agriculture, in line with Vietnam's proposal for the development of "foundational technologies, digital economy, and smart agriculture" under the MLC framework. Furthermore, public education and mass communication should be enhanced to provide knowledge on geopolitical competition dynamics, enabling communities and businesses to proactively adapt. Through the coordinated implementation of these measures, Vietnam can take advantage of investment and business opportunities, improve its environmental performance and international standing, while also mitigating risks related to water security, political dependency, and unfavorable competition. Overall, Vietnam is neither a passive recipient nor an unconstrained actor in the geostrategic competition between the EU and China. Its strategic agency is exercised through calibrated hedging, selective engagement, and multilateral diplomacy. While Vietnam possesses significant opportunities to shape outcomes in the Mekong Subregion, its choices are conditioned by domestic institutional capacity, implementation constraints, and the need to manage asymmetric power relations. Recognizing these limitations enhances the analytical realism of this study and underscores that effective strategic positioning requires not only external balancing but also sustained internal governance reform.

8. Conclusion

The strategic competition between the EU and China in the GMS represents not only a contest between different development models but also a deeper clash of strategic interests and governance logics. While China seeks to consolidate its great-power interests through resource control, infrastructure-driven connectivity, and the establishment of strategic footholds, the EU emphasizes international law, universal values, and rules-based cooperation. These fundamentally divergent priorities make comprehensive reconciliation unlikely. As a result, the responses of local governments and societies in the Mekong are shaped largely by pragmatic assessments of which external actor offers more tangible benefits with fewer perceived risks. At present, China appears to hold an advantage in short-term economic influence, whereas the EU is gradually building longer-term impact by cultivating normative appeal and winning the “hearts and minds” of local populations, particularly younger generations.

The geopolitical rivalry between China and the EU in the Mekong Subregion provides a vivid illustration of the evolving regional order in mainland Southeast Asia within the broader Indo-Pacific context. As an adjacent great power, China has leveraged its economic scale and upstream position to expand its influence through large-scale infrastructure projects and China-led cooperation frameworks. By contrast, despite its geographical distance, the EU has mobilized soft power resources to enhance its presence by promoting sustainable development, the rule of law, and multilateral cooperation, thereby positioning itself as a normative counterweight to China's more state-centric approach. The interaction between these strategies has produced a multilayered competitive landscape encompassing economic, political, environmental, social, and cultural dimensions.

This strategic rivalry has had profound implications for regional security, economic development, and environmental sustainability. It has heightened non-traditional security risks—particularly related to water governance, food security, and ecological degradation—while also creating political pressures that may encourage excessive alignment with one external actor. At the same time,

competition between the EU and China has generated new incentives for Mekong countries to reassess development strategies, diversify partnerships, and strengthen awareness of national interests. The subregion thus stands at a critical crossroads: it may harness external competition to promote more balanced and resilient development, or it may become increasingly vulnerable to strategic contention and fragmented regional cohesion.

From a broader analytical perspective, this study contributes to debates on Chinese political economy by demonstrating how development-oriented engagement in the Mekong is closely intertwined with strategic, political, and security objectives. It also advances discussions on regional order by highlighting the Greater Mekong Subregion as a key arena where development governance and power politics intersect in mainland Southeast Asia. Finally, the article underscores the role of middle powers, particularly for Vietnam to illustrating how strategic hedging and selective engagement can enhance agency and preserve strategic autonomy amid intensifying great-power competition. Ultimately, the future of the Mekong Subregion will depend on the capacity of all actors to transform strategic rivalry into pragmatic cooperation that prioritizes sustainable development, national sovereignty, and the long-term well-being of the river and its communities.

Funding

The article is the research result of the National Scientific Project: “*Adjustments in Major Powers’ Foreign Policies from February 2022 to 2030 and the Responses of Vietnam*”; Code: KX06.01/21-30.

Notes

* **Dang Minh Duc, Ph.D.** is an associate professor and senior researcher at the Institute of European and Americas Studies, Vietnam Academy of Social Sciences. His research focuses on European and American studies, with particular attention to international relations and regional political economy. He is actively engaged in academic research and policy-oriented studies at the national level in Vietnam. *ORCID*: <<https://orcid.org/0000-0002-7441-202X>> *Email*: <minhduc_ies@yahoo.com>.

****Nguyen Bich Thuan, Ph.D.** is the Deputy Director of the Institute of International Finance Education, Academy of Finance, Vietnam. Her academic and professional work centers on international finance, financial education, and institutional capacity building. She has contributed to both research and administrative leadership in higher education and financial studies. *ORCID*: <0009-0005-6337-9817> *Email*: <n.b.thuan@iife.edu.vn >.

*****Vu Thanh Ha** is a researcher at the Institute of European and Americas Studies, Vietnam Academy of Social Sciences (VASS). His research interests include European studies and international affairs, with an emphasis on political and socioeconomic developments in Europe and transatlantic relations. *ORCID*: <0009-0003-5765-3176> *Email*: <thanhhavu1980@gmail.com >

1. The Mekong Subregion, combined with China's Yunnan and Guangxi provinces, is referred to as the Greater Mekong Subregion (GMS)

References

- Abnett, K. (2021). *China, Russia undermine international Myanmar response, EU's top diplomat says*. Reuters. <<https://www.reuters.com/world/china/china-russia-undermine-international-myanmar-response-eus-top-diplomat-says-2021-04-11>>.
- Alicia G.H. (2023). *David and Goliath: EU Global Gateway versus China's Belt and Road Initiative*. Bruegel. <<https://www.bruegel.org/newsletter/david-and-goliath-eus-global-gateway-versus-chinas-belt-and-road-initiative>>.
- Linh, A. (2025). Trung Quốc trở thành nhà đầu tư lớn, đối tác thương mại hàng đầu ở Việt Nam. [China has become a major investor and a leading trading partner in Vietnam]. Dân Việt. <<https://danviet.vn/trung-quoc-tro-thanh-nha-dau-tu-lon-doi-tac-thuong-mai-hang-dau-o-viet-nam>>.
- Delegation of the European Union to Vietnam. (2022). *The Delegation of European Union to Vietnam holds EU-Mekong Cooperation Conference in Hanoi*. European External Action Service (EEAS). <https://www.eeas.europa.eu/delegations/vietnam/delegation-european-union-vietnam-holds-eu-mekong-cooperation-conference-hanoi_en>.
- Linh, D. (2023). *Việt Nam nêu 4 đề xuất cho hợp tác Trung Quốc và các nước Mekong* [Vietnam puts forward four proposals for cooperation between China and Mekong countries.]. Tuổi Trẻ.

- <<https://tuoitre.vn/viet-nam-neu-4-de-xuat-cho-hop-tac-trung-quoc-va-cac-nuoc-mekong-20231207215347635.htm>>.
- European Commission (EC). (2021). *EU-funded projects help protect Tonle Sap's delicate biodiversity*. <https://international-partnerships.ec.europa.eu/news-and-events/stories/eu-funded-projects-help-protect-tonle-saps-delicate-biodiversity_en>.
- European Commission (EC). (2024). *EU-ASEAN Strategic Partnership Blue Book 2024–2025*. <<https://www.eeas.europa.eu/sites/default/files/documents/2024/Blue-Book-EU-ASEAN-2024.pdf>>.
- Figiaconi, F. (2020). *Geopolitical Competition in the Indo-Pacific: The Mekong Region*. ISPI. <<https://www.ispionline.it/en/publication/geopolitical-competition-indo-pacific-mekong-region-25627>>.
- Gong, X. (2023). *The Mekong Region is a Test of China's Global Development and Security Model*. Carnegie Endowment for International Peace. <<https://carnegieendowment.org/research/2023/12/the-mekong-region-is-a-test-of-chinas-global-development-and-security-model>>.
- Greater Mekong Subregion. (2018). *Germany, EU Support Cross-Border Water Cooperation in the Greater Mekong Subregion*. <<https://greatermekong.org/g/germany-eu-support-cross-border-water-cooperation-greater-mekong-subregion>>.
- GIZ. (2025). *Supporting the Mekong River Commission (MRC) in improving water management: Transboundary Water Cooperation in the Lower Mekong Basin*. <<https://www.giz.de/en/worldwide/142752.html>>.
- Ha, H.T. (2022). *China's Hydro-Politics Through the Lancang-Mekong Cooperation*. ISEAS–Yusof Ishak Institute. <https://www.iseas.edu.sg/wp-content/uploads/2022/10/ISEAS_Perspective_2022_116.pdf>.
- Jensen, B., Runde, D. F., & Bryja, T. (2023). *The waterfall's shadow in the Mekong region: Insights on water programs and infrastructure competition in the twenty-first century*. Center for Strategic and International Studies. <<https://www.csis.org/analysis/waterfalls-shadow-mekong-region>>.
- L.B. (2022). *EU – Mekong cooperation conference held in Vietnam for the first time*. CAND Online. <<https://en.cand.com.vn/law-society/eu--mekong-cooperation-conference-held-in-vietnam-for-the-first-time-i591746>>.
- Son, L.N. (2022, October 28). *EU – Mekong cooperation conference held in Vietnam for the first time*. Báo Công an Nhân dân. <<https://en.cand.com.vn/law-society/eu--mekong-cooperation-conference-held-in-vietnam-for-the-first-time-i591746>>.

- Mekong-U.S. Partnership. (2021). *Joint Press Statement of the Friends of the Mekong “Recovery and Resilience”*. <<https://mekonguspartnership.org/2021/08/19/friends-of-the-mekong>>.
- Nikkei Asian Review. (2020). *Cambodia loses EU trade privileges as it rushes FTA with China*. <<https://www.bilaterals.org/?cambodia-loses-eu-trade-privileges&lang=en>>.
- Okano-Heijmans, M. (2023). *The EU’s Connectivity Strategy 2.0: Global Gateway in the Indo-Pacific*. Clingendael Institute.
- Dung, P.X. (2025). Vietnam’s Response to Controversial Mekong Projects in China, Laos, and Cambodia. *ISEAS Articles and Commentaries*. <https://www.iseas.edu.sg/wp-content/uploads/2025/03/ISEAS_Perspective_2025_29.pdf>.
- Phanachet, P. (2025). *Southeast Asia on a Hanging Thread: The Vitality of Collective Action on the Mekong River*. UTS Synergy Journal. <<https://utsynergyjournal.org/2025/04/19/southeast-asia-on-a-hanging-thread-the-vitality-of-collective-action-on-the-mekong-river>>.
- Seth, F. N., & Seah, S. (2021). *The ASEAN-China Partnership: Balancing Merits and Demerits* (No. 120/2021). ISEAS–Yusof Ishak Institute.
- Stockholm Environment Institute (SEI). (2022). *EU–Mekong Cooperation Conference*. <<https://www.sei.org/events/eu-mekong-cooperation-conference>>.
- Turton, S. (2020, August 12). Cambodia loses EU trade privileges as it rushes FTA with China. *Nikkei Asian Review*. <<https://www.bilaterals.org/?cambodia-loses-eu-trade-privileges&lang=en>>.
- VOA News. (2024). *China-financed Laos railway expands Beijing’s reach in Southeast Asia*. <<https://www.voanews.com/a/china-financed-laos-railway-expands-beijing-s-reach-in-southeast-asia/7677853.html>>.
- World Bank (WB). (2021). *For Mekong Delta farmers, diversification is the key to climate resilience*. <<https://www.worldbank.org/en/news/feature/2021/10/21/for-mekong-delta-farmers-diversification-is-the-key-to-climate-resilience>>.