

Korean Foreign Direct Investment in Vietnam and Korean Expatriate Enclaves in Globalizing Hanoi

김지훈 (Jeehun Kim), 인하대학교

공청 호 (Kong Chong Ho), Yale-NUS College

Vietnam's new manufacturing status is driven in part by South Korean investments. This paper overviews how foreign direct investment from Korea has been made in Vietnam's various regions over the past three decades. It also examines two groups of expatriate Koreans in Hanoi—skilled/managerial workers and the Korean small-business workers in Hanoi. In contrast to other major cities in Vietnam (such as Ho Chi Minh City), there is the high concentration of expatriate workers sent by large conglomerate Korean companies in Hanoi. Relatively recent investment in this city and concentration of large Korean companies has given rise to the Korean ethnic enclave of My Dinh, many of whose establishments are owned, managed, and serviced by Koreans. The easy availability of services offered by these businesses enables a culture-based support of Korean expatriates in a new city, and the reproduction of Korean life through consumption. Our paper contributes to the literature on the ethnic economy by identifying the nature of customer support for Korean ethnic enterprises. By highlighting the Korean-owned-and-managed small business character of the urban ethnic economy, we demonstrate the importance of consumption in allowing Korean ways of life to be maintained in a new city. We extend our analysis to Vietnamese consumers of Korean businesses and argue that such enterprises create new opportunities for the growing Vietnamese middle class to develop new consumption practices in a growing cosmopolitan city.