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Remitting Desire: Trans-Pacific Migration, Returns and Imaginaries in Vietnam

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EXECUTIVE SUMMARY

- International remittances to Vietnam – including family, charitable, investment and gray matter knowledge flows – are significant, growing, and primarily oriented by Vietnam’s post-1975 war history of exodus and refugee migration to the United States and other western countries.
- Politburo Resolution 36 of 2004 symbolically reoriented the Vietnamese state’s relationship with its diaspora. This has been followed by more specific measures to encourage overseas Vietnamese financial and bodily returns, with mixed success.
- New financial technologies and regulations are reshaping Vietnam’s remittance landscape as traditional banks and money transfer operators scramble to offer competitive, affordable, transparent and innovative transfer services to gain market share, often at the expense of longstanding ethnic remittance providers.
- Consumption patterns by remittance recipients range from productive to conspicuous, and are influenced by a general awareness of the significance of mobility to socially transformative desires, strategies and futures, including aspirations for overseas migration.

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INTRODUCTION

The catalyst for capitalist growth in Vietnam—often dubbed Asia’s next Tiger economy¹—is frequently ascribed to market reforms starting in 1986 and subsequent foreign investment flows. But diaspora capital sent from abroad has also contributed significantly to Vietnam’s economic growth over the last 30 years. Many of Vietnam’s so-called “overseas Vietnamese” left as refugees and migrants after the end of the Vietnam War in 1975. International remittances to Vietnam are estimated at around USD 15 billion annually,² making it one of the top ten destinations in the world for money sent by diaspora populations back to home communities in the Global South. About 7-8 percent of households in Vietnam receive remittances from abroad.³ International remittance flows are higher than overseas development assistance to Vietnam, of which Vietnam is also a top ten recipient.

This article examines developments in Vietnam’s remittance sector, including how they are being framed and embedded by new monetary policies, technologies, banking and finance trends, and consumer patterns that both enhance and complicate cross-border mobility. The material is drawn in part from my book, *Currencies of Imagination: Channeling Money and Chasing Mobility in Vietnam* (Cornell University Press 2018).

TRACKING REMITTANCES

In a strange parallel to post-9/11 concerns about international money-laundering and terrorist financing, there has been marked interest since 2001 in tracking international remittance flows and channels.⁴ A once largely overlooked cross-border financial flow has become increasingly visible, and public. Before 2000, the World Bank actually did not have remittance data for Vietnam. Total remittances are growing significantly, however, and are globally estimated in 2018 at USD 529 billion to developing (low and middle income) countries.⁵ But this is also connected to more definitive methods of tracking and compiling these particular financial flows.⁶

In the recent past, the majority of international remittances to Vietnam traveled through informal channels, including *hawala*-style transfers⁷ and courier services. In the 1980s, remittances largely took material form: goods sent from abroad that could be exchanged on the black market in an embargoed socialist command economy starkly characterized by scarcity. Since the mid-1990s, there has increasingly been a shift to more formal transfer channels such as banks or money transfer operations such as Western Union or MoneyGram. However, the informal remittance sector remains strong as it provides long-standing familiarity with many of the ethnic community service providers, and also offers lower fees, personalized messages, and discreet home delivery services for recipients who may wish to keep the arrival of overseas money secret from rent-seeking officials, neighbours, or even family members.

There is also growth in other categories of diaspora financial returns commonly classified under the umbrella of “remittances.” This includes collective remittances such as donations sent back for charitable, religious, or humanitarian development purposes. There are significant investment remittances from diaspora Vietnamese “returning” to Vietnam to start up businesses there, an important catalyst in early economic growth. Finally, there is a category of remittances called “social remittances” or “gray matter”—the ideas and

knowledge that diaspora subjects bring when they return to their so-called “homeland.”

These days there are increasing numbers of *Việt Kiều* (the informal term in Vietnam commonly used for overseas Vietnamese) who are coming back to work, live, and retire. These are estimated by the government to be over half a million annually. There are also shorter-term diaspora returns, especially during the lunar New Year (*Tết*), which are almost always accompanied by personally carried remittances and other gifts with multiplier effects. These returns have been actively and symbolically encouraged by the Vietnamese government, notably since 2004 when Politburo Resolution 36 was passed affirming overseas Vietnamese as an “integral part of the nation”, followed by the amended Vietnamese Nationality Law of 2008 allowing overseas Vietnamese to hold dual citizenship.⁸ There is, of course, some controversy about the intentions of these political shifts, often geared towards majority resettled diaspora populations in the West rather than overseas labour migrants in the region, nonetheless there are now a number of policies and regulations in place designed to facilitate return migration, land ownership, and investment.

2008 FINANCIAL CRISIS

The global economic downturn had some effect on remittances, but in general international remittance flows from diasporas are less affected by cyclical economic swings than foreign direct investment. Vietnamese remittance receivers and senders often point out that family obligations are important and cannot be ignored even when economic times are tough; unwavering transnational financial commitments to extended kin during economic downturns have also been measured in other countries in the region such as the Philippines.⁹ Remittances to Vietnam fell only slightly by about 700 million dollars in 2009. By 2010, remittances were again on the rise and now double 2008 levels.

The post-crisis infrastructure for international remittance transfer has changed however. Dodd-Frank financial regulatory reforms in the United States in 2010 (and particularly the section 1073 amendment in 2013) increased governmental oversight of international remittance transfers, challenging the working model of many of the smaller, traditional ethnic remittance companies serving the Vietnamese community in the U.S., which often operate in a gray area of financial service regulation compliance. In the meantime a number of major banks and money transfer operators have moved in to try and capture this “ethnic” financial market, further formalizing Vietnam’s international remittance corridor. Current proposals to scale back Dodd-Frank may further impact Vietnamese American remittance providers as they scramble to adapt to the changing regulatory environment.

REMITTANCE TECHNOLOGIES

New technologies—both simple and complex—and increased inclusion of Vietnamese in the formal financial sector are also shaping remittance transfers to Vietnam. The expanding availability of ATMs, for example, open up the possibility of linked bank accounts to transfer money, although the percentage of the population with formal bank accounts is still comparatively lower than in most countries in the region.

There is significant global attention these days on mobile phone technologies that would

allow those without a bank account but with a mobile phone to use their phone to store and remit money, potentially increasing financial access for the poor and lowering transaction costs. Mobile value remittance practices are starting to emerge in Vietnam, with users within the same provider network being able to transfer airtime credit via phone. There has also been experimentation with electronic kiosks where people can deposit money and input a cell phone number where the credit will be sent. Some start-ups like Momo have moved from airtime credit transfer to mobile wallet and e-payment services. The Vietnam Bank for Social Policies, in partnership with MasterCard and the Asia Foundation, recently ran a feasibility study and pilot project for mobile banking.

The horizon of payment options within mobile value eco-systems is rapidly expanding – from games to bills and transport payment. Unlike countries such as Kenya or the Philippines, however, there is not yet a way to cash out (P2P) such credit in Vietnam without a bank account, which would open up an entirely new domestic remittance channel. Mobile money services need regulatory approval and cooperation between banks and telecommunications operators; in Vietnam that constellation for full mobile money services has not yet happened.

SPENDING AND CONSUMPTION

Remittances to Vietnam from overseas diaspora are commonly used to pay for health care, housing, and education, and to support charitable, humanitarian and religious organizations and activities. The latter may be intended to show gratitude for safe migratory passage during a previous era of high risk boat refugee exodus, or to repay collective debts to a home land and community left behind in historically less fortunate circumstances. They also afford business investment, and on the other end of the “productivity” spectrum, a variety of gamble and leisure consumption patterns. There are often investments in skills associated with overseas migration strategies ranging from English language study to manicure training (a common low-cost entry form of entrepreneurship among new Vietnamese immigrants in the U.S.).

Of the variety of material consumption patterns remittances enable, two notably consistent consumer good categories afforded by remittances discussed by my interviewees are smart phones and motorcycles – items originally and still valued for their utility to communicate and transport but also increasingly for their status symbolism. Smart phones and motorcycles are also the fastest growing consumer items for loans in Vietnam, and manufacturers are actively cultivating interest in and credit for new niche brands and models that are driving heightened purchase and behavioural patterns.

It is compelling to reflect on how a variety of mobilities – monetary, bodily, spiritual, material, technological and social – intersect in these spending and consumption patterns. Such intersections offer insight into the emergence and expansion of formal financial infrastructures designed to facilitate and enframe the production, transfer, and manifestation of value in Vietnam’s ever emergent, expanding, and transnationally entangled capitalist economy. They also map onto a specific sociocultural history of trans-Pacific migration and remittance returns that continue to influence perceptions and developments in Vietnamese society.

REMITTANCE IMAGINARIES

Remittances are more than money in its more commonly defined utilitarian and de-personalized character,¹⁰ and accompany broader cultural and migratory flows. If family remittances can be considered as gifts to kin separated by distance and time, and gifts in a Maussian¹¹ sense carry intangible sensory characteristics – “spirits” – of givers, then remittances index for many the power of money and its possibilities for social transformation as imagined via diaspora bodies in another place.

For many Vietnamese remittance-sending households, this “other”¹² place is the United States, where by far the largest proportion of Vietnam’s diaspora now resides. The Cold War role of the United States in Vietnam is often associated with capitalism—an economic system previously experienced in South Vietnam, abruptly denied to the Vietnamese after 1975, and re-introduced in the 1990s, but often critiqued as crony. In contemporary Vietnam, imaginaries of “real” unfettered capitalism in America abound. In capitalism, money begets money; for many remittance receivers the money overseas Vietnamese send back affirms this imagination of how money works in an ideal capitalist environment. Not only do overseas Vietnamese send money, they also return to Vietnam and appear bodily transformed through the fashions and lifestyles such monies afford.

In Vietnam, many remittance recipients complain that money is not accumulative the way it is imagined to be in America. They say that money is easily spent, but harder to invest and grow. This is experienced in the difficulty of expanding one's business beyond a small local enterprise without the right connections in Vietnam's political establishment, or without access to further credit lines. So remittances can feed and draw awareness to these kinds of spectral frustrations and seeming capitalist contradictions.

Remittances also afford new technologies that facilitate more immediate and direct communications between Vietnamese in Vietnam and those abroad. Remittances are commonly invested in telephone calling cards, computers, and internet access, which afford ongoing transnational connections between senders and receivers. In a way, such immediacy may counteract the more exaggerated imaginations of life in the United States that were previously only disseminated through media, postal letters or more infrequent contact with overseas relatives living in exile, and yet it also drives migrant desires – there is a strong qualitative correlation between receptions of remittances and household migration aspirations.

CONCLUSION

Remittance forms are changing in Vietnam, as are the migration patterns that shape their sending and reception. Many remittance recipients continue to project their aspirations for transformative economic agency to an overseas horizon – especially the United States where the majority of the Vietnamese diaspora now resides across a cultural and geographic spectrum of Little Saigons.¹³ As one remittance recipient that I met explained when I asked her why she wanted to migrate to America, “I want to go so I can send money to Vietnam!” Remittance recipient frustrations of being “stuck” in Vietnam, experiencing limited market entry opportunities without political connections, has led many to perceive the remittance relationship as perpetuating hierarchies that can only be overcome through overseas

migration. In this sense, Vietnam's diaspora has, over the years, been remitting money and gifts, but also desires – many of which remain unrequited.

Aspirations for resettlement in America face further challenges as the current U.S. political environment has been discouraging of immigration, extending even to deportations of former Vietnamese refugees.¹⁴ This may eventually reorient Vietnamese migratory imaginaries away from the United States as a locus of diaspora resettlement and capitalist accumulation. In the meantime, domestic economic opportunities especially in Vietnam's urban areas continue to grow, as do expanding opportunities to travel to other nodes of global and regional labour migration. Some argue that Vietnam's capitalist imaginary is being reshaped by regional investment flows and urban modernity spectres in Asia.¹⁵ Nonetheless, the possibilities of bodily transformations through permanent, rather, than circular, migration, remain oriented to the West. In particular, the United States' unique history of migration and remittances from and to Vietnam offers insight into the economic but also significant sociocultural effects and affects of remittances over the *longue durée*.

¹ "Asia's Next Tiger: Good Afternoon, Vietnam". Aug 16 2016. *The Economist*.

² Estimated by the World Bank. 2019. "Record High Remittances Sent Globally in 2018". Press Release No. 2019/148. <https://www.worldbank.org/en/news/press-release/2019/04/08/record-high-remittances-sent-globally-in-2018>.

³ Although, often overlooked in the emphasis on international remittances is the fact that over 85% of households receive some form of remittances, mostly domestic urban-rural. See Pfau W.D., and Giang L.T. 2009. "Determinants and Impacts of International Remittances on Household Welfare in Vietnam." *International Social Science Journal* 60(197-198): 431-43.

⁴ Among others see Dilip Ratha (2007, 3). Ratha, Dilip. 2007. "Leveraging Remittances for Development". Washington, DC: World Bank.

⁵ World Bank (2019). "Migration and Remittances Data".

<http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>.

⁶ See Hernandez & Coutin (2006, 193). Hernandez, Ester and Susan Coutin. 2006. "Remitting Subjects: Migrants, Money and States". *Economy and Society* 35.2. For more on remittance compiling methodologies see *International Transactions in Remittances: Guide for Compilers and Users*. 2009. Washington DC: International Monetary Fund.

⁷ *Hawala* is an informal value transfer arrangement in which incoming and outgoing funds are balanced and delivered through creative book keeping and trust / business networks without the necessity to transfer money – the name is of South Asian origin but the practice is global.

⁸ On Vietnamese state policy contradictions towards engaging the diaspora when it comes to former political refugees and current labour migrants, see Small, Ivan. 2012. "Embodied Economies: Vietnamese Transnational Migration & Return Regimes", *Sojourn: Journal of Social Issues in Southeast Asia* 27(2). Singapore: Institute of Southeast Asian Studies. 234-259.

⁹ Yang, Dean. 2005. "International Migration, Human Capital and Entrepreneurship: Evidence from Philippine Migrants' Rate Shocks". Washington, DC: World Bank.

¹⁰ Maurer, Bill. 2006. "The Anthropology of Money." *Annual Review of Anthropology* 35: 15-36. See also Simmel, Georg. 2004. *The Philosophy of Money*. New York: Routledge.

¹¹ Mauss, Marcel. 1967. *Essai Sur Le Don*. New York: Norton.

¹² “*ở bên*” (*kia*) (over there) is a term often used by remittance households to reference the United States and other capitalist geographies where the Vietnamese diaspora have relocated.

¹³ Aguilar-San Juan, Karin. 2009. *Little Saigons: Staying Vietnamese in America*. Minneapolis: University of Minnesota Press.

¹⁴ Dooling, Shannon. March 4, 2019. npr.org, “40 Years After the Vietnam War Some Refugees Face Deportation Under Trump”. <https://www.npr.org/2019/03/04/699177071/40-years-after-the-vietnam-war-some-refugees-face-deportation-under-trump> (accessed 7/8/19).

¹⁵ Roy, Ananya and Aihwa Ong. 2013. *Worlding Cities: Asian Experiments and the Art of Being Global*. Oxford: Wiley-Blackwell.

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