This summer, I had the wonderful opportunity to travel to Vietnam to do research on how foreign direct investment in the form of foreign retail affects small businesses and established domestic retailers. It was one of the greatest adventures of my life, and I will never forget the people I met and got to know. In the three weeks I was there, I interviewed street-front business owners, economic leaders, and multimillion-dollar company representatives. This summer I was able to visit Vietnam not just as a tourist, but also as someone who had a research objective, allowing me to observe the Vietnamese culture as well as their economic state.

I spent my first week in Vietnam in Saigon/Ho Chi Minh City. Both of my parents were born in Vietnam and fled to the United States during the Vietnam War. I was raised to be fluent in Vietnamese, but this was the first time I was able to visit Vietnam. However, I quickly learned that being fluent in Vietnamese in the American context is very different from being fluent in Vietnamese in Vietnam. This first week was one of the most challenging weeks of my summer research project because I had to adjust to a culture that, upon entering, I thought I had known like the back of my hand. During my time in Saigon, I was able to visit one of my contacts at the Fulbright Economics Teaching School, Professor Nguyen Xuan Thanh. He had read my grant proposal prior to my arrival and expressed great interest in helping me understand the context into which I was entering. My initial interest in my research topic stemmed from my knowledge that Vietnam had opened its doors for the first time in January of 2015 to allow foreign direct investment up to 100%. I was
initially curious about how this new incentive would affect the livelihoods of small and domestic retailers. I was interesting in seeing if this incentive, enforced for members of the World Trade Organization, would actually stimulate healthy development or essentially “crowd out” established small businesses that have come to characterize the economy of Vietnam. Saigon, the capital of South Vietnam, would allow me to gain access to large domestic businesses and study the interaction between domestic retailers and street-front retailers. Professor Nguyen provided me with several contacts at large, multimillion-dollar corporations, one of which really helped me develop a perspective on global collaboration.

During my time in Saigon, I had the opportunity to interview Phuong Oanh, the CEO chairwoman of Phuong Oanh Recycling Facility. Phuong Oanh is a self-made millionaire owning the largest recycling facility in Saigon. Like many businesses in Vietnam, she started her multi-million dollar company with just a few dollars to her name. Living on the streets, she had the idea to collect recyclables from businesses in the area and resell them to compound facilities. It later evolved into a joint venture with a corporation based in Thailand. With the resources of the foreign company, she was able to build a thriving business while turning a profit for that company from the niche she had created in Saigon. Her story illustrates the mutual benefits and collaborative potential that foreign investment can have for smaller businesses in the developing landscape of South Vietnam.

My next two weeks were spent in Nha Trang, a small coastal city that generates most of its revenue from the millions of tourists that frequent its beautiful beaches and islands each year. This was the hometown of both of my parents, and I
was excited to experience the small fishing village that my parents had spoken so fondly of while I was growing up. I took the 12-hour train from Saigon to Nha Trang, and when I arrived, I was shocked. The beautiful small streets that I had imagined were cluttered with trash and clogged with motorcyclists and tourists struggling to locate themselves on a map while trying not to get run over by the unregulated traffic system of Vietnam. When I arrived at my uncle’s house, I was saddened by the fact that shops had been built in front of his house, forcing me to take a self-made alleyway to reach the front door. The next day, I walked to an interview with a representative from an internationally-owned supermarket, only to realize that the quiet coastline that my parents had described to me was now lined with hundreds of other foreign-owned supermarkets, hotels, and fast food chains. In several of my interviews with these domestic and foreign-owned companies, I asked what made them interested in investing in Vietnam and growing their businesses in Nha Trang. Almost all of their answers were related to the availability of land at a cheap price. After talking to my cousins and locals, I learned that after the Vietnam War, the communist party seized stretches of land from the South Vietnamese, knocking down houses and small businesses and selling this land to foreign investors who had the money to expand their businesses overseas. These were unregulated transactions, resulting in the transfer of large amounts of money into the hands of the communist party and under planned development on the coast of Nha Trang.

While I only spent three weeks at my research sites, it shaped my understanding of business relations as well as Vietnamese culture. I walked away with more than I had ever expected when I wrote my research grant half a year ago,
but I also learned the undeniably hard truth that my International Development Studies professors had drilled into my head: research is challenging. I had a list of over a dozen contacts that had agreed to be interviewed, only to have more than half cancel when I landed. During those three weeks, I learned that my months of planning and scheduling were thrown off course when I fell ill three hours after landing in Saigon. However, my biggest challenge was having to hear stories of people like Vu Vien, who sold fruit on the street to support herself and her three children, and not being able to help. It was hard to stick to my carefully-outlined research questions when I heard the emotional stories of those who struggled to keep their businesses afloat amidst the changing economic landscape of a developing country. These three weeks have helped me gain an understanding of Vietnam far beyond the confines of my research question, and have allowed me the privilege to observe the way of life of so many hardworking individuals that I am proud to share my heritage with.

I came in assuming that there would be readily-observable effects of the new 100% foreign investment allowance and I that I would be able to learn about these effects by asking a few questions I’d drafted with Professor Block. However, I walked away with the realization that there were a variety of immediate issues plaguing local businesses in Vietnam. These included poor infrastructure and political corruption. In my interviews, it appeared that these street-front retailers, and even the larger corporations, were more concerned with adapting business practices to compete with the fruit stand down the street than actively retaliating against foreign encroachment. With an economy growing at over six percent each
year and an increasingly expanding middle class, it will be interesting to observe Vietnam’s progression within the next year as they pursue more open economic policies. While I did not receive the responses I was expecting, the ETW fellowship has allowed me to gain exposure to the Vietnamese culture and build relationships that will be invaluable to my future research in the region.