The Price of Happiness:

Foreigners and Viet Kieu Living Large in the City of Disparity

By Hung Cam Thai

Hung Cam Thai, a professor of Sociology and Asian American Studies at Pomona College and the Claremont University Consortium, has spent the past five years researching the ways that foreigners, Viet Kieu and middle-class Vietnamese interact in HCM City. After hundreds of interviews and thousands of pages of field notes, he's uncovered a city where many have come looking for the kind of happiness they can't find—or afford—back home. But this happiness comes at a price, as he reveals in his forthcoming book Disparity: Consumption and Transnationalism in Global Saigon. The following article was adapted by Hung exclusively for AsiaLIFE, and is the inaugural publication of this groundbreaking and provocative research. He is also the author of For Better of For Worse: Vietnamese International Marriages in the New Global Economy.
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Over the past quarter century, economists, psychologists and sociologists have debated the question of whether or not money can buy happiness. A number of researchers on the "new science of happiness" agree that most people are never satisfied with how much money they have; most individuals, research shows, believe that they always need more money to buy commodities and services. Indeed, as noted by Dan Gilbert, Harvard psychologist and author of Stumbling on Happiness, the rich tend to be happier than the poor.

Gilbert also notes that the happiest people are those who are able to make "downward comparisons" with those who make less money than them. This sort of comparison, researchers tell us, is perhaps the most important factor in determining one's sense of life satisfaction when it comes to measuring one's economic worth. Relative comparisons of economic standing, therefore, affect happiness more so than how much money one makes in an absolute sense.

This is an important finding for foreigners and Viet Kieu, or overseas Vietnamese, living in HCM City because the vast majority can make a lot of downward comparisons in a city characterised by a significant wage gap between locals and foreigners. Indeed, if they do make downward comparisons, foreigners and Viet Kieu living in the developing world of HCM City should be very happy people.

And for the most part, they are, as I detail in my forthcoming book, Disparity: Consumption and Transnationalism in Global Saigon. Simply put, this is because most foreigners and Viet Kieu experience a global wage gap that works to their advantage when they live and work in HCM City.

Over the past five years, I hired a research team of 12 assistants, including five former American students of mine as well as seven local Vietnamese assistants, who helped me collect data about social disparities throughout HCM City. Our main goal has been to capture social dynamics associated with the rise in inequality in the city. Collectively, we have formally interviewed more than 200 foreigners and Viet Kieu living and working in HCM City. Throughout the study, we accompanied many of our respondents throughout their daily lives, including their leisure and work places. In addition, we interviewed several dozen local middle class young professionals on their views of foreigners and Viet Kieu.

One interesting finding—one we did not necessarily expect—is that our foreign and Viet Kieu respondents reported happier lifestyles and standards of living than they had prior to their arrival in Vietnam. The question is: why?

I believe that the answer has a lot to do with what happiness researchers have said about downward comparisons and subjective well-being. But a more complicated, and perhaps less comfortable, answer has to do with the rise in inequality driven by the very presence of foreigners and Viet Kieu living in HCM City.

The prominent Dutch social psychologist Ruth Veehoff, a leading researcher on subjective well-being, reports that most research on happiness tends to focus on national data—that is, it makes comparisons among people within their home country—while virtually none of this research has focused on people who move from one country to another. A missing piece of the research is the situation of global migrants and international people.

As we think about HCM City as a city of disparity, I hope to open up a conversation about a social dynamic that some of us often inadvertently distort or ignore. There is no doubt that the increasing presence of foreigners and overseas Vietnamese in HCM City is at once a consequence and a cause of a global wage gap. Often, this is thought of as a private issue. But, when enough people—foreigners and Viet Kieu—become part of many private problems, it becomes a public issue, one for which we need thoughtful discussions.
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Rise of the Global City
There has been a rise in global inequality due to the temporary migration of foreigners to third world cities such as HCM City; this city is unique, however, because among cities of the developing world, it has also sent out into the West one of the largest groups of overseas immigrants. More than 2.5 million Viet Kieu call the West their home. Some of these Viet Kieu are increasingly returning to Vietnam, especially to HCM City, for various reasons, including resettling back to the homeland.

With the entrance of foreigners and the return migration of Viet Kieu to HCM City, the urban landscape has changed from a post-war place of memory, wounded by the history of colonialism and military violence, to a cosmopolitan city driven by consumption and leisure. Today, the casual observer at any of the myriad spaces of leisure can immediately see competing demands placed on the city by the needs and desires of different social groups.

There is no doubt that HCM City is the economic centre of the country and that foreign money has played a central role in its development. The impressive economic performance of Vietnam, with annual growth at nearly ten percent yearly in the 1990s, owes a great deal to the development of the city. As reported by South Korean anthropologist Sihong Chae, more than half of the total investment in Vietnam has gravitated towards HCM City and more than 50 percent of all money circulating in the country is in the city.

However, it does not take much investigation to realise that uneven development and extreme social disparities exist within each district as well as between districts due to this development. All over the city, we see small shanties in the shadows of seek high-rises and commercial buildings. While global capital from multi-national corporations has made possible much of the large-scale construction and service sectors in the core of the city, as well as the labour-intensive industries in the industrial areas, the consumers of leisure include a significant portion of Western foreigners and Viet Kieu, who are key players in making HCM City a city of disparity.

Inequality has been on the rise in a country that has, for a very long time, demonstrated fidelity to a socialist paradigm. Australian anthropologist Philip Taylor, author of Social Inequality in Vietnam and the Challenges to Reform, has found that since Vietnam made the transition in the mid-1980s dai noi period from a socialist state to a partial free-market society, there has been a significant widening in the gap between the rich and the poor.

Taylor notes, for example, that among the local Vietnamese population, a person among the richest 10 percent of the population earned on average 12.5 times more per month than a person in the poorest ten percent. Furthermore, families in the richest five percent of the population earned on average 20 times more than those in the poorest five percent.

There is a wider gap among rural and urban residents as well as regional gaps throughout the country. For instance, those living in and around HCM City tend to earn three times more than those living in and around Hanoi.

When compared globally, the United Nations Development Program in their 2003 Human Development Report indicated that the Vietnamese were twice as well off as the citizens of Chad, but about twice as poor as people in China. Elsewhere, Chileans were about ten times better off, and Norwegians were 100 times economically better off than the Vietnamese.

Some social commentators have pointed out that media influences, such as news reports, popular culture and overseas soap operas have led the Vietnamese people from all economic class backgrounds to collectively describe themselves as a poor nation and all foreigners, including those living and working in Vietnam, as "rich."
Increasingly, especially during this time of economic uncertainty in the West, those from rich countries are migrating to poor ones to also seek work opportunities.

Existential Migrants in the City of Disparity

The international movement of people, both temporary and permanent movements, is a social fact of globalisation, a fact that most people tend to think of as a one-way phenomenon. But international migration is not just an activity among those from poor countries going to rich ones. Increasingly, especially during this time of economic uncertainty in the West, those from rich countries are migrating to poor ones to also seek work opportunities.

The United Nations reports that there are more than 175 million migrants in the world—that is, people who currently reside in a country other than where they were born. Sixty percent of the world’s migrants currently reside in more developed regions and 40 percent in less developed regions. Almost one of every 10 persons living in the more developed regions of the world is a migrant. In contrast, nearly one of every 70 persons in developing countries is a migrant.

Most research places foreigners and Viet Kieu in the “temporary migration pool,” since few actually aspire to become permanent residents of Vietnam. According to The New York Times, over 80,000 foreigners are currently living and working in Vietnam on legal working permits, over half of whom live in HCM City, with an unknown number also working and living in the city on long-term tourist visas. In addition, more than 200,000 Viet Kieu at any given point are visiting or living in HCM City.

Although most foreigners who my research team and I met tend to call themselves expatriates (or expats), a more accurate term for them would be what British psychologist Greg Madison refers to as “existential migrants;” or voluntary migrants who traverse the globe to explore foreign cultures in order to assess their self-identity—like most respondents in my study, existential migrants are generally young adults from their mid-20s to late-30s grappling with abstract issues concerning the meanings of “home” and “belonging.”

These people are different from a “true” expatriate, who according to the British anthropologist Anne-Melke Fechter in her book, Transnational Lives, “is someone who takes up an international assignment for their current employer. As the person remains in the company these moves are often thought of as intra-company transfers.” These employees generally receive generous “expat” packages for their move, including moving allowances, airfares, housing costs, a car and driver, global medical insurance, home leave and children’s school tuition at international schools. These packages often include a higher salary to accommodate the cost of maintaining an international lifestyle abroad similar to the one the expatriate had at home, since Western goods tend to cost more in foreign countries.

My research does not focus on these expatriates, but rather on the large number of existential migrants and Viet Kieu (who could also be existential migrants) who come to HCM City, subsequently look for work, and generally live off a limited income, albeit higher than most locals. These existential migrants report monthly incomes in the range of US $500 to $3,000, with 90 percent of them making in the range of $800 to $1,700 monthly. Globally speaking, this wage would put most of my respondents at or near the poverty level in cities such as Sydney, Paris, Toronto or San Francisco. Yet, they are at the top of the income bracket in HCM City, since, according to the Statistical Office of Ho Chi Minh City, the monthly average wage of a worker in both private and public labour markets, is about 1.1 million VND (roughly $65).

Despite having wages that would put them at the poverty level in the West, permitting them to make few downward comparisons, my respondents frequently reported happier lifestyles and standards of living in HCM City than the ones they had prior to coming to Vietnam.
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Convertible Lifestyles

The French sociologist Pierre Bourdieu suggested that the idea of “capital” refers to more than just money or wages. In his book, *Distinction*, a study of class stratification, Bourdieu pointed out that different people have different forms of capital, with money being just one, and that one form of capital can be converted to another. For example, he argued that some people possess certain kinds of manners—which he called cultural capital—such as a personal style or physical attractiveness, that could be “traded off” for economic capital. This idea of convertibility has significant meanings in the global economic landscape.

Bourdieu, however, never wrote about how one converts low “economic” capital from one geographical territory to another, especially across international boundaries. For example, increasingly, people are able to traverse national boundaries for more affordable lifestyles in less developed countries. One of the most striking observations regarding the question of convertibility across national boundaries has been made by researchers who study low to medium wage workers from the West who considered themselves part of the “upper class” when they go to third world countries.

Across the third world, such as in nearby Thailand and the Philippines, numerous Westerners own sizeable properties, yet struggle economically in their home countries in the West. In these developing countries, such Westerners and their returning immigrants are highly visible in the most expensive leisure spaces like designer shopping centres, nightclubs, bars, expensive restaurants and movie theatres. The Australian and Canadian anthropologists Catherine Earl and Rylan Higgins have written about how such leisure spaces in HCM City have created an emergent Vietnamese middle class. They argue that in many ways, the local middle class demonstrates their achieved status through leisure activities rather than through goods and commodities. Data tell us, however, that foreigners and Viet Kieu overwhelmingly occupy such spaces.

Many of us, foreigners and Viet Kieu, engage in convertibility when we go to third world cities like HCM City. We—as Bourdieu would have argued—convert relatively low incomes, when compared to the West, to socially higher incomes in Vietnam. This convertibility is the key reason why many of the informants in my study claimed they had higher levels of life satisfaction in HCM City than they had prior to arriving in the city.

Convertibility permits many individuals to engage in compensatory consumption, which refers to how people “compensate” for an otherwise economically weak status by exaggerating their consumption patterns. A classic example is HCM City is the situation of local Vietnamese “hipsters” who drive expensive motorbikes, only to return to shanty neighborhoods in the evenings.

For foreigners and Viet Kieu living on a limited budget in Vietnam, there are visibly similar forms of compensatory consumption. Most of our informants were quite honest with us about how they engaged in activities that they otherwise would not be able to enjoy if they were living in the West, such as eating and drinking at bars and restaurants frequently, having domestic workers do their house chores and travelling on a budget in relative comfort.

Research on consumer cultures suggests that exaggerated demonstrations of consumption may be rooted in psychological insecurities about one’s economic status. I am less interested in whether or not this is true among our informants, but I believe that, for better or worse, convertibility and compensatory consumption among foreigners and Viet Kieu have tremendously contributed to a sharp rise in social disparities in HCM City.

The reality is that, because we can afford to, engaging in convertibility and compensatory consumption in the city of disparity can potentially increase our level of happiness. But this kind of happiness is made possible at whose cost?