Recent Chinese Migration to Vietnam*

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Based on fieldwork conducted in various locations in Vietnam, this article examines the different types of Chinese migration to Vietnam since the normalization of Vietnam-China relations in 1990. The article notes differences between the old and new Chinese migration. Recent Chinese migration is characterized by the diversity in the composition of migrants. Furthermore, recent Chinese migration is fuelled by the government’s “go-out strategy” and is closely linked with increasing flows of investments, economic aid, trade and culture from China.

Introduction

Researchers have noted distinctive features concerning recent population outflows from China. Philip Kuhn distinguishes between old and new Chinese emigrants, noting that that the “new emigrants” are those who left China since the start of the reform era in 1978. He describes the new emigrants as “products of the “new China:” they are better educated, more skilled and more urbanized,” who are markedly different from the “old emigrants” who subscribed to old-style business practices and were highly reliant on native-place, dialect and kinship associations (Kuhn, 2008:322). The destinations of the new Chinese migrants have also changed. According to Leo Suryadinata, “most new Chinese migrants went to developed countries rather than Southeast Asia. The former probably received 80 percent of the new Chinese migrants while the latter took only 20 percent.

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This is different from the earlier pattern when about 90 percent of Chinese migrants went to Southeast Asia” (Suryadinata, 2009:3).

Globalization, transnationalism and the changing economic and political contexts are often used as the starting points for understanding the new migration from China. Kuhn (2008) suggests that Chinese international migration is an extension of domestic migration trends and that the new Chinese migration has been shaped by historic events. Rallu (2002:6) notes that recent Chinese migration is rooted in domestic pressures in Chinese society. The interconnection between out-migration and trade, foreign direct investments and development assistance was explored in Xerogiani’s work (2006). Similarly, Zhuang and Wang (2010:174) proposed that “the rapid economic integration between China and ASEAN in the last ten years is the most important factor driving the Chinese migrants into Southeast Asia.”

Although the aforementioned studies help shed light on the new Chinese migration to the world in general, and to Southeast Asian countries in particular, there is still a need for in-depth case studies to better understand the new Chinese migration in the era of globalization. To date, most analyses on the trends, patterns, and features of the new Chinese migration are based on statistics; as mentioned earlier, more in-depth analyses are needed to appreciate the complex and diverse realities of more recent migrations from China.

Aiming at capturing some of the complexity of the Chinese migration to Vietnam since the resumption of Vietnam-China ties in 1991, this research sought to explore the views on the recent migration of Chinese to Vietnam of various stakeholders, including government officials, Chinese migrants, representatives of organized labor, and the local people and officials in areas with visible Chinese presence. Between 2010 and 2012, field research was carried out in Hanoi and the provinces of Lang Son, Quang Ninh, Hai Phong, Ninh Binh, Thanh Hoa, and Quang Nam. The research relied on a qualitative approach in which interviews were carried out in the form of conversations rather than with the use of questionnaires or guide questions like in conventional surveys. The two groups of interviewees include Chinese contract workers (i.e., those who were recruited and contracted by Chinese companies) and voluntary migrants (i.e., those who migrated to Vietnam on their own). We also had interviews with Chinese migrants who are married to Vietnamese women and residing in Vietnam, their family members and local people to understand their responses. In addition, secondary data, including media reports and existing scholarly works, were reviewed.¹

¹ The author would like to sincerely thank Nguyen Thi Le, Nguyen Thanh Thuy and Nguyen Thi Kim Cuc for their assistance in documentation and Kam Thiam Huat for editing the text.
Data collected from our fieldwork suggest that while overseas migration is a constant feature of Chinese society, there are indeed differences between the old and new migrations. Prior to the economic reforms in 1978, Chinese migrants were basically driven by push factors; many of them were regarded as victims of social conflicts or poverty which prompted some to seek asylum in other countries. Nowadays, Chinese migrants are more diverse. Many are migrating as part of the increasing flows of investments, economic aid, trade and culture, which, in turn, have been propelled by the government’s “go-out strategy” (Zouchuqu Zhanlue). This suggests that there is a strong connection between recent migration from China and Chinese economic and cultural expansion in the world, in the region, and in Vietnam. Focusing on Vietnam as a destination, the article examines the major types of Chinese migrants to Vietnam and discusses the economic ties between the two countries which provide the context for analyzing recent migration from China to Vietnam.

An Overview of the Ethnic Chinese in Vietnam

Prior to the China-Vietnam border war in 1979, there were about 1.5 million ethnic Chinese living in Vietnam (Dang, V.C., 2009), among them, approximately 300,000 were located in the North (Tran, 1993). During and after the 1979 war, some 300,000 Chinese left Vietnam for China or migrated to third countries (Lam, 2000).\(^2\) According to Vietnam’s General Statistical Office (GSO), the population of Chinese in Vietnam in 1999 was 862,071 (GSO, 1999), which declined to 823,071 in 2009. About 85 percent of ethnic Chinese are living in the southern parts of the country, with more than 500,000 living in Ho Chi Minh City.\(^3\)

Chinese migration to Vietnam had been going on for a long time. The establishment of the People’s Republic of China (PRC) in 1949 led to the formulation of state policies regulating the movement of Chinese nationals. The volume of Chinese migration to Vietnam before 1949 cannot be ascertained because of lack of data. Martinez (2007), quoting statistics by Roberquain in 1937, placed the number of Chinese migrants in Vietnam by guest on June 19, 2015amj.sagepub.com Downloaded from amj.sagepub.com by guest on June 19, 2015

\(^2\) Of the 300,000 ethnic Chinese who left Vietnam in 1979, 270,000 sought refuge in China, and most of them resettled in Guangxi and in the southern provinces of China. While they are given the same social and economic rights as the national population, they have not been granted Chinese citizenship (Lam, 2000).

\(^3\) Statistics from unofficial sources such as the Overseas Compatriot Affairs Commission (OCAC, 2005) indicate that the population of ethnic Chinese in Vietnam was 1,200,000 in 2005.
under the French colonial times at more than 200,000, of whom 171,000 lived in the south and around 35,000 in the north. Meanwhile, Dao Trinh Nhat (1924), using statistics by the Overseas Chinese Associations in Vietnam, estimated the Chinese population to be more than 200,000 in the 1920s.4

Prior to the reunification of Vietnam in 1975, the Overseas Chinese Associations played an essential role in providing support to the Chinese migrants in Vietnam. In places where there were sizable Chinese communities, such as Hoi An and Sai Gon, association halls were built for their regular meetings and the various activities of association members. In the 18th and early 19th century, the Nguyen Dynasty used the overseas Chinese associations to control the Chinese migrants. The French colonial state also used the same strategy since 1863 following unsuccessful attempts at the direct administration of the Chinese population (Engelbert, 2007). Through this system, the Chinese who migrated to Sai Gon (nowadays Ho Chi Minh City) were asked to register with the Overseas Chinese Associations which were organized on the basis of their places of origin. The heads of these associations were held responsible for the records of migrants and their activities. The Chinese associations, which played significant roles in managing the Chinese migrants and tax collection, were not financially supported by the colonial government. According to this system, Chinese migrants who were found not registered with any association were subject to repatriation to their homeland or expelled to other countries.5 Apart from their participation in governance, Chinese associations were very much active in maintaining and promoting Chinese culture, customs, rituals and education within their own communities. While the associations provided support and assistance to their members, they did not intervene in the members’ economic affairs. The Overseas Chinese Associations, as a system of managing migrants, were in existence in Indochina until the end of the French colonial regime in 1954.

During the American War from 1954-1975, the Overseas Chinese Associations in South Vietnam were under the management of the Chinese Regional Grouping Administration. The government of the Republic of Vietnam requested the Chinese migrants to claim themselves as “ethnic

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4 Dao Trinh Nhat (1924) reported that between 1912 and 1922, the south of Vietnam received 157,144 Chinese immigrants who were aged from 17 years old and above. This number did not, however, include women and children under 17.

5 Tran Hong Lien (2006) proposes that the establishment of the sub-associations, such as Minh Huong, Vinh Trieu Minh, Phu Nghia, Phuoc Minh, Minh Nghia, That Phu Hoa An hau Minh Huong and the like, was a clear signal of the transition from Chinese Huaqiao to the ethnic Chinese or Huaren in Vietnam.
Chinese” or “Vietnamese Chinese” instead of Huaqiao (overseas Chinese). They were allowed to set up their own organizations under the management of the Chinese Chamber of Commerce. Although the ethnic Chinese gained great success in the economy—they owned nearly half of enterprises and controlled most of the processing industries, rice mills, export and import—theyir economic success did not translate to success in Vietnam’s political arena. During the colonial times, Chinese communities tried to keep a neutral position to protect their businesses. They continued to do so during the first half of the 20th century— despite Vietnam’s assimilation policy—in order to maintain their Huaqiao status and loyalty to Mainland China. This was the main reason why Chinese migrants were forced by the government of South Vietnam in 1956 to register for Vietnamese nationality and become Vietnamese citizens. During this period, the communist government in the north also recognized the Vietnamese citizenship of the ethnic Chinese and in the meantime, limited the activities of Chinese communities in the fields of culture and education.

The economic reforms launched by the Vietnamese government between 1976 and 1978 led to the nationalization of some 30,000 Chinese-owned enterprises (Vo, 1988). The economic roles of the ethnic Chinese were continuously undermined since the Vietnam-China border war took place in 1979 and 300,000 Chinese left Vietnam. Today, the ethnic Chinese accounts for 10 percent of the population and run 30 percent of enterprises in Ho Chi Minh City, the country’s main economic center. It should, however, be noted that there are only several large-scale enterprises owned by the ethnic Chinese, such as Biti’s Group, Thai Tuan Corporation and Kinh Do Food Company. The remaining Chinese-owned enterprises are small- and medium enterprises (Ban Cong tac Nguoi Hoa, 2005).

Vietnam-China Economic Ties and Their Impact on People Flows

The renewal of Vietnam-China relations in 1990 had a great impact on bilateral trade, investments, development projects and population flows. From 1992 up to 2010, China has had 749 Chinese foreign direct investment (FDI) projects in Vietnam with total cumulative investment value of US$3.19 billion. Direct investments from China represents 1.5 percent of

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6 According to Vo Nhan Tri (1988:77), 70 percent of “comprador bourgeoisie” was ethnic Chinese, who at the end of the war controlled about three-quarters of the leading economic sectors in the south. They were said to control 100 percent of domestic wholesale trade, 80 percent of industries, 78 percent of foreign trade and 50 percent of retail trade.
the total pledged FDI to Vietnam, ranking 14th out of 92 countries/territories having FDIs in this country. Chinese FDI projects in Vietnam are mainly concentrated in sectors that make use of natural resources such as mining, assembly and manufacturing, and construction. Agriculture, forestry and fisheries account for only 3.8 percent of total Chinese FDIs in the country. There are a few projects that invested in the “high tech” and manufacturing industries. Apart from several larger FDI projects with total capital investment of more than US$10 million, most of China’s FDI projects in Vietnam are small-scale (Ministry of Planning and Investment, 2011).

China is the third key trading partner of Vietnam, after the US and Japan. It should, however, be noted that in the trade relations with China, Vietnam is an importing country and faces a severe trade deficit with its Chinese partners. Table 1 provides data on the import and export between Vietnam and China in the last decade.

Over the past 10 years, Chinese companies had secured major construction works in Vietnam. The total value of major construction projects won by Chinese contractors continues to increase and this development is directly related to the flow of contract labor migration from China to Vietnam. Most of the projects implemented by Chinese companies are in engineering, procurement and construction (EPC). In carrying out these EPC projects, Chinese contractors bring not only Chinese engineers and managers but also equipment, technologies, materials and workers from China. It is apparent that EPC contracts with Chinese partners are among the key factors contributing to the increasing labor migration from China to Vietnam.

<table>
<thead>
<tr>
<th>Year</th>
<th>Two-way trade in total</th>
<th>Export to China</th>
<th>Import from China</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>5,021</td>
<td>1,883</td>
<td>3,138</td>
<td>1,255</td>
</tr>
<tr>
<td>2007</td>
<td>15,858</td>
<td>3,356</td>
<td>12,502</td>
<td>9,146</td>
</tr>
<tr>
<td>2009</td>
<td>20,751</td>
<td>4,781</td>
<td>15,970</td>
<td>11,189</td>
</tr>
<tr>
<td>2010</td>
<td>27,328</td>
<td>7,309</td>
<td>20,019</td>
<td>12,710</td>
</tr>
<tr>
<td>2011</td>
<td>35,619</td>
<td>11,126</td>
<td>24,593</td>
<td>13,467</td>
</tr>
</tbody>
</table>

Source: Vietnam E-commerce and Information Technology Agency, 2012
There is also an obvious relation between Vietnam’s EPC contracts with Chinese companies and China’s economic aid to Vietnam. The flow of China’s aid to Vietnam in the last 20 years was mostly in the form of providing concessional loans with low interest; grants that are non-refundable and interest-free aid comprise only a very small percentage (see Table 2). Ongoing debates about China’s aid elsewhere argue that China’s aid is often used as a political tool and it does not seem to fit with the international standards on official development assistance (ODA) as set by the Development Assistance Committee (DAC). China’s aid is also seen as lacking in

<table>
<thead>
<tr>
<th>Vietnam’s Investment Projects</th>
<th>Year started</th>
<th>Chinese contractors</th>
<th>Total investment</th>
<th>Loan provided by China</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Hai Phong Thermal Power Plant No.1 &amp; 2</td>
<td>2006</td>
<td>China Dongfang Electric Co. (DEC)</td>
<td>1,200</td>
<td>850</td>
</tr>
<tr>
<td>4. Ninh Binh Fertilizer Factory</td>
<td>2007</td>
<td>China Huanqiu Group</td>
<td>553</td>
<td>500</td>
</tr>
<tr>
<td>5. Alumina Bauxite Complex Lam Dong</td>
<td>2008</td>
<td>China Aluminum Intl. Engineering Company</td>
<td>466</td>
<td>300</td>
</tr>
<tr>
<td>6. Vinh Tan 2 Thermal Power Plant</td>
<td>2009</td>
<td>Shanghai Electric Group Co., Ltd. (SEC)</td>
<td>1,300</td>
<td>1,100</td>
</tr>
<tr>
<td>9. Telecom and Railway Signal System</td>
<td>2009</td>
<td>ZTE Corporation Shanghai</td>
<td>2,100</td>
<td>1,200</td>
</tr>
<tr>
<td>10. Duyen Hai Thermal Power Plant</td>
<td>2010</td>
<td>China Dongfang Electric Co. (DEC)</td>
<td>1,400</td>
<td>800</td>
</tr>
<tr>
<td><strong>Total value</strong></td>
<td></td>
<td></td>
<td><strong>10,385</strong></td>
<td><strong>6,367</strong></td>
</tr>
</tbody>
</table>

*Source: Ministry of Planning and Investment, 2007*
transparency (Naim, 2007; Lengauer, 2011). In some respects, China’s aid is also perceived as a welcome alternative source of investment projects (Dreher and Fuchs, 2012). In the case of Vietnam, aid from China functions as an important channel to promote China’s foreign trade and investments in Vietnam. China’s concessional loan to Vietnam is managed by China EXIM Bank, with an annual interest of three percent for a period ranging from five to 20 years. China’s aid, however, comes with conditions. For Vietnam’s development projects using concessional loans, the Chinese government usually keeps the right to appoint Chinese contractors and use Chinese technology and equipment in the implementation of these projects.

Foreign economic aid is regarded as strictly confidential by the governments of Vietnam and China, and the exact value of aid provided by the Chinese government to Vietnam is unknown. Data presented in Table 2 were collated from different sources provided by the Department of Foreign Investment in the Ministry of Planning and Investment. This type of loan makes up more than 60 percent of the total value of Vietnam’s investments (VACC, 2012). As indicated in the next section, all the projects using loans from the Chinese EXIM Bank are implemented by Chinese contractors and workers. This could be the reason why the Vietnamese government’s reactions to Chinese labor migration in EPC projects tend to be weak and passive.

**Recent Chinese Migration to Vietnam**

*Contract Labor*

Ducanes and Abella (2008:10) classify Vietnam, Laos, Cambodia and Myanmar as “migrant-receiving countries” of Chinese migrants while others (e.g., Zhuang and Wang, 2010:175) observed that since the late 20th century, more and more Chinese migrants are heading to developing countries, with Myanmar, Cambodia, Vietnam and Laos receiving a significant number of Chinese migrants. The latter finding is supported by John Walsh’s (2009) research which pointed to a big flow of Chinese manual workers heading for the Mekong region to work on construction projects and in so-called dirty, dangerous and demanding or 3D jobs.

Our study on Chinese migration to Vietnam supports the findings by Zhuang and Wang (2010) and Walsh (2009). Aside from Chinese workers previously recruited by Taiwanese companies to work in their factories in various industrial zones of Vietnam (Chan and Wang, 2004), we found a notable volume of contract workers brought into the country by Chinese contractors from year 2000 onwards, when many Chinese companies won construction contracts. This form of labor immigration is quite new to Vietnam, which perhaps only emerged from the early 2000s when the
Chinese government launched the strategy of “going global.” The presence of Chinese migrant workers in Southeast Asia, reveals the growing economic cooperation and integration between China and Southeast Asia as well as the Chinese government’s policy to send workers abroad to generate foreign exchange (Skeldon, 1996; Walsh, 2009).

The data in Table 3 show that between 2005 and 2010, the number of Chinese workers in Vietnam had increased more than three times. Because of the shortage of reliable sources of data, we had to collect information directly from construction sites where Chinese laborers were found working. The information is indicated in Table 4.

### Table 3
**Number of Chinese Workers in Vietnam, 2005-2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>21,217</td>
</tr>
<tr>
<td>2006</td>
<td>34,117</td>
</tr>
<tr>
<td>2007</td>
<td>43,766</td>
</tr>
<tr>
<td>2008</td>
<td>52,633</td>
</tr>
<tr>
<td>2009</td>
<td>55,482</td>
</tr>
<tr>
<td>2010</td>
<td>75,000</td>
</tr>
</tbody>
</table>

**Source:** MOLISA, 2010  
**Note:** The figures presented in this table are from a MOLISA unpublished report entitled *The Question of Foreign Labor in Vietnam* (2010). These estimates do not necessarily reflect the actual number of Chinese laborers working in Vietnam since many of them were not registered.

### Table 4
**Chinese Workers in Various Worksites, 2011**

<table>
<thead>
<tr>
<th>Construction sites</th>
<th>Number of Chinese workers</th>
<th>Workers legally registered</th>
<th>Share of Chinese workers to total workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hai Phong Thermo-power Plants (Hai Phong City)</td>
<td>4,000</td>
<td>300 (7%)</td>
<td>n.a</td>
</tr>
<tr>
<td>Quang Ninh Thermo-power Plants (Quang Nam)</td>
<td>4,200</td>
<td>1,195 (28%)</td>
<td>95%</td>
</tr>
<tr>
<td>Ninh Binh Industries Complex (Ninh Binh Prov.)</td>
<td>2,400</td>
<td>714 (29%)</td>
<td>15%</td>
</tr>
<tr>
<td>Bauxite Mining Nhan Co (Daknong Province)</td>
<td>1,091</td>
<td>215 (19%)</td>
<td>82%</td>
</tr>
<tr>
<td>Bauxite Mining Tan Rai (Lam Dong Province)</td>
<td>1,400</td>
<td>255 (18%)</td>
<td>n.a</td>
</tr>
<tr>
<td>Nong Son Coal &amp; Electricity (Quang Nam Prov.)</td>
<td>500</td>
<td>100 (20%)</td>
<td>n.a</td>
</tr>
<tr>
<td>Ca Mau Complex of Gas, Electricity &amp; Nitrogen</td>
<td>1,700</td>
<td>654 (38%)</td>
<td>n.a</td>
</tr>
<tr>
<td>Nghi Son Cement Factory (Thanh Hoa Province)</td>
<td>326</td>
<td>93 (28%)</td>
<td>n.a</td>
</tr>
<tr>
<td>Song Bung Hydro Power Plant (Quang Nam)</td>
<td>296</td>
<td>50 (17%)</td>
<td>n.a</td>
</tr>
</tbody>
</table>

**Source:** Field research, 2011
Chinese manual workers are mainly found in major construction projects of Chinese companies contracted by Vietnamese investors. Chinese contractors reported that most of their workers were employed to work for a short-term contract, from three months or longer, depending on the specific projects. A number of Chinese workers who participated in our survey, however, have overstayed by one or more years. Some workers in Hai Phong Thermo-Power Plant No.1 told us that they have stayed longer than 10 years and worked at various projects in Vietnam. These workers did not return home after having completed the initial contract but moved to work at other sites, for the same or different Chinese employers. All these workers who overstayed were living with their Vietnamese wives or partners at the time of interview in 2011.

A majority of Chinese workers were male and were employed as manual/unskilled labor, involved in heavy jobs as construction workers. Only a few female workers were employed to perform tasks such as cooking and cleaning. In terms of labor management, Chinese employers usually move their workers from one worksite to another after three to six months so that they can save some transaction costs. For instance, Chalieco Company (Chinalco Corporation) was contracted to build an aluminum processing factory in Tan Rai Bauxite Mining of Lam Dong. The Chinese contractor brought in 700 workers when the project began in 2008. The number of workers was then doubled to 1,400 persons in 2009 and decreased to 922 in late 2011. Most of the laborers working in Tan Rai were moved to Nhan Co aluminum factory in Dak Nong Province between 2011 and 2012 to do the same tasks. This adjustment insures availability of workers for the contractors and they do not need to report to the local authorities about the presence of foreign workers.

In Quang Ninh Thermo-Power Plant (Quang Ninh Province) and Bauxite Nhan Co (Dak Nong Province), Chinese workers constitute about 80 percent of the total workforce. A similar situation is also found at various worksites managed by Chinese contractors (MOLISA, 2010). Vietnam’s labor authorities acknowledge that Chinese workers are an important source of labor in all construction projects implemented by Chinese contractors. Their concern is that most of the Chinese workers are not registered as mandated by the labor laws and immigration laws of Vietnam.7

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7 According to Vietnam’s Labor Laws and Immigration Laws, foreign laborers who are recruited to work in Vietnam for a period of less than three months do not need to apply for work permits but they have to register with the local authorities where they reside. They must register at least seven days before the commencement of work by submitting required documents such as the certificate(s) of profession and personal profile (Decree No. 34 /2008/
As indicated in Table 4, only 2,381 out of a total of 15,913 Chinese workers (15 percent) at these sites were registered at the provincial Departments of Labor. Among nine construction sites covered by our survey, Ca Mau Complex of Gas, Electricity & Nitrogen had the highest rate of registered Chinese workers (38 percent) while at HaiPhong Thermo-Power Plants construction site, only 7.5 percent of Chinese workers were registered. An official of Thuy Nguyen District, where roughly 4,000 Chinese laborers were working, explained to us:

We do not know exactly how many Chinese workers are working in our district. Our public security force has been checking the worksites, but to be honest, it is not easy to figure out because the workers may stay here in our district for a few months and then move to other worksites afterwards, depending on the management of their contractors. We cannot follow them everywhere.

(Interview with an official of Thuy Nguyen District, 12 October 2011).

The demand for manual labor at Vietnam’s construction sites is high. Chinese contractors said they can easily mobilize a good number of cheap workers from the floating population roaming in China’s cities within a short time in order to bring them to Vietnam. In the meantime, Vietnamese procedures for applying for work permits are flexible for temporary jobs and foreign contractors often ignore local regulations to meet the construction schedule. The workers are regularly moved to other worksites under their contracts. Local authorities in Hai Phong, Thanh Hoa and Ninh Binh provinces reported that they found many cases where Chinese workers used false documents to prove that they were qualified technicians to secure employment. Only a few were caught and fined. In response to the question as to why Chinese unskilled labor was employed to work in Vietnam, an official of Quang Ninh’s Department of Labor said:

footnote continued

7 ND-CP on Recruitment and Management of Foreign Labor in Vietnam). Decree No. 46/2011/ND-CP, issued on 17 June 2011, indicates clearly that only foreign workers with well-trained skills and experience are permitted to work; their recruitment must be included in the contracted documents of their project contractors. We found that these regulations were ignored by Chinese contractors and Vietnamese investors.

8 The names of informants remain anonymous or were changed.
Chinese contractors have several reasons for refusing to register their workers. Their regular tactic is to procrastinate the submission of a labor scheme after they win the bidding. They complain that Vietnam’s employment procedures and labor registration are too complicated, and they make excuses about not really understanding the local labor laws, etc. They will then bring in a huge number of workers in a very short time so that we cannot respond in time.

(Interview with an official of the Department of Labor, Quang Ninh Province, 25 June 2011)

The wages and work conditions of Chinese workers in Vietnam vary depending on the type of jobs and employers. Because most of the projects implemented by Chinese contractors are engineering, procurement and construction projects, Vietnamese investors are not in a position to influence the workers’ salary. It seems that Vietnam’s laws on minimum wage and personal income tax (PIT) are not fully applied by Chinese employers. Our interviews with workers in Hai Phong Thermal Power Plants revealed there are differences between the wages of Chinese and Vietnamese workers who do the same job (Table 5).

The information in Table 5 shows that the average wage of Chinese workers in Vietnam is between US$2 and US$3 per hour, depending on particular jobs. In Mainland China, a construction worker earns an average of US$3.1/hour in 2011. Thus, the wage of migrant workers in Vietnam is relatively low. Nonetheless, Chinese workers prefer to work in Vietnam because two-thirds of their salary is directly transferred into their bank accounts in China and they can save more compared to if they were working at home.

In terms of working hours, Chinese workers work nine hours per day instead of eight hours as regulated by Vietnam Labor Law. Furthermore, overtime work without days-off are fairly commonplace for construction workers. These practices enable contractors to keep the project schedule on track. Although their job is tough, Chinese workers rarely complain about

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9 According to Decree 70/2011/ND-CP, the minimum wage for laborers working in the private economic sectors, including foreign direct investment projects and foreign companies, ranges from 1,400,000 to 2,000,000 VND/person/month, which is equivalent to US$70 to 100.

10 According to World Salaries (2005), the average salary of construction workers in China was US$533/month in 2005, which is equivalent to US$22.2/day for nine working hours or US$2.5/hour. Tien Phong Newspaper (dated 20 February 2012) citing The New York Times, stated that the average salary of one Chinese producing worker is US$3.1/hour, compared to US$22.3/hour paid to an American worker with the same job.
Vietnamese workers commented on Chinese workers being hard working, disciplined, and strong. Although rumors circulate about violence or physical punishments by Chinese overseers against workers, we did not hear such complaints in our talks with workers at construction sites run by Chinese contractors. This finding tends to support the point by Chan and Wang (2004:637) that even though the wage in Vietnam is low, the rights of Chinese workers are respected.

Chinese workers’ daily life is commonly organized by their subcontractors. For instance, in Hai Phong Thermal Power Plant, there were six sub-contractors from Guang-xi, Hubei and Shantung. The temporary dormitories for workers were built right on the worksites. Workers are divided into small groups, placed under the direct management of the unit head. These small units have their own office and a shared kitchen for workers. This arrangement is quite similar to that of military units.

Workers are required to live in dormitories located in the worksites. However, there are also some exceptions. For those who have been working in My Son (Hai Phong Province) for a number of years, they are allowed to rent houses and stay outside of the worksites. Many of those who live outside of the company-provided dormitories end up marrying local Vietnamese. 

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**TABLE 5**

**Workers’ Daily Wages at Hai Phong Thermal Power Plants, 2011 (in Vietnam Dong (VND))**

<table>
<thead>
<tr>
<th>Type of worker</th>
<th>Wage of Chinese workers</th>
<th>Wage of Vietnamese workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Construction worker</td>
<td>400,000</td>
<td>150,000</td>
</tr>
<tr>
<td>2. Carpenter</td>
<td>400,000</td>
<td>150,000</td>
</tr>
<tr>
<td>3. Porter</td>
<td>300,000</td>
<td>100,000</td>
</tr>
<tr>
<td>4. Welder and truck driver</td>
<td>500,000</td>
<td>200,000</td>
</tr>
<tr>
<td>5. Security guard</td>
<td>300,000</td>
<td>70,000</td>
</tr>
<tr>
<td>6. Cook</td>
<td>300,000</td>
<td>70,000</td>
</tr>
</tbody>
</table>

**Source:** Field research conducted at MySon, Hai Phong, August 2011

**Notes:**
- The wage of Chinese workers is paid in Chinese Yuan Renminbi (CNY). In 2011, on average, one CNY was equivalent to 3,300 VND or US$0.16. Daily wages are based on a nine-hour work day.
- Hai Phong Thermal Power Plants are an investment of Vietnam Electricity (EVN).
- The construction was contracted to China Dongfang Electric Co. in 2006.

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According to the *Daily Mail Reporter* (1 May 2011), an investigation of the 500,000 workers by the Centre for Research (Sacom) reveals that excessive overtime was rife, despite a legal limit of 36 hours a month, and badly performing workers were humiliated in front of colleagues.
women. Local villagers refer to the houses where Chinese workers live as “slum” or “new Chinese village.” Aside from houses or hostels, these Chinese villages also include shops and restaurants. The signages of these establishments are written in both Chinese and Vietnamese languages. These places also attract a large number of local women, including the wives of Chinese workers, who find work in entertainment-related establishments, such as shops, bars, massage parlors, herbal bath houses, gambling houses karaoke bars, and the like. Local residents have complained about the noise and ruckus from these establishments.

The Chinese contractors who were interviewed by the study thought of Vietnamese workers as lacking in skills and discipline. They also commented that Vietnamese workers cannot take a heavy workload. Furthermore, not knowing the Chinese language worked against the hiring of Vietnamese workers since the latter would have difficulty in understanding the instructions by Chinese engineers. Mr. Zhang, a Chinese contractor, explained the advantage of hiring Chinese manual workers as follows:

> It is not our intention to ignore employing local workers. The problem is, we have difficulty in recruiting Vietnamese workers. They may meet only about 30 percent of the total amount of work. We therefore have to recruit Chinese workers to fill labor requirements

(Interview with Mr. Zhang, a Chinese contractor in Hai Phong, 15 September 2010)

**Voluntary migrants**

Vietnam and China share a long land border. Eight international border gates are now open, three of which are main border gates connecting Vietnam with China’s new economic centers, notably those in Kunming and Hekou (Yunnan Province) and Guangzhou, Nanning, Liuzhiu and Dongxing (Guangxi Province). The two governments invested in the establishment of economic zones in the border areas to facilitate population mobility and border crossings for economic exchange and social visits. China’s borderland development policies and its cooperation for infrastructure improvement with countries along the economic corridor of the Greater Mekong sub-region have contributed significantly to facilitate trade and migration flows through these gates.12

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12 China’s border development strategy was extended to 37 districts bordering with Vietnam and about 70 percent of its investments were on infrastructures (Dang, T.D., 2007).
Cross-border mobility increased since the border gates were reopened after 1990. The participants engaged in cross-border mobility consist of the following: (1) ethnic populations; (2) traders; (3) farmers; (4) marriage migrants; (5) labor migrants; and (6) tourists. Available data indicate that, in 2007, the daily entry and exit rates at the Hekou-Lao Cai border gate were around 10,000,70 percent of which involved Vietnamese (Nuchpiam, 2010:165). At the border gate in Dongxing-Mong Cai, the number of cross-border participants in 2007 was 1,777,912, in which 1,310,844 involved movement from China to Vietnam and 168,743 or 13 percent involved the reverse flow from Vietnam to China (Mong Cai People Committee, 2011). The simple cross-border procedures using border pass at checkpoints is perhaps one reason why more people choose to enter and exit through border checkpoints. The Chinese media, however, tend to point out that there is evidence that large numbers of unauthorized migrant workers from Vietnam find jobs in China – as porters, as salespeople in small shops, or as farm workers – and overstay without permission (Xinhua, 2010). Meanwhile, the Chinese also cross the border to Vietnam for informal trade. During our fieldwork, we observed that 90 percent of the kiosks in Mong Cai Trade Center were rented by Chinese traders –most of them cross over to the Vietnam side in the morning and return home to China in the afternoon. Interviews with local people who live around the border gates reveal that cross-border human mobility benefited both Vietnam and China, especially the local residents on both sides of border.

According to the Vietnam Chamber of Commerce and Industry (VCCI), bilateral trade between Vietnam and China in 2012 was approximately US$30 billion, in which one-third (equivalent to US$10 billion) was achieved through the border trade route. Most of the goods traded through border gates are operated by Chinese and Vietnamese petty traders via the three main border gates of Mong Cai, Tan Thanh and Ha Khau (Thuong Mai, 14 January 2012; Dan Tri, 26 July 2011). Chinese merchants dominate the trade business as suggested by their presence in various locales in Vietnam – in small villages, in the mountain areas and in large cities in the lowlands.

At the commercial centers located in the Mong Cai, Tan Thanh, and Lao Cai border lands, we can observe the flow of cheap goods from China entering Vietnam transported by local porters. Also, Chinese businessmen buy almost all the available agricultural products – fruits, coffee, rice, sweet potatoes, cassava, seafoods, rubber, herbs for medicine – and transport these back to China. They also collect small amounts of iron ore, coal, and various kinds of minerals sold by families and private groups. At the border markets, we can see petty traders selling and buying minerals just like vegetables and foods (VietnamNet, 15 November 2011). None of the Vietnamese government agencies is able to collect specific data on the volume and values of goods brought in by Chinese traders.
Apart from informal trade, cross-border farming is also popular among the Chinese migrants in Vietnam. The scale of cross-border farming tends to increase when many Chinese migrants rent lands to plant cash crops, maintain aquaculture farms and bring the produce to the markets in China. It is difficult to obtain statistical data on seasonal migration from China to Vietnam, but various sources of information clearly indicate that Chinese traditional small-scale cross-border cultivation can be found in many places in Vietnam. Along the coastal area of Vietnam, there are also aquaculture farms run by Chinese owners under the name of their Vietnamese wives or relatives.

Some insights into how migrants start a business in Vietnam are provided by the cases of two Fujian migrants in Vung Tau. The two migrants came to Vietnam in 2007; initially, they had a buy and sell arrangement where they bought white bass fish and lobsters in Vietnam and sold them to other Chinese merchants. Two years later, Mr. Lin, one of the Fujian migrants, married a Vietnamese Chinese and they joined efforts to set up a company, a fish and lobster farming and trade business, which was registered under the name of his wife. His friend, Mr. Zheng also married a local Vietnamese Chinese woman, and they established a company engaged in the same business. The company was registered in his wife’s name. From three fish cages in 2009, the couple developed their farm to the scale of 300 fish and lobster cages in 2011. They employ 10 workers to take care of fish and lobster hatching.

Many Chinese migrants offer traditional healing which is very popular in Vietnam. Statistics provided by the Ministry of Health indicate that, from 2005 to the present, the Ministry licensed a total of 168 Chinese clinics to operate in Vietnam. Chinese clinics are present in 17 provinces and cities; most of them are concentrated in Hanoi (52 clinics), Ho Chi Minh City (32 clinics), Can Tho (19 clinics) and Da Nang (13 clinics). On average, each clinic has four to six employees, including nurses, doctors, and assistants. Big clinics such as Trung Nam and Hue Ha in Ho Chi Minh City, Khuong Trung, Lien Viet Hoa, and Maria in Hanoi may have more than 10 employees. Among 684 Chinese health staff working at 168 Chinese clinics, we found 158 doctors who graduated from Guangxi Institute of Chinese Traditional Medicine and the College of Vietnam Traditional Medicine (Ministry of Health, 2011).13

13 The information in this part was based on the report “Foreign Doctors of Traditional Medicine in Vietnam 2008 – 2010,” which was provided by the Department of Traditional Medicine, Ministry of Health. We would like to add that in order to obtain a license for clinic operation, Chinese traditional healers have to submit documents, such as training graduate certificates and degrees obtained from a training institution.
Chinese clinics are known to invest in advertising their services, often promising a cure for all types of ailment. An official of a Chinese medical clinic in Ho Chi Minh City explained their advertisements as follows:

The content of that advertisement is true as it was examined and permitted by the Vietnam Ministry of Health. Our clinic ensures that our patients, whether suffering from severe or mild diseases, are all cured after a one-time treatment. We offer to refund all costs if the diseases recur.

While they invest in advertisements, not many invest in improving their facilities. Many Chinese clinics have a small office and are equipped with just the basic medical equipment. In making the rounds of some of these clinics, we found several clinics using the restroom for storing medicines.

Our interviews with Chinese healing practitioners reveal that many of them have been working in Vietnam for several years. Unable to speak Vietnamese, they hire interpreters to communicate with their patients. We did not meet professional interpreters in all the medical clinics we visited. More often, the interpreters were Vietnamese students of Chinese language training colleges or medical staff who could command some Chinese. The Chinese practitioners running clinics usually bring in their family members as health care assistants to make medicine, fill prescriptions, and serve as bookkeepers.

The boom of Chinese clinics and the bad practices of some of these clinics forced local health authorities to inspect these facilities. The Department of Health in Hanoi and Ho Chi Minh City carried out a regular inspection of these clinics from 2009 to 2011. Their inspections revealed that all the clinics that were inspected breached relevant laws and regulations on health care (Lao Dong, 29 November 2011). Major violations include the deployment of health practitioners without licenses or with unreliable certificates, selling drugs of unknown origins or past their expiration dates, charging fees for services and medication compared to local providers, and deceitful advertising (Dan Tri, 26 December 2009; Tuoi Tre, 21 September 2011).

A major question that draws scholars’ interest is whether the Chinese migrants are sojourners or settlers and how they develop their settlement orientation (Yang, 1999:61). Based on his research findings, Yang (1999:62) concluded that they are “permanent settlers rather than transient sojourners.” Yang’s conclusion may be relevant to Chinese migrants heading towards developed countries and those who migrated to Southeast Asia in the past. The finding does not seem to hold true for recent Chinese migrants to Vietnam. In talking to us during field research, many Chinese small
traders said they do not aim to resettle in the country but seek for opportunities.

One of the key elements in analyzing the factors influencing Chinese migrants’ long-term settlement orientation abroad is to understand whether they attempt to keep their Huaqiao status and maintain their ties with their homeland. In Vietnam’s long history with Chinese migration, the migrants were distinguished into two major groups: the Huaqiao (overseas Chinese or Hoa kieu) and the Huaren (ethnic Chinese or nguoi Hoa). Most Chinese migrants who migrated to Vietnam from the late 18th century to French colonial times preferred to be treated as overseas Chinese or Huaqiao. They maintained their loyalty and ties to Mainland China, a strategy aimed at facilitating their return to the homeland when possible. The second group refers to the Chinese migrants who came to Vietnam before the colonial era and were well integrated into local society. They were treated as ethnic Chinese and were referred to as nguoi Hoa (Hoa people) and nguoi Minh Huong (Minh Huong people). They were granted citizenship and had the same obligations and rights as all Vietnamese citizens. Significantly, most Chinese migrants in Vietnam from the colonial period to the mid-20th century wished to keep their Huaqiao status instead of asking for Vietnamese citizenship. The Huaqiao crisis during 1978 and 1979 led to thousands of Chinese who maintained their loyalty to the mainland leaving the country for China via the northern border gates of Mong Cai and Lang Son.\[14\]

The new Chinese migrants to Vietnam do not seem as interested in long-term settlement as their forebears. With the open policy of migration in China, the new Chinese migrants to Vietnam prefer to maintain their Chinese passports rather than apply for a new citizenship. This includes Chinese migrants who stay overseas for a long period of time. Many Chinese migrants in Vietnam expressed that they might prolong their stay if the conditions were favorable, or they might consider other countries where there are better possibilities, or they might also return home. Asked whether he plans to settle in Vietnam permanently, a Chinese petty merchant had this to say: “Anywhere we can make money, we stay for long. If not, we go home.”

For Chinese migrants who married locals, they may bring their family back to China or if there is a chance, they may consider migrating to a third

\[14\] For some people, the term Huaqiao or “overseas Chinese” is somewhat sensitive because it connotes a China-centric view. In China, this term is used to refer to Chinese nationals residing temporarily outside China, and Huaren (ethnic Chinese) to refer to ethnic Chinese who are non-Chinese nationals (Suryadinata, 2006:5)
country. In the case of the two Fujian migrants who married local women, their marriage helped their businesses. However, they were not sure whether they will settle in Vietnam. One other observation that came up from the research is that more recent Chinese migrants to Vietnam are more on their own, unlike the old migrants who had the support of overseas Chinese associations.

**Discussion and Conclusion**

The migration from China to Vietnam in recent years is part of a broader trend of out-migration to foreign countries in search of opportunities after China’s economic reforms in 1978. Recent Chinese migrants to Vietnam seem to share some common features with the Chinese who migrated to other countries, although they also show unique characteristics.

Contrary to the findings by others (Kuhn, 2008; Suryadinata, 2009), we found that Chinese migrants to Vietnam are not from well-off families with high education and special talents. Contract workers and voluntary migrants who run their own businesses are dominant among recent migrants from China. While contract labor is new to Vietnam, migrants continue the traditional pattern of Chinese migration. Because of limited resources, Chinese free migrants rely on their own networks based on ethnicity, kinship relations or business ties with local people, particularly with the ethnic Chinese in Vietnam. Additionally, marriages between Chinese male migrants and Vietnamese local women are on the rise. These marriages may be seen as a “warranty” for Chinese migrants to create new social networks and facilitate their integration into the host country.

The main route of Chinese migrants to Vietnam is through the border gates with China. A tourist visa is preferred as this can allow them to stay for a period of one to three months even if their main purpose is actually to seek jobs and business opportunities. Chinese migrants often remain in Vietnam longer than their visa allows them to and they work or set up a business without applying for work permits or licenses. As irregular migrants, they encounter many difficulties in adjusting and integrating into the local society. There is no official statistics in Vietnam on the volume of Chinese migrants in the country. The open policy and friendly relations between the two countries, along with the rapidly improved infrastructure system, facilitate migrants’ search for business possibilities. This new development also enables migrants to travel back and forth and to find places with better conditions for business or long-term settlement.

Vietnam’s policies and regulations on migration are inadequate in dealing with the situation of Chinese contractors employing a large number of manual workers without work permits for their contracted projects...
in Vietnam. Many workers whose contracts have ended but did not return to China and the free migrants who run businesses illegally pose difficulties for local authorities. The Vietnamese government faces a dilemma in dealing with Chinese irregular migrants because of the country’s special relationship with China. Vietnam needs more capital for development projects and the Chinese government is seemingly willing to provide it with some political-economic conditions. Moreover, “economic cooperation” between the two countries is defined as an internal collaboration of socialist-oriented economies led by their respective communist parties. This explains why local Vietnamese authorities could not fully apply the law to cases of irregular immigration from China.

The findings of this research indicate that the boom of Chinese new migration to the world is not only an individual decision but also largely influenced by China’s policies of exporting labor, foreign investment and economic aid under the government’s strategy of going global. The recent popular discourse regarding “using the (sic) economic strength and high volumes of trade as an instrument of policy to create dependence” [of others to China] is strongly supported by the Communist Party of China (Xu, 2010). Together with the building of economic and cultural links with neighboring countries, migration from China is also seen as a way to expand the nation’s “soft border.” The concept of “soft border,” which was developed by the Chinese military represents the Chinese desire to expand its soft territory to neighboring countries through economic, political, cultural and human flows without the use of violence (Cui, 1991). The recent migration from China to Vietnam is closely linked with China’s policy of economic and cultural expansion in the world.

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