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# How to Carve Out a Town A Multi-Level Perspective on Hanoi's Japanese Quarter

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**Abstract** Between Kim Ma, Dao Tan and Linh Lang streets, in the central district of Ba Dinh in Hanoi, lies what has been called a 'Japanese quarter' (*nihonjin gai*). The aim of this paper is to shed light, based on qualitative analysis, on the dynamics that led to the formation of a 'Japanese' neighbourhood and the response of the local community as a result of the government of Japan's cultural policies and thriving economic and diplomatic relations.

**Summary** 1 Introduction. – 2 Expatriate Communities: Encountering Resistance or Adaptation? – 3 The Ba Dinh 'Japanese Town'. – 4 The impact of Doi Moi and Globalisation on Hanoi's Urban and Social Architecture – 5 Japan's Successful Nation Branding in Vietnam. – 6 The Strengthening of Japan-Vietnam Relations. – 7 Conclusion.

**Keywords** Cultural policy. Japan. Hanoi. Vietnam. Development cooperation.

## 1 Introduction

The so-called 'Japanese quarter' (*nihonjin gai*) lies between Kim Ma, Dao Tan and Linh Lang streets, in the central district of Ba Dinh in Hanoi. The area is strategic: as a matter of fact, it is close to two major business hotels and diplomatic facilities such as the Japanese embassy and, furthermore, it is convenient to reach both the city centre and the outskirts where many Japanese firms have their branches and manufacturing plants.

In the last few years, Japanese restaurants, hotels, supermarkets, service apartments, night clubs and agencies that provide services to the Japanese community have proliferated here, mainly as a consequence of the increased Japanese presence (in particular, people and capitals) in Vietnam and in the country's capital (MOFA 2016b). This paper discusses the birth of the Kim Ma Japanese neighbourhood from a social, cultural and political point of view. How, and to what extent, have flourishing bilateral relations between Japan and Vietnam, combined with the success of Japanese institutions' cultural initiatives in Asia, reshaped the geography

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of a local community in downtown Hanoi? Contrary to other cases in the history of expatriate communities (Cohen 1977), as matter of fact, the Japanese presence in Kim Ma, a relatively poor suburb that is now the object of urban redevelopment projects, does not appear to have raised any opposition from the local community; rather, it has caused the local community to react promptly to the demand of new services and, therefore, to adapt to it.

## 2 Expatriate Communities: Encountering Resistance or Adaptation?

Today Hanoi Ba Dinh district hosts what is known as the city's *nihonjingai* or 'Japanese quarter'. Even though Japanese settlements are not new to Vietnam – in the seventeenth century, there was one in Hoi An –, this more recent phenomenon might be analysed in light of the growing economic and political interdependence between Vietnam and Japan since the early 2000s. Even though the number of Japanese residents is not so high as to justify the existence of a Japanese quarter or even 'Town', Ba Dinh's 'Japanese quarter' is a pretty unique case. Along with Trung Hoa-Nhan Chinh 'Koreatown' in the southwestern peri-urban area of the capital, as a matter of fact, Hanoi's Ba Dinh 'Japanese quarter' appears one of the few ethnically and culturally connoted areas in the Vietnamese capital today.<sup>1</sup>

For instance, contrary to other Southeast Asian capitals and large cities such as Bangkok, Phnom Penh, Vientiane, and Ho Chi Minh City, where the Chinese diaspora has been more substantial than elsewhere (Mathew 2012), Hanoi does not have a Chinatown.

The case of Hanoi's Ba Đình "Japanese town" appears to be differ from other areas inhabited by communities of foreign citizens, as the above mentioned "Koreatown". Here "clusterization" and "exclusion" have not been observed. In fact, the Ba Dinh "Japanese town" does not appear to be completely "gated" or "edged" from outside. Geographically, then, the Japanese quarter is located in relatively central position. Lastly, it has been possible to identify local actors actively trying to promote Japanese expatriate's integration in Hanoi.

Cohen (1977) offered a generalisation of the so-called 'expatriate communities'. Expatriates might be defined as voluntary migrants who decide to move abroad for business, diplomatic reasons, study or research, or leisure and are, thus, 'transient' in the host country. They do not see their

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1 The colonial French Quarter, built under the French Protectorate of Indochina, might be considered to be the precursor of such expatriate communities, but for reasons of conciseness will not be part of the disquisition.

careers inextricably bound to the place where they go or, in case they are employed in a multinational company, are sent. However, they represent their country's interest in the host country. When in the host country, expatriates "carve out for themselves - or have carved out for them - an ecological sub-system of their own" (Cohen 1977, 77) that separates them from the host society. Expatriates communities are, as a matter of fact, almost totally exclusive of members of the host societies and, for this reason, their social relations are mostly confined to co-nationals or local élites. On the other hand, members of the host society may perceive expatriates as the symbol of continuous disparities between the developed and underdeveloped world (10) and become the target of the hostility of local nationalist elites.

The fact that they are, wittingly or unwittingly, engaged in the creation and perpetuation of dependency relationships means that they often represent interests opposed to those of the host country and may, therefore, become a party to a structural conflict over and above that generated by their personal demeanour. (72)

In light of these facts, the present paper will address the following research questions: why did the presence of a community of Japanese expatriates in Ba Dinh not cause any apparent opposition or hostility from the local community, but rather adaptation to it?

Some events at the macro-level (in particular, the strengthening of Japan-Vietnam relations in the last decade) might have affected the emergence of phenomena on the micro-level (the formation of a 'Japanese quarter' in central Hanoi). In other words, in this paper it will be argued that the absence (so far) of opposition from the local community might be attributed to a) the Japanese government 'charm offensive' in strategical states in Southeast Asia; b) internal transformations of the urban, cultural and social environment of Vietnam's capital; and c) the strengthening of the Japan-Vietnam diplomatic and economic relations. The fact that nationalistic resistance against expatriates and foreign properties has emerged in recent years, following international disputes involving Vietnam and a third country, reinforces this hypotheses (e.g., the anti-China riots in 2014).

### 3 The Ba Dinh ‘Japanese Town’<sup>2</sup>

Since 2012 the number of Japanese nationals entering Vietnam has been on the rise. As data from the Ministry of Foreign Affairs of Japan (MOFA) show, Vietnam has been among the countries that have seen a major increase in the presence of Japanese nationals in the last five years, +20.2 percent in 2012 and an average of 8-9 percent in the following years.<sup>3</sup> The number of Japanese residents in Vietnam has consequently increased soaring up to 14,695 individuals in 2016, up from the 9,313 registered in 2012. A third of them live in the capital.<sup>4</sup> At the same time, the number of Japanese tourists has also grown to more than 740 thousand individuals in 2016, up by 110 percent from 2015.<sup>5</sup>

In this context it might be possible to place the development of the Ba Dinh ‘Japanese quarter’. The area attracts mainly Japanese expatriates, mostly men, assigned to Hanoi for a mid to long-term period. The area has also become very popular with Japanese men on business trips to Hanoi. However, contrary to the above-mentioned ‘gated communities’ and KDT-Ms, Hanoi’s *nihonjin gai* (or ‘Japanese Town’ as it is called by Vietnam’s English-language news outlets)<sup>6</sup> is integrated in the existing streetscape of

2 Information included in this paragraph have been collected through direct observation, unstructured interviews and informal conversations with hotel and shop employees of the area as well as Japanese expatriates. Other information have been retrieved in Japanese language free-press publications such as *Sketch Vietnam* and *Sketch Vietnam Pro*, which are distributed at the entrance of hotels and supermarkets of the area and provide Japanese expatriates with news and practical information on daily life in Vietnam.

3 Even though the number of Japanese residents in Vietnam is relatively low (14,695), the increase on annual base is notable. According to the MOFA survey, other countries where the Japanese presence has numerically increased in the same period are South Korea, Singapore, Taiwan and France (MOFA 2016b).

4 This is an estimate based on MOFA’s latest available data (2012) on the Japanese residents in Hanoi. On a total expatriate population of 9,313, more than 3,600 people were registered in Hanoi by the Japanese authorities. It is fair to say, then, that with the general increase of Japanese residents in Vietnam, the ratio of Japanese nationals in Vietnam has, adopting a conservative approach, remained stable, if not increased.

5 With more than 10 million touristic presences at the end of 2016, international tourism to Vietnam has grown steadily since 2012. Tourism from neighbouring China is the main drive behind it (2.9 million entries were registered in 2016), but tourism from South Korea (1.54 million entries) and Japan (740,592), have been on the rise. See Vietnam National Administration of Tourism, Tourism Statistics-International Visitors to Vietnam: <http://vietnamtourism.gov.vn/english/index.php/cat/1501/1> (2017-10-05).

6 The term ‘Japanese town’ is, as a matter of fact, not official, given its scattered nature and its relative newness. It might be found online, in English in local news websites as the English-language VietNamNet (<http://english.vietnamnet.vn/fms/business/124036/hanoi--a-peaceful-land-for-expats-to-live-and-do-business.html> (2016-01-18) or in Japanese (ハノイの日本人町, *Hanoi no nihonjin machi*) as in Azumaya Hotel (a Japanese-style business hotel’s website) ([http://azumayavietnam.com/concept-3/#\\_](http://azumayavietnam.com/concept-3/#_)) (2016-01-24).

a Western neighbourhood of the Ba Dinh District. Its main road, Kim Ma, is one of the major communication route - Lieu Giai - connecting the capital's city centre to the Noi Bai International Airport. Its boundaries are constituted by the alleys of Doi Can to the North, La Than to the South, Tran Huy Lieu and Van Bao to the East and the riverside alley of Buoi to the West. The area is roughly 8 square kilometres wide.

For its strategical position in the Western part of the city, in the last two decades the area has become economically and diplomatically important. The Daewoo Hotel, opened in 1996, along with the Daeha Business Center, has attracted both businessmen and tourists from abroad. The Korean-owned Lotte Center, opened in September 2014, is one of the favourite shopping and leisure destinations for expatriates and the local upper-middle class. The area also accommodates among the others, the Embassies of Australia and Japan, two major aid donors of the SRVN. As a result, it is not rare to meet foreigners, especially expatriates and tourists, in this area, among local inhabitants. Figure 1 has a map of the Ba Dinh *nihonjin gai*. Coloured in orange are Japanese restaurants and bars in the area; in red hotels and in blu housing services and other points of interest (such as the Japanese embassy, the International School and the Lotte Center with a hotel, a branch of the Mitsui Sumitomo Bank, and a big supermarket selling imported foodstuff). Finally, in brown are identified entertainment spots, like spa, karaoke, kyabakura (Japanese style night clubs) and message parlours.

Figure 1. Ba Dinh 'Japanese Quarter' in 2016. Source: Sketch Vietnam 2016



While Kim Ma and Lieu Giai are now major traffic routes overlooked by a few modern buildings (as the Daewoo Hotel or the RMIT University building on the opposite side of the road), the core of the Japanese quarter lies in Linh Lang, a small street that cuts through a modest and still underdeveloped neighbourhood. At the time of the visit (January 2016) – beside newly built four-floor apartment blocks, shops and services for the expatriate community – the area still presented unpaved roads and shanty houses. During daytime, a local market on Linh Lang contributes to the liveliness of the area.

Such a diverse and contrasting urban landscape might be the result of a period of suburban expansion and alterations to the existing housing facilities during the building boom of the early and late '90s (Ho Dinh Duan, Shibayama 2009). The construction of new high-standard residential complexes in formerly agricultural areas caused the growth of the urban area and the development of a peri-urban zone that started to attract urban élites<sup>7</sup> (such as people in key positions in the public administration, in public and private firms, professionals) and resulted in a mixing of social groups (Welch Drummond 2012, 82-85).

The area's urban development is, as a matter of fact, still quite recent and might be traced back to the late '90s and early 2000s. In this period, the Vietnamese government identified the real estate as a strategic economic sector that could attract more foreign capital into the SRVN. To this end, in 2003 a new land law<sup>8</sup> was enforced in order to include authorised foreign firms and institutions and Vietnamese nationals living abroad among the subjects entitled to apply for land use. As a result of this new regulation and of subsequent decrees empowering local People Committees on the issues of land leasing, allocation and price determination, between 2007 and 2008 half of all the SRVN's inward FDI flowed indeed to the real estate sector (Ministry of Natural Resources and Environment of Vietnam 2007; Provost, Kennard 2016; *Than Nien News* 2015; VILAF 2009). In July 2014 the Vietnamese government further relaxed existing rules on foreign ownership of houses and apartments. Previously, only foreign nationals or operators that the local authorities deemed able to contribute to the SRVN's national development were allowed to buy prop-

7 In their study on post-communist Russia, Hughes, John and Sasse (2002) define urban élites as a social grouping holding a high degree of influence in its society (thus having a commensurate quantity of resources available). This group is "composed of people who have key positions in powerful organisations, such as private firms, business associations, local/regional governments and administrations and central/state government agencies. Even though the elite often can be fragmented and divided, it usually acts as a single organism, sharing values and framing public policies" (John, Hughes, Sasse 2002, 398).

8 Vietnam's Land Law can be consulted at: <http://www.vietnamlaws.com/freelaws/Lw13na26Nov03Land%5BX2865%5D.pdf> (2017-10-06).



Figure 2. Ba Dinh ‘Japanese Quarter’ in 2006

erties in the country. With the 2014 law, this constraint was abolished (*Than Nien News* 2015).

No public records on the development of the Ba Dinh ‘Japanese town’ could be retrieved. However, basing the analysis on informed interviews and secondary sources, it has been possible to trace its origins. Two maps (one issued in 2006 and the other one in 2016) provided by *Sketch Vietnam*, a magazine for Japanese expatriates in Vietnam, offered some elements to the analysis. As a matter of fact, it might be possible to say that the first Japanese dining and leisure facilities were in place already in 2006. Figure 2 provides an overview on the area of the Ba Dinh Japanese quarter in 2006.

According to the map, Japanese restaurants (signed in orange) were only 6 against the dozens identifiable in figure 1. On top of it, the lack of housing facilities, such as serviced apartments, excluding the already mentioned Daewoo Hotel, is remarkable. As figure 2 shows, in 2006 the Japanese establishments were concentrated on the main alley of Kim Ma. It was only after 2010 that it extended to Linh Lang and surroundings. Here, in 2010, a Japanese food retailer, Akuruhi Supermarket, opened. The company was established in 1998 in Ho Chi Minh City (HCMC) by a Vietnamese entrepreneur, Phan Thanh Tan. The shop supplied imported Japanese food and seafood to Japanese restaurants and hotels in HCMC

and in the country. The company succeeded in its business and opened a branch in Hanoi. The shop retains its functions as supplier of imported groceries to local Japanese restaurants and hotels. According to Akuruhi workers interviewed during the visit in January 2016, the supermarket also attracts Japanese expatriates living in the area and the local middle class. It can be said that groceries and comestibles imported directly from Japan are, as a matter of fact, considered to be safer and better than those sold by local retailers to the local residents interviewed during the research. At any rate, the opening of Akuruhi might have contributed to the expansion of the 'Japanese town' toward Linh Lang.

The increasing inflow of Japanese expatriates to the area has spurred a new demand for accommodation and services. Newly built complexes of serviced apartments and hotels for Japanese on business trip proliferated. Rents and room fees are respectively around 1,000 USD and 50 USD per night, well above what would be commensurate to the average Vietnamese GNI per capita of 1,890 USD (WB 2014). At the same time, private agencies started to act as intermediaries between the Japanese community and local landowners and institutions, managing apartments or helping Japanese expatriates fulfil bureaucratic procedures.

Companies like Hanoi Living (owned by the Osaka-based realtor Daiwa Real Estate) or Owl Culture offer this kind of support, employing Japanese nationals or Japanese-speaking Vietnamese nationals. They aim to reduce the 'Vietnam risk', i.e. the problems connected with the difficulties to adapt to the new life abroad, which Japanese expatriates might experience during their stay in the country, providing information and services (Hanoi Living 2014). Owl Culture was established in 2015 by a Vietnamese woman in her twenties with three-year experience as a student in Japan. The agency offers information and support concerning life in Hanoi (e.g. finding a housemaid, uncontaminated food, as well as visa applications for family reunifications), Vietnamese language courses and field trips outside the capital for its members, in the spirit of fostering the integration of Japanese expatriates in the local community.

#### **4 The Impact of Doi Moi and Globalisation on Hanoi's Urban and Social Architecture**

Scholars agree that the market-oriented reforms of the Doi Moi (renovation) period (1986-87) accelerated Vietnam's modernisation and internationalization and propelled the country's rapid economic growth (Waibel 2004; Beresford 2008; Fforde 2009; Cling, Razafindrakoto, Roubaud 2013). This period of reforms and quick economic growth had an impact on Vietnamese cities and on the capital's urban and social landscape. Waibel



(2004), in particular, put it in the context of the historical evolution of the city from the colonial period up until recent times. Both under the French rule in the late XIX and early XX centuries and in the period of state economic planning (a period of approximately three decades between 1954 and 1986), the city underwent several transformations, e.g. the creation of spacial divisions between the French and native areas or, later, the construction of uniform residential areas outside the Ancient Quarter on the Soviet model (Waibel 2004, 33-5). After 1986, the new market-oriented economic policies further spurred the city's growth that started attracting foreign and domestic investors.

Vietnam's economic growth has spurred consumption and accelerated social mobility (ADB-Asian Development Bank 2010; Welch Drummond, Thomas 2003; Kharas 2011). The early and mid-'90s saw the rise of a "salaried urban middle class" formed by "mixed incomes" families where at least one component worked in the public and the other in the private sectors (Fforde 2003, 50). In the following years, the process of economic opening continued having an impact on the social and urban architecture of the city: a social grouping constituted by highly educated professionals with a relatively above-average income level has emerged, their social status being defined by a common set of consumption habits (King 2008, 96).

New needs and demands were put forward as this upper-middle class emerged through the early 2000s. The government responded planning 'new urban areas', or *khu do thi moi* (KDTM), integrating housing and commercial spaces, in peripheral areas of Vietnam's capital. The building of KDTMs in the '90s was a centrally planned process seeking to respond to the demands of a privileged segment of the urban population interested in "capturing the rent" of the redevelopment of periurban areas (Boudreau, Labbé 2011, 219). As a matter of fact, the development of KDTMs in Hanoi has favoured "dynamics of exclusion" of the local communities in light of growing economic disparities across the Vietnamese society resulting, for instance, in the rise of the so-called "gated communities" (288). These might be defined as self-sufficient housing and commercial compounds built in suburban areas in the proximity of major transport routes and business infrastructures. Examples of "gated communities" have been observed all over in Asia since the late '80s. Citing the cases of other metropolitan centres in Southeast Asia such as Bangkok, Singapore and Jakarta, Rimmer and Dick (1998) argue that the gated communities have emerged as a countermeasure against any form of 'social discomfort' that might derive from the coexistence with other ethnic and racial groups in urban environments. Apart from attracting the local new rich, KDTMs have attracted communities of expatriates. This phenomenon was not new nor peculiar to Hanoi. Wu and Webber (2004) have in fact described the "clustering", i.e. the isolation from the existing local urban architecture, of foreign housing in the northeastern and eastern parts of Beijing. Here, the

increasing demand for expatriate housing in the late '90s and early 2000s led to a transition towards a "new spatial order" (Webber, Wu 2004, 212) of the city reflecting the unequal distribution of economic means among the local and expatriate communities (2004, 212).

An example of "gated communities" in Hanoi is the Ciputra International City apartment complex, built on a former farmland in the northeastern part of the city by the Indonesian realtor Ciputra, with a built-in school and winery, the Ecopark, in an area lying West to the capital. The extra-luxury compound will be completed in 2020 and will offer its residents a private university (Provost, Kennard 2016). Another example is, to a certain extent, the so-called 'Koreatown', a borough lying in Trung Hoa-Nhan Chinh District, some 20 km outside Hanoi's city centre. The area is dominated by the Keangnam Landmark Tower, a seventy-storey tall tower built by a consortium of the South Korea-based realtor Keangnam and South Korean Woori Bank for an investment of slightly more than one billion USD. It features apartments, a five-star hotel, offices and retail spaces and is to date the tallest building in the Indochinese peninsula (*Korea Times* 2007, *VietNamNet* 2012).

## 5 Japan's Successful Nation Branding in Vietnam

Beside the development of peri-urban areas to host Hanoi's affluent classes, the birth of a Japanese quarter in central Hanoi has much to do with the success of Japanese culture in Vietnam. In the last decade, Japanese culture promotion organisations such as the Japan Foundation (JF) have been very active in 'branding' Japan in order to create a 'competitive identity' through the promotion of export (tangible and intangible) products in the attempt to expand its influence abroad with possible political and economic returns (Anholt 2009).

The JF opened a branch in Hanoi only in recent years. The Japan Foundation Center for Cultural Exchange in Vietnam (*Betonamu Nihon bunka kōryū sentā*) was established in 2008 as the fifth JF centre for cultural exchange in Southeast Asia. The main task of the Center is to support Japanese language education in Vietnam. Beside offering on-site language courses for students of all ages, the Center has dispatched Japanese language experts in the country and promoted training sessions for local teachers. In cooperation with the Vietnamese Ministry of Education, the JF has been supporting Japanese language teaching in high schools through a ten-year project. In addition, the centre has promoted cooperation with research institutes dealing with Japanese studies and offers a wide range of cultural activities such as stage performances, art exhibitions and film festivals (JF, 2012). JF data show that in 2012 the number of learners of Japanese in Vietnam amounted to more than 46 thousand people, up by

more than 50% from 2006. A total 47% of them learn Japanese in school or university, while more than half learn Japanese independently (JF 2012, 2014).<sup>9</sup> Japanese Student Service Organization (JASSO)'s data reveal that the number of Vietnamese nationals entering Japan have steadily increased from 2005. The most notable increase is that of Vietnamese students enrolled in Japanese institutions of higher education. In 2004 they were slightly more than 1,500 people while in 2014 the figure was up to 11,174 and in 2015 (latest data available) 20,131. In 2015, the SRVN became the second largest provider of foreign students in Japanese Universities after the People's Republic of China (PRC). Also notable is the rising number (18,751) of Vietnamese nationals studying Japanese in language schools in Japan in 2015 (JCCI 2016).<sup>10</sup>

Several initiatives of PR and promotion of Japanese goods have been taken by Japanese trade associations and by the Japanese government under the 'Cool Japan Initiative'. In recent years, the Japanese government has doubled its efforts to promote centrally directed cultural policy initiatives as an integral part of the country's growth strategy. In June 2010 a Creative Industries Promotion Office was established within the Ministry of Economy, Trade and Industry (METI) in order to promote Japanese 'cultural industries' such as design, animation, fashion and movies abroad. The ideas behind the establishment of the Office were that of supporting these sectors as the driving force towards "the nation's future economic growth" and, at the same time, that of counterbalancing China's and South Korea's more assertive (and onerous) cultural policies (*Japan Times* 2010). In December 2012, the initiative was included in the new Liberal Democratic Party (LDP) government's comprehensive growth strategy. Prime Minister Abe Shinzō appointed LDP Policy Research Council Director Inada Tomomi as Minister in charge of 'Cool Japan' Strategy. The cabinet then launched a Cool Japan Promotion Committee in 2013 and a 37.5 billion JPY public-private fund (The Cool Japan Fund). The aim of the Japanese administration was to support a comprehensive marketization of "Japan-specific goods and culture as a whole" (*Nikkei shimbun* 2014), such as food, rice wine and manufactured goods, or cars and consumer electronics, fashion, as well as 'contents', e.g. anime or computer games abroad (METI 2014). In January 2016, METI and PR Agency Vector launched a business matching initiative for Japanese businesses looking for local partners for investments in Ho Chi Minh City (HCMC). On the sideline of the event, a Cool Japan Pavilion was set up in order to exhibit Japanese products,

9 See for details *Nihon kokusai kōryū kikin* (2014) (URL <https://www.jpff.go.jp/j/project/japanese/survey/area/country/2014/vietnam.html>) (2016-02-26).

10 Data available online at URL <http://www.jcci.or.jp/international/latest-reports/2016/0711094914.html> (2017-02-12). See also JCCI 2015.

arts and crafts (Cool Japan World Trial 2016). HCMC is also the venue of a three-day Japan-Vietnam Fest dedicated to cosplay, anime and manga (*Vietnam Bridge News* 2016). Every year in Hanoi, instead, the Japanese Business Association in Vietnam (JBAV) offers support to groups willing to organise various events, featuring Japanese street food, folk dances and musical performances in Vietnam's major cities.

It might be said that such PR activism might have succeeded in their aim. Recent reputation surveys have, as a matter of fact, shown that a 'positive view' is shared by a majority of Vietnamese. A 2016 MOFA-Ipsos survey<sup>11</sup> targeted at 10 ASEAN countries, including Vietnam, reveals that 88% of Vietnamese consider Japan a friendly country. In addition, a strong 41% consider Japan as a more reliable country than the US and Russia (20%). Only the 2% of the respondents declared to trust China. In particular, a majority of Vietnamese respondents (75%) consider Japan as a crucial economic ally for Vietnam while a 60% of the respondents admitted to being fascinated by Japan's culture. Specifically, most Vietnamese (67%) are interested in Japanese lifestyle and thinking, Japanese cuisine (59%), and tea ceremony (58%). 45% of interviewees declared to be interested in manga and architecture, while only 38% was interested in Japanese animation. Japanese language is also popular among the other foreign languages and has a higher number of perspective students than Chinese and Korean (30% and 22% respectively) (MOFA-Ipsos 2016, 17-33).<sup>12</sup>

## 6 The Strengthening of Japan-Vietnam Relations

The success of Japanese culture in Vietnam can hardly be considered a coincidence. Instead, it can be seen as a consequence of the strengthening of the bilateral relations. Since the early '90s, Vietnam has attracted capitals in form of aid and investment from Japan. After the opening of the Vietnamese market in the late '80s, Japanese goods – especially cheap electric home appliances, motorbikes and cars – started being shipped to Vietnam. As seen above, in the early 2000s, also cultural exchanges – mostly from Japan to Vietnam – grew. More recently, the Japanese Vietnamese partnership was further energised after the emergence of subsequent territorial spats with the People's Republic of China. These factors combined have contributed to the rise of a widespread popular appreciation of Japan. In

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11 The survey involved 3,055 respondents (roughly 300 people per country) living in major cities in the ASEAN region, aged 18-59.

12 Similar results are provided by Dentsu's 'Japan Brand Survey', a study conducted on 4,000 people from 20 countries, aged 20-59. Vietnam appears to be the second most favourable country toward Japan, only after Thailand. Regarding cultural products, Japanese robotics has taken over food, cuisine, anime and manga (Dentsu 2016).

this paragraph, an overview of the strengthening relations between Japan and Vietnam will be provided. The Socialist Republic of Vietnam (SRVN) has been among the top four recipients of Japan's aid only since 2001. Japanese Official Development Assistance has provided around 1.2 trillion yen to Vietnam since 2009 (fig. 3). Japan's aid initiatives in Vietnam are aimed at a) carrying out loan-based infrastructural and poverty reduction projects; b) grant assistance to scholarships and environment-linked projects; c) technical cooperation (MOFA, 2014).<sup>13</sup>

**Figure 3. Japan's ODA to Vietnam 2009-2014 (in 100 million yen)**

<b>Fiscal Year</b>	<b>Loan Aid</b>	<b>Grant Aid</b>	<b>Technical Cooperation</b>	<b>Total year</b>
<b>2009</b>	1456,13	35,11	88,21	1579,45
<b>2010</b>	865,68	35,54	85,50	986,72
<b>2011</b>	2700,38	55,20	123,97	2879,55
<b>2012</b>	2029,26	17,20	102,97	2149,43
<b>2013</b>	2019,85	14,65	102,78	2137,28
<b>2014</b>	1124,14	1481	76,67	2681,81
<b>Total</b>				<b>12414,24</b>

Source: MOFA 2016

The impact of Japanese ODA on the Vietnamese economy became apparent in 1992, when Tokyo offered Hanoi a 370 million US \$ bilateral aid package after a fifteen-year hiatus.<sup>14</sup> It came at the height of a period of market-oriented reforms, known as *Doi Moi*, launched under the leadership of the Communist Party of Vietnam Secretary General Nguyen Van Linh, and the normalisation of diplomatic relations with the world. The most critical achievement of the 'Renovation' period was perhaps the end of a two-decade-long US-imposed trade embargo. In 1995, less than a year after, Vietnam joined ASEAN and secured a stronger relationship

**13** In detail, among a) projects are National Highway N.1, North-South Express way, Hanoi's Noi Bai airport, power plants, etc.; among b) projects: Poverty Reduction Support Credit, Human Resource Development Scholarship; Afforestation in Central and South Vietnam; among c) projects: training in food, education, public health and fund management sectors. Further details on the entity of Japanese aid in Vietnam can be found on Japan's Minister of Foreign Affairs website at the link: <http://web.archive.org/web/20160222020845/http://www.mofa.go.jp/policy/oda/data/pdfs/vietnam.pdf> (2017-02-09).

**14** Japan had provided war reparations to South Vietnam and aid to North Vietnam (the present-day SRVN) since 1973, when the two countries normalised their diplomatic relations. Japan eventually suspended aid to Vietnam in 1979, after rising tensions between the SRVN and Cambodia. However, Japan had remained one of the few non-Communist countries that maintained diplomatic relations with the SRVN despite the 1975 US embargo, in the hope that they could serve as a 'bridge' with the US. See Shiraiishi 1990.

with Japan and other south-east Asian countries. In 1998, Vietnam became member of the APEC and finally, in 2007, after lengthy negotiations, the country entered the WTO, thus ensuring fairer access for Vietnam exports to the international market (Kokko 1998, 319-21). In the meantime, in 2003 the Vietnamese government published its Comprehensive Strategy for Growth and Poverty Reduction (CSGPR), a document establishing the socio-economic measures the country would have promoted in order to spur economic growth and reduce poverty.<sup>15</sup> The country started attracting foreign investments. Japan has been among the top investors in the country with South Korea, Taiwan and Singapore. As shown in fig. 4, Japanese FDI to Vietnam have been on the rise since 2006 with a peak of approximately 3.3 billion US dollars in 2013. In 2013 and 2014, the volume of investments has decreased and stabilised at 1.6-1.3 billion USD (JETRO 2016). The most important Japanese investor in Vietnam is SE, a construction company that won the bid to build the Bach Dang Bridge on the Ha Long-Hai Phong Highway Project (JICA 2016).

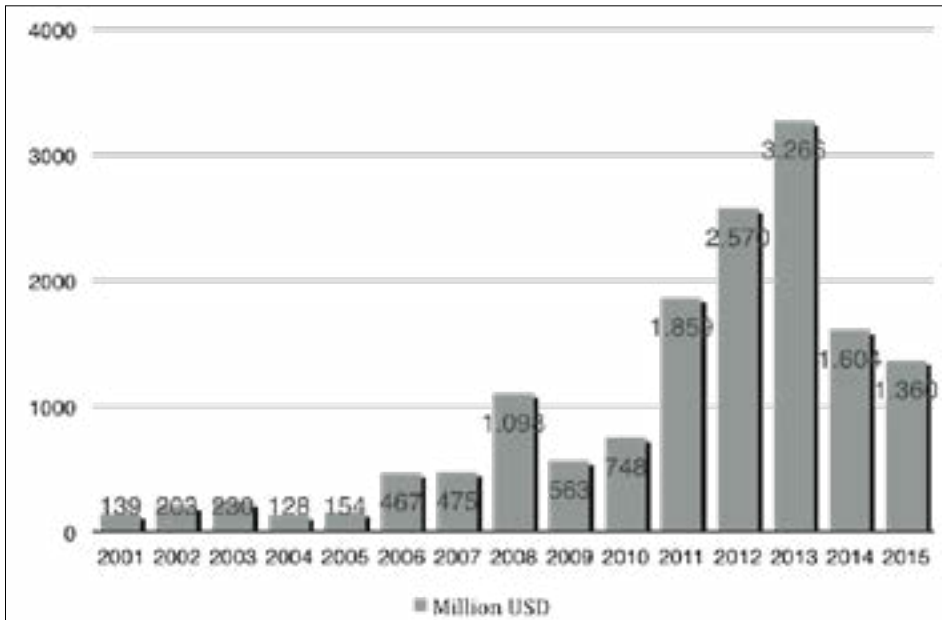


Figure 4. Japan’s FDI to Viet Nam (2001-2015). Source: JETRO 2016

15 This document, drafted in accordance with the World Bank (WB), helped Vietnam to keep the flow of aid from the WB and multilateral donors stable.

Along with economic exchanges, several political acts have shaped Japan-Vietnam bilateral relations in the last decade. The starting point of a strategic partnership between the two countries might be found in the Japan-Vietnam Joint Initiative launched in 2003 under the Koizumi administration. The rising role of Vietnam as a strategic international partner for Japan was stressed by the signing of a Joint Statement toward a Strategic Partnership for Peace and Prosperity in Asia between VN's Prime Minister Nguyen Tan Dung and Japan's Prime Minister Abe Shinzō in October 2006. The document underlined the importance of a coordinated effort to promote economic cooperation and mutual understanding through cultural exchanges and scientific cooperation (MOFA 2006).

The 2006 mutual agreement was revived under the Democratic Party of Japan (DPJ)'s Kan administration in October 2010 (the decade-long dispute on the Spratly and Paracel Islands in the South China Sea, the Senkaku-Diaoyu dispute in 2012, and the Haiyang Shiyou 981 standoff in 2014). These events have contributed to reinvigorating and expanding the partnership including areas like Defense and National Security.<sup>16</sup> At the same time, they have revived hostile sentiments towards China in many sectors of the Vietnamese society. In May 2014, after a Chinese oil rig was moved close the disputed Paracel Islands, major riots erupted across Vietnam. The turmoil resulted in the killing of 21 people and in damages to more than 350 production sites, mostly Taiwanese-owned (*South China Morning Post* 2014). Nearly 1,000 Chinese citizens were, however, repatriated in the aftermath Anti-Chinese demonstration in major cities, since Hanoi and HCMC had to be removed in order to avoid further incidents (*The Guardian* 2014).

Having itself economic interests in the South China Sea, namely for trade routes and raw material supply, Japan has in recent years expressed its support to Vietnam and pledged cooperation in order for the latter to build up Vietnam's coast patrolling capabilities (Drifte 2016,18).

<sup>16</sup> The complete statement of the Japan-Viet Nam Joint Statement on the Establishment of the Extensive Strategic Partnership for Peace and Prosperity in Asia is available at <http://www.mofa.go.jp/files/000031617.pdf> (2016-02-28). It might be worth noting that for Japan the agreement was signed by Abe Shinzō, who in his first term as Japanese PM promoted the 2006 Partnership. Back in power in 2012, Abe also decided to pay his first official visit to Vietnam in January 2013. In an interview with the Vietnamese newspaper *Tuoi Tre*, he stressed that one of the reasons behind his decision were Japan and Vietnam's "common concerns" in Asia Pacific (probably referring to China's growing assertiveness in the area) and the importance of Vietnam as one of Japan's strategic partner in south-east Asia. The Japanese PM also cited his personal friendship with Vietnamese PM Nguyen Tan Dung (*Tuoi Tre* 2013, URL <http://tuoitrenews.vn/politics/6406/japan-pm-on-why-he-chose-vietnam-for-1st-visit>) (2017-10-05).

## 7 Conclusion

This article has attempted to justify the popularity of Japanese culture looking at linkages between micro-level phenomena at a national and local level (such as the emergence of a Japanese quarter in Hanoi) with macro-level events at a global scale (Japanese central cultural policies, diplomatic agreements based on common gains and the perception of common threats between the governments of Japan and Vietnam).

In other words, the emergence of a *nihonjingai* in Hanoi is better understood in the context of radical economic, social and urban changes ushered in by the Doi Moi since the late '80s. The opening of the country to the global flows of capital, and its integration in the international community, attracted investments from abroad. Incomes have grown as a result of this influx and poverty has been radically cut especially in Vietnam's major urban areas (Hanoi and HCMC). In response to the demands for new residential areas for the 'rising middle class', the Vietnamese government promoted the urbanisation of peri-urban areas. New high end residential and commercial complexes have also attracted expatriates who started arriving in Vietnam for business reasons. In this context, the Japanese expatriate community has grown in Hanoi since the early '90s and especially through the last decade, in coincidence with the growth of capital flows from Japan to Vietnam in form of aid and FDI. As a consequence of improved economic relations, Japanese cultural promotion organisations have succeeded in projecting a positive image of Japan in Vietnam. Concurrently, Japan-Vietnam diplomatic relations have also become stronger in consequence of perceived threats from China.

Much deserves to be further researched on the dynamics of interaction between micro- and macro-level phenomena as those described above. However, through the case of the Japanese quarter in Hanoi, the article has provided a general outlook on how expatriate communities can integrate in an existing urban architecture without (at least apparently) causing opposition in the local community but rather cooperation. As the 2014 anti-China riots have shown, however, the absence of hostility is made possible by a generally positive perception toward a certain community of expatriates and the country they represent. And this can be reached through effective communication or imposition.



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