Risky Investments: How Local & Foreign Investors Finesse Corruption-Rife Emerging Markets

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How do investors enter and navigate markets where there is a general lack of access to information and where the law is open to interpretation? Drawing on interview data with 100 research subjects in Vietnam’s real estate market, this article makes contributions to the literatures of economic sociology and development. First, looking at a diverse set of local, regional, and global investors, I theorize how market actors pursue different strategies to manage risky investments based on their proximity to state officials. Investors’ proximity depends on four processes: legal/regulatory, social ties, cultural matching, and stage of investment. Second, I highlight how multiple state–market relations can coexist within the same state. Investors’ varying levels of proximity to government officials shape their relationship with the state as one of patronage (predatory), mutual destruction (mutual hostage), or transparency (developmental). Heterogeneous state–market relations help account for the persistence of foreign direct investment in markets that display both a great deal of corruption and a great deal of legality and transparency.

About the Speaker:

Kimberly Hoang is an Associate Professor of Sociology and the College at the University of Chicago. She received her Ph.D. in 2011 from the Department of Sociology at the University of California, Berkeley and in 2012 she won the American Sociological Association’s Best Dissertation Award. Dr. Hoang is the author of, Dealing in Desire: Asian Ascendancy, Western Decline, and the Hidden Currencies of Global Sex Work (2015) published by the University of California Press. Dealing in Desire is the winner of seven distinguished book awards. With funding support from the Social Science Research Council and the Fulbright Global Scholar Award, she is currently conducting research for her second book project that involves a comparative study of the articulation of inter-Asian flows of capital and foreign investment in Southeast Asia. Her work has also been published in the American Sociological Review, Social Problems, Gender & Society, City & Community, and Contexts. These articles have won 10 article prices from the American Sociological Association. In addition to her research, she has is the winner of the 2018 Quantrell teaching award at the University of Chicago which is believed to be the nation’s oldest prize for undergraduate teaching.