Traders versus the State: Negotiating Urban Renewal in Lào Cai City, Vietnam

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Max Planck Institute for Social Anthropology, Working Papers

Working Paper No. 182

Halle/Saale 2017
ISSN 1615-4568
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Abstract

In recent years, Vietnam has intensified programmes aimed at building “rich, beautiful, and civilized” cities. The modernization of urban markets forms part of these efforts. This paper focuses on the contestations and negotiations surrounding the upgrade of a state-run market in the northern border city of Lào Cai. In order to retain their stall use rights in the new market building, the traders were required to invest a sum that many felt was beyond their immediate means. Frustrated with the top-down implementation of policy decisions that would potentially displace less affluent vendors from the market, the traders organized in protest and submitted petitions and complaints to various levels of government. A number of irregularities, specifically the unofficial sale of so-called ‘ghost spaces’ by the market management, further added to their sense of betrayal. In this article, I critically examine the argumentation strategies employed by both traders and government officials during several formal hearings held in 2014. The analysis provides a rare glimpse into the discursive interaction between citizens and state agents in the context of Vietnam’s efforts to speed up urbanization and urban renewal, both of which are seen as crucial conditions for successful economic development.

1This paper was first presented at the panel “The Anthropology of Urban Development: its legacies and the human future” at the 14th EASA Biennial Conference held in Milan/Italy in July 2016. I am grateful to the panel organizers, Marie Kolling and Martijn Koster, for their kind invitation; and for the stimulating discussion with panel participants. The current version benefited greatly from the thoughtful comments and suggestions of Christoph Brumann and Dominik Müller.

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Introduction

When I started research3 in the Vietnamese border city of Lào Cai in October 2010, the central market was buzzing with rumours about the local government’s plan to rebuild the “Zone A” market building (see figure 1). To that end the market management board was looking for an investor (chủ đầu tư). Many of the stallholders I talked to expressed mixed feelings about the central market upgrade project. On the one hand, they said they would appreciate more spacious stalls, additional storage facilities, and, more generally, a cleaner and more modern market environment. On the other hand, however, they worried not only about the time they would have to spend in a temporary location during construction, but also about reduced profits due to additional competitors in the market. In recent years, their businesses had already become less profitable than they used to be. “Trade has become difficult,” one woman vendor said. “Three or four years ago the market was always crowded with customers, but now it is empty” (informal conversation at the market, December 10, 2010). “How do you feel about the plans for constructing a new market?” I asked Mr. Hùng, who traded in household electronics. “What do we know about the state’s policy, they do whatever they see fit (ho làm thì làm thôi),” he answered. “We worry because we are already many traders, and building a new market means there will be even more traders competing for customers. Business is already difficult enough these days, and the new market will make things even more difficult for us.” “Has anybody actually asked your opinion on that matter?”, I prodded further. “Nobody has asked us,” he said, “they just proceed with their plans. They will hold meetings and announce their decisions by loudspeaker, that’s how we will learn the news” (focus group interview, September 6, 2012).

More than three years later, in April 2014, the People’s Committee of Lào Cai City officially announced to the 363 traders of “Zone A” that their building was going to be demolished and rebuilt. The good news was that the new market was no longer going to be a five-storey shopping complex, but a three-storey urban indoor market featuring a modern, functional design. The bad news was that the traders were expected to contribute to the construction costs by paying a lump sum of VND 240–290 million (around EUR 8,000–10,000), which would be set off against the stall rent for the next ten years. In effect, this meant a three-and-a-half-fold increase compared to their current fee of VND 66,000–230,000 (around EUR 2.30–7.90) per square metre per month. Whereas the old market had been built in 1996 using public funds, a 2009 government decree stipulated that only class 2 and class 3 markets could be financed through the state’s budget for investment in development (see Chính Phủ 2009, Art.1/4). The new Lào Cai central market, however, was now planned as a class 1 showcase market for which the city had to mobilize private investment. When efforts to attract investors were unsuccessful, the municipal government decided to impose the costs of the new market building on the traders. This decision generated much outrage among the stallholders, followed by a series of angry protests and tense negotiations.

Market protests are not uncommon in Vietnam since the central government has initiated a number of policies aimed at reorganizing, standardizing, and modernizing the nation-wide network of marketplaces and market halls. In most cases, these protests are directed against decisions to relocate public markets or to ‘upgrade’ them into modern shopping malls as part of Vietnam’s

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3 The main fieldwork for this research was carried out from October 2010 to March 2011. In September 2012, I spent another month in Lào Cai City. Short follow-up research trips lasting not more than a week were undertaken in April 2013, December 2014, and March and December 2016.
national campaign to “build rich, beautiful and civilized cities”. The case of the Lào Cai central market is somewhat different in that the protests emerged in response to the funding scheme adopted by the municipal government for the on-site construction of a new public market. The traders’ anger over the administrative decision to burden them with such high costs sparked numerous acts of collective resistance in the form of striking, organizing meetings with government officials, drafting and filing a petition to the government inspectorate, and sending letters to various newspapers known for their investigative reporting.

Scholars have long been interested in the social impacts of urban upgrading projects in cities of the Global North and South. One of the most visible outcomes of neoliberal restructuring is the contested emergence of urban landscapes of inequality marked by spatial exclusion and segregation (Sibley 1995; Brenner and Theodore 2002). In many parts of the world, including Vietnam, the mushrooming of modern department stores and luxury malls has spurred the gentrification of traditional markets and the displacement of small-scale traders from city centres. Processes of urban socio-spatial transformation have significantly affected the economic viability of marketplace-based trade by exposing stallholders to higher levels of economic uncertainty (Endres 2014a). Concomitantly, the global proliferation of an informal sector in market activities reflects the dramatic shifts that have been occurring in the world economy as a result of neoliberal policies. Whereas anthropological investigations into informal sector activities have spawned numerous studies of informal markets and street-based trade in different corners of the globe (e.g. Seligmann 2001; Tranberg Hansen, Little and Milgram 2013), the contestations involving public markets has so far received little notice in anthropological studies of urban development and infrastructural planning.

Urban infrastructural planning, like any other form of planning, is an essentially future-oriented activity that fosters ideals of progress and creates “fictional expectations” (Beckert 2016) about future economic outcomes. But the – often elusive – promises of planning do not always convince their intended beneficiaries (Abram and Weszkalnys 2013: 9), who may well be aware that “[o]ne person’s benevolent infrastructure can be another person’s burdensome barrier” (Howe et al. 2016: 556). In his recent book Imagined Futures, Jens Beckert (2016: 11) argues that imaginaries of economic futures, or what he terms “fictional expectations”, can mitigate economic uncertainty by creating a shared conviction among actors about how the future will develop. These expectations then guide and coordinate (economic) decision-making processes. But what if the future imaginaries of planners and citizens clash with each other? In Lào Cai City, planners and officials foster the expectation that an attractive and competitive future urban landscape will be a key driver of further economic growth, for example by attracting more tourists and business investment into the city. Small-scale traders, in contrast, are less optimistic that the high investment required from them for the sake of city beautification will work to their advantage.

This article examines the arguments and narratives through which traders and state officials construct their contrasting future imaginaries. In the first part of this article, I outline the contours of Vietnam’s most recent planning assemblages, which include current marketplace policies. Such assemblages have the potential to “[mobilize] a range of techniques, models and discourses, and [contribute] to the making and unmaking of shifting subjectivities of planners, citizens and other actors involved in the process” (Abram and Weszkalnys 2013: 9). In Lào Cai City, the urgency of promoting urban renewal and infrastructure improvement is underscored by its special location on the Vietnam-China border and its envisaged role as a hub of trade and tourism on the Kunming-
Haiphong economic corridor. In light of the impressive skyline of modern high-rise buildings on the other side of the border, the Lào Cai central market, once hailed as “an important step towards realizing a diversified economic development, meeting the hopes and expectations of the people” (Báo Lào Cai 1996), now looks decrepit and out-dated.

In the second and third part of the article, I focus on the protests and negotiations following the official announcement of the market reconstruction plans. In particular, I analyse the argumentative strategies employed by traders and state officials during five formal hearings held between May and September 2014. The audio and video recordings of these hearings were shared with me by one of the traders during my visit to Lào Cai City in December 2014 and provide a rare glimpse into the discursive interaction between state officials and citizens in the context of Vietnam’s efforts to speed up urbanization and urban renewal. Much like in present-day China, such hearings may be mere “ritualistic moments in the politics of infrastructure, moments in which the ideology of urbanization and development is reproduced” (Zhang 2016: 412). They do, however, also offer a vivid insight into the contested nature of neoliberal urban planning policies and the disenchantments they bring about when the ‘fictional expectations’ of different actors clash with one another.

### Planning Assemblages and Marketplace Policies

Vietnam’s overall socio-economic achievements are undeniably impressive. In the three decades since the launch of the đổi mới reforms (lit. “renovation”), Vietnam has transformed from a poor and war-ravaged country to a middle-income country with a dynamic ‘socialist-oriented’ market economy that attracts significant inflows of foreign direct investment (FDI). Notwithstanding the adverse effects of the global financial crisis and domestic volatility, Vietnam’s annual growth rate averaged 6.16 per cent from 2000 to 2016 and is projected to be around 6.8 per cent at the end of 2016. The rate of people living in poverty has dropped from nearly 60 per cent in the early 1990s to less than 5 per cent in 2015. While 70 per cent of Vietnam’s population of 93.4 million is still living in rural areas, rapid urbanization has accelerated migration to cities by people in search of economic opportunities. Many rural-to-urban migrants engage in small-scale trade for a living, but they are not the only ones for whom local marketplaces continue to fulfil an enduring, vital role in their daily lives and livelihoods.

In the past decade, the modernization of marketplaces has been high on the Vietnamese government’s national economic development agenda. Since the central government issued its first detailed decree on the development and management of marketplaces in January 2003, the relevant ministries (the Ministry of Industry and Commerce, the Ministry of Planning and Investment, and the Ministry of Finance) have issued numerous decisions and regulations regarding distribution network planning; investment into the construction, repair, and upgrading of marketplaces; and general market management. Market development policies are thus part of complex infrastructural planning assemblages aimed at national development. In 2007, the Ministry of Industry and

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4 The hearings were conducted on May 6, June 1, June 6, June 7, and September 24, 2014. Two hearings took place between trader representatives and state officials (May 6, June 6, and September 24), one meeting was held at the market and involved all traders (June 1), and one very formal meeting open to all traders (basically a speech by the Vice Chairman of the City People’s Committee) was held at the city assembly hall (June 7). In this article, however, I have chosen to disregard the chronological order of the discussions and instead focus on the central themes and arguments put forth by different actors.
Commerce approved a first master plan for the year 2020 that targeted a total of 914 markets throughout the country for “development”, including both the upgrading of previously existing marketplaces and the construction of new ones (Bộ Công Thương 2007). The ministry estimated that a total investment of approximately EUR 693 million (VND 15,267 billion) would be required to achieve the plan’s objectives of “developing” 157 agricultural wholesale markets (among which 35 were to be upgraded and 122 newly built), 319 public retail markets (110 upgraded and 153 newly built), and 490 markets in border areas (167 upgraded and 323 newly built). In total, then, 354 markets were scheduled for renovation and enlargement (nâng cấp, mở rộng), and 560 planned as newly built spaces of commercial activity (chợ xây mới). To secure the funding required to achieve the plan’s objectives, the ministry called for additional private investment into local market renovation and upgrading. In order to elaborate and implement these central policies, provincial and city people’s committees had to formulate their own market development projects (quy hoạch phát triển chợ) as an integral part of the local-level socio-economic development strategies.

The results of these projects were highly uneven: Whereas many newly built market structures in Vietnam’s upland region have been “left fallow” because planning did not pay sufficient attention to local needs and conditions (Bonnin and Turner 2014), market renewal in urban areas has sparked numerous protests and discontent among vendors. In the capital Hanoi, a number of long-standing public retail markets have been demolished and rebuilt as multi-storey trade centres by private sector contractors. As a result, many small-scale market vendors, after years of struggling for economic survival in temporary markets awaiting relocation, now suffer from higher monthly fees, inadequate space, and the loss of customers (Endres 2014a). In addition, since the mid-1990s, other ‘disorderly’ forms of commercial activity, such as street vending and hawking, have been banned repeatedly as part of government efforts to bring order to city streets and discipline citizens into becoming modern urban subjects.

Vietnam’s urban centres have been growing quickly in the last few decades, and Lào Cai City is no exception. Much like other cities in the country, Lào Cai’s history is marked by repeated episodes of urban destruction and renewal (Schwenkel 2012: 446). During the brief but violent border war with China in February 1979, Lào Cai was shelled and razed to the ground. In the decade that followed, the town remained largely abandoned. Formal bilateral talks started in September 1990 and marked the beginning of the normalization of relations between Vietnam and China after more than a decade of open hostility (Turner et al. 2015: 35–36). At that time, “Lào Cai was just an uninhabitable area, strewn with reeds, bombs, and mines” (Nguyễn Ngọc Kim 2001: 267). Any remnants of architecture from the pre-war period were now cleared for post-war reconstruction. In the years that followed Lào Cai became one huge construction site (Đào Văn Ngọc 1993; BCHĐB 2000: 241–242, see figure 1). The physical infrastructure that had to be rebuilt included water and electricity supply grids, postal and telecommunication systems, urban street networks, two bridges, and health and education facilities; administrative, commercial, and residential districts were also created (BCHĐB 2000: 216–217). The Lào Cai of the future was imagined as a vibrant “political, economic, cultural, commercial and tourist centre” (ibid.: 221) and an important gateway on the northern border of Vietnam. In order to achieve the goals of the first Five Year Plan (1991–1995), the Provincial People’s Committee (PPC) created a number of incentives, such as free land allocation and long-term interest-free loans, to encourage new migrant
settlers and returnees to actively engage in urban reconstruction, while enterprises able to provide advance funds were given preference in carrying out public construction projects (ibid.: 228).5

Figure 1: Celebrating post-war urban reconstruction on Lào Cai’s 20th anniversary as provincial capital; the city regained this status in 1992 (photo by author, 2012)

The new opportunities and sources of income expected to open up as a result of facilitating cross-border trade drew many lowland Vietnamese to the town under construction. Between 1991 and 1993 alone, Lào Cai’s population quadrupled, growing from 6,000 to 24,000. Mr. Thông, a specialist and trader in traditional medicine from Hà Tay province, for example, first came to Lào Cai in 1993 to explore the possibilities there. “At that time Lào Cai was still full of mines,” he recalled, “so the state issued a new policy encouraging people to reclaim mined land. If you could clear that much land the state would give you the right to use it” (interview at Mr. Thông’s house, January 4, 2011). Another incentive for Mr. Thông to stay in Lào Cai was the fact that there were no other medicinal herb traders. “Where there are people, there is a demand for health care,” he noted. “The hungry have to eat, the sick need to take medicine.” When Lào Cai’s central market was built in 1996, Mr. Thông was one of the first to secure a stall for his business. In the years that followed, many of his relatives joined him in Lào Cai to try their luck in trading and other occupations. Small-scale cross-border trade flourished and fortunes were made. The Lào Cai central market soon became too crowded, and in 2004 a second two-storey building (‘Zone B’) with a total floor space of 2,500 square metres was constructed.

5 The building boom was apparently characterized by a great variety of forms and architectural styles that was viewed with mixed feelings by town authorities. “Architecture is a work of art for the people and for the whole of society,” the Party Secretary of Lào Cai opined. “It thus needs to be beautiful and harmonious, not patchy and uneven” (Đào Văn Ngoan 1993: 7). This architectural unevenness, however, is a common characteristic of Vietnam’s fast developing towns and cities in the post-dổi mới era.
Lào Cai’s development into a hub of cross-border trade and commerce was further boosted by the government’s preferential policies concerning the newly established “border gate economic zone” (khu kinh tế cửa khẩu) which provided for certain benefits, such as tax reductions/holidays for investors and new enterprises, and ensured the (partial) reinvestment of revenues into its own infrastructure. Official development assistance (ODA) and foreign direct investment (FDI) flows contributed to socio-economic improvements and infrastructure development. Upon its merger with the district-level town (thị xã) of Cam Đương in 2002, Lào Cai was upgraded to the rank of a grade 3 provincial city (đô thị loại III). A two-lane dual expressway was built to connect the two formerly independent towns, and the agricultural land on either side was converted into new residential, commercial, and administrative areas. The facelift of the historical city nucleus included the rebuilding of the Cọc Lếu Bridge across the Red River, the construction of a promenade along the river banks, and the redevelopment of the embankment area into a prime residential and restaurant district. Private investment resulted in the mushrooming of multi-storey hotels, shopping malls, and entertainment facilities. In October 2014, ten years after its elevation to grade 3, the Prime Minister recognized Lào Cai as a grade 2 city per decision 1975/QĐ-TTg.

Today, Lào Cai’s provincial capital has approximately 120,000 inhabitants, and few of the buildings that formed the nucleus of post-war urban reconstruction have remained until this day. Its overall economic growth rate reached 16.48 per cent in 2015 (as compared to a nationwide annual growth average of 6.16 per cent from 2000 to 2016), with a per capita income estimated at VND 59.8 million (approximately EUR 2,400, which exceeds the national average by 23.5 per cent; see Phạm Đức 2015). The government’s effort to tame the negative consequences of this rapid urbanization process, both planned and unplanned, is apparent in the many street posters and banners that feature visionary slogans aimed at building “rich, beautiful and civilized cities” and promoting urban civility (Harms 2014; see figure 2). These slogans are meant to inspire the “will to improve” (Lê 2007) not only for the sake of better material conditions and quality of life, but also for the sake of the city’s beauty and the civility of urban society.

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7 This was not the first time the two towns were merged into one. The first merger of Cam Đương and Lào Cai took place in April 1979, but was reversed again in June 1992.
8 In 2001, Vietnam adopted a hierarchical classification system for cities (updated in 2009 and 2011), defined by a number of criteria, including urban infrastructure facilities and approved schemes for urban expansion (World Bank 2011, 10). Cities and towns are classified into six grades based on population size, population density, infrastructure, and other urban development indicators. There are currently 25 grade 2 cities. Fourteen cities have so far been recognized as grade 1 provincial cities, and another three are administered by the central government (Haiphong, Danang and Càn Thơ). Only Hanoi and Hồ Chí Minh City have “special city” status (đô thị loại đặc biệt).
9 The nationwide per capita income was VND 45.7 million in 2015 (around EUR 1,870); see http://kinhdoanh.vnexpress.net/tin-tuc/vi-mo/thu-nhap-binh-quan-viet-nam-2015-hon-45-trieu-dong-3333776.html.
Traders versus the State

With more than seven hundred registered vendors operating permanent stalls in two separate buildings (“Zone A” and “Zone B”), the Lào Cai central market is, at the time of this writing, the largest public market in the whole province. The “Zone A” market area is more or less clearly divided into different sections categorized by the type of goods sold there, for example fresh and dried foods, medicinal herbs, household items, electronics, Vietnamese wooden handicrafts, souvenirs and refreshments, children’s toys, textiles, garments, and shoes. Due to the combined effects of Vietnam’s harsh climate, low-quality materials used in post-war construction, and lack of maintenance, the T-shaped “Zone A” building already looked dated and weather-worn in 2010, only fourteen years after its construction (see figure 3). In December 2013, the Provincial People’s Committee decided to push ahead with its plan to reconstruct “Zone A” with additional space for more than 100 vendors. Its efforts to mobilize funds from private investors for the construction of a new market building on a BOT (build-operate-transfer) basis were not successful, however. Without funding, the project could not proceed as planned in time for Lào Cai’s envisioned upgrade to a grade 2 city.
The solution adopted was therefore to impose the costs of the new market building on the traders. In order to retain their guaranteed space in the new market, the stallholders were asked to contribute VND 190–240 million each (around EUR 6,500–8,000); in return for which they would be exempt from paying stall use fees for a period of ten years. In order to facilitate the funding process, the Lào Cai provincial government entrusted the Local Development Investment Fund (LDIF) with the implementation of the project. LDIFs are “locally based state financial institutions” which allow provincial governments “to invest in urban and economic infrastructure that provides a satisfactory return on investment” (Albrecht et al. 2010: 33). LDIFs may be financed through share capital subscribed by the province, through bonds, or through domestic or (via the Ministry of Finance) ODA loans. In the case of the Lào Cai central market, however, the LDIF acted as an investor (chủ đầu tư) which, rather than asking for funds from financial institutions, forced (most of) the traders to take out substantial bank loans in order to raise capital for constructing the new market. In other words, the state shifted the responsibility for realizing its ambitious urban development plans to the people, at their own risk. While the co-funding of state-owned markets through trader contributions is a long-established practice in Vietnam, the amount
required was perceived by the traders as “way above the sky” (giá trên trời). When the authorities announced this decision in April 2014, the traders staged a series of angry protests, including a strike that lasted several days, and entered into intense negotiations with representatives of the local government. In a nutshell, the traders’ discontent boiled down to a plea for reducing the burden of costs imposed on them. At the first official hearing between officials and trader representatives held in May, the original amount of VND 240–290 million per trader had already been revised downwards to VND 190–240 million, depending on which storey their stalls were located on. But the traders felt the reduced amount was still beyond their capacity to pay. Moreover, the traders felt both hard-pressed (bức xúc) and angered by the city administration’s top-down pushing of urban development policies. During the hearings, the traders advanced their interests by employing (roughly) three different strategies of argumentation that I will elaborate on below: pleading for consideration of their economic circumstances, questioning the local state, and demanding ‘rule of law’ and citizen rights.

Pleasing for consideration: The market traders I met during my research were commonly reluctant to state their monthly income. On an average, their profits ranged from VND 6–17 million (EUR 230–660) per month, depending on the type of goods, location of the stall, and seasonal conditions. In comparison, wages in Vietnam averaged VND 3.6 million in the past seven years, reaching an all-time high of VND 4.8 million in 2015 (around EUR 195). The sum of VND 190–240 million was therefore felt by many traders to be well beyond their means. On the other hand, traders generally tended to downplay their success in the market in order to elicit sympathy for their plight as “unfortunate and pitiable market folks plagued by poor sales and meager profits” (Endres 2014b: 618; see also Leshkowich 2014). During one of the hearings, a female trader explained the situation as follows:

“We are not at the market because we are rich. Only people in difficult circumstances become market vendors – if we had the means we wouldn’t be sitting in the market at all. It is because of our difficult circumstances that we have to make a living from day to day as market vendors!” (hearing, May 6, 2014)

As mentioned above, in recent years, Lào Cai market traders felt that their businesses were no longer as profitable as they used to be. “Those who started trading in the days when Lào Cai was newly reestablished could become rich easily because they could sell a lot and reap huge profits,” Mrs. Lan, a Lào Cai native in her early forties, said. “Nowadays, if you run an honest business, that

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10 Vendors in Vietnamese state-run markets do not own their stalls but have rental agreements with the market management board. These rental agreements are usually signed for a certain time period (one year in Lào Cai). The reality, however, is more complicated. First, traders may contribute capital towards the construction of state-run markets by paying the rent for a specified time in advance. Second, stall rental contracts can also be auctioned (đấu giá, đấu thầu) to the highest bidder when the demand exceeds the availability of stalls in a newly constructed market. Many vendors have thus invested large sums into bidding for the right to operate a stall. This right is transferable, i.e. vendors can also ‘sell’ their stall use right or sublet the stall to someone else. Moreover, it can be used as collateral for a bank loan in order to raise capital for their business.

11 While some of these hearings were open to all traders, during others they were represented by the market’s twelve section heads (tổ trưởng ngành hàng). The section heads are elected by the traders and act as intermediaries to the market management board. Unlike in India or the Philippines, for example, restrictions on the formation of associations persist and effectively block more organized avenues for Vietnamese market and street vendors to pursue and safeguard their interests (cf. Anjaria 2011; Milgram 2011).

is you don’t smuggle or do bad things, [profits are] only enough for food and basics” (interview at Mrs. Lan’s house, February 8, 2011). This general decline in sales was also emphasized during the hearings. “Our businesses get more difficult every day,” a male trader argued, “so difficult that we just cannot accept the high price we are supposed to pay.” One of the women traders pointed out that many families were still needy (nghèo khó) and pleaded with the officials to please try and find funding to help them “eradicate hunger and reduce poverty” (xóa đói giảm nghèo).13 “Our market area is located in a mountainous border area,” she argued, “so we would like you to check if there isn’t a policy to support us, because if we have to carry the whole burden we cannot continue trading.” Other traders put things in a more realistic perspective. “Perhaps ten to thirty per cent of traders are very rich”, one of them said, “but their wealth is not from market trade alone. They must have one foot inside and one foot outside [the market] (phải chân trong chân ngoài); only by doing many different jobs they can get rich” (hearing, June 6, 2014).

Generally speaking, the wealth generated from trade was unevenly distributed across the different goods sections of the market. Most traders on the ground floor, where the sections for household electronics, Vietnamese wooden handicrafts, traditional medicinal herbs, mobile phones, and assorted souvenirs were located, were actually able to make a decent living, whereas the textile vendors on the second floor faced more competition for fewer customers. During one of the hearings, a male section head invited the officials to come to the market and see for themselves so they would understand why the contribution demanded from them was simply too high. “Some traders on the second floor cannot sell one thing in five days,” he said (hearing, May 6, 2014). “On the first floor, many of us just make enough for food and our children’s education, for paying our taxes and fees and contributing to the state budget.” In this situation, he argued on several occasions, having to take out a bank loan of VND 200 million (around EUR 6,900) would simply be devastating. “How long would it take us to pay back the principal?”, he asked and succinctly added, “Bank loans only enrich the bank, but impoverish the people. And if all else fails, the bank can seize the stall and the trader is left empty-handed. So I kindly ask you to consider the economic reality of the people!” (hearing, June 6, 2014).

**Questioning the local state:** Vietnam’s current national and provincial market redevelopment policies aim at developing the national market network “in a civilized, modern direction” (Bộ Công Thương 2015, Art.1/d) with the overall goal of “ensuring social security and stable livelihoods” (ibid., Art.2/a). Although rural markets are part of the agenda, these policies are intricately linked with the government’s accelerated efforts to speed up urban development. Higher grade cities not only enjoy a higher administrative status, but also greater access to and control over financial resources. According to Coulthart, Quang, and Sharpe (2006: 4), this explains why securing a city’s promotion to the next grade has evidently become “a major preoccupation of local government authorities”. As a consequence of this ambition, many investments in prestigious infrastructure projects, including new public market buildings, primarily aim at meeting the criteria of the next higher classification level rather than responding to the more immediate needs of the urban population. At the time of the market protests, the city leadership was preparing for Lào Cai’s

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13 This phrasing echoes the national poverty reduction programme that targets Vietnam’s poorest populations, particularly in mountainous and ethnic minority areas; see: http://www.vn.undp.org/content/vietnam/en/home/operations/projects/poverty_reduction.html.
elevation to a grade 2 city.\textsuperscript{14} As I will elaborate further below, the upgrading of the Lào Cai central market to a class 1 market was closely related to the province’s accelerated urbanization effort.\textsuperscript{15} The traders were aware of this and criticized the local government for pushing urban development projects that they felt were not in line with their economic realities:

“Urbanization is related to economic advancement, that’s what is causing us problems. (…) I dare estimate that about 60–70 percent of the market traders do not have the capital to bear the costs. They even have to rely on bank loans for their working capital needs. But the comrades [officials] (các đồng chí) were not in close touch with the people, they did not understand our economic realities [before deciding to let the traders pay for the upgrade to a class 1 market].” (male trader representative, hearing, June 6, 2014).

The same trader then continued criticizing the city officials for not considering the interests and financial means of the people before designing project, and he questioned the sustainability of the market upgrade. He asked, “Why can’t we just build a class 2 market that matches the economic reality of the city and the people?” (hearing, June 6, 2014). Moreover, the traders did not understand why the LDIF had not secured financing by borrowing from financial institutions or other donors, but instead was forcing the traders to take out bank loans. One trader posed the question, “As far as we understand things, the LDIF can borrow at a very low interest rate for investment, that’s what the Party-state has done before, so why doesn’t the LDIF borrow?” (hearing, June 1, 2014). By challenging the necessity of the local government’s decision, the traders implied that they expected stronger support from the Party-state in order to reach the national goal of building “a rich people, strong country, and an equitable, civilized society”:

“Where are we supposed to get the money from? We have to get it from the bank, and it won’t be given to us interest-free. So why doesn’t the [provincial government] provide [favourable] conditions for us by borrowing capital and collecting reasonable contributions from us? Ultimately, this is all for the Party, for the country, for the people (vì Đảng vì nước vì nhân dân), not for an individual’s sake, or in the interest of profit.” (ibid.)

The traders were also aware that the local government needed the people’s consent in order to fulfil its task of developing the province. “If you don’t solve this issue in favour of the people”, one female trader argued during a particularly heated meeting, “then you are unable to ‘build the province’, you are unable to do this work, and we will petition the higher levels for a solution!” In an almost threatening way, she continued, “You know well that you have to satisfy the people’s hearts (phải thỏa lòng dân), you have to be able to mobilize the strength of the people (phải huy động được sức dân), if not you can’t achieve anything, no matter how high your position is!” (hearing, June 1, 2014). This statement seems to confirm that in contemporary Vietnam, local state

\textsuperscript{14} http://baodautu.vn/tp-lao-cai-chinh-thuc-duoc-cong-nhan-la-do-thi-loai-2-d775.html,

\textsuperscript{15} According to the three-tiered market classification system in place since 1996 (Bộ Thương Mại 1996) and revised in 2003 (Chính Phú 2003), class 1 markets are defined as centrally located commercial facilities that accommodate more than four hundred vendors and meet certain service criteria, such as having parking and storage facilities and following quality control, food hygiene, and safety requirements.
Demanding rule of law and citizen rights: A general distrust towards the local government was evident in the discussions, as the traders suspected that part of the contributions demanded from them would be used as compensation payment (tiền đền bù) to the nine families whose houses would have to be moved to make way for the new market. The traders saw this as violating budgetary principles and they called for the local government to act within its own legal framework. “We are citizens of this socialist state, and we are tax-paying traders (người kinh doanh), legally recognized by the state in the field of trade (lĩnh vực kinh doanh),” one of them argued, “so when it comes to the field of construction, at the very least everything has to happen within the scope of the Law on Construction” (hearing, June 1, 2014).

Appalled by the top-down approach of the local government, the traders also felt that their rights as tax-paying and law-abiding citizens were not being respected. “We have been trading here since 1996,” one female trader argued, “we have contributed money, we always paid our taxes in full and submitted our registration fees for our trading permits. So where are our citizen rights (quyền công dân)? Where are our interests (quyền lợi)?” (ibid.). During a meeting in early June, it was officially announced that the traders’ contracts, signed annually and valid for a year, would expire by the end of the month and that construction work would start in July. When the vice chairman of the City People’s Committee pointed out that this meeting was not intended as a dialogue (between traders and officials), the traders were in uproar. “You are telling us we have to close the doors of the market by the thirtieth of June, you are not allowing us to present [our grievances], we don’t have [any] citizen rights, we [only] have responsibilities!” one trader exclaimed. “We have been trading here for many years and we have always contributed, and now we don’t even have the right to speak!” (ibid.).

The day after this tense discussion, the traders closed down their stalls in protest and went on a two-week strike. During the following months, they submitted a total of nine petitions, requests, and denunciations to the municipal and provincial government. Adding to their list of grievances, the traders discovered a number of irregularities involving the unofficial sale of so-called “ghost spaces” by the market management board and demanded further investigations into the matter. When all their pleas for fair treatment and justice at the local level had been rebuffed, a group of trader representatives went to Hanoi in order to protest in front of the Government Inspectorate (Thanh tra Chính phủ). They had signed a petition to “complain and denounce” (khิếu nại và tố cáo) the abuses they had faced and implored the central authorities to take action and bring all irregularities before the law, “so that we, the people, can firmly believe in the leadership of the Party and in the Constitution of the Socialist Republic of Vietnam.”

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16 It is also possible that social unrest and inadequate dispute handling may have a negative effect on officials’ career prospects. In China, the local cadre would not be considered for promotion if they cannot prevent petitioning (Wang 2015: 4–6).

17 The Government Inspectorate is “a state investigation agency” responsible for resolving “‘hard’ cases that are not directly covered by statute” (Gillespie 2008: 215).
The Perspective of State Agents

The concern of local officials was twofold: maintaining order and stability while pushing the project forward with as few concessions as possible. Listening to the traders (i.e. their representatives) was an important cornerstone of their tactics, but even more important was staying firm in their decision and persuading the traders to unanimously consent to the city’s implementation plans. Although the traders were given the opportunity to voice their grievances and opinions during various meetings and hearings, officials clearly dominated the speaking time. Besides giving detailed explanations concerning specific matters, their main argumentation strategies were the following: stressing long-term benefits and developmental visions, emphasizing paternalistic benevolence and the importance of consensus, and apologizing and pleading for popular support.

Stressing long-term benefits: First and foremost, state agents tried to contain the dispute by co-opting the traders into national visions of development and promising future benefits once the temporary financial hardship has been overcome. The vice chairman of the City People’s Committee criticized the traders for their alleged unwillingness to make additional investments in their businesses: “If my house is about to collapse, I can’t just say ‘let it be’, I need to find a way,” he argued (hearing, May 6, 2014). While he sympathized with the people’s hardships, he also stressed the necessity of the project coming to fruition. “City beautification is one thing, but even more important is that you will be successful under the new conditions,” the vice chairman explained. “But how can the city attract more tourists if there are no proper access roads, no parking spaces, if the market is rundown like that, its electrical wiring and fire safety system [in disarray], how can you expect many tourists to come?” (ibid.). Thus, the argument went on, it was for the benefit of the traders that the city had decided to push through with its plans for the new market. But investment into a new building that fulfilled all the new electrical and fire safety standards would naturally result in a higher rental price. As one state official explained: “If we invest in a new building that fulfils all the new standards we cannot keep the old price. You can’t say ‘I want a new building but the price has to be old’, this is just not possible” (ibid.).

In a recent article on resident evictions in Ho Chi Minh City to make way for “new urban zones”, Eric Harms observed that ideas of beautification can be “important parts of the legitimizing structures used to displace people from their land”, yet at the same time also “allow people to feel like they have a stake in new urban projects that promise to improve the cities and nations they live in” (Harms 2012: 737). This is exactly what local government officials conveyed to the traders during the hearings. Improvement cannot be achieved without sacrifice, the Party Secretary argued, referring to the difficult years of post-war reconstruction and the downsides of urban expansion:

“You know how difficult it was in the beginning. Until now we have had to evict many people from their land in order to expand the residential area, but all these difficulties are for the sake of the city’s development. (…) So what is true for the city as a whole is also true for the market. It has fulfilled its fate (hoàn thành sứ mệnh của nó rồi), so we have to take these steps. In the beginning it will be hard and difficult, but I believe it will bring about improvement in every respect.” (hearing, June 6, 2014)
As mentioned above, the provincial leadership was hoping to attain the city’s status upgrade by October 2014, in time for the celebration of Lào Cai’s tenth anniversary as a grade 3 city. I was not able to verify whether class 1 markets are a precondition for city status upgrades and whether the city government had already included the new class 1 market in the application, but this was how the chairman of the City People’s Committee made his case:

“We would like to announce that in October we are going to celebrate the tenth anniversary of receiving [grade 3] city status, and we hope to attain recognition as a grade 2 city. [The new market] is one criterion regarding trade and services, and we very much hope to fulfil it.” (hearing, June 6, 2014)

In order to counter the traders’ objection that a class 2 market was more in tune with their economic reality, the chairman continued to list the advantages of the grade 3 status for the city residents. It was certainly not, he stressed, linked to the government officials’ own career interests: “The elevation to [grade 2] city status does not mean that a few leaders will get anything out of this, we will not be promoted or anything. But it will raise a number of standards in the municipal infrastructure, for example electrical grids and water pipelines” (ibid.). These infrastructure improvements would be funded by the state, he added, that’s how they all would benefit. Moreover, as a further bonus to the traders, their land would most probably increase in value.

**Emphasizing paternalistic benevolence:** Socio-economic development has been the most important way that the Vietnamese Communist Party has asserted its legitimacy since the **đổi mới** reforms introduced in the mid-1980s (Le Hong Hiep 2012: 158). In continuity with the past, popular conceptions of virtuous leadership hold that state officials should be good-hearted with the people and act in their interests (Koh 2006: 91–95; Malarney 1997). Such ideals of benevolent paternalism also guided the Party’s self-conception and self-presentation during the meetings:

“There is not one Party secretary who wants the people to have a ‘bulging belly and small behind’ (bụng ông dít bèo), or [wants] trade to decrease (…). The Party wants the people to be happier, their markets more magnificent, their faces brighter, their children studying at university, their families contributing to urban construction (xây dựng thành phố), to building a heroic city (thành phố anh hùng).” (hearing, June 6, 2014)

Having outlined the Party’s benevolent attitude towards the people and their well-being, the secretary expresses his incomprehension of the traders’ rebellion in the face of this. “Lào Cai’s central market has always contributed to development; the traders have even shared their food and clothing with their poor fellow country people in the mountainous regions,” he argued, “so why do they suddenly behave like this towards the Party secretary, towards the Party and the government? This is not nice!” (ibid.). His explanation was that these good people had been influenced by what he called agitators (**đồi tương kích động**), that is people who exerted pressure on the traders to close their stalls and join them in petitioning a higher level of government. “This creates tensions in the border area”, the Party secretary reasoned, “it blackens the image of our city and makes things difficult for the people.” These agitators, eleven altogether, he continued, could easily be silenced, as some government units had suggested he should do, but he had decided against taking authoritarian measures: “I said no, they are also the city’s people, the Party secretary’s people. And
if they don’t yet understand, then it is the responsibility of the Party secretary, the Party and the government to explain things to them.” He then went on pretending that the traders had already given their consent, saying: “My personal impression is that the people are in agreement with the Party to build the new market. The will of the Party and the hearts of the people are united!” (ibid.). The importance of reaching a consensus was in fact expressed at all the hearings. “The city has no greater wish than arriving at mutual consent (thông nhất) about the construction of the new market”, the chairman of the City People’s Committee said towards the end of his speech on June 7, 2014.

Pleading for popular support: The urgency of gaining popular support became even more apparent in the third strategy of argumentation employed by the state officials, that is, apologizing for having made them feel hard-pressed (bức xúc). “I apologize to the petty traders for all the distress we have caused you of late,” the chairman of the City People’s Committee said, “We very much hope for your sympathy (thông cảm)” (hearing, June 6, 2014). The City Party Secretary, whose position is even higher, chimed in: “The chairman’s apology is not enough. As the highest-ranking leader of the city, it is my responsibility to wholeheartedly apologize to you.” He ended on a slightly lighter note, asking the trader representatives present at the meeting to convey to their 390 fellow vendors that he had lost several kilos and shed tears because of the situation, that he appreciated (thương) them all very much, and that he felt sorry for causing them so much distress.

Figure 4: A signboard at the construction site shows details of the plans for the upgraded market (photo by author, 2014).
Despite their expressions of regret, the city leadership also made it clear that their hands were tied by legal and financial constraints and that the traders were not to expect any (further) reduction in the amount of their contribution. In the above, I have already outlined a number of arguments that were set forth about what the long-term benefits of resolving the dispute would be. A further point related to more immediate political concerns. Vietnam’s already complicated relationship with its neighbour China had been placed under further strain in May 2014, when China introduced a drilling rig into waters near the Paracel Islands, which caused several collisions between Vietnamese and Chinese ships and contributed to concerns about a possible escalation. Given that Lào Cai had been bombed to rubble during the 1979 invasion of Chinese forces into Vietnam’s northern border region, border residents felt particularly vulnerable when diplomatic tensions flared. “You know well that the current conflict in the South China Sea is heating up, and you are worried about stability because we live in a border region next to our friend China, whose expansionism is well known to us,” the Party secretary said. “And now of all times the People’s Committee has decided to rebuild the market, so you not only worry about political stability, but also about this large amount of money [that you have been asked to contribute]” (hearing, June 6, 2014). But if they were to find a consensus, he continued, everything would be easy, because, in the words of Vietnam’s revolutionary leader Hồ Chí Minh, “without the people you cannot solve even a small problem, with the people’s support you can overcome thousands of challenges (không làm lần gần cùng chịu, khó vẫn làm điều cùng xong)” (ibid.).

Conclusion

Vietnam’s version of market socialism has not prevented neoliberal ideas from penetrating the lives of Vietnamese small-scale traders, be it in Hanoi, in Lào Cai City, or elsewhere in the country (Leshkowich 2014). In line with global trends over the past decades, the adoption of neoliberal-informed practices and strategies has proved a key mechanism for producing and organizing self-reliant subjects whose “will to improve” (Li 2007) includes a willingness to sacrifice for the common good and national development. The basic idea here is that entrepreneurial individuals, by pursuing their own interests, will stimulate economic growth and political stability. The other side of the coin, however, is that responsibility for implementing national visions of development – such as building a “new countryside” (Nguyen 2017) or “rich, beautiful and civilized cities” – is increasingly being shifted to individuals, families, and local communities. This has also been the case in the border city of Lào Cai, where the local government imposed the costs of upgrading the rundown public market on the stallholders. Their protests against the “sky-high” amount of money they were expected to pay and their subsequent negotiations with local state officials not only offer insight into the disenchantments brought about by neoliberal urban planning policies and their implementation on the ground, but also unveil the discursive strategies at work in the construction of self-reliant subjects under market socialism.

Given their recent economic woes, the traders did not quite buy into the city officials’ promise of a better future as stallholders in a shiny contemporary market building (see figure 4). “Marketplaces should be built with the aim of advancing culture and improving peoples’ lives,” a vendor of beauty products ranted when I asked her how she felt about the outcome of their struggle.

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18 The term civilized/civilization/civility (văn minh) entered Vietnam in the early 1900s (see Bradley 2004). Its current usage in the urban context has been analyzed by Harms 2014.
“Yet what they do is build markets that make peoples’ lives more miserable” (interview at the temporary market, December 18, 2014). Her concern was echoed by many others who worried that the market upgrade would accelerate on-going processes of retail gentrification whereby less affluent vendors are gradually displaced from their stalls and replaced by those who are able to pay off their bank loans and afford higher rents while still making a decent living. Yet in spite of the agency expressed in the traders’ acts of petitioning the government and airing their discontent during the hearings, their reservations about the ‘fictional expectations’ of planners and city authorities did not stop the latter from following through with their plans. The only concession the traders were ultimately able to wrest from the city was the promise that the rent-free period for their stalls in the new market would be extended from 10 years to 12, although they had bargained for 15. In September 2014, the traders were relocated to the temporary market on the banks of the Red River.

The case of the Lào Cai central market is illustrative of the “struggles over imagined futures” (Beckert 2016: 276) that are as much intrinsic to neoliberal urban planning as they are central to the dynamics of capitalism more generally. Whereas the outcomes of such struggles may largely be predetermined by the developmental ambitions of political elites and local state authorities, the ultimate success (or failure) of urban redevelopment projects very much depends on the authorities’ ability to transform the disenchantment of citizens with top-down neoliberal planning into a sense of “infrastructural hope” (Reeves 2016) that the fulfilment of all promises for an even brighter future is within everyone’s reach. After all, state policies and the communication of them to the public play a critical role in creating confidence in national narratives of progress and state-led development (Beckert 2016: 82). Such confidence may well mask the sense of betrayal sparked by urban development interventions, the outcomes of which, for better or worse, remain stubbornly contingent and unpredictable.
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