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

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Abstract

In recent years, Vietnam has intensified programs aimed at building “civilized, rich, and beautiful” cities. The modernization of urban markets forms part of these efforts. This essay 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. In this paper, I critically examine the argumentation strategies employed by both traders and government officials during several formal hearings held in 2014. I argue that rather than arriving at a solution that satisfied the traders’ concerns, the dispute between market traders and state officials ultimately reinforced some of the hegemonic terms in which the marketization and urbanization of Vietnam’s borderlands take place. [Vietnam; Lào Cai City; Market Redevelopment; Urbanization; Protests].

Introduction

When I started research in the Vietnamese border city of Lào Cai in October 2010, the central market was buzzing with rumors about the local government’s plan to rebuild building A (Figure 1). To that end the market management was looking for an investor. Many of the stallholders I talked to expressed mixed feelings about the market upgrade project. On one hand, they said they would appreciate more spacious stalls, additional storage facilities, and a cleaner and more modern marketplace. On the other, they worried not only about the time they would have to spend in a temporary location during construction, but also about reduced profits in the new market due to additional competitors. During my second stay in the field in the fall of 2012, uncertainty over the market’s future still loomed large.

“How do you feel about the plans for constructing a new market?” I asked Mr. Hưng, who traded in household electronics.

“What do we know about the state’s policy, they do whatever they see fit,” 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. They just proceed with their plans. They will hold meetings and announce their decisions by loudspeaker, that’s how we will learn the news.”

Indeed, this was what happened a year and a half later. In April 2014, the Lào Cai City People’s Committee officially announced to the 363 traders of building A that their market was going to be demolished and rebuilt. The new market was planned as a three-story urban indoor market combining modern architectural design with a traditional stall layout. The bad news was that the traders were expected to contribute to the construction costs by paying a sum of VND 240–290 million (around USD 11,500–13,800), which would be set off against the stall rent for the next ten years. In effect, this meant an almost four-fold increase of their monthly stall rental fees. The traders’ anger over the administrative decision to burden them with such high costs sparked numerous acts of collective resistance in the form of protests, petitions to government agencies, and letters to various newspapers known for their investigative reporting.

Scholars have long been interested in the social impacts of urban development in cities of the Global North and South. In Vietnam, recent large-scale urbanization and urban upgrading projects have displaced many people from their homes and land and “left a path of extraordinary destruction in [their] wake” (Harms 2016, 5; Labbé 2015, 500). The

Figure 1. 2012. Celebrating postwar urban reconstruction on Lào Cai’s twentieth anniversary as provincial capital. The city regained this status in 1992. (Photo: Kirsten W. Endres.) [This figure appears in color in the online issue.]
new urban zones (*khu đô thị mới*) and multistory apartment blocks that emerged from the rubble of previous buildings have become emblematic of new, class-based forms of spatial segregation and inequality. But for those who can afford their luxuries and comfort, as Erik Harms has so cogently shown, these “master-planned housing and commercial developments” also “symbolize the exciting potential of remaking the city” (2016, 4). In the northern uplands, urbanization policies may perhaps not have been as destructive and segregating as in Vietnam’s biggest metropolises. But they may nevertheless be said to contribute to remaking—both the city and the border region.

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 (Larkin 2013). But the—often elusive—promises of planning do not always convince their intended beneficiaries, who may well be aware that “One person’s benevolent infrastructure can be another person’s burdensome barrier” (Howe et al. 2016, 556). In *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 amongst actors about how the future will develop. These expectations then guide and coordinate (economic) decision-making processes. But what if citizens feel that the future imaginaries of planners aggravate their economic uncertainty? In Lào Cai City, planners and government 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, meanwhile, are doubtful that the high investment required from them for the sake of city beautification will work to their advantage, even if they align their own ambitions as modern, economic subjects with the state’s larger vision of urban development in Vietnam’s upland border region.

This article examines the arguments and narratives through which traders and state officials construct their future imaginaries. In the first part, I outline Vietnam’s most recent planning assemblages, including current marketplace policies. Such assemblages can “[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 the city’s special location on the Vietnam-China border and its envisaged role as a trade and tourism hub on the Kunming-Haiphong economic corridor (Chan 2013; Mellac 2014).

In the second and third parts, I focus on the protests and negotiations following the official announcement of the market reconstruction
plans. In particular, I analyze 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 accelerate urbanization and urban renewal. As 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 vivid insight into the nature of disagreement over neoliberal urban planning policies in upland Vietnam. As I will demonstrate, the traders’ sense of betrayal over the local government’s decision to rebuild the market was sparked not because their ambitions and visions of the future markedly differed from those of the state. As entrepreneurial subjects who seek to maximize their profits, minimize their costs, and enhance the value of their assets, the traders actually shared many of the state’s ideals regarding market-based urban development and beautification. What they disagreed with were the terms they were given in this marketization process, which here took the material form of a new market building. Yet rather than finding a solution that satisfied their concerns, the dispute between traders and state officials ultimately reinforced some of the hegemonic terms in which the marketization and urbanization of Vietnam’s borderlands take place.

Marketplace Policies and National Development

Marketplace development policies are part of complex infrastructural planning assemblages aimed at national development. Since the early 2000s, Vietnam’s central government has initiated several policies aimed at reorganizing, standardizing, and modernizing the nationwide network of marketplaces and market halls (Chính Phủ 2003). To secure the funding required to achieve the government’s objectives, the Ministry of Industry and Commerce called for additional private investment into local market renovation and upgrading (Bộ Công Thương 2007). Then, in order to elaborate and implement these central directives, provincial and city People’s Committees were required to formulate their own marketplace development projects as an integral part of their local-level development strategies.

The results of market redevelopment activities so far paint a highly uneven picture: in the capital of Hanoi, 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 centers. Between 2010 and 2013, more than two hundred small and informal markets were closed down (Daniel et al. 2015). In addition to that,
a number of long-standing public retail markets were demolished and rebuilt as multistory trade centers by private sector contractors (Endres 2014a; Hüwelmeier 2018). In the Red River Delta village of Ninh Hiệp, conversely, the construction of two new privately owned commercial centers (trung tâm thương mại) offered many families an uncertain yet welcome opportunity to expand their textile trading (Horat 2017).

In Vietnam’s multiethnic northern uplands, market redevelopment has played out differently in different places. In past decades, upland development policies and state investment in rural infrastructure gradually reduced the “friction of terrain” that had long prevented the central state from extending its reach into the mountainous landscape of northern Vietnam (Turner, Bonnin, and Michaud 2015, 47). Yet the government’s ambition to accelerate economic integration through the construction of modern, fixed marketplaces did not always have the desired effect. Many of these newly built structures have been “left fallow” (bỏ hoang) or were appropriated for other, noncommercial purposes by the local people because planners and builders failed to pay sufficient attention to local needs and conditions (Bonnin 2018; Bonnin and Turner 2014). Another attempt at upland economic integration was the designation of several long-established periodic markets of ethnic groups as “cultural markets” (chợ văn hóa) and their “development” as tourist sites (Taylor and Jonsson 2002). In contrast to these rural periodic markets where ethnic minorities make up the bulk of traders, the daily markets in upland urban areas have come to be overwhelmingly dominated by Kinh lowlanders. This is also the case in Lào Cai City, where the stallholders of the state-run central market staged fierce protests against the exorbitant costs imposed by the local government to finance the construction of a modern market building.

Government attention to nationwide urban development, like its attention to marketplace development, is relatively recent in Vietnam. Despite various government attempts at socialist urbanization and urban planning, according to Smith and Scarpaci (2000, 748), “there is little evidence prior to doi moi of a comprehensive policy toward urbanization, its role in development, and the management and planning of individual cities.” Since the adoption of the Đổi mới (“renovation”) reforms in the mid-1980s, which introduced free-market incentives into top-down government planning, this has clearly changed. Recent government policies explicitly aim at upgrading Vietnam’s urban system and fostering “a more even distribution of economic growth and urban development” beyond the two major metropolises, Hanoi and Ho Chi Minh City (World Bank 2011, 3). Along with these urban policies, the government adopted “new modes of urban planning and urban management rooted in moral and rational discourses of safety, value, beauty, and quality” (Schwenkel 2012, 441) that aim at civilizing the city (and its residents) and implementing a modernist vision of urban order and cleanliness.
In 2001, Vietnam introduced a hierarchical classification system for cities (updated in 2009 and 2011) to implement these policies administratively. This classification system is defined by several criteria, including urban infrastructure 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. Urban development policies encourage these municipalities to upgrade their classification by improving their socioeconomic conditions, expanding in size and population, and upgrading their services and infrastructure. Higher grade cities not only enjoy 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 become “a major preoccupation of local government authorities.” Because of this ambition, small- and medium-sized cities such as Lào Cai have seen increased investment, growth, and redevelopment in the past two decades—even if many prestigious infrastructure projects primarily aim at meeting the criteria of the next higher classification level rather than at responding to more immediate needs of the urban population (Coulthart, Quang, and Sharpe 2006).

Like other Vietnamese cities (Schwenkel 2012, 446), Lào Cai’s history is marked by repeated episodes of urban destruction and renewal. During the brief but violent border war with China in February 1979, Lào Cai was shelled and razed to the ground. 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, Bonnin, and Michaud 2015, 35–36). In the years that followed, Lào Cai became one huge construction site (BCHĐB 2000, 241–242). The Lào Cai of the future was imagined as a vibrant “political, economic, cultural, commercial and tourist center” (BCHĐB 2000, 221) and an important gateway on the northern border of Vietnam.

Official development assistance (ODA) and foreign direct investment (FDI) flows contributed to socioeconomic and infrastructure development. Upon its merger with the district-level town of Cam Đường in 2002, Lào Cai’s rank was upgraded to a grade 3 provincial city. 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. Private investment resulted in the mushrooming of multistory hotels, shopping malls, and entertainment facilities. In light of all this urban magnificence, the Lào Cai central market, once hailed as “an important step toward realizing a diversified economic development, meeting the hopes and expectations of the people” (Báo Lào Cai 1996), soon looked decrepit and outdated.

As mentioned above, Kinh migrants from various lowland provinces constitute the vast majority of Lào Cai’s urban population. During the 1960s and 1970s, when the central government mobilized millions of lowland farmers to participate in the economic development of the northern
and central highlands, some 180,000 Kinh settlers moved to the area (Phạm Khắc Xương 2007, 140). Although primarily aimed at “helping” the highlands and ethnic minorities to “catch up” with the economic standards of the lowlands, these state-sponsored resettlement programs also “intended to secure the borders of the Vietnamese nation with Việt [Kinh] people” (Hardy 2003, 284). Currently, these efforts find continuation in the fast pace of upland urbanization. Lào Cai’s 2016–2020 urban development plan envisages an increased focus on investment in urban network infrastructure and upgrading the province’s urban centers with the aim of achieving an average annual urbanization rate growth of 1.5 percent (UBND Tỉnh Lào Cai 2016). Together with other economic development pursuits, such as the expansion and promotion of the tourism sector, upland urbanization and market redevelopment propels the “enclosure” of the border region in the state’s integrationist project to a new level (Michaud and Turner 2016, 2017; cf. Scott 1998).

Today, Lào Cai’s provincial capital has approximately 120,000 inhabitants. Its overall economic growth rate reached 16.48 percent in 2015 (compared to a nationwide annual growth average of 6.16 percent from 2000 to 2016), with a per capita income estimated at VND 59.8 million (currently around USD 2,600, exceeding the national average by 23.5 percent [Phạm Đức 2015]). The government’s effort to meet the challenges of this rapid urbanization process is apparent in the many street posters and banners featuring visionary slogans aimed at “building civilized, rich and beautiful cities” (xây dựng thành phố văn minh, giàu đẹp) and promoting urban civility (Figure 2). These slogans are meant to inspire the “will to improve” (Li 2007), not only for the sake of better material conditions and quality of life, but also the city’s beauty and the civility of urban society.

Traders versus the State

In 2010, 363 licensed vendors were registered as stallholders in building A of the Lào Cai central market. The market area was more or less clearly divided into different sections categorized by the type of goods sold. The ground floor housed sections for household electronics, Vietnamese wooden handicrafts, traditional medicinal herbs, mobile phones, children’s toys, and souvenirs. The upper floor was occupied by 130 stalls trading in various textiles and garments. The daily bustle of buying and selling was administered by a market management board (ban quản lý chợ) operating under the authority of the municipal People’s Committee. Due to the combined effects of Vietnam’s harsh climate, low-quality materials used in postwar construction, and lack of maintenance, the T-shaped building A already looked dated and weathered only fourteen years after its 1996 inauguration (Figure 3). In December 2013, the Provincial People’s Committee decided to continue its plan to
reconstruct building A with additional space for over one hundred vendors. Its efforts to mobilize private investment funds for the construction of a new market building were unsuccessful, however. Without funding, the project could not proceed as planned in time for Lào Cai’s envisioned upgrade to grade 2 status.

The solution adopted was to impose the costs of the new building on the traders. To retain their guaranteed space in the new market, the stallholders were asked to contribute VND 190–240 million each (USD 9,000–11,500), and in return they would be exempt from paying stall use fees for a ten-year period. The 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, Hocquard, and Pain 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 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.
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 period (one year in Lào Cai). The reality, however, is more complicated. First, traders may contribute capital toward 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 demand exceeds stall availability in a newly constructed market. Many vendors have thus invested large sums into bidding for a stall use right. This right is transferable; vendors can “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. While the co-funding of state-owned markets through trader contributions is thus a long-established practice in Vietnam, the amount required in this case 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 of several days, and entered into intense negotiations with local government representatives.7

In a nutshell, the traders’ discontent boiled down to a plea for reducing the burden of the imposed costs. At the first official hearing between officials and trader representatives in May, the original amount of VND 240–290 million (USD 11,500–13,800) per trader had already been reduced to VND 190–240 million (USD 9,000–11,500), depending on which floor their stalls were located. But the traders felt the reduced
amount was still beyond their means. Although they did not challenge the hegemonic national ideals of modernization and progress that drive marketplace redevelopment, the traders felt hard-pressed (bức xúc) and angered by the city administration’s top-down approach in pushing through with them. During the hearings, the traders expressed their hopes and anxieties about the future by employing (roughly) three different strategies of argumentation that I elaborate on below: pleading for consideration of their economic circumstances, questioning the local government, and demanding “rule of law” and citizen rights.

Pleading for consideration

The market traders I met were commonly reluctant to state their monthly income. On average, their profits ranged from VND 6 to 17 million (USD 280–800) per month, depending on the type of goods, stall location, and seasonal conditions. The sum of VND 190–240 million was therefore felt by many to be well beyond their means. However, 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; 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).

Lately, market traders felt that their businesses were no longer as profitable as in the past, when there were fewer competitors and consumer choices. “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 is you don’t smuggle or do bad things, [profits are] only enough for food and basics.” 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 and pleaded with the officials to find funding to help “eradicate hunger and reduce poverty” (xóa đói giảm nghèo). This phrasing echoes the national poverty reduction program that targets Vietnam’s poorest populations, particularly in mountainous and ethnic minority areas, and indicates the traders’ familiarity with national development policies. “Our market is located in a mountainous border area,” the woman 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 10 to 30 percent of
traders are very rich,” said one, “but their wealth is not from market trade alone. They must have one foot inside and one foot outside [the market]; only by doing many different jobs they can get rich” (hearing, June 6, 2014).

Generally, the wealth generated from trade was unevenly distributed across the different sections of the market. Most traders on the ground floor were able to make a decent living, whereas the textile vendors on the upper floor faced more competition for fewer customers. During one hearing, a male section head invited the officials to come to the market so they would see for themselves why the contribution was simply too high. “Some traders on the upper floor cannot sell one thing in five days,” he said (hearing, May 6, 2014). “On the ground 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 (USD 9,500) would be devastating. “How long would it take us to pay back the principal?” he asked. “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” with the overall goal of “ensuring social security and stable livelihoods” (Bộ Công Thương 2015). Although rural markets are part of the agenda, these policies are intricately linked with the government’s accelerated urban development efforts. At the time of the market protests, the city leadership was preparing for Lào Cai’s elevation to a grade 2 city. The upgrading of the Lào Cai central market to a class 1 market was closely related to this effort. According to the three-tiered market classification system in place since 1996 and revised in 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. The traders were aware of the connection between market redevelopment policies and the province’s accelerated urbanization efforts 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 to 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 [officials] were not in close touch with the people, they did not understand our economic realities. (Male trader representative, hearing, June 6, 2014)
The same trader then criticized city officials for not considering the interests and financial means of the people before designing the project, and he questioned the sustainability of the market upgrade: “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 from financial institutions or other donors, but instead was forcing the traders to take out bank loans. One trader asked, “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 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 [favorable] 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. (Hearing, June 1, 2014)

This statement is revealing, not just for its critique of the local government’s effort to achieve market development through increased household indebtedness, but also for its invocation of the “socialist contract that promised essential social protections and services in recognition of [the people’s] contribution to the nation-state” (Schwenkel 2015, 207) that the traders felt was betrayed for the sake of enhanced bank profits. Not only were the traders well-informed about state policies and market mechanisms, but they also knew that the local government was expected to secure the people’s consent in fulfilling its task of provincial development. “If you don’t solve this issue in favor of the people,” one female trader argued during a particularly heated meeting, “then you are unable to ‘build the province’ … and we will petition the higher levels for a solution!” Almost threateningly, she continued, “You know well that you have to satisfy the people’s hearts, you have to be able to mobilize the strength of the people, 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 officials are expected to “seek majority popular approval for a number of activities, including public works that require contributions from residents” (Mattner 2004, 122). More generally, working in close contact with the people and acting with reason and sentiment are amongst the ideal attributes of a Vietnamese government official, and the latter are commonly faced with the need to balance policy implementation and rule application against popular conceptions of legitimate leadership (Malarney 1997; Koh 2006, 91–95; Gillespie 2007).
A general distrust toward 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 to the nine families whose houses would have to be moved to accommodate 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, i.e., the Law on Construction. “We are citizens of this socialist state, and we are tax-paying traders, legally recognized as such by the state,” one argued, “so when it comes to 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? Where are our interests?” During the 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!” (hearing, June 1, 2014).

The day after this tense discussion, the traders closed their stalls in protest and launched 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 several irregularities involving the unofficial sale of so-called “ghost spaces” by the market management board and demanded further investigations. When all their pleas for fair treatment at the local level had been rebuffed, a group of trader representatives went to Hanoi to protest in front of the Government Inspectorate. They had signed a petition complaining about 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.”
The Perspective of State Agents

The concern of local officials was twofold: maintaining order and stability while executing the project 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 permitted to voice their grievances and opinions during various meetings and hearings, officials dominated the speaking time. Besides giving detailed explanations concerning specific matters, their main argumentation strategies were: conveying their future imaginaries of developmental progress and long-term benefits, emphasizing paternalistic benevolence and the importance of consensus, and apologizing and pleading for popular support. While the officials remained steadfast in pushing their agenda, they managed to evoke a collective sense of mutual respect, responsibility, and necessary sacrifice.

Promising long-term benefits

First and foremost, state agents tried to contain the dispute by evoking a positive future imaginary of market-based economic development and promising future benefits once the temporary financial hardship had 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 completing the project.

City beautification is one thing, but even more important is that you will be successful under the new conditions. 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? (Hearing, May 6, 2014)

Thus, he continued, it was for the traders’ benefit that the city had decided to push through with its plans for the new market. But investment in 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 fulfills 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” (hearing, May 6, 2014).

In an article on resident evictions in Ho Chi Minh City, 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” (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 postwar 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 completed its mission, 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 fulfill 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 2 status for the city residents. It was certainly not, he stressed, linked to the government officials’ own career interests: “The elevation [to grade 2] 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” (hearing, June 6, 2014). These infrastructure improvements would be funded by the state, he added, which is how everyone would benefit. Moreover, as a further bonus to the traders, their land would most probably increase in value.

Socioeconomic development has been the most important way that the Vietnamese Communist Party has asserted its legitimacy since the Đổi mới reforms (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. 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 dút beo; indicating malnourishment), 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, to building a heroic city (thành phố anh hùng). (Hearing, June 6, 2014)

Having outlined the Party’s benevolent attitude toward the people and their well-being, the secretary expressed his incomprehension of the traders’ rebellion. “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, so why do they suddenly behave like this toward the Party secretary, toward the Party and the government? This is not nice!” (hearing, June 6, 2014). His explanation was that these good people had been influenced by what he called “agitators” (đối tượng 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, 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 too are 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!” 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 (thống nhất) about the construction of the new market,” the chairman of the City People’s Committee said toward the end of his speech on June 7, 2014. This narrative of shared interests and mutual consent, spiced with small yet biting reminders of the Party-state’s repressive potential tempered only by its kind-heartedness toward the people, primarily served the purpose of harnessing the traders’ discontent into a loyal appreciation of the local government’s benevolent intentions.

Pleading for popular support

The purpose 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. “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.

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. Above, I 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 neighbor 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 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 lần không dân cùng chịu, khó van lần dân liều cùng xong).

By quoting Vietnam's revolutionary leader and chief moral exemplar, he indicated that, whereas in the past, hardship and sacrifice had contributed to national defense and unity, the traders’ financial investment into the new market building would now contribute to the noble task of remaking the Vietnam-China border region into a hub of modern development and urban prosperity.

Conclusion

At the heart of the controversy over market redevelopment in Lào Cai City was a growing sense of betrayal amongst stallholders who felt that the terms they were given in the marketization process were too harsh and that the government should act more in the people’s interest in order to retain its political legitimacy. “Marketplaces
should be built with the aim of advancing culture and improving peoples’ lives,” a vendor of beauty products ranted when I asked her in December 2014 how she felt about the outcome of their struggle. “Yet what they do is build markets that make peoples’ lives more miserable.” Her concern was echoed by many others who worried that the market upgrade would accelerate ongoing 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. But the traders’ protests and 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 ten years to twelve, although they had bargained for fifteen years. In September 2014, the traders were relocated to the temporary market on the banks of the Red River, where they would remain until the new market building was ready for use in June 2016. Two months later, in October 2014, the Prime Minister recognized Lào Cai as a grade 2 city per decision 1975/QĐ-TTg.

The traders’ 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, be it in Lào Cai City,
in Hanoi, or elsewhere in the country (Leshkowich 2014). In line with
global trends over the past decades, the adoption of neoliberal practices
and strategies has proved a key mechanism for producing and organizing
self-reliant subjects whose “will to improve” (Li 2007) includes a will-
ingness to sacrifice for the collective good and national development.
This repurposing of socialist rhetoric to push neoliberal aims indicates
that socialism and neoliberalism may actually have more in common
than one might think. They share the idea that entrepreneurial individ-
uals, by pursuing their own interests, will stimulate economic growth and
political stability. The other side of the coin, however, is that responsi-
bility for implementing national visions of development—such as build-
ing a “new countryside” (Nguyen 2017) or “civilized, rich and beautiful
cities”—is increasingly being shifted to individuals, families, and local
communities. 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 (Figure 4). But despite their
failure to reach an agreement on the financial terms, both parties man-
aged to evoke each other as part of a collective whole characterized by
mutual sympathy and understanding. Paradoxically, then, their disagree-
ment ultimately also reinforced a sense of shared interest and commit-
tment to hegemonic visions of urban development in Vietnam’s northern
borderlands.

The case of the Lào Cai central market is, therefore, also illustra-
tive 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 ambi-
tions 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
2017) that the fulfillment of all promises for an even brighter future is
within everyone’s reach. After all, state policies and the communica-
tion 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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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. Much of my daily fieldwork routine consisted of observing the ebb and flow of trading activities and social interactions between market administration personnel and law enforcement officials. Data collection also involved a representative questionnaire survey amongst sixty stallholders, countless informal conversations, and sixteen in-depth ego-network interviews with traders, transporters, and intermediaries. Semi-structured interviews were conducted with seven officials at province and city levels, including two market managers.

The hearings were conducted on May 6, June 1, June 6, June 7, and September 24, 2014. Three 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 paper, 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.

In 2015, fifteen cities were listed as grade 1 provincial cities, and another three were administered by the central government (Haiphong, Danang, and Cần Thơ). Twenty-five cities were listed as grade 2, forty-two as grade 3, seventy-four as grade 4, and approximately 630 as grade 5. Only Hanoi and Ho Chi Minh City have “special city” status (Wang and Nguyen 2017).

The term civilized/civilization/civility (văn minh) entered Vietnam in the early 1900s. Its current usage in the urban context has been analyzed by Harms (2014).

Another 340 vendors were registered in building B, established in 2004. My research mainly concentrated on building A, though my general observations also included the more recent building.

Local government at the province, city, district, and commune (xã) or municipal ward (phường) level consists of a People’s Council, a People’s Committee, and branches of the Communist Party and its mass organizations. The People’s Committee is in charge of implementing state laws and regulations at the local level and manages everyday administrative and governmental affairs. It is accountable to the People’s Council at the same bureaucratic level and to the People’s Committee at the next higher level (Kerkvliet 2004, 4–7).

While some of these hearings were open to all traders, during others the traders were represented by the market’s twelve section heads. The
section heads are elected by the traders and act as intermediaries to the market management board. 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.

References


