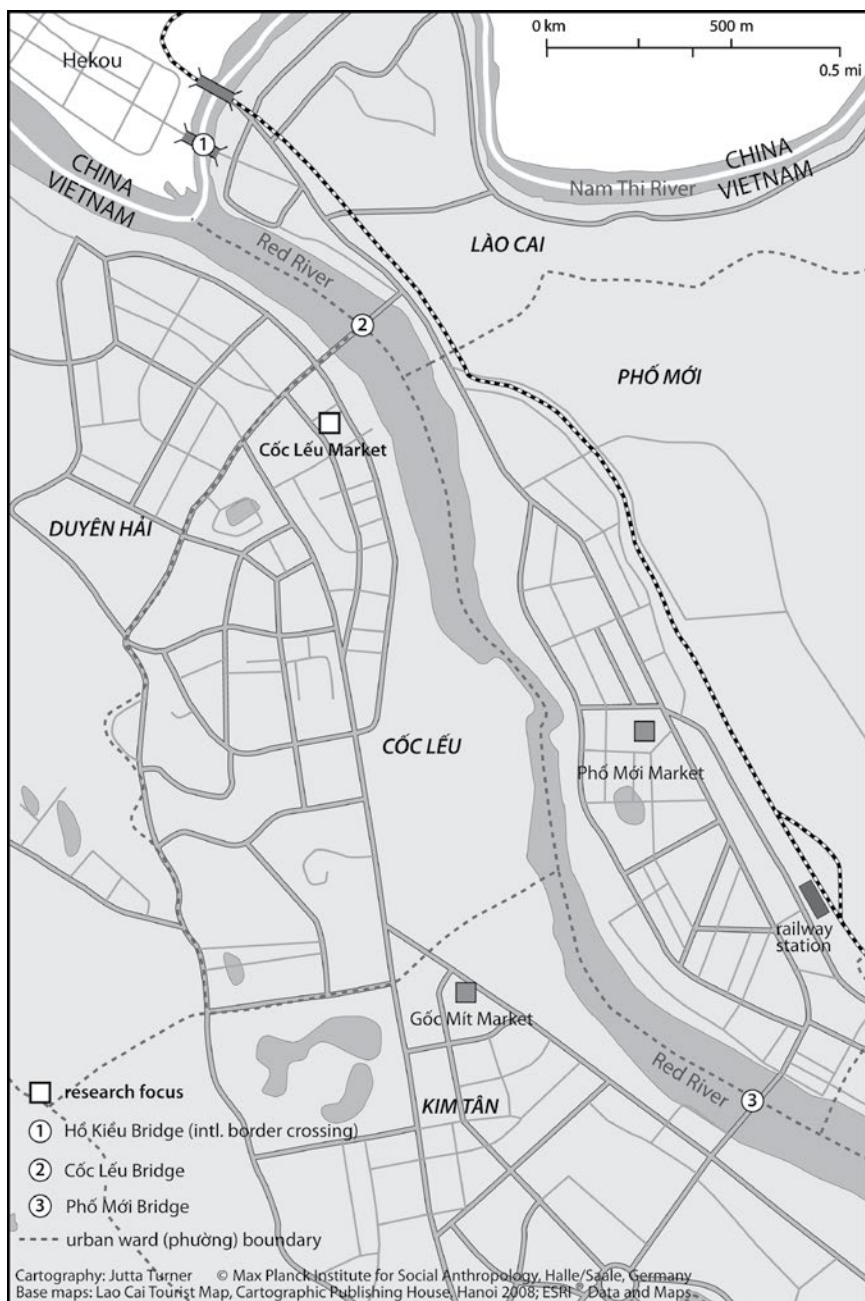




Partial map of Vietnam highlighting Lào Cai Province and the adjacent border cities of Lào Cai and Hekou (Yunnan Province, China).



Partial map of Lào Cai City indicating the location of Cốc Lếu Market and the international border crossing.



# Introduction

## *Market Frictions*

Hồ Kiều Bridge, Lào Cai City, 6:45 A.M. on an October day in 2010. Groups of well-dressed Chinese tourists with rolling suitcases gather in front of the impressive glass and granite-clad building marked as the Lào Cai International Border Gate Administration Center. They may have been on a leisure trip to Vietnam's capital, Hanoi, and taken the seven-hour night train to Lào Cai on their way back to China. A few meters away, a very different crowd waits for the border checkpoint to open. Scores of Vietnamese migrant porters and brokers stand closely packed together behind a makeshift metal fence that separates the spotless terracotta-tiled forecourt of the customs and immigration hall from the pathway for cargo imports and exports. Dressed in simple laborers' clothes and wearing conical hats (women) or olive green pith helmets (men), they patiently hold on to their heavy pack bikes and pushcarts.

Women of the Giáy ethnic minority arrive with large bamboo baskets strapped to their backs. Some men gather around the tea stand of a diminutive older woman, sipping the bitter brew from small glasses and taking deep puffs from a common bamboo water pipe. A Kinh (ethnic majority) street vendor peddles *bánh cuốn* (steamed rice flour crêpes) from her shoulder pole. Some moneychangers, most of them women, set up shop on the covered sidewalk and start counting thick wads of Vietnamese đồng and Chinese yuan. Three grim-faced border guards with batons in hand pace up and down to keep the pushing crowd in check. At seven o'clock sharp, the barrier will open and they will rush onto the bridge that spans the Nậm Thi (Nanxi) River to reach the town of Hekou in China.

Many of the Chinese goods these carriers and go-betweens bring back across the border end up on the shelves of the traders at Cốc Lếu Market, a large indoor public market in the heart of Lào Cai City. For these people, the border between Vietnam and China offers important economic opportunities that involve relations and exchanges between and among various types of actors, including vendors, customers, suppliers, brokers, and creditors, as well as market-control officials, tax collectors, and law enforcement authorities. This book is about the multifaceted dynamics that govern these relations and exchanges. It tells the story of a "traditional" Vietnamese marketplace (*chợ truyền thống*) and the traders who make a living by running their stalls there.

By using the word *traditional* I do not mean that markets are rooted in timeless principles and resistant to change. Marketplaces have always and everywhere been in perpetual flux and motion, defined by the movement of people and flow of goods from and between various places of production, distribution, and consumption (Agnew 1986: 23; see also Leshkowich and Endres 2018). For that reason, Cốc Lếu Market is “traditional” only in the sense that it dates back at least to the late nineteenth century, when the French established their outpost of Lào Cai (or Laokai, as it was then called) at the border between their newly declared protectorate of Tonkin and the southern periphery of the Qing empire.

Like other cities in the country, Lào Cai’s history is marked by repeated episodes of urban destruction and renewal (Schwenkel 2012: 446). This book therefore also tells the turbulent story of a Vietnamese border town characterized by rapid economic development under market socialism. In the past three decades, the number of urban residents increased sharply from roughly 6,000 (1991) to 110,000 (2016) as a result of internal migration and urban expansion. The special location of Lào Cai City on the Vietnam-China border—facing the Chinese town of Hekou, with its impressive skyline of modern high-rise buildings—and its envisaged role as a hub of trade and tourism on the Kunming-Haiphong economic corridor has required major investment in infrastructure improvements in the past two decades, as well as measures to enhance the city’s visual appearance vis-à-vis Vietnam’s powerful and prosperous neighbor, China (Mellac 2014). The government’s effort to control this rapid urbanization process, both planned and unplanned, is apparent in the many street posters and banners that feature visionary slogans aimed at building “civilized, beautiful, and rich cities” and promoting urban civility (*văn minh đô thị*).<sup>1</sup>

Such processes do not always unfold smoothly and evenly. My primary aim in this book is to examine the frictions that emerge from the interaction of global market forces, urban-planning policies, and small-scale trading activities. As sites not only of economic exchange but also of social interaction where networks are forged, identities are shaped, and power relations are negotiated, marketplaces are a particularly rich empirical domain for investigating how these frictions relate to historically specific social and cultural contexts and local ways of life. Anna Tsing uses the metaphor of “friction” in the context of global movements and encounters to highlight “the awkward, unequal, unstable, and creative qualities of interconnection across difference” (Tsing 2005: 4).

The frictions she describes are inherently productive: they create fresh opportunities, new forms of knowledge, and shifting arrangements of power, along with new kinds of uncertainty and enhanced conditions for capitalist exploitation and accumulation. The notion of friction is particularly relevant

to this study because it underscores that markets' diverse logics emerge out of complex interplays between global economic challenges and local market-society-state dynamics. The "market frictions" I examine here evolve from the traders' encounters of difference and Otherness on both sides of the border. They also arise when marketplace actors try to reconcile their "moral economies" with new or changing market and political-economic forces, or when their imaginaries of economic futures (Beckert 2016) contrast with those of planners and state officials.

## Approaching the Marketplace

Around the world, markets have evolved as complex social and economic institutions through which goods and services are distributed. They are places where people come together to engage in trading activities. They have existed for millennia, from ancient Greece and Rome to pre-Hispanic Mesoamerica (Hirth 1998). In medieval western Europe, the emergence of marketplaces was closely linked with local rulers' interests and involved increasing regulation of market locations and times of access, quality and measurement standards, prices, and common rules of fairness (Hilton 1985; J. Davis 2012).

Between the twelfth and fourteenth centuries, markets' and market towns' rapid expansion across Europe was complemented by a growing number of annual fairs as outlets for surplus agricultural produce or imported luxury goods. As nodes of local, regional, or long-distance trade, markets were important drivers, and beneficiaries, of urban and commercial growth (Braudel 2002 [1982]). Similar processes also took place elsewhere around the world and contributed to the reconfiguration of spatial relations and infrastructure networks that facilitate the flow and distribution of goods from suppliers to consumers. But in various times, places, and political contexts, market growth also generated frictions that led to heated disputes over the institutionalization and control of marketplaces, taxes, the use of public space, and, more generally, the impact of changing relations of production and exchange (Dilley 1992).

Although anthropological studies approach markets from different theoretical and empirical angles, they agree that global processes of market integration articulate with and are shaped by historically specific social-cultural contexts and local ways of life. Market capitalism's ongoing globalization has reinvigorated interdisciplinary interest in the works of Polanyi, whose "substantivist approach" in *The Great Transformation* (1944) provided the original inspiration for conceptualizing indigenous, subsistence-oriented economies as embedded in a wide range of nonmarket institutions (Hann and Hart 2009). In the 1960s and 1970s Polanyiites thought of embeddedness

as a feature of premarket or precapitalist societies, whereas modernization was considered to extricate markets from social relations. However, current perspectives in economic anthropology do not see embeddedness as a distinguishing feature between “premodern” and “modern” economies. Instead they emphasize that all economies are inextricably intertwined with social structures, norms, and power relations (Hann and Hart 2011).

While little is known about the history of public markets in Vietnam, the available sources indicate that the imperial state exerted increasing control over rural trade from the eleventh century until the establishment of French colonial rule in the mid-nineteenth century (Yvon-Tran 2002). Stone inscriptions found in various villages across the Red River Delta suggest that rural marketplaces were tightly regulated economic spaces where power relations were played out. Conflicts arose, for example, over the territorial control of marketplaces, the market’s monthly schedule, the fiscal obligations of traders, and the right to collect taxes. Although some markets operated for several centuries, others eventually disappeared because of their unfavorable location, lack of goods, or infrastructural developments that changed the routes of goods transportation (Nguyen Duc Nghinh 1993). By constructing “hygienic” market halls, the French colonizers aimed to “civilize the urban landscape” (Abrami 2002: 110) and modernize indigenous Kinh commercial activity. The most famous French-built market halls are of course Đồng Xuân Market in Hanoi (1889) and Bến Thành Market in Saigon (1914), but covered market halls were also introduced in small towns throughout the country. Urban petty trade flourished throughout the colonial period. William Turley notes that in Hanoi, toward the end of French rule in 1954, “about 40,000 market stallkeepers, shop owners, peddlers and sidewalk hawkers served the metropolitan area of 400,000, and one family in every two made its living from trade” (1975: 373).

Vendors in public markets were encouraged to join cooperative trading groups (*tổ hợp tác*) and marketing cooperatives (*hợp tác xã mua bán*) during the socialist transformation (Abrami 2002: 140; Leshkowich 2014a: 139–41). The legal and ideological underpinnings of central planning severely restricted private economic activity, but it was never completely eliminated. In fact, its prohibition had the opposite effect. Regina Abrami notes, “Central state attempts to control illegal trade in Vietnam only brought further protection from local commune officials and enhanced synergy and integration of the public and private economies” (2002: 416). Whether unplanned fence-breaking activities “from below” or unorthodox ad hoc measures “from above,” such everyday politics of economic subversion became a major trigger of the economic reforms inaugurated in 1986 (Kerkvliet 2005). Small-scale and marketplace-based trade experienced an unprecedented surge in growth throughout the reform period as a channel for consumer goods’ distribution

and a means of (additional) income, as well as a source of economic creativity, flexibility, and maneuvering. Although the state (at least initially) invested in the refurbishing of preexisting market buildings and constructing new ones, it continued to view market vendors as “objects of ambivalence who, in contrast to modern entrepreneurs or businesspeople (*doanh nhân* or *thương gia*), are critiqued as backward, uneducated vestiges of tradition, unable to contribute to economic development” (Leshkovich 2011: 278; see also Leshkovich and Endres 2018).

In the current, globalized world, markets no longer seem to be tied to a certain place: they are “nowhere in particular and everywhere at once” (Bestor 2001: 76). The rise of industrial capitalism and modern market economies has effectively changed the meaning of the word *market* from its original notion of a particular *marketplace* into an abstract idea. This does not mean that actual physical marketplaces no longer exist. But they have been on the move, in both a literal and a figurative sense (Leshkovich and Endres 2018).

As Kalman Applbaum aptly notes, “Marketplace relocation, reconfiguration and, ultimately, trade concentration illuminate a part of the trajectory of the convergence of marketplaces and market principle” (2005: 276). This is apparent in Vietnam’s recent enforcement of market (re)development policies as part of complex infrastructural planning assemblages aimed at national development. In the words of Simone Abram and Gise Wieszkalnys, the central aims of such assemblages “include assumptions of a possible or idealized congruence between architectural and built form and the social order; attempted mediation between public and private interests and powers; [as well as] efforts to improve forms of spatial control and regulation, with all their intended and unintended consequences” (2013: 8).

## Market Redevelopment

Vietnam’s central government promulgated its first detailed decree on the development and management of marketplaces in January 2003 (Chính Phủ 2003). Since then, the relevant ministries (Industry and Commerce; Planning and Investment; and Finance) have enacted various decisions and regulations on distribution network planning; investment in the construction, repair, and upgrading of marketplaces; and general market management. In line with these centrally issued policies, the provincial and municipal people’s committees subsequently launched their own market development projects (*quy hoạch phát triển chợ*) as part of their local development strategy. These policies created a broader classificatory movement in which different kinds of markets—and people and their economic activities within them—became a proper concern of the government “at all levels” as part of a nationwide

marketplace network (*mạng lưới chợ*) needing to be developed “in a civilized, modern direction” (Bộ Công Thương 2015).

In 2007 the Ministry of Industry and Commerce approved a first master plan for the year 2020 that targeted a total of 914 markets throughout the country for “development.” It included 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 US\$942 million (VNĐ15,267 billion) would be required to achieve the plan’s objectives of developing 157 agricultural wholesale markets (35 would 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, 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*).<sup>2</sup> To secure the funding required to achieve the plan’s objectives, the ministry called for additional private investment in local market renovation and upgrading.

The results of market redevelopment activities so far paint a highly uneven picture. In the capital, Hanoi, the spread of modern department stores and luxury malls has spurred the gentrification of traditional markets and displaced small-scale traders from city centers (Nguyễn Thị Thanh Bình 2018). Between 2010 and 2013, the municipal government closed more than two hundred small and informal markets (Daniel et al. 2015).<sup>3</sup> Private sector contractors demolished a number of long-standing public retail markets and rebuilt them as multistory trade centers. The vendors of two such markets—Hàng Da Market and Mơ Market—were relocated to the basement of these new buildings. Many market vendors, after years of struggling for economic survival in temporary markets awaiting relocation, now suffer the consequences of higher monthly fees, inadequate spatial conditions, and the loss of customers (Endres 2014a; Hüwelmeier 2018a). In the Red River Delta village of Ninh Hiệp, by contrast, the construction of two new privately owned commercial centers (*trung tâm thương mại*) combining modern architectural design with a traditional stall layout offered many families an uncertain yet highly welcome opportunity to expand their textile-trading businesses. On the downside, the village economy’s growing marketization and privatization have increased competition and social inequality among Ninh Hiệp traders (Horat 2017).

In the multiethnic space of Vietnam’s northern uplands, market redevelopment has played out differently in different places. In the past decades, upland development policies and state investment in rural infrastructure gradually reduced the “friction of terrain” (Scott 2009; see also Turner, Bonnin, and Michaud 2015: 47) that had long prevented the central state from extending its reach into the rugged mountainous landscape of upland northern Vietnam.



Yet the government's ambition to accelerate economic integration by constructing modern, fixed markets did not always have the desired effect. Many of these newly built market 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; Trần Hữu Sơn 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 where reifications of ethnic culture are sold, bought, and consumed (Michaud and Turner 2006; N. 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 (Bonnin 2018).<sup>4</sup> This is also the case in Lào Cai City, where the stall holders of state-run Cốc Lều Market staged fierce protests against the "sky-high" costs that the local government imposed on them to finance the construction of a modern market building, even if their ambitions as modern, economic subjects are much in line with the state's larger vision of urban development in Vietnam's uplands.

## Urbanizing the Margins

Like market redevelopment, government attention to nationwide urban development is a rather recent phenomenon in Vietnam. In the pre-*Đổi mới* era, the socialist North experienced a particularly slow rate of urban growth. There were many reasons for this, including a strong emphasis on rural (agricultural) development; scarcities and shortages in the urban industrial sector; the effects of the Vietnam War (especially the destruction caused by the US bombing of North Vietnamese cities); and the economic crisis in the postwar years leading up to the *Đổi mới* policy reforms (Forbes 1996; Thrift and Forbes 1986). Despite various government attempts at socialist urbanization and urban planning (Schwenkel 2012), David W. Smith and Joseph Scarpaci claim, "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" (2000: 748). Since the adoption of the *Đổi mới* reforms in the mid-1980s, this has clearly changed. Recent government policies are explicitly aimed 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 has 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 (Leshkovich 2005: 199; Schwenkel 2012: 441).

In 2001, Vietnam adopted a hierarchical classification system for cities (updated in 2009 and 2011) to implement these policies administratively. This system is 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.<sup>5</sup> Urban development policies encourage these municipalities to strive toward upgrading their classification by improving their socioeconomic conditions, expanding in size and population, and upgrading their services and infrastructure. Higher-grade cities enjoy a higher administrative status and greater access to and control over financial resources. Coulthart, Quang, and Sharpe say this explains why securing a city’s promotion to the next grade has become “a major preoccupation of local government authorities” (2006: 4). As a consequence 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, including new public market buildings, primarily aim at meeting the criteria of the next higher classification level rather than responding to the urban population’s more immediate needs. Such projects offer rich profit opportunities for elite actors, as Brian Larkin has pointed out with reference to the work of Achille Mbembe (2001), which is why in many cases “the function of awarding infrastructural projects has far more to do with gaining access to government contracts and rewarding patron-client networks than it has to do with their technical function” (Larkin 2013: 334; see also Bonnin 2018).

Large-scale urbanization and urban upgrading projects in Vietnam’s North and South have displaced many people from their homes and land and “left a path of extraordinary destruction in [their] wake” (Harms 2016: 5; see also Labbé 2015: 500). The 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, and perhaps even rethinking urban governance and reconstructing social life” (2016: 4). In the northern uplands, urbanization policies may not have been as destructive and segregating as in Vietnam’s biggest metropolises. But they nevertheless contribute to remaking—both the city and the border region.

Lào Cai is an ethnically diverse border province in the northern highlands where minorities account for 64 percent of the population. These highlands are part of the region that Willem van Schendel and James Scott famously called “Zomia” (van Schendel 2002; Scott 2009), a region whose residents tend to “avoid the intensity of the state’s gaze” (Turner 2010: 287) and “negotiate the borderline in the way that they best see fit, be it overtly or covertly, to meet and trade” (ibid.: 284). The Hmong (22 percent), Tày (15.8 percent) and Yao ([Dao] 14.5 percent) are the largest ethnic groups in the province, while Kinh lowlanders have come to represent 35.9 percent of the population (Bonnin 2018).

While ethnic minority groups mainly inhabit the mountainous and rural areas, these Kinh migrants from various lowland provinces constitute the vast majority of the urban population in the province. Its capital, Lào Cai City, has been dominated by Kinh lowlanders since the French colonial period (see chapter 1). 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. 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; see also MacLean 2008a).

In the current era, these efforts continue in the fast pace of urbanization in the uplands. 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 to achieve an average annual urbanization rate growth of 1.5 percent (UBND Tỉnh Lào Cai 2016). Together with other economic development pursuits, such as expanding and promoting the tourism sector, upland urbanization propels the “enclosure” of the border region into the Vietnamese state’s integrationist project to a new level (Michaud and Turner 2016, 2017; Scott 1998). Although this state project has had wide-ranging impacts on ethnic minority communities and their livelihoods (see, for example, Bonnin 2011; Schoenberger and Turner 2008; Turner et al. 2015), this book focuses exclusively on the Kinh migrant settlers who represent the vast majority of Lào Cai’s urban population and dominate marketplace-based trade in the city’s major markets.

## Sites and Methods

I chose Cốc Lếu Market as my primary field site because of its role as a bustling commercial hub that caters to the everyday needs of local residents

(like most other markets in town do). It is also patronized by ethnic minority shoppers from upland communities, Vietnamese travelers, and Chinese tourists. My initial aim was to inquire into vendors' webs of social relations and support networks, and the sentiments intrinsic to them. Being aware that cross-border trade inevitably involves various means and skills to circumvent the restrictions imposed on it, I was prepared to hear not only about ways of fostering trustful relations with trading partners and customers but also about bribes paid to customs officers, support from patronage, and the exchange of gifts for favors to secure advantages in the market environment. The outright issue of corruption, a topic that I turn to in chapter 4, was not part of my official research agenda—it would have raised concerns for people, especially since the mere presence of a foreign anthropologist in town already posed a potential threat to border security.

Without a host institute that processes the research visa application, it is not legally possible to carry out fieldwork in Vietnam. Obtaining the visa, however, is only the first step. The procedure to seek permission for research in contemporary Vietnam is aptly described by Bonnin as involving moves “down an administrative hierarchy, with authorizations required first at the central state level and then, subsequently, at provincial, district and commune levels” (2010: 181). Each level may approve or decline the researcher's application, although good relations (based on patron-client, kinship, or friendship ties) between the researcher's host institute and the various administrative levels may work to smooth the process. Much depends on whether the research topic is regarded as touching upon sensitive issues or not. My official research permission was therefore limited to explore “cultural practices and social relationships in the context of economic transactions” at Lào Cai's largest marketplace, and this is where my Vietnamese assistant Tâm and I conducted the bulk of research from October 2010 to March 2011 and in August/September 2012.

Despite my careful explanation of the research purpose and assurances of confidentiality, some of the vendors treated us with suspicion during our first rounds through the market. Their reluctance was even stronger when we started to survey sixty-five randomly picked stall holders in all of the market's sections. Could I possibly be a foreign investor or working for one who needed these data for their impending eviction from the market? This concern preoccupied many vendors since the rumor had begun to spread that Cốc Lếu Market was going to be “upgraded” to become a modern, multistory “trade center” (*trung tâm thương mại*) in the not too distant future. The questions we posed were simple and straightforward: Since when had they been trading at the market? What were the main channels through which they received their goods? Who were their main customers? What importance did they attribute to various social relations in the market environment? While the

questionnaire-based investigation gave us an initial overview of the vendors' central concerns, it soon became apparent that the survey was at best a way to establish first contacts with potential key interlocutors willing to expose themselves to the anthropologist's curiosity.

Methodologically, this was not "easy" research. During peak hours and on busy days, vendors were inevitably busy attracting customers to their stalls and thus not very eager to focus on longer discussions with us. We therefore adopted a research habit of cruising around the market every day for several hours. Much of our daily routine consisted of "deep hanging out" (Geertz 1998) in the market's various sections, observing the ebb and flow of trading activities and social interactions with fellow vendors, market management staff, and state officials. We engaged in casual conversations and idle gossip with stall holders during the less busy hours and conducted longer narrative interviews with some of them in their homes in the evenings. Data on the stall holders' market-related social ties were obtained using actor-centered network cards and discussing them during in-depth follow-up interviews. To ensure confidentiality, none of these conversations were recorded. I thus do not refer to the transcription of recorded speech when I present the vendors' statements in quotation marks throughout this book, but to the detailed field notes taken after each encounter and my research assistant's priceless ability to render the narrations of our interlocutors very close to their original wording.

From time to time, we ventured to the border gate at Hồ Kiêu Bridge to watch the loading and unloading of goods, observe customs procedures, and chat, as inconspicuously as possible, with transporters and intermediaries who crossed the border on a regular basis, some even several times per day. In contrast to international airports where encounters between travelers and custom officials are more fleeting in nature (Chalfin 2008), Lào Cai border gate officials wield their power and authority in the much more intimate space of shared knowledge and practices that define "communities of complicity" (Steinmüller 2010). But the notion of "cultural intimacy" (Herzfeld 2005) does not account sufficiently for the sensitivities that determine Vietnamese state officials' cautious attitude toward foreign outsiders who they feared could tarnish the image of Vietnam by exposing its ugly sides. This includes the possibility of witnessing (as I did on several occasions) the rather common use of extralegal forms of law enforcement, such as harassment, intimidation, and sometimes even outright violence.

Occasionally, I took day trips to Hekou on the Chinese side (using a multiple-entry visa) to observe activities and meet the mobile Chinese cross-border traders with whom I had become acquainted at Cốc Lếu Market. I visited some of the shops where Vietnamese middlemen and -women obtained their wares and engaged in small talk with Chinese owners conversant in

Vietnamese. Informal conversations in Chinese were held with the help of Vietnamese colleagues fluent in the language. As the pages of my passport filled up with Vietnamese and Chinese exit and entry stamps, I gained insight into different cultures of commerce on either side of the border, an issue I discuss further in chapter 3. Described by Juan Zhang as “distinctly a place of ‘openness,’ a site of desire at the forefront of the experiment of liberalization, a space featuring both the *kaifang* [opening up] process and its spirit” (2011: 255), the Chinese town of Hekou appeared to have long surpassed Lào Cai City in terms of modern urban construction and development.

My research took a major turn in April 2014, when the Lào Cai municipal People’s Committee officially announced to the traders its plan to reconstruct Cốc Lếu Market. Whereas the old market had been built in 1996 using public funds, the city now had to mobilize private investment for the construction of a new market building. When efforts to this end proved unsuccessful, the local government decided to impose the costs of the new building on the traders. Each stall holder was expected to pay a total sum of VNĐ190–240 million each (around US\$9,000–11,500) that would be set off against the stall rent for the next ten years. The traders thought that this price was “way above the sky” (*giá trên trời*), closed down their stalls and went on strike.

During the following months, they submitted a total of nine petitions, requests, and denunciations to the municipal and provincial government. I followed the course of events through online media reports. When I returned to Lào Cai in December 2014 on my annual follow-up research visit, the old market had already been demolished and the traders had been moved to a temporary location. They remained there until the opening of the new market in June 2016. My inquiries about the protest proved difficult because the dust stirred up by the controversy between traders and city officials had already started to settle and nobody wanted to be held responsible. However, I was able to obtain recordings of various hearings held between May and September 2014, when traders were given the opportunity to voice their concerns to local state officials.

## Outline of the Book

This book begins with a brief history of how the town of Lào Cai developed from a trade outpost on the fringes of the Chinese and Vietnamese empires to a flourishing, growing city and important gateway to China’s southwestern provinces. To a large extent, its past is shrouded in hearsay, secrecy, and mysteries. Like other Vietnamese cities of historical importance, Lào Cai’s urban landscape constitutes “a ‘palimpsest’ of past forms superimposed upon each other” (Harvey 1992: 66; Schwenkel 2014). Yet unlike cities such as

Hanoi, Huế, or Đà Lạt, almost no material traces of previous epochs remain in Lào Cai. However, the absence of physical manifestations of the past should not blind us to the fact that a city's urban space also contains, as Kevin Lynch aptly notes, "crystallizations of meanings that will influence its future" (Busà 2010: 159; see also Lynch 1960). Chapter 1 is an attempt to pin down some of these crystallizations. Since compelling oral accounts of the town's history are hard to come by when the research focus is on contemporary small-scale traders who migrated or remigrated to Lào Cai predominantly after 1991, I had to hunt down the specters of Lào Cai's past elsewhere. Besides drawing from the meticulous archival studies of other scholars, I examine published sources from the colonial era to the years of socialist and post-border war (re) construction. As subsequent chapters will make apparent, Lào Cai's official narratives inform current improvement schemes and visions for the city's future development.

When I started fieldwork in 2010, a sense of imminent change was already in the air and contributed to a general climate of economic uncertainty. At Cốc Lếu Market, many stall holders complained that their businesses had become much less profitable than in previous years. The decline in sales prompted increased competition among the vendors and highlighted the "complicated" (*phức tạp*) nature of the marketplace. In chapter 2, I zoom in on this aspect to illuminate how Vietnamese markets are not only sites of economic exchange but also thriving social spaces teeming with friction-laden interactions. I take the reader on a virtual round through the market's various sections and introduce the market actors (stall holders, suppliers, middlemen, clients, bureaucrats) to show how both commercial and noncommercial exchanges require an artful balancing of potentially conflicting social obligations and economic interests. Because Vietnamese markets are dominated by female vendors and stall holders, I also discuss the gender-specific dimensions of marketplace-based trade and examine how vendors navigate their daily (and often problematic) lives and complicated relationships in the market.

In Vietnamese society, building relationships based on *tình cảm* (sentiment) are an essential part of being a moral person (Leshkovich 2014a). Many Vietnamese market traders perceive this highly valued and constitutive element of social relationships as lacking in Chinese business relations. The Chinese, conversely, tend to regard their Vietnamese trading partners as unreliable and deceitful, especially regarding the repayment of accrued debts. Cultural differences in entrepreneurial ethics and business practices thus often contribute to the construction of the cross-border Other as morally aberrant or inferior. In chapter 3, I examine how small-scale traders on both sides of the border build their perceptions of self and Other through a multitude of everyday encounters, economic exchanges, and cross-border pastimes. Their narratives reveal that "the art of neighboring" (Saxer and

Zhang 2017) evolves as a complex process that requires the careful management of multiple economic relationships and power asymmetries at the margins of the state. These narratives confirm that borderland identities and alterities emerge from “interconnection across difference” (Tsing 2005: 4; see also Tappe 2015) and take shape through the friction generated in the process.

Friction also occurs when goods cross the border, both legally and illegally. Anthropologists have analyzed the intricacies of illegal and semilegal flows of goods and people across national borders from a variety of perspectives: as an expression of resistance to states that fail to provide their citizens with sustainable employment opportunities (MacGaffey et al. 1991), as a subversive economy that imposes practical limits on the exercise of state power (Donnan and Wilson 1999), as a collaborative form of trade regulation governed by practical norms and mutual understanding between state agents and local traders (Titeca and de Herdt 2010; Walker 1999), or as a way for traders to challenge and reinterpret neoliberal logics of free trade to their own advantage (Galemba 2012).

Each of these perspectives offers a valid way of understanding the particularities of borderland economies and the wider social, moral, and political processes in which they are embedded. Chapter 4 takes a somewhat different perspective to take into account the systemic nature of corruption in the context of Vietnam’s socialist-oriented market economy. It details the illegal, semilegal, and informal flow of Chinese goods across the border and the ways in which Vietnamese small-scale traders perceive and legitimize their smuggling and selling of contraband. It shows that the “illegal” economic pursuits of Lào Cai small traders must be seen as deeply entrenched in the imperatives of systemic corruption through which local state officials feel invested with the discretionary power to grant exceptions to the law in exchange for bribes. Although local traders feel that bribery creates better profit opportunities, these arrangements ultimately trap the traders within a “gray space” of uncertainty that lingers between the “light” of free trade, economic opportunity, and self-advancement, and the “darkness” of illegality, corruption, and arbitrary exercise of power.

As inherently social constructs, markets and marketplace activities are inextricably bound up with issues of morality, an issue I turn to in chapter 5. The commercial principle of “buying cheap and selling dear” has been debated in moral terms since the days of Aristotle, and moral views about how things should be done, and for what purpose, inform notions of just prices, fair competition, and proper conduct of social relations in marketplaces around the world. In late imperial China, merchants were inculcated with Confucian values and taught to practice self-cultivation to suppress their selfish wants and harmonize the inherent tensions between righteousness



and profit (Lufrano 1997). In medieval Europe, Church doctrines and beliefs extolled the virtues of directing profits toward good causes and individual salvation.

Disputes and conflicts naturally arose when social, moral, or religious value systems clashed with the realities of life in the marketplace. Keeping peace and order was therefore an utmost concern of market authorities, and traders were required to adhere to the rules of proper commercial conduct that were established in the form of market laws to provide guidelines and restrictions for all kinds of activities in the marketplace (J. Davis 2012). Chapter 5 explores how moral norms, spiritual beliefs, and social obligations play out at Cốc Lếu Market and intermingle with state efforts to “civilize” the marketplace and promote urban civility.

In recent years, Vietnam has intensified programs aimed at building “civilized, beautiful, and rich” cities. The modernization of urban and periurban markets forms part of these efforts (see, for example, Horat 2017). Chapter 6 focuses on the contestations and negotiations surrounding the upgrading of Cốc Lếu Market. To retain their stall use rights in the future 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 at various levels of government. A number of irregularities involving the unofficial selling of so-called ghost spaces by the market management further added to their sense of betrayal.

This chapter critically examines the argumentative strategies employed by both traders and government officials during several formal meetings held in 2014. The analysis provides a rare glimpse into the discursive interaction between citizens and state agents in the context of Vietnam’s constant efforts to achieve its urbanization goals as a crucial condition for successful economic development. The frictions resulting from their “struggles over imagined futures” (Beckert 2016: 276) reveal that the traders were not so much opposed to state-led, market-based urban development in Vietnam’s borderlands as it may seem at first glance. Although they felt hard-pressed by the very terms they were given in that process—terms that cut into their financial resources and future profits—and contested the state’s top-down implementation of market renewal policies, the traders ultimately also demonstrated their “will to improve” along hegemonic developmentalist (and economist) lines (Harms 2012).

I conclude the book with an epilogue in which I describe some of the changes that have taken place since the traders moved into the new Cốc Lếu Market in June 2016. Their stories highlight both the transformation and the persistence of Vietnamese markets through the centuries.

## Notes

1. *Văn minh* (civility, civilization, civilized) is generally associated with ideas of progress and modern (urban) life and features most prominently in official campaigns aimed at promoting urban civility (*văn minh đô thị*), that is, moral discipline and proper behavior in the public sphere (Harms 2014, 2016).
2. In its assessment report preceding the new 2015 master plan (Bộ Công Thương 2015), the Ministry of Industry and Commerce admitted that these aims had been way too optimistic (Bộ Công Thương 2014: 64–70).
3. These markets are known as *chợ cóc* (toad market) because of their vulnerability to police attention and the vendors' fear of having goods confiscated, which requires them to be ready to "hop around" from place to place (Higgs 2003).
4. Upland periodic markets are usually held in sequence on different days of the week in order to not interfere with each other. Besides being supplied by local producers, these periodic market systems also provide opportunities for itinerant traders who move through the market circuit in regular patterns for sale of their wares. In the 1970s and 1980s, a number of anthropologists and economic geographers built on the concepts of central place theory to study the spatiotemporal organization of such regional marketing systems. The three-part article of G. William Skinner (1964/65) on periodic marketing systems in rural China was particularly influential. His macroregional perspective provides valuable insights into broader patterns and processes of spatial differentiation in economic systems that are often neglected in ethnographic accounts.
5. In 2015, fifteen cities were listed as grade 1 provincial cities, and another three are administered by the central government (Haiphong, Danang, and Cần Thơ). Twenty-five cities were listed as grade 2, 42 as grade 3, 74 as grade 4, and approximately 630 as grade 5 (Wang and Nguyen 2017). Only Hanoi and Ho Chi Minh City have "special city" status (*đô thị loại đặc biệt*).