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Traders, Markets, and the State in Vietnam: Anthropological Perspectives

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In the past two decades, marketplaces as sites of multifarious economic, social, and cultural exchanges have attracted renewed interest of economic anthropologists. The collapse of communism, for example, unleashed a tidal wave of small-scale cross-border shuttle traders and contributed to the mushrooming of so-called post-socialist bazaars that have since been subjected to various forms of state regulation. In some parts of the world, traditional marketplaces are being promoted (and even recreated) to satisfy Western tourists' desire for an authentic oriental bazaar experience. Elsewhere, or in different contexts, they are seen as indicators of a backward economy that need to be replaced by modern supermarkets and shopping malls. On the contrary, planners in the West now foster the development of community markets in order to enhance public life and improve community relations. In short, marketplaces, bazaars, and other sites of small-scale trading – sites of the so-called informal economy – hold plenty in store for anthropologists to explore and investigate.

Established in 2011, the Max Planck Institute (MPI) research group *Traders, Markets, and the State in Vietnam* investigates local markets and other sites of small retail trade in the seemingly paradoxical context of Vietnam's continuing socialist orientation, on the one hand, and contemporary neoliberal economic and social transformations, on the other. The group currently consists of Kirsten W. Endres as head of the group, two PhD students (Lisa Barthelmes and Esther Horat), and, since April 2013, Caroline Grillot as postdoctoral researcher (replacing Christine Bonnin who took up

1 Kirsten W. Endres is Head of Research Group at the Max Planck Institute for Social Anthropology, Halle/Saale, Germany, Department 'Resilience and Transformation in Eurasia'. She has been conducting research in Northern Vietnam since 1996, focusing on socio-cultural transformation processes that arise from the dynamic interplay between state, society, and market. Her monograph *Performing the Divine: Mediums, Markets and Modernity in Urban Vietnam* (2011, NIAS Press) examines urban spirit mediumship as part of the reform-era revival of popular religion in Vietnam. In her current research, she focuses on Vietnamese marketplaces as contested, politicized social spaces and investigates the entangled webs of social ties, informal networks, and institutional/political structures in which the economic practices of small-scale traders are historically and locally situated. Contact: endres@eth.mpg.de

new assignments in January 2013). Besides holding regular informal meetings, the group organizes and participates in workshops and conference panels in order to place its findings in broader comparative contexts *and to contribute to theoretical conceptualizations of the relationship between neoliberal reforms, economic restructuring, and changing state-society dynamics.*

Market Development Policies in Vietnam Today

Ferdinand Braudel's (1982/2002) monumental study on European civilization and capitalism in the fifteenth to eighteenth century is a poignant reminder that public markets have, in different historic times and places, commonly been sites of intense policing and regulation. Along with the growth of markets, complex contestations emerged over important issues such as the institutionalization and control of marketplaces, the levying of taxes, the use of public space, as well as, more generally, over changes in production and exchange relations.

Vietnam is no exception in this regard. The 'appropriate' development of traditional marketplaces has been on the Vietnamese government's agenda since the early 2000s. New policies were issued in the areas of distribution network planning, general public market regulations and management issues, and the privatization of market construction, renovation, and upgrading. In the capital of Hanoi, in particular, a number of long-standing public retail markets have been demolished and rebuilt as multi-story trade centers by private sector contractors (Barthelmes, 2013). As a result, many small-scale 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. In addition, since the mid-1990s, other 'disorderly' forms of commercial activity, such as street vending and hawking, have repeatedly been banned in government efforts to bring order to city streets and discipline citizens into becoming 'modern' urban subjects. Yet the state's modernizing mission represents only one side of the coin. Equally important in explaining the elimination of traditional public markets is the current climate of wealth accumulation in Vietnam that takes place at the higher levels of an 'unholy' confluence between clientelistic mechanisms of political power

and capitalist opportunities to profit – opportunities that serve the interests of a powerful politico-economic elite by absorbing its over-accumulated capital (Harvey, 2003). Consequently, the government's attempts at civilizing the marketplace has brought about significant changes in the distribution of social and economic entitlements that call for closer examination from an anthropological perspective.

Rule by Uncertainty and Avenues of Negotiation

Many of the rules and standards imposed by recent political economy changes run counter to the moral norms that govern the social, spatial, and temporal organization of 'traditional' economic activity and therefore meet with various forms of resentment and resistance by those affected. In addition, rather than providing a consistent legal basis for their economic activity, the maze of rules and regulations relevant to Vietnamese small-scale traders does little in the way of reducing uncertainty. On the contrary, regulatory uncertainty (as well as coercion) has evolved as an efficient means by which the Vietnamese state exercises power over its citizens (Gainsborough, 2010). In her ongoing PhD research on street vendors in Hanoi, Lisa Barthelmes found that the possibility of a police raid, which usually results in the confiscation of goods and imposition of a fine, is the most agonizing part of their daily routine. The lack of predictability as to when and where a mobile law-enforcement team will chase after them and what kind of treatment and penalty they are to expect if caught further enhances the precarious economic situation of mobile vendors, whose semi-legal status as rural-to-urban migrant workers already sets significant limits to their livelihood options. Unlike in India or the Philippines, restrictions on the formation of associations persist and effectively block possible avenues for Vietnamese citizens to pursue and safeguard their interests. Vietnamese small-scale traders therefore engage in subtle everyday strategies of avoidance and compliance in order to subvert, contest, and negotiate the enforcement of top-down planning policies and legal provisions directed against their ubiquitous presence in the streets.

One way of negotiating the imposition of legal restrictions is through petty bribery. Whereas, generally speaking, Vietnamese citizens feel exasperated by the degree to which corruption in its manifold forms and manifestations has come to perme-

ate their daily lives, small-scale traders commonly justify their own resort to such practices by declaring them an essential means of economic survival. The tropes, analogies, and metaphors of corruption employed by Vietnamese small-scale traders not only frame and shape their (self-)perception and experience, but also transmit social commentary and political criticism. As Endres' research reveals, small-scale (ethnic majority) traders at the northwestern border between Vietnam and China rhetorically cast their petty bribe arrangements with officials as benevolent acts of providing access to economic opportunity for which they offer a token of appreciation – the bribe – in return (Endres, 2012a). The metaphorical justification of the bribe as a means of economic survival on the one hand and as an act of the state official's compassionate complicity on the other reflects small-scale traders' moral claims upon the state to their right of making a substantial living and transforms this type of corruption into a legitimate, and even moral, practice.

Informality, Moral economy, and Household-based Trade

According to a recent ILO study (Cling, Razafindrakoto, & Roubaud 2011), more than forty percent of non-agricultural household businesses in Vietnam engage in trade-related economic activities. With formal business registration as the main criterion of distinction between the formal and informal sectors of the economy, three-fourths of these households are categorized as belonging to the informal sector. Whereas this classification certainly applies to mobile street traders and to vendors in temporary, unlicensed markets, the boundary between the formal and the informal already starts to blur when it comes to formally registered vendors in public markets managed by local authorities. Many licensed traders engage in 'informal' vending activities, for example by merchandising goods obtained through informal/illegal channels (i.e. smuggled or imported 'duty-free' across the border, or purchased from unregistered traders or producers), by employing 'informal' stall helpers, or by 'informally' subletting their vending space to other users. In Vietnam's largely local, relationship-based economy, informality in fact constitutes a particular mode of social interaction and economic exchange and should, therefore, be treated analytically as an aspect of the moral economy rather than as a separate sector from the formal.

Advanced by E.P. Thompson (1971) in the context of the English working class and later applied to Asian peasant societies by James Scott (1976), the concept of moral economy stresses social institutions and moral beliefs as important components of economic behavior– or what Karl Polanyi (1944/2001) described as the embeddedness of the economy in society.

In Vietnam, economic organization remains deeply entrenched in prevailing social norms and values regarding filial obligations and family cohesion. The importance of the household as an economic unit becomes particularly apparent in Esther Horat's ongoing research on the village of Ninh Hiep in the Red River Delta. Since the early 2000s Ninh Hiep has emerged as a dynamic regional trading community that channels Chinese textiles from the Vietnam-China border to various locations throughout Vietnam. Almost four thousand households are engaged in these trade-related activities. Family enterprises are the most common type of economic organization in this village, with each household specializing in a specific phase in the production and supply chain, i.e. importing fabric or ready-to-wear clothing from China, cutting and sewing garments, and selling textile products at the local market. While traditional gender roles continue to perpetuate male dominance and female subordination, it is the women who are perceived as both the main breadwinners and managers of the family economy (Horat, 2013). The prevailing preference for village endogamy and a low level of out-migration account for a steady growth in the number of household-based trading enterprises, as young couples usually set up their own business after marriage. Unlike in Hanoi, where the replacement of old-style markets by shopping malls has diminished spaces for traditional forms of vending, the recent construction of two new market buildings by private investors provides Ninh Hiep cloth traders with additional vending space that suits their economic needs and enhances the economic strength and reputation of the village as a major textile hub in Vietnam.

In contrast to Ninh Hiep, most villages in the densely populated Red River Delta still depend, for better or worse, on agricultural production for the bulk of their income. Migration (temporary/seasonal) to urban areas has therefore become a common household strategy for economic advancement. Whereas, for example, female street vendors are often looked down upon as second-class citizens in the capital of Hanoi, their remittances back to their home villages contribute significantly to enhancing their household's economic situation at the village level. Although they

retain strong links with their rural-based families, many street vendors who spend the bulk of their time in the city also find it difficult to adapt to the tight social environment and set role expectations associated with Vietnamese village life upon their (temporary) return. The interrelation between the street vendors' experience of migration and their sense of belonging and personal identity is one of the issues that shall be explored in greater depth during the subsequent phases of the project.

Cross-border Trade, Mutual Perceptions, and Notions of Entrepreneurial Success

Vietnam's love/hate relationship with China has been a persistent theme throughout Vietnamese history and forms a significant part of the background against which Kirsten Endres (2012b) and Caroline Grillot (2012a, 2012b) explore current small-scale trade relationships across the Vietnam-China border. After the brief but violent border war in 1979, official border crossings were shut down and trade came to a halt until the normalization of bilateral relations in the late 1980s. Since then, the border gradually transformed from a line of demarcation between two hostile neighbors into a vital economic resource and thriving nexus of social and cultural interaction. On either side of the frontier, internal migrants hailed (back) to the border area in order to seize the economic opportunities at hand. Along with the forging of new cross-border trading relationships, mutual images and perceptions evolved from the interstices of wider societal/political discourses and the localized, everyday experience of, and interaction with, the neighborly Other. Despite the fact that bilateral trade relations between China and Vietnam are clearly dominated by Chinese imports, cross-border economic ties are characterized by a high degree of mutual dependency, and small-scale traders on both sides are acutely aware of the fact that it is the very existence of the border that enables them to make a relatively decent living in this region. Yet whether Chinese or Vietnamese, the rules of the game are to a great extent determined by on what side of the border the economic exchange takes place, and the degree to which traders conform to business practices that differ from their own plays an incisive role in determining Vietnamese and Chinese traders' attitudes towards each other. Their mutual perceptions are thus informed as much by cultural

prejudice and political tensions that shape public sentiment as they are conditioned by economic opportunity, individual self-interest, and face-to-face commercial transactions with suppliers, intermediaries, and customers from across the border.

Vietnamese small-traders would certainly not deny the need to work hard in order to be successful in the market. The ways in which they conceptually frame their economic success, however, reveal that discipline, rational calculation, and personal skills are very much downplayed in personal accounts. Instead, a person's propensity for trade and the wealth generated by it are narratively constructed as part of a person's fate decreed by heaven. Accordingly, a trader's success in business is referred to as *loc* – a key concept that relates to good luck, fate-fortune, prosperity, and divine benevolence. *Loc* may be secured by moral virtue, enhanced by ritual practice, reciprocated in ritual exchange, distributed among kin, and transferred to future generations. It is thus in constant circulation: from 'heaven' to humans, from humans to deities and ancestors, and from deities and ancestors back to humans (Endres 2013). Further research into the complex web of interlinkages between the economic sphere and the metaphysical assumptions that govern and guide Vietnamese perceptions of the self and the world is expected to contribute valuable insights to our understanding of local economic practices, the moral implications of wealth, and ideas about human agency.

Ethnic Minority Traders in the Northern Uplands

The mountainous northern borderlands of Vietnam are home to a significant number of officially designated ethnic minority groups for whom local periodic markets have featured for centuries as integral to their social and material lives. Moreover, border residents have long sustained their livelihoods through cross-border goods exchanges and nurtured strong ties with kin in China. While market trade has gained central importance in the livelihood strategies of uplanders, minorities such as ethnic Hmong continue to be labeled as autarkic societies lacking in entrepreneurial know-how. Thus, the Vietnam state's agenda to develop the 'economically inefficient' northern upland region involves the 'modernization', upgrading, and regulation of local marketplaces (Turner & Bonnin 2012). Christine Bonnin's research has

enriched the group's agenda by looking at the effects of state-imposed standardized models of how markets should look and how traders should behave that prescribe fixed, licensed trading from a permanent market structure. On the other hand, 'ethnically colorful' upland markets are being assessed for their economic potential, as the state and private stakeholders alike seek to promote cultural tourism and 'cultural commodities' for external consumption (Bonnin, 2012).

Conclusions and Outlook

In his seminal book *The Great Transformation*, first published in 1944, Karl Polanyi has cautioned against the idea of the free market (i.e. free enterprise and private ownership) as the essence of human freedom, as this may ultimately come to mean "the fullness of freedom for those whose income, leisure, and security need no enhancing, and a mere pittance of liberty for the people, who may in vain attempt to make use of their democratic rights to gain shelter from the power of owners of property" (Polanyi, 1944/2001, p. 265). Such have been the effects of neo-liberal restructuring in many parts of the world, including Europe, and we can see evidence of its first seeds taking root in Vietnam today. The transformation of urban public markets into trade centers and shopping malls is one salient case in point: Large plots of state-owned real estate in the inner city are handed over to private investment companies for development, in the process of which thousands of small traders are 'dispossessed' of their means of economic survival in the marketplace. Ironically, this also happened during the period of socialist transformation, when small traders were 'encouraged' to engage in more productive work (Abrami, 2002).

In spite of these larger processes that have so far become most evident in urban settings, large sections of Vietnam's population continue to rely on small-scale trade and market vending activities in order to sustain their livelihoods. The expected results generated by this research group will contribute to a fuller understanding of complex market-society-state dynamics that inform, and are formed by, the social contexts in which the everyday economic practices of Vietnamese small-scale traders and market vendors are embedded. We anticipate that our findings will set the stage for further investigations that take up a broader historical and conceptual ap-

proach in order to situate the *particularities of the* Vietnamese experience within the wider trajectories of resilience and (post-socialist) transformation in Eurasia.

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