

From farm plot to cooking pot:  
Regional and local fruit and vegetable commodity  
chains supplying Hanoi, Vietnam.

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## **Abstract**

In this thesis I investigate the diverse ways in which agricultural produce makes its way from Hanoi's *Long Biên* market to consumers, and the roles and activities of the actors involved at numerous nodes along these commodity chains. My conceptual framework incorporates commodity chain analysis, social capital and social network literature as well as literature on the informal economy. I find that there are substantial differences in the functioning of the fruit and vegetable commodity chains due to the different organizational needs of each chain. I also find that, set firmly within the informal economy, strong social networks combined with bonding and bridging social capital are vital for trade along the commodity chains. Lastly, the government's attempts at modernizing the city are likely to have strong and widespread impacts on the agricultural commodity chains.

## **Sommaire**

Ce mémoire étudie les filières périurbaines et régionales d'approvisionnement en fruits et légumes qui se rejoignent au marché grossiste de *Long Biên* à Hanoi, Viêt-Nam. Mon cadre théorique intègre une analyse des filières d'approvisionnement avec la littérature actuelle sur le capital social, les réseaux sociaux et l'économie informelle. Elle démontre de nombreuses différences de fonctionnement entre les filières d'approvisionnement en fruits et celles en légumes dues aux différents besoins de chaque filière. Aussi devient-il évident qu'au sein d'une économie informelle la présence d'une combinaison de puissants réseaux sociaux avec les différentes formes de capital social est fondamentale à ce commerce. Finalement, il est probable que les tentatives du gouvernement de moderniser la ville auront un impact fort et étendu sur les filières d'approvisionnement agricoles.

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## **Chapter 1. Introduction**

As the sun begins to dip behind the horizon, Giáp, peering through the windshield of his truck, sees the outskirts of Hanoi. After a 48 hour near non-stop journey from the outskirts of Ho Chi Minh City, Giáp has finally arrived at his destination. At the same time, 10 km to the east of Hanoi and Giáp's truck, Thần is loading his motorcycle with 300kg of peanuts and chilli at his peri-urban farm<sup>1</sup> and is about to set off for the market. Both Thần and Giáp are integral actors in the agricultural commodity chains supplying Hanoi, Vietnam's capital city, with fresh produce on a daily basis. Both Thần and Giáp are also headed for the same destination: *Long Biên* Market. This market, located close to the banks of the Red River, under the famous *Long Biên* Bridge designed by Gustav Eiffel, is Hanoi's main agricultural wholesale market handling all its fruit imports and a quarter of the city's vegetable needs. Although Thần and Giáp started in very different places and carry different types of agricultural products, both play a vital role in the daily functioning of this market and in turn depend on it for their livelihoods. Their respective routes to the market make up two important linkages in the agricultural commodity chains which enter and pass through Hanoi. These linkages – stretching from Ho Chi Minh City, Thailand, China or Hanoi's peri-urban areas – are the product of numerous human interactions; interactions which depend on and flourish due to the nature of the social relationships between actors. Giáp for example, depends on the contracts which his cousin gives him; while Thần depends on his close, trust-based relationships with several restaurant agents and neighbourhood market-stall holders to conduct a profitable business.

*Long Biên* market, Giáp and Thần's destination and favoured trading location, is one of four functioning agricultural wholesale markets serving Hanoi (see Figure 1.1). It handles fruit, vegetables and seafood and has been in operation since 1992. Due to consumers' desire for a daily supply of fresh produce, trade at *Long Biên* market takes place at night. On an average night the 0.16 km<sup>2</sup> on which *Long Biên* market is situated see up to 10,000 individuals moving over 550 tonnes of produce between them. *Long Biên* market is a locale where peri-urban farmers such as Thần meet wholesalers and where long distance truck drivers like Giáp work with porters to move large quantities of goods. Customers range from provincial wholesalers from provinces in northern Vietnam to small market-stall holders and street vendors from

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<sup>1</sup> Peri-urban areas are the transition zones between urban and rural landscapes, where both rural and urban processes take place. See Chapter 3, Section 3.3.1 for a complete discussion.



Hanoi. *Long Biên* market acts as a vital node in the agricultural commodity chains flowing into and through Hanoi by providing a link between peri-urban areas, northern Vietnamese provinces and traders and consumers within Hanoi.

The environment in which *Thần* and *Giáp* conduct their businesses is changing however: a large scale plan for the modernisation of Hanoi, known as *Hanoi 2030*, is being prepared by the Vietnamese government. This plan will affect not only *Thần* and *Giáp*, but will alter the shape of the agricultural commodity chains supplying Hanoi, and will quite probably force the city to have to find alternative sources of fresh produce.

### 1.1 Investigating Hanoi's agricultural commodity chains



Hanoi, Vietnam's capital and second largest city, receives around two thirds of its fresh vegetables from the surrounding countryside (van den Berg *et al.*, 2003). This means that despite the rapid economic development and industrialization occurring in Vietnam since the mid-1980s with the introduction of Vietnam's economic opening known as *Đổi Mới* (economic renovation), peri-urban farmers are currently still able to earn a living from the traditional agricultural retail sector. It also means that Hanoi's daily supply of fresh produce is strongly dependant on its peri-urban areas. These farmers, like all other actors taking part in the agricultural

commodity chains supplying Hanoi, are operating in a transitional economy moving from socialist principles towards a free market capitalist system. Researching these commodity chains, their nodes and the roles the actors along them play, will lead to a greater understanding of the pressures faced by individuals participating in traditional agricultural retailing sectors in transitional economies. This study will reveal the

nuances of trade along these chains and will uncover the role government plays in shaping the chains, both through purposeful planning and as an unintended result of other policies.

## 1.2 Aim and Research Questions

In this thesis I use the term ‘agricultural commodity chains’ to define fruit and vegetable commodity chains. I do not focus on rice commodity chains; from my observations rice commodity chains function separately and independently from fruit and vegetable commodity chains and do not normally pass through the wholesale markets surveyed in this thesis.

There have been a number of recent studies looking at such diverse concerns as those mentioned in the previous section along the agricultural commodity chains flowing *into* Hanoi as peri-urban farming (Tran *et al.*, 2005; Moustier *et al.*, 2006; Firmino, 2007) and the food safety of produce from these areas (Mai *et al.*, 2004; Dang *et al.*, 2005). There have also been studies of individual nodes *along* these chains such as marketplaces (Hoang *et al.*, 2003; Hiesigner, 2007) and roving street vendors in Hanoi (Jensen and Peppard, 2003; Lincoln, 2008). However, no study to date has comprehensively examined Hanoi’s agricultural commodity chains, *with a focus on the distribution side*. In this thesis I therefore aim to:

investigate the diverse ways by which agricultural produce makes its way from Hanoi’s *Long Biên* market to consumers, and the roles and activities of the actors involved at numerous nodes along these commodity chains.

To do so I pose the following four research questions:

1. How does the *Long Biên* market operate, who are the actors present, and how does trade take place here?

With this question I am principally interested in how Hanoi’s best known vegetable wholesale market operates. An in-depth understanding of the most important node along the fruit and vegetable commodity chains that distributes goods to Hanoi’s consumers and beyond is important to then understand the nuances of trade along the chains as a whole.

2. How do the agricultural commodity chains that have *Long Biên* Wholesale Market as a main distribution node operate? Who is involved and how far can these chains be traced through the distribution and consumption sides?

Having gained an understanding of the operations of *Long Biên* market as a node itself, I investigate the commodity chains which flow from this market. I identify the numerous actors involved as the commodity chains move from *Long Biên* market to diverse destinations both within and beyond Hanoi.

3. What are the social interactions that occur between actors along the agricultural commodity chains in Hanoi that allow the chains to function?

Commodity chains are not abstract systems funnelling produce along by default. By posing this question I place a human face on the commodity chains. I look for the social norms and rules which traders adhere to in order to facilitate trade and I evaluate the relationships between traders and their customers.

4. How are broader structural and economic changes in contemporary Vietnam impacting the agricultural commodity chains that pass through Hanoi?

I recognize that there are outside influences affecting the shape and content of these commodity chains, and by extension, the businesses and livelihoods of the actors along them. Through this question I gain an understanding of how the agricultural commodity chains supplying Hanoi and beyond are changing, what effect this will have on the individuals working along them, and what role, if any, the government is playing in shaping the chains. I find that the government's large scale plans to modernise the city of Hanoi are having inadvertent and potentially far reaching effects on the agricultural commodity chains and on the livelihoods of those making their living along them. In order to gain a full picture of the political and economic background against which the commodity chains operate, I now turn to a description of the role and setting of Hanoi in present day Vietnam.

### 1.3 *Hanoi Today*

Hanoi, built on the site of Vietnam's ancient capital *Thăng Long*, is the present day capital of the Socialist Republic of Vietnam. Hanoi is Vietnam's second largest city (after Ho Chi Minh City, 2000 kilometres to the south), and its political and cultural centre. On August 1, 2008, Hanoi's city limits were expanded to include *Hà Tây* province and parts of *Vĩnh Phúc* and *Hòa Bình* provinces, shown in Figure 1.2 (Mét Vuông: 2008: online), increasing the area of Hanoi from 992 km<sup>2</sup> to 3345 km<sup>2</sup> and making it twice the size of Greater London (strangesystems, 2009: online).



Correspondingly, the city's population increased from 3.4 million to 6.4 million inhabitants (Tien Phong, 2008: online; Hanoi Times, 2009: online).

In 2010 Hanoi celebrates its 1000 year anniversary. In preparation for this highly significant event (especially as it symbolizes Vietnam's continued independence from China after 1000 years of feudal rule), the city authorities have launched a concerted campaign to modernize the city and present a 'clean and modern' image to the world (Vietnamnet, 2008; online). To date, apart from expanding the official city limits, this campaign has included improving existing infrastructure and banning roving street vendors from Hanoi's most important thoroughfares (Vietnamnet, 2008: online; Zeller, 2008: online). The city authorities are set to announce the details of a master plan for the city on the auspicious occasion of the city's millennial celebration on October 10, 2010 (Vietnamnet, 2008: online). This plan, which has been in preparation for a number of years, is known as *Hanoi*

2030 (*ibid.*). Broad aspects of this plan, such as the expansion of the city limits have either been announced or have already taken place. Specific details, such as how and where the city will expand, are due to be unveiled coinciding with the millennial celebrations.

It is known that *Hanoi 2030* envisages an additional 1400 km<sup>2</sup> of urban area being built up within the expanded city limits in the next 20 years (Dan and An, 2009: online) which represents 60 per cent of the enlarged city. The remaining 40 per cent of greater Hanoi are meant to remain as agricultural land (Vietnamnet, 2009: online). Furthermore, four satellite cities will be added which, along with Hanoi itself, are projected to have a population of 10 million by the year 2030 (*ibid.*). Such purposely planned and government-led modernisation programs form the context in which actors along the commodity chains must operate and modify their actions, and form the backdrop on which this thesis is written.

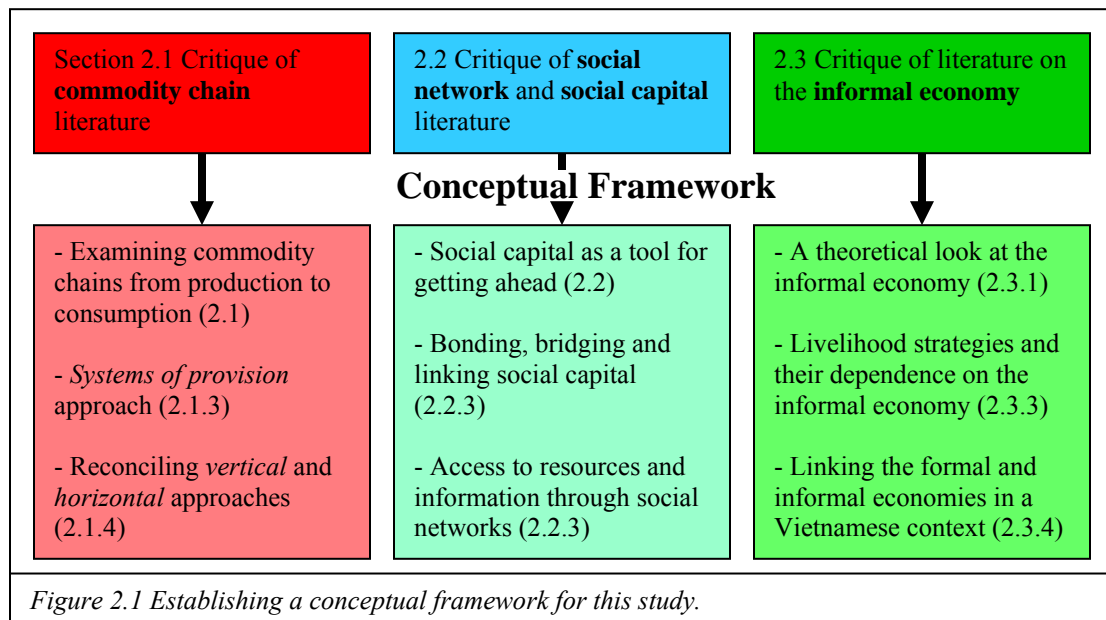
#### 1.4 Thesis Structure

In the next chapter (Chapter 2) I lay the conceptual basis for the thesis as a whole and build a conceptual framework which guides my fieldwork and informs my analysis. In this chapter I introduce commodity chain approaches, social network and social capital debates, and explore studies of the informal economy. This is followed by Chapter 3 (Context) which expands on the themes briefly presented in the introduction above to include historical, political and economic developments in Hanoi which directly relate to and affect today's agricultural commodity chains. In Chapter 4 (Methodology) I detail the research methods I employed in the field, evaluate my positionality as a Caucasian researcher in Vietnam and discuss the ethics involved in such research. Chapter 5 (Analysis), entitled "Ethnography of *Long Biên* Market" presents a detailed picture of the operations of Hanoi's busiest agricultural wholesale market. Here I examine each of the market sections, including fruit, vegetable and seafood, detail the types of produce found in each, and give an account of the numerous jobs performed by individuals in each section. In Chapter 6 (Analysis) I examine the agricultural commodity chains once they leave *Long Biên* market and present an analysis and discussion of the social networks and social capital at play in these trade relations. I begin by situating *Long Biên* market within the commodity chains as a whole, and detail the connections between *Long Biên* market, out-of-province wholesalers, neighbourhood markets within Hanoi, as well as corner stores and street vendors. Moving onto the mechanics of trade, I then investigate the social relations involved, discussing how actors along the commodity

chains make use of their connections and relationships to advance trade. I expand the scope of the thesis in Chapter 7 (Discussion) by examining the changes occurring along the commodity chains and their social impacts. I explore the relationships between the government's plan for Hanoi, Vietnam's drive towards modernity and the unintended consequences which these are having on the shapes of the commodity chains and the livelihoods of those operating along them. In Chapter 8 (Conclusion) I summarize the main findings of each results chapter, detailing how my findings pertain to the research questions I have posed above. In doing so I present a complete picture of the operations of the distribution side of a range of commodity chains for agricultural products, through the primary wholesale node of *Long Biên* market in Hanoi, to local urban consumers and beyond in Vietnam. I reveal the numerous actors involved and their complex activities; the vital importance of social networks, trust and ties which influence the operations of these chains; and the serious impacts that the state's drive to modernity is having on the livelihoods of those involved in these commodity chains.

## **Chapter 2. Conceptual Framework**

In this chapter I construct a conceptual framework by drawing on three separate bodies of literature, namely commodity chain literature, social networks and social capital literature and literature on the informal economy. I begin by presenting a review of the literature on commodity chain analysis in Section 2.1. I compare the three most common approaches to studying commodity chains and choose the one most appropriate for my thesis. I also discuss the implications of the vertical and horizontal approaches to studying commodity chains in Section 2.1.4 and present a version which reconciles both approaches for use in this thesis. Secondly, in Section 2.2 I delve into the literature on social capital and social networks, focusing specifically on how these two concepts have been used in the fields of development studies in less developed countries. In doing so, I present an approach to understanding the key characteristics governing social networks as well as the quality and usefulness of these networks to individuals active in the trade of agricultural produce in Vietnam's capital city, Hanoi. Finally, in Section 2.3 I examine the literature on the informal economy and marketplace trade and argue that the informal economy is intimately connected to the formal economy, revealing how individuals cope with issues of legality in the regulatory framework of Hanoi. Figure 2.1 below illustrates the layout and key points of my conceptual framework.



In sum, in this chapter I lay the conceptual groundwork for an understanding of how actors involved in the agricultural commodity chains operate between the formal and informal economies, and how they make use of social networks and social capital to maximise their returns. By drawing together these key components, I develop a conceptual framework to examine the aim of my research; that is *to investigate the diverse ways by which agricultural produce makes its way from Hanoi's Long Biên market to consumers, and the roles and activities of the actors involved at numerous nodes along these commodity chains.*

## 2.1 Commodity Chain Analysis

Hopkins and Wallerstein define a commodity chain as the “network of labour and production processes whose end result is a finished commodity” (1986: 159). A commodity chain analysis is a useful tool when studying supply lines and the movement of goods from the point of production to the point of consumption. In Sections 2.1.1 to 2.1.3 I introduce the three forms of commodity chain analysis that have been developed most recently in order to build a clear picture of the concept of commodity chains, as well as to further our understandings of the advantages and disadvantages of each approach. I make the case that the Systems of Provision approach is the most appropriate form of commodity chain analysis for this project. I also consider the horizontal and vertical approaches to commodity chain analysis and present an argument as to how these can be reconciled and used in this thesis.

The growing body of literature on Commodity Chains now includes three separate theoretical schools of thought, namely the paradigms of Global Commodity Chains, Systems of Provision and Commodity Circuits. I briefly outline each approach next in turn in order to evaluate their strengths and weaknesses in how they relate to this thesis.

### 2.1.1 Global Commodity Chains

The Global Commodity Chain approach is largely derived from world systems theory, focusing on global economic linkages and trade inequalities (Hopkins and Wallerstein, 1986; Leslie and Reimer, 1999; Marsden and Little, 1990; Appelbaum and Gereffi, 1994; Gereffi *et al.*, 1994). Consequently, the Global Commodity Chain approach is primarily concerned with the global dynamics of consumption, production and retailing linkages and is influenced by core/periphery arguments. Those utilising this approach tend to look at chains which cross international borders, rather than at smaller domestic chains. In the Global Commodity Chain literature,



consumption is treated as the starting point of the chain from where it is then traced back and examined in light of what is described as the “underlying exploitative reality of production” (Leslie and Reimer, 1999: 405). Hopkins and Wallerstein (1986), for example, begin their analysis of Global Commodity Chains with the final production stage and subsequent consumption, and regress to raw material input. While they provide a comprehensive analysis of the points of distribution and consumption, the authors’ focus is the exploitative nature of the processes of production and extraction. This approach does not correspond with what I aim to study in my thesis, namely to holistically analysis a (largely) domestic commodity chain. Furthermore, the Global Commodity Chain approach tends to stay at the surface level, focusing on the production of goods and their movement along the chain from the point of manufacture to the point of sale, while largely omitting critical details such as the interactions at various nodes (Raikes *et al.*, 2000). Furthermore, the approach has been criticised for not accounting for human agency, glossing over issues such as gender transformations, labour-force issues, household restructuring or new regimes of capital accumulation (Arce and Marsden, 1993).

While sharing the same overall approach, different authors mould this approach to their own needs and with their own biases: Applebaum and Gerrefi (1994) argue that the core/periphery language should be applied more appropriately to a description of nodes, rather than to whole countries. On the whole, they are more concerned with the actual geographical location of the node, or, as Leslie and Reimer (1994: 43) phrase it: “where does the global commodity chain touch down geographically, why, and with what implications for the extraction and realization of surplus”?

The macro-scale approach employed by various authors using the global commodity chain analysis, with its focus on the entire chain across various countries and even continents, is a clear strength of this approach. When trying to understand the flows of a complicated and interconnected system, it would certainly be a mistake not to consider the length of the chain. Yet despite – or possibly because of – the wide scale of analysis used in the Global Commodity Chain approach, an analysis of this sort tends to be descriptive. The global level of analysis does not allow for an examination of the intricacies of interaction at each node. Also, as mentioned earlier, the approach usually focuses on goods travelling across countries while ignoring those moving domestically. As such the approach is not suited to my own study; my thesis focuses on regional and local commodity chains, as well as the interactions at various nodes, such as *Long Biên* market and smaller district markets. Having

examined, and decided against embracing the Global Commodity Chain approach, I now move to evaluate the suitability for my thesis of the Commodity Circuits approach.

### 2.1.2 *Commodity Circuits*

The literature on Commodity Circuits is less interested in sequences and causality than the Global Commodity Chain approach. Analysts utilising the Commodity Circuit approach look at the dynamics between producer and consumer and contend that feedback from the consumer can and does shape the production of the good: it is for this reason that the approach is called a circuit. The Commodity Circuit draws heavily on Johnson's (1996) description of the nonlinear circuit and is essentially rooted within a combination of political economy and post-structuralism. While focusing on the interconnectedness between producer and consumer, the Commodity Circuit approach attempts to draw attention to the systems of social division occurring along the chain (Crang *et al.*, 2003). The Commodity Circuit approach has the advantage that it also considers the construction of meaning along the chain. Proponents argue that meaning is created and attached to a product in the chain, and then transformed as that product progresses along the chain. Whatmore and Thorne (1997) explain how the symbolic value of an artefact therefore lies in the combination of different processes at various 'moments'. The Commodity Circuit approach therefore has the advantage that, rather than assuming that consumers have little knowledge of the quality and geographical origins of commodities, consumer knowledge and perception of meaning is actively taken into account. Commodity Circuits are thus understood both to be constructed and reconstructed by consumer knowledge (Jackson, 1999). The consideration of the meaning of an item is a clear advantage of the Commodity Circuit approach. However, I would argue that the approach's overemphasis on the symbolic – as opposed to the economic – value of goods, coupled with its denial of a beginning and end to the chain weakens its analytical value when dealing with agricultural products in a commodity chain fashion and makes it less appropriate for use in my study. I therefore now turn to an examination of the Systems of Provision approach, keeping in mind the need both for an understanding of the meaning of a good and how this might change, as well as the existence – in the case of agricultural goods in Hanoi - of a clear beginning and end to the commodity chain.

### 2.1.3 *Systems of Provision*

The Systems of Provision approach to understanding commodity chains draws on several distinct aspects of both the Global Commodity Chain approach, as well as the Commodity Circuit approach in an attempt to form a well-rounded analytical method suited to the study of commodity chains. The Systems of Provision approach, put forward by Fine and Leopold (1993), allows for a balanced treatment of production and consumption, as well as for an analysis of various forms of meaning along the chain. Leslie and Reimer (1999: 405) describe this approach as “the most comprehensive elaboration of production-consumption relations”. This approach acknowledges that different commodities are ideologically constructed according to varying logics. These authors argue that the approach places importance both on tracing the commodity along the chain as well as looking at the discourse, knowledge and representation of products as they pass along the chain (Guthman, 2002.). Furthermore, there is an acceptance that neither consumption nor production in isolation can explain the chain as a whole. As Gereffi (2001) puts it, the key to understanding the commodity chain lies in understanding where a product’s meaning to both producer and consumer intersects.

I would argue that in the context of this study, the Systems of Provision approach is the most useful, as it allows for both a comprehensive analysis of the flows along a commodity chain. The advantages of this method lie in its balanced treatment of production and consumption while emphasising actions along the chain as a whole. This combined with the fact that the Systems of Provision approach allows for a closer scrutiny of each node along the chain constitute a definite advantage.

The shortcomings of this approach include the difficulty of comparing various nodes to each other. I address this shortcoming in the following section before moving on to setting a framework of analysis for use in this study.

### 2.1.4 *Horizontal vs. Vertical Analyses*

When examining commodity chains there is often a need to analyse and compare the actual nodes of the chain. As described in Section 2.1 various authors have moulded their analysis of nodes to suit their own needs. These analyses fall into two broad categories: the ‘vertical’ analysis and the ‘horizontal’ analysis. Each method has its own advantages and disadvantages which I discuss in the context of my own thesis.

#### 2.1.4.1 *Vertical Analysis*

The vertical approach to commodity chain analysis is closely linked to the Systems of Provision approach and studies the chain by product as opposed to studying the chain by theme and place. Bush characterises the vertical approach as “follow[ing] the trade, in this case fish, and the specific steps and negotiations undertaken to move it, from the time it is caught to the time it is consumed” (Bush, 2004: 39). Fine and Leopold (1993) prefer a ‘vertical’ approach to the analysis of consumption because it reveals differences in the ways that production and consumption are linked for different commodities (see also Tranberg Hansen, 1994).

The vertical approach does not, however, ascribe one set method for analysing flows of commodities. Therefore, it is possible to account for various influences – either producer or consumer driven – while concurrently taking into account different linkages and product flows along a chain. Gereffi *et al.* (1994) for example, argue that some commodity chains are producer driven (such as automobiles) while others are consumer driven (such as clothing) and makes the case that one advantage of the vertical approach is its seamless incorporation of these elements.

This vertical approach has several drawbacks, however. First, it is often unclear whether there is a vertical uniqueness to individual commodity chains, which calls into question whether commodity chains can always be vertically compared (Leslie and Reimer, 1999). Second, when using a vertical approach, it is easy to neglect the interconnectedness between different Systems of Provision. Lastly, there is a need to reconcile horizontal factors such as the importance of focusing on gender, ethnicity, and place within a vertical approach (Lockie and Kitto, 2000). Due to these considerations I now go on to consider a horizontal analysis of commodity chains.

#### 2.1.4.2 *Horizontal Analysis*

The horizontal approach to analysing commodity chains is often associated with the Global Commodity Chain approach and attempts to compare themes that occur across different networks at various nodes along chains. For example, one might examine the gender relations between producers and wholesalers or the role of ethnicity between wholesalers and traders, across a range of vegetable commodity chains. Consumption practices for different goods across commodity chains can also be analysed and compared. These comparisons are often made of commodity chains that have a similarity in place for one or more of their nodes. As Bush, in his work on the local and regional fish trade along the Mekong river in Laos notes:

For example if a trader sells fish from a port to a provincial town, a horizontal analysis would compare this trade with the trade in timber to the same destination or, alternatively, with the fish trade from the port to a different market (Bush, 2004: 39).

This approach emphasises how the relationships between various actors at specific locations along the chains influence trade along the chains' entirety. However, Fine and Leopold (1993) criticise the horizontal approach for focusing on one particular factor as the driver of consumption (such as retailing) and then generalizing it across the economy as a whole. They stress that focusing exclusively on horizontal analysis leads to a very descriptive – rather than analytical – account. Likewise, Leslie and Reimer “reject ‘horizontal’ analyses of consumption which start from one particular factor influencing consumption and generalize it across the economy” (1999: 405). Nevertheless, a ‘horizontal’ analysis of trade through interactions and local regulations at various nodes does have the advantage of allowing comparisons across different commodity chains.

I make use of this aspect in my thesis, as I am focusing on a variety of agricultural commodity chains. Therefore this approach allows me to compare, for example, a range of different commodities that pass through the same wholesale market place, and whether the interactions are similar or different at that specific node. However at the same time, I wish to study the movement of goods throughout the commodity chains, and to examine these different steps as well, something which a ‘horizontal’ analysis does not emphasize. It is therefore necessary for me to also consider utilising a ‘vertical’ analysis.

#### *2.1.4.3 Reconciling the Vertical and Horizontal Approaches*

When wanting to analyse trade dynamics and commodity networks holistically, as I do, there is often a desire to compare factors within one commodity chain as well as to compare factors across various chains. Bush (2004) addresses this need for reconciliation between the vertical and horizontal approaches in his study on fish trading networks in the Lao People's Democratic Republic. He suggests that by combining the vertical and horizontal approaches a more comprehensive picture comprising both a description of the chains, as well as interactions at nodes can be gained. He proposes analysing a product's flow (vertical) while simultaneously comparing it to other commodity chains (horizontal). Bush (2004) agrees with Leslie and Reimer (1999: 416) that “space, place and nation all play an important role in

mediating relationships within the chain”. He purports that in using such a combination, each node within a chain can be understood in the context of place its influence on consumption. As such, conclusions can be drawn about the extent and effect of outside influences (such as government policy) within and between various nodes and trading systems within the chains (Bush, 2004). When analysing the data for my own thesis, I will employ the same technique used by Bush. I aim to follow a variety of agricultural products from their origins in the peri-urban areas and will then compare their flows to one another.

#### *2.1.5 Commodity Chain Analysis Conclusion*

In the above Section I outlined three contemporary approaches to studying commodity chains (Section 2.1.1), making the case as to why the Systems of Provision approach is the most appropriate for my thesis (Section 2.1.3). I have also compared the ‘horizontal’ and ‘vertical’ analysis of commodity chains (in Section 2.1.4) and reconciled them into a coherent framework for use in this thesis.

#### *2.2 Social Capital and Social Networks*

The numerous actors producing goods and/or moving them along a commodity chain are linked together through social networks that facilitate the production, distribution and eventual consumption of these goods. Following my decision to take a Systems of Provision approach to commodity chains, these social networks are an important factor to be analysed due to the personal nature of transactions that are conducted outside a formal regulatory framework where trust replaces weak or insufficient institutional financial facilities (see Wilson, 2004). Section 2.2.1 to 2.2.5 focus on the social networks that these actors use and the social capital available to them. By focusing on social networks and social capital, I aim to understand how human actors create these commodity chains and how the chains subsequently function. In Section 2.2.2 I consider how social networks and social capital have been explained and used in the literature on development studies to date. I analyse the origins of both social capital and social networks (Sections 2.2.1 and 2.2.6.1), delve into key components thereof (Section 2.2.6) and look at the negative aspects of social capital, often ignored in the literature to date (Section 2.2.4). Lastly, in Section 2.2.6.2 I integrate the concept of social networks into the broader concept of social capital by ascribing a place for it in this thesis. In doing so, this section helps to continue to build my conceptual framework through which I analyze the availability and functioning of

social capital and networks for the people involved in agricultural commodity chains in Hanoi, Vietnam.

### 2.2.1 *The Origins of the Concept of Social Capital*

Broadly speaking, social capital is a concept that refers to connections within and between social networks. These connections are considered to be of value to individuals within these networks, allowing them to 'get ahead' in some manner. While not the first to make use of the term 'social capital', Pierre Bourdieu (1986) is credited as having produced the first systematic analysis of social capital. In his work, *The Forms of Capital*, Bourdieu (1986: 51) defines social capital as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance and recognition". Essentially, Bourdieu sees social capital as the resources available in an individual's social network and how access to and use of these resources allows that individual to 'get by' or 'get ahead' in their means of making a living (Turner and Nguyen, 2005). In his analysis, Bourdieu focused on how social capital interacts with other forms of capital to produce social inequalities and argued that social capital was not a natural or social given, but that the accumulation of social capital was the result of deliberate action on the part of an individual (Policy Research Initiative, 2003). In his conceptualisation, Bourdieu considers both the social resources available to an individual, as well as the quality of those social resources (Field, 2003).

James Coleman (1988; 1990) emphasised the advantages accrued through social capital for non-elites. Furthermore, while Bourdieu focused on the individual, Coleman, in his work on education, looked at small communities – specifically families – and the role of social capital in facilitating individual or collective action. Coleman identified many forms of social capital, such as obligation, expectation, information potential and norms. He argued, in contrast to Bourdieu, that social capital was not created through deliberate actions, but that it was a by-product of other activities (Coleman, 1988).

While Bourdieu and Coleman concentrated on analysing social capital among individuals and small communities, Robert Putnam considered social capital as a property of larger aggregates. In his book, *Bowling Alone*. Putnam (1995; 2000) focused on the decline of social capital in the United States while attempting to link the benefits of social capital to larger networks outside of the traditional small social networks. Despite attacks by critics on the central tenet of his work, that social capital in the U.S. is declining (rather than merely changing), Putnam's work has become the

catalyst for the development of social capital literature (Policy Research Initiative, 2003).

### *2.2.2 Scales of Analysis*

These different authors base their assumptions of how people get by or get ahead using social connections on the actions of actors operating on different levels. As shown by the three previous authors reviewed, social capital and the networks an individual belongs to can be considered on the micro, macro or meso level. For my own study in which I examine the interactions between individuals along these commodity chains, taking a micro level analysis of social capital will be the most fruitful approach. At a micro level, Portes (1998) attempts to explain why people make use of social capital and identifies two broad rationales for doing so. First, he identifies altruistic motives which include both value introjection, such as giving goods because of one's socialization and bounded solidarity, where resources are made available due to one's commitment to members of the same territorial, ethnic or religious group or community. Second, Portes (1998) describes instrumental motives as forming another rational for participating in social networks. A first motive is simple reciprocity which happens when the individual can fully expect similar returns, such as a member of an ethnic group endowing a scholarship on a younger student to be repaid through the respect and loyalty of that individual. A second incentive is enforceable trust which takes place when an individual can rely on community control to guarantee repayment, such as extending a loan to a member of the same religious community due to the threat of sanctions and ostracism should the loan not be repaid.

### *2.2.3 Bonding, Bridging and Linking Social Capital*

The concepts of bonding, bridging and linking are three classifications which focus on how individuals relate within certain groups, as well as across groups. Bonding tends to take place within a closed network such as a business organization or an ethnic group (Fukuyama, 1995; Beugelsdijk and Smulders, 2003). It is a process whereby individuals can rely on others within their close network for support. Bonding social capital is often used by economically disadvantaged individuals who do not have access to formal institutions or wider social networks in order to get by on a daily basis (Putnam, 2000; Turner, 2005).

Bridging social capital, which refers to open networks that bridge different communities, allows access to a greater number of contacts and, thereby, resources



(Turner, 2005). For example, it is advantageous for an individual looking for employment to be able draw upon bridging social capital between his or her community and outside communities, as “ties to diverse sources may prove more helpful than ties to relatives and friends” (Turner, 2005: 1695). Many formal and informal institutions “bond along some social dimensions and bridge across others” (Putnam, 2000: 23). “Churches, for instance, bond along religious lines and bridge across social classes” (Zmerli, 2002: 3).

Both bonding and bridging social capital can be seen as incorporating horizontal linkages because there is a relative closeness in economic position or political and social power of those involved. ‘Linking social capital’, on the other hand, refers to vertical linkages and describes ties between individuals of different economic classes and those of different social status (Woolcock, 2001). Linking social capital can assist in acquiring resources, ideas and information from more formal institutions beyond the immediate community (Turner, 2003).

Classifications, such as the ones above, are usually neither clear nor precise, as networks often overlap or merge into each other (Anderson and Jack 2002; Turner 2003). However, these classifications do provide me with the conceptual tools necessary to better understand the specifics and nuances of the existing norms, trust relationships and linkages involved in the agricultural commodity chains that I study and how these interact to create different outcomes.

#### *2.2.4 Negative Aspects of Social Capital*

Social capital has, especially in the field of development studies, long been considered to have strong positive social outcomes. Recently, this view has been called into question by a variety of scholars as there is a growing consensus that social capital may not always be invested towards positive ends (see Wacquant 1998; Glaeser *et al.* 2002).

There are exclusionary elements inherent in the formation of social networks. Strong bonding tendencies foster group identification, which can lead to an acceptance of insiders and an exclusion of outsiders. In extreme cases, group identification can lead to active inter-group hostility (Durlauf, 1999). Furthermore, such strong group bonding tendencies may result in conformity and a restriction of individual initiative and advancement (Woolcock, 1998). While the group may benefit from added cohesiveness, such behaviour can be detrimental to individuals. Without bridging social capital, groups drawing mostly on bonding social capital can become disenfranchised from the wider community. They tend to become inward

looking and isolate themselves. Often the actions of such groups result in socially negative outcomes. Examples include street gangs, mafias or the Ku Klux Klan (ADB, 2001). Bonding and bridging social capital tendencies may also work against each other, meaning that strongly bonded groups might not see the need to form bridges between groups. Furthermore, bonding often perpetuates sentiments within a group, encouraging members to bond around a single ideal (Durlauf, 1999). Such findings remind me to remain alert for instances of negative social capital occurring along the commodity chains, when I speak to individual actors.

### *2.2.5 Social Capital in Vietnam*

Since the sociologist Pierre Bourdieu published *The Forms of Capital* in 1986, the concept of social capital has taken hold in a wide variety of academic fields from political science to development studies. The debates over social capital, even within an individual field such as development studies are so wide and all encompassing that it has been criticised as being ‘all things to all people’ (Narayan and Pritchett, 1999: 2). I therefore wish to narrow down my discussion of how social capital has been employed in previous work by focusing on how the concept has been put to use in Vietnam, the country in which I conduct my study.

Relatively few authors have studied social capital in the Vietnamese context. Of these, Norlund (2003) and Turner and Nguyen (2005) have focused on the local community and individual levels respectively. Other authors employed a macro level approach in an attempt to find more general conclusions about social capital in Vietnam. Dalton *et al.* (2002) and Dalton and Ong (2003) took the 2001 World Values Survey as a basis to analyse social capital in Vietnam, while Dao (2007), studied the effects of collective action on the social capital of poorer farmers. While all authors agree that the family is the focal point of Vietnamese society, they disagree on the amount of trust (and therefore social capital) that exists between different groups or communities. Dalton *et al.* (2002) and Dalton and Ong (2003) are optimistic; they believe there is a substantial amount of trust of outsiders (either foreigners or members of different communities) within Vietnamese society. To substantiate these claims they point to high levels of group membership. While Dalton and Ong accept that membership in groups mobilized by the government (such as unions, youth groups and women’s organizations) may not necessarily be indicative of widespread social capital, they cite growing membership in cultural and sports clubs as well as the formation and growth of religious and environmental groupings as proof of their conclusions.

Norlund (2003) and Turner and Nguyen (2005) come to very different conclusions. Both cite low levels of trust outside of the family network, pointing to low social connectedness and therefore a lack of certain types of social capital, especially bridging and linking social capital (explained in detail above in Section 2.2.3). Turner and Nguyen (2005) in their study of young entrepreneurs in post *Đổi Mới* Hanoi, found that these businesspeople rely heavily on a network of extended kin and do not take part in formal organizations such as business or entrepreneur organizations, thereby exhibiting strong preferences for bonding social capital over bridging and linking social capital. Norlund (2003) presents several case studies of poor rural farmers and finds that despite large scale social and economic transformations in contemporary Vietnam, the family continues to be the most important social network, followed by friends in the village community. Norlund (2003) also makes the interesting observation that those individuals with greater access to formal institutions tend to benefit greater from involvement in the market. Dao (2007) makes a similar observation regarding the benefits of links to formal institutions. He finds that poor farmers who participate in collective action gain access to formal institutions and thereby generate social capital for themselves.

As noted above, in these previous studies the overarching importance of family has been described in detail (see Norlund 2003). Furthermore, there is a general recognition that because of the changing social and economic environment of Vietnam, links within and between social networks are changing. These changes will directly affect the amount and usefulness of social capital available to individuals. While Dalton *et al.* (2002) optimistically cite figures which show that increasing affluence leads to an increased involvement in all social networks (as opposed to the reduced involvement in some networks such as the family), Norlund (2003) is less willing to make predictions. She acknowledged that Vietnam's socioeconomic environment is experiencing a rapid transformation and agrees that social capital, on a broader level, will be affected, but states that all research to date allows for only inconclusive predictions. Such findings have impressed upon me to be cognizant of the central place of family in social networks in Vietnam, but yet to maintain a careful watch for different forms of social capital, given these varied conclusions from past studies.

#### 2.2.6 Social Networks

A discussion of social capital would not be complete without consideration of social networks. While the literature on social capital in development studies often uses the

terms social networks and social capital interchangeably, in this section I endeavour to separate the two into their distinct – yet related – forms. Here I analyse social networks and show that they are an underlying structural component of social capital. First, in Section 2.2.6.1 I briefly outline three main theories about social networks. Then, I discuss the relationship between social capital and social networks, and lastly, in Section 2.2.6.2 I describe how this understanding of social networks will be put to use in this thesis.

#### *2.2.6.1 Theories of Social Networks*

Sabaster and Sierra (2002) define social network analysis as “the study of relationships between individuals in a society”. There are three main approaches within the body of literature on social networks, all dealing with the relationships between actors and what kind of relationships bring about what results. The first approach, known as weak tie theory, was proposed by Granovetter (1973). He classifies ties either as being strong (a readily accessible relationship to another individual who is willing to give assistance as well as share knowledge) or weak (a distant relationship to another individual with infrequent interaction who is willing to share information) (Granovetter 1973, Levine *et al.*, 2002). Granovetter contends that it is advantageous for individuals to maintain ties outside their immediate group or community. Individuals within a group or community (Granovetter uses the example of a clique) share strong ties and therefore information is shared rapidly within the group. Maintaining weaker ties to individuals beyond this immediate group opens up additional avenues of new and possibly beneficial information. Hence, as Granovetter (1973) concludes, despite their supposed weakness, these ties are more beneficial to an individual because of their access to broader information and resources than the strong ties maintained within the community (Lin, 1988; Granovetter, 1982; Rogers, 1995; and Constant, Sproull, & Kiesler, 1996). The strong ties within social networks could be seen as underlying the bonding and bridging social capital, while weak ties more closely resemble linking social capital.

Burt (1992) took the weak tie approach as a basis from which he developed his structural holes approach. He purports that it is beneficial for an individual to have as many ties as possible to other individuals who themselves are not connected to one another. Not only is an individual’s sources of information diversified because of weak ties with others outside their own group or community, but an individual now has access to more diverse sources of information because of a lack of ties between

his or her informants. Burt labels this lack of ties between informants as structural holes (Burt, 1992; see also Seibert *et al.*, 2001).

An expansion of both Granovetter (1973) and Burt's (1992) theories, social resource theory focuses on the nature of a resource embedded within the network. Levin *et al.* (2002) explain that: "it is not the weakness of the tie per se that conveys advantage [...], but the fact that such ties are more likely to reach someone with the type of resource required for [an individual] to fulfil his or her instrumental objectives." Weak ties are more likely than strong ties to stretch beyond an individual's immediate social network and reach another individual whose knowledge or abilities constitute a social resource (Lin *et al.*, 1981). This approach, which can be related to 'linking social capital' introduced earlier, was developed by Lin *et al.* (1981) who employed it to study the relationship dynamics of an individual's upward mobility and status attainment. For example, having a connection to someone of higher status may be considered a social resource, as this person could provide career advice or be used as a reference for future employment opportunities (Lin *et al.*, 1981; see also Levin *et al.*, 2002). It is the weak ties which enable this type of relationship. In fact, the weaker the tie, the higher it will stretch (Seibert *et al.*, 2001).

All these approaches are concerned with the patterns of structural relationships that are responsible for producing key outcomes for individuals such as access to information or status attainment. Approaches to social networks can accordingly be divided into two broad categories: those dealing only with the formal structure of ties (weak tie approach and structural holes) and those that include considerations of context and the quality of ties (social resource approaches) (Research Policy Initiative, 2003). By including an evaluation of the specific ties present within social networks, the concept of social networks inevitably moves closer to the realm of social capital. Indeed, the usefulness and type of one's social network(s) is determined by the amount and type of social capital one possesses. This is because the nature of one's relationships is just as important as the underlying structure of that relationship (Research Policy Initiative, 2003). As Adler and Kwon (2002: 26) point out, "whether a manager's work ties are infused with norms of friendship or are simply utilitarian can have very different effects on that manager's promotion rates."

### *2.2.6.2 Social Capital and Social Networks in this Thesis*

As already stated, there is no single, universally accepted definition of the concept of social capital. In this thesis I will use a definition suggested by Ebaugh and Curry, namely:

Social capital refers to positions and relationships in groupings and social networks, including memberships, network ties, and social relations that can serve to enhance an individual's access to opportunities, information, material resources, and social status (2000: 190).

While not universal, this definition captures the elements of social capital as often used in development studies by focusing on the individual level; it is therefore especially applicable to developing countries such as Vietnam, and to my study here. As the divergent viewpoints and numerous attempts to define the concept of social capital hint at, social capital is an inherently intangible concept. As Portes (1998: 7) argues:

Whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital, a person must be related to others, and it is these others, not himself, who are the actual sources of his or her advantage.

It is this emphasis on relationships that makes social capital so useful for my thesis. I do not wish to emphasise the effect of social capital on living standards as is usually done in development studies, rather, I am interested in how social relationships further trade, and how the nature of relationships between individuals allows them to benefit (or not) from trade. I therefore employ a micro level approach, such as that of Pierre Bourdieu (1986), to focus on the benefits to individual actors gained through their abilities to use the social capital available to them to 'get ahead' in some way.

The inclusion of social networks in this thesis is important insofar as they incorporate structural components of social capital. While the concepts of bonding, bridging and linking social capital also have a structural component, they deal more directly with the relationships that evolve due to existing ties. The three social network approaches presented above, while mentioning the benefits of the relationships gained through ties, differ from the concepts of bonding, bridging and linking social capital because they emphasise the relationship – the tie – itself, over

the benefit gained from that tie. For example, whereas the concept of bridging social capital stresses the advantages to the individual gained through their interaction with members of other groups (for example, access to more information), the weak tie approach emphasizes that this advantage is gained because of the nature of the relationship. It is due to the infrequent contact between the individual and their informant that the individual is more likely to gain access to otherwise unknown information.

### *2.2.7 Conclusion: Social Capital and Social Networks*

In this thesis, social networks are considered to contain relationships and their structure, while social capital refers to an individual's ability through their use of specific social networks to access opportunities, information and resources. While the boundary between social networks and social capital remains ill defined, the inclusion of social networks will complement my understanding of social capital. Through the analysis of social networks presented above, I gain an understanding of the structural benefits to actors involved in the agricultural commodity chains in Hanoi, Vietnam, who strive to maintain contacts with a variety of groups, and the drawbacks for those who do not. Next I turn to focus on how we decide who among these actors are part of the informal economy.

## *2.3 Approaching the Informal Economy*

Individuals tend to draw heavily on social capital when participating in the informal economy. The informal economy was first discussed academically by Hart (1973) whose research focused on the urban informal economy in Ghana. Since then, the concept has been adopted by a number of academic disciplines and no longer solely focuses on underdeveloped countries (Losby *et al.*, 2002). In the following sections, I trace the origins of the study of informal economies (Section 2.3.2) while focusing on how the term has been used in development studies. I then integrate elements from both marketplace literature and literature on street vendors, from within the broader informal economy debates, in order to construct a conceptual tool to help me examine the economic conditions of actors involved in the agricultural commodity chains in Hanoi, Vietnam. Lastly, I discuss how the understanding of the informal economy gained in Sections 2.3.1 to 2.3.4 is best incorporated into my thesis.

A definition of the informal economy widely accepted in the field of development studies states:

The informal economy is comprised of all forms of ‘informal employment’- that is, employment without labour or special protection - both inside and outside informal enterprises, including both self-employment in small, unregistered enterprises and wage employment in unprotected jobs (Chen, 2006: 2).

As starts to be clear in this definition, the number of activities encompassed within the informal sector is almost endless; examples include self employed artisans, house and car guards, small scale tailors, market-stall holders and street vendors (Turner, 1998). This definition also encompasses numerous individuals involved in the trade of agricultural produce in Hanoi, hence my interest in its contribution to my conceptual framework.

### *2.3.1 Theories on the Informal Economy*

There are three dominant schools of thought on the informal economy, namely, dualism, structuralism and legalism. The major difference between each is the perspective on the relationship between the formal and the informal economy.

#### *2.3.1.1 Dualism*

Those adhering to the dualist school of thought consider there to be a clear distinction between the formal and the informal sectors of the economy, with the informal economy having few links to the formal economy. Furthermore, adherents argue that the informal worker exists in the less-advantaged sector of a dualistic labour market (Sethuraman, 1976; Tokman, 1978a). Hart (1973), the first scholar to consider the informal economy as playing an important part in a country’s economy as well as being an important avenue of employment for those not able to access the formal economy, further divides the informal economy into legitimate and illegitimate informal income opportunities. Legitimate income opportunities include activities such as farming, market gardening, street hawkers and petty traders, to name a few. Illegitimate services and transfers include prostitution, drug pushing, hustling and confidence tricking. Hart (1973) is keen to stress that involvement in the informal economy of those activities which he describes as legitimate and legal; however, they are neither regulated nor protected by the state (see also Losby *et al.*, 2002). A key critique of Hart is based on his refusal to acknowledge strong connections between the formal and informal sectors, discussed more in Section 2.3.4.

Hart’s approach to studying the informal economy was rapidly adopted by the International Labour Organization (ILO), first by their Nairobi, Kenya office, just a



year after he proposed it (Bromley, 1978). The dualistic approach to the informal economy proposed by Hart, widely promoted by the ILO and adapted by a number of other authors (see Mazumdar, 1976; Moser, 1978 and Lubell, 1991) was eventually questioned by the majority of scholars studying the informal economy. The dualism approach was criticised for artificially placing the informal economy in opposition to the formal economy (DiGregario, 1994). Consensus grew around the idea that the informal economy could not be neatly separated from the formal economy; that there were too many overlapping areas which pointed towards a continuum rather than two distinct categories (Huq and Sutlan, 1991; Turner, 2003).

#### 2.3.1.2 *Structuralism*

In contrast to proponents of the dualism approach to the informal economy, the structuralist school of thought acknowledges the link between the formal and informal sectors of the economy (Losby *et al.*, 2002). Enterprises in the formal economy are seen as having the upper hand in their relationship with the informal economy; informal production and employment relationships are promoted by firms seeking to reduce costs in order to increase their own competitiveness. The structuralist view considers informal enterprises and workers to be subordinate to the interests of capitalist development by providing cheap goods and services (Moser, 1978; Portes, *et al.*, 1989).

One can further subdivide the structuralist debate into liberal and neo-liberal arguments versus Marxist and neo-Marxist ones. Both liberal and Marxist theorists accept the three basic tenets of the informal economy: first, that the informal economy is transitory and that it will gradually be absorbed into the formal economy with the expansion of capitalist development; second, that the informal economy only generates subsistence level incomes; and third, that the informal economy is primarily a feature of peripheral economies (Meagher, 1995). In the face of economic development in Less Developed Countries from the 1970s onwards, neo-liberal scholars came to view the informal economy as a dynamic and indigenous form of capitalism with potential for economic growth. According to them, the informal economy suffered from excessive state intervention (*ibid.*). While this school of thought has been credited with being the first to view the informal economy as playing a central role in a country's economy, neo-Marxist scholars have pointed out that increasing linkages between the formal and informal economies do not necessarily foretell a reduction in the informal economy, or benefits for those involved in it. Rather, these links can be the source of exploitation of informal

economy actors by those in the formal economy as firms outsource production in order to make use of cheap labour provided outside a regulatory framework (Ybarra, 1989). This exploitation, neo-Marxists point out, requires the complicity of the state, through a failure to provide protection or support for actors in the informal economy (Fernandez-Kelly and Garcia, 1989).

The importance of social networks in facilitating transactions and providing social cohesion are also discussed in neo-Marxist literature, albeit usually in the context of labour control. Neo-Marxists point out that social networks, such as networks relying on a religious or ethnic affiliation, are strongly relied on by actors in the informal economy, as they provide an economic infrastructure capable of providing for needs such as credit or welfare services (Gregoire, 1992.)

In the context of Southeast Asia, our understanding of the informal economy has been greatly informed by the work of Terry McGee (1973) whose description of actors as ‘proto-proletariat’ was meant to ascribe some form of agency to a category of people who were previously thought of as being unemployed and living on the margins of the formal economy. In their study of street vendors in six Southeast Asian cities, McGee and Yeung (1977) detailed the role that these actors play in the supplying cities such as Manila, Jakarta and Kuala Lumpur with foodstuffs. They also looked at how government policy affected street vendors and found that policy could have substantial effects, both positive and negative; while street vendors in Kuala Lumpur profited from a licensing scheme set up by the government, their counterparts in Jakarta were considered by the authorities to be a nuisance and therefore suffered from frequent police harassment (*ibid.*). This police harassment (33 years ago) is reflective of the current attitude of police in Hanoi to street vendors there, a key node in the agricultural commodity chains in my study.

### 2.3.1.3 *Legalism*

Lastly, the intellectual stream known as legalism grew out of the book *The Other Path* by Peruvian economist Hernando de Soto (1989) who attributed the origins of the informal economy to an excess in government regulations (Portes and Schaufler, 1993). To support his argument, de Soto undertook an experiment to register a small (informal) garment enterprise in Lima, Peru. This process involved over 100 administrative procedures and took almost a year of continuous effort (de Soto, 1989). The logic of the legalism approach is thus easy to comprehend: deregulation is seen as leading to increased economic freedom and entrepreneurship among those working both in the formal and informal economies because of the increasing ease of

operating a business. Legalists therefore place their hope for the future of capitalist economic development on the informal market (*ibid.*). The only form of regulation which is actively promoted by legalists is the formalization of property rights, which would help those in the informal sector to convert their informally held assets into 'real' assets (de Soto, 2000).

### 2.3.2 Key Features of the Informal Economy in Development Studies

In this Section I present an overview of the key features of the informal economy, as discussed within development studies. This includes the relationship between the formal and informal sectors, the types of work performed in the informal sector, potential wage gaps, and whether or not cash is used as the main medium of exchange within/across each sector.

It was formerly assumed in development studies that the informal economy would shrink and eventually disappear as a country developed and its formal sector grew. Research however, has shown that not only is the informal economy growing in many developing countries, but it is also commonly a permanent part of a country's economy (Meagher, 1995). Furthermore, it is increasingly accepted (albeit not necessarily by the Vietnamese state) to be a feature of modern capitalist development, as opposed to being a mere leftover of traditional economies. Due to this new understanding of the informal economy among academics, it has been classified as the basic component (or the base) of the total economy of a given country (Tokman, 1978b).

Moving beyond dualist approaches, there is now the realization that the formal and informal economies are not polar opposites, but two poles along a continuum. Economic relations fall anywhere along this continuum, and there are many categories between the purely formal (regulated and protected) and the purely informal (unregulated and unprotected). Similarly, workers are not confined to a single point along this continuum, but are known to move with varying ease and speed between the two poles, or even to operate simultaneously at different points along the continuum. Furthermore, the informal and formal ends of the economic continuum are often linked. An example would include a high skilled, high wage worker employed informally with no regulation or protection (Chen *et al.*, 2002).

Workers in the informal economy are often self-employed in informal enterprises which are small, unregistered or unincorporated. These types of employment typically include employers, own account operators and unpaid family workers. Alternatively, workers may have a wage earning job in either an informal or

formal enterprise, a household or with no fixed employer. These kinds of jobs do not provide worker benefits or social protection and include casual day labourers, domestic workers, unregistered or undeclared workers (Skinner, 2005). Furthermore, because of the unregulated nature of these types of employment, the working conditions may pose a direct threat to a worker's wellbeing or life (Losby *et al.*, 2002).

Within the informal economy, there are significant wage gaps depending on the type of work performed. On average, the highest earners are employers followed by account operators and informal wage workers. Furthermore, men tend to be over-represented in those activities closer to the formal sector and women tend to be over-represented in more informal activities, meaning that on average, men active in the informal sector earn more than their female counterparts (Mattera, 1985, Hoyman, 1987). The overwhelmingly female marketplaces and street vendors in Hanoi are a reflection of this feminisation of the informal economy along the agricultural commodity chains under study here; albeit I will also reveal a number of informal positions held by men.

Cash and barter trade dominate transactions in the informal economy. Especially in the case of informal economies in developing countries, many individuals simply do not have access to formal or electronic modes of exchange such as cheques or credit cards (Tybout, 2000). If cash is scarce or unavailable, actors in the informal economy will also make use of barter trade. Services will be exchanged on a one to one basis if an individual possesses cashless resources such as their time or labour which they are willing to trade in return for something they desire or need (Losby *et al.*, 2002). Cash and barter trade both have the advantage of lacking any record of the transaction, which can be useful if dealing are illegal, but also benefit actors whose enterprises would suffer under formal regulations such as taxation (Freund and Spatafora, 2005). It will be seen that *Long Biên* market is an interesting blend of these approaches.

Lastly, few informal enterprises operate in total isolation. As Webb (1974) points out, typically three quarters of production in the informal economy are exported to the formal economy, with a large proportion thereof being services provided to firms in the formal economy. McGee (1973) supports the assertion that the formal and informal economies are interlinked at the point of sale and argues that this is because the main part of capital in the informal economy is kept as stock. The links between informal and formal enterprises are not likely to be regulated, leaving

informal firms outside of the protection of the government and often allowing firms in the formal economy to dictate the terms of trade (Meagher, 1995).

McGee (1978) attributes the continued existence of the informal economy in the face of economic development to the following three factors: first, McGee posits that enterprises in the informal economy tend to provide products and services which tend to be unprofitable for firms in the formal economy to offer. Second, the informal economy provides the formal economy with a large pool of underemployed workers. The cheap labour gained from the informal economy provides firms with a competitive edge against their competitors at home and abroad. Third, enterprises in the informal sector are often based around a family network which reduces state welfare responsibilities.

### *2.3.3 The Informal Economy on the Ground*

As my thesis deals largely with street vendors and actors operating at marketplaces, in this Section I review the literature on marketplaces with a view to the situation in Hanoi, Vietnam. Dewar and Watson (1990:10) define the urban marketplace as “a physical agglomeration of small traders and producers” and argue that marketplaces are “potentially powerful instruments for stimulating informal sector activity”. Policy can either strengthen or weaken the livelihoods of actors working at marketplaces; legalizing the informal marketplace substantially increases the sense of security felt by those working there (Lyons and Snoxell, 2005). In fact, the physical, financial and administrative design of the marketplace influences the type and number of actors who establish themselves at the market as well as their ability to operate profitably and survive (Bromley, 1979). This in turn can improve the trading environment for small scale traders by removing overhead costs and increasing their competitiveness versus formal enterprises (Fukuyama, 1995).

The physical marketplace is advantageous for actors in many developing countries, both in rural and urban areas, because it can act as the nexus of a community or society’s social and economic life, while also having the purpose of being a place to exchange goods (Turner, 2000). Several authors go further and claim that a marketplace, with all its associated activities, enhances community life (Perry, 2000). Social capital may be key to an individual stall operator’s success within a market, with social networks facilitating an exchange of information and allowing for relationships on which trade ultimately depends (Lyons and Snoxell, 2005). Furthermore, these social networks also engender norms and rules of behaviour which regulate social aspects of the market place. In the absence of a formal regulatory

authority which can arbitrate disputes, it is in the interest of most actors at the market to enforce these social norms (Egbert, 2007).

In a spatial context, research has shown that most developing cities in Southeast Asia tend to have a hierarchy of markets ranging from a central market to district to neighbourhood markets. These markets have seen their locations adjusted in order to minimize the overlap of their trading areas; some informally by the operators themselves, others via state control. Contradicting conventional beliefs, Rondinelli (1987), working in the Philippines, has shown that in developing countries, despite dominance of state approved (formal or informal) central markets, there remains a niche for hawkers and street vendors. That is, the development of formal food distribution networks does not mean the end of the informal food economy.

In turn, within informal economy literature, street vendors have been considered by some to be ‘self-help’ capitalists for their active engagement in the informal sector (Lincoln, 2008). In Vietnam specifically, the literature considers street vendors and hawkers to be entrepreneurs and describes their activities as ‘micro-business’ (Farrington *et al.*, 1999). A survey by Wong (1974) of street vendors in Singapore showed that a large number of vendors prefer to consider themselves ‘little businesspeople’ with an emphasis on the operational meaning of their occupation in a business sense (McGee and Yeung, 1977). Furthermore, what is an important source of livelihoods for street vendors creates a “pro-poor distribution chain for produce grown in Hanoi’s peri-urban outskirts” (Lincoln, 2008: 262). However, Lincoln (2008) cautions the use of such optimistic terms by pointing out the immense pressures on the livelihoods of street vendors that force them to participate in their trades (see also Sassen, 1994).

While there is little doubt that the income gained through street vending is an indispensable part of the actors’ livelihoods, their contributions to the food distribution system have long been seen as less important. Lewis (1958), in his essay on the relationships between economic development and labour describes street vending as inefficient and unproductive and claims that half of a given city’s street vendors could be removed without any noticeable effect on the food distribution networks. This view has been challenged as a simplification of food distribution. One of the reasons why street vendors specifically can continue to function next to the formal economy is because of their specialization of bringing fresh fruit and vegetables to the doorsteps of customers (McGee and Yeung, 1977). McGee, in his work on street vendors in Southeast Asia characterizes street vendors as dealing in

low order goods, lacking overhead costs (such as rent) and as having a desire to maximise contact with their customers as a means to strengthening relationships.

Several recent studies of street vendors in Hanoi have exemplified conditions for actors operating in the urban informal economy in post *Đổi Mới* Vietnam. Works by Drummond (2000) and Higgs (2003) set the scene by describing the Vietnamese government's desire to define what is 'civilized' or 'cultured' and how street vendors fall outside these parameters. Two studies by Jensen and Peppard (2003, 2007) on street vendors and their customers have shown that street vendors in Hanoi are an integrated part of the food distribution system and that their livelihoods are viable because they deliver goods in a manner which is in demand by consumers. Furthermore, a substantial number of street vendors are seasonal migrants from peri-urban areas whose income earned in the city is a vital part of their family's income (see Chapter 3, Section 3.3.6). Hiemstra *et al.* (2006) go beyond the livelihoods of street vendors and consider their working environment. Their study on street vendor behaviour hypothesized and confirmed that street vendors would conduct business in an opportunistic, rather than a planned manner. They also found that 70 per cent of vendors surveyed expressed a desire to grow their business but were constrained in doing so by an environment which they deemed unsupportive. These key ideas help set the scene for how I treat the informal economy in this thesis.

#### *2.3.4 The Informal Economy in this Thesis*

There are a number of points, gleaned from the review above, which are of special importance to this thesis. Within the field of development studies, there has been a growing realization that the informal economy is – often inextricably - tied to the formal economy, and often even to the global economy (Shaw and Pandit, 2001). Furthermore, the informal economy is often dependant on the formal economy and those participating in the formal economy often utilize services provided by the informal economy for reasons of convenience, or cost. Informal workers are frequently affected by the formal regulatory environment forcing them to find creative solutions or ways around formal regulation. It is this relationship which forms the background to my research on agricultural commodity chains in Hanoi, Vietnam.

For the purposes of my research, the links between the formal and informal economy are an important consideration. In the context of Vietnam, which has in the past two decades experienced *Đổi Mới* and moved from a centrally planned economy to a market based one, an understanding of the regulatory framework and the

associated issues of legality are crucial for this thesis. The informal economy accordingly forms the content in which many actors relying on social networks and social capital bring the agricultural commodity chains to life.

#### *2.4 Conclusion of Conceptual Framework Chapter*

The objective of this chapter has been to construct a conceptual framework for my thesis. To do so I have built upon three bodies of relevant literature, namely commodity chain analysis, social network and social capital studies, and literature on the informal economy. First, in Section 2.1 I reviewed and critiqued approaches to commodity chain analysis. From this analysis I have surmised that a Systems of Provision is the most appropriate approach for my thesis due to its comprehensive treatment of the commodity chains and because it allows me to focus on individual nodes along the commodity chains. In my analysis and discussion I will reconcile the horizontal and vertical approaches to analysing commodity chains in order to compare factors along as well as across different chains.

I then turned to the social capital literature (Section 2.2) from which I want to draw upon debates regarding bonding, bridging and linking social capital as well as remembering the potential negative sides of social capital. Social networks, which in this thesis are seen as the underlying framework of social capital, inform this thesis through an analysis of the benefits that strong or weak ties bring individual actors within a network. Finally I analysed the informal economy literature (Section 2.3), focusing more specifically on issues concerning marketplaces and street vendors. The relationships between the formal and informal economies, their linkages and the role that governments can and do play in shaping the informal economy are of special importance in the context of post *Đổi Mới* Vietnam. From this analysis and critique I have constructed a conceptual framework for analysing my research by extracting key concepts from each body of work. These thematic concepts provided me with the broad framework from which to ask questions in the field; what could be considered my broad *a priori* themes, crucial for collecting data and for answering my research questions (presented in Chapter 1). Similarly, this framework informs and aids the interpretation of my research and facilitates my analysis in Chapters 6 and 7.



### **Chapter 3. Historical and Present Day Context**

For over a thousand years Indochina (comprising Vietnam, Cambodia and Laos) was ruled by a continuation of Chinese Emperors (Phuc, 1995). Then, in 938 A.D., the Vietnamese general Ngô Quyền defeated the Chinese on Vietnam soil, and ended Chinese rule over Vietnamese territory (Vien, 1993). Although Hanoi was already a sizeable provincial town at that time, Ngô Quyền established his capital 15km north of present day Hanoi, and the Vietnamese capital was then relocated several times over the next two centuries. Hanoi, then known as *Thăng Long* – city of the rising dragon – was eventually designated as the capital city in 1010 A.D. because of its importance as a trading hub, its central location within a densely populated area and its location along the Red River (Khoi, 1955; Tuong, 1997). The stage had been set for Hanoi to flourish and grow. When the French finally conquered the city in 1883 after encountering much resistance, they made it the capital of the newly formed French Indochinese Union which included the protectorates of Tonkin, Annam, Cambodia and Laos (Logan, 2000).

At the heart of Hanoi is the Ancient Quarter, the historic trading hub of the city. This densely populated area - now a major tourist attraction - is central to many of the current day fresh produce commodity chains in this study as it has a high density of roving street vendors and neighbourhood markets. The Ancient Quarter is Vietnam's "oldest existing trade, market and retail estate. It is the heart and soul of the city, a prized legacy of Hanoi's past as well as a unique part of the Vietnamese urban identity and national mythology" (Waibel, 2004: 31; see also Templer 1998; Boudarel and Ky, 2002). It originated as a centre of supply for the regimes of various rulers and as a regional marketplace hub (Waibel, 2004). It is no surprise therefore, that *Long Biên* market is located just outside the Ancient Quarter's northeast boundary.

In this chapter I forge a contextual understanding of the environment in which my research is based, focusing on Vietnam, and specifically Hanoi. In Section 3.1 I briefly discuss the Vietnamese socialist experience, focusing on specific elements such as trade regulations during the socialist period and the informal economy (Section 3.1.1) which form the historical economic background to my thesis. Section 3.2 is devoted to understanding the reforms of *Đổi Mới* which were initiated in 1986, and how these affect agricultural trade today. This is followed by a discussion of the 1993 Land Law (Section 3.2.1). In Section 3.3 I investigate the supply side of the fruit and vegetable commodity chains that move through *Long Biên* market including the actors that participate in the commodity chains under study in this thesis (Section

3.3.1 to 3.3.4). I go on to examine some current concerns that are impacting directly on these commodity chains such the impact of supermarkets on traditional agricultural retailing systems (Section 3.3.5) and the recent ban on street vendors (Section 3.3.6). Lastly, in Section 3.4 I present an overview of large scale current concerns impacting upon these commodity chains and the actors involved; namely Vietnam's ascension to the World Trade Organization (Section 3.4.1); and inflation and the global financial crisis of 2009 (3.4.2).

### *3.1 The Vietnamese Socialist Experience*

The advent of socialism in Vietnam was a significant break from the past, and had drastic impacts on the commercial trade that had been at the heart of Hanoi until this period. Once the Socialist Government officially came to power in North Vietnam in 1954 state economic planning and administration was implemented. In 1958, the Socialist Government began to enact the government's nationwide Three Year Plan (1958-1960) to socialise all existing and new industries (Huu, 1998). With few exceptions, the businesses of traders in Hanoi were nationalized and craftspeople were forced to join cooperatives. What had formerly been urban retail spaces were reallocated to families as living quarters. The state tried to fill the void left by the expropriated traders by opening sales premises and founding its own centrally led enterprises. Economic activity in Hanoi declined heavily after 1955 and street trading ceased completely (Thomas, 2002). By 1960 private economic activities were said to have been virtually eliminated (Turley, 1975).

#### *3.1.1 Trade during the Socialist Period*

The subsidy period, which lasted from 1958 to 1986 in northern Vietnam and from 1975 to 1986 in southern Vietnam, saw a system of cooperatives established throughout the country. In cities, towns, and villages in the countryside coupons replaced currency as a means to procure goods, access to which became conditional on *hộ khẩu* (household registration) possession (Adger, 2000).<sup>2</sup> The state became the sole agent of supply and decided centrally where demand would occur. For individuals, therefore, coupons and their rural equivalent – work points conditional on

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<sup>2</sup> The *hộ khẩu* is a system of mandatory household residency certificates. A *hộ khẩu* is necessary for all administrative processes, such as education, subsidized food, work, hospital admission and social services (Phan 2007). This was an effective system of social control used by the Vietnamese government (Hardy 2001). A *hộ khẩu* is still officially mandatory for most administrative functions in present day Vietnam; in practice however, the document is often ignored by, for example, landlords renting apartments to migrant workers.

rural employment – were the sole means of trade after collectivization (Hardy, 2001). With rice being the staple food, the most important food coupons were for rice; meanwhile vegetables were also distributed through the state's distribution stores (Museum of Ethnology exhibition, 2007).

Due to the ban on personal enterprise discussed above and the state's role as the sole legal outlet for trade, the informal economy grew rapidly during the socialist period. From 1965 to the mid 1980s informal economic activity increased from 13 per cent of goods to 38 per cent, while the percentage of food products traded on the black market, including rice, meat, vegetables and fruit was much higher (Owen, 2005). During this time the formal economy survived only due to massive inputs of Soviet aid. This dependency, not surprisingly, had its drawbacks:

Economic dependency [...] was catastrophic. Billions of roubles in Soviet aid created the illusion of a domestic economic surplus that Vietnam did not really have, generated consumer demands that the country could not afford, and overwhelmed and distorted management capacities of the Vietnamese state, detaching it from local realities (Owen, 2005: 474).

Similarly, Turley (1975: 380) writes: "The phase of state economic planning and administration was plagued by economic stagnation and the consequences of the second Vietnam war. American bombing raids repeatedly led to mass evacuations of the city's inhabitants". Although present throughout the Vietnam War (known in Vietnam as the Second Indochina war or American War), the private sector, in the form of the informal economy, increased in significance after the war ended in 1975 (Nishimura and Phe, 1990; Fahey, 1997; Phe, 2002). Black market goods flowed into Hanoi mainly on the basis of family connections with those living elsewhere in the country. A small number of Western goods were also either smuggled into the country or sent home by Vietnamese expatriates living abroad (Hoang and Nishimura, 1992).

### 3.2 *The Economic Reforms of Đổi Mới*

Faced with the loss of Soviet aid because of the collapse of the Soviet Block, decreasing agricultural output via the doomed collective system, and a growing informal economy, in the mid-1980s the Vietnamese government instituted *Đổi Mới*. By shifting from a centrally planned to a more market oriented economy, the

government was able to alleviate pressing social, economic and political problems without relinquishing political power (Owen, 2005).<sup>3</sup>

The policy of *Đổi Mới* (economic renovation), enacted in 1986, introduced market-economy reforms and opened the door for Vietnam to become a consumer society (Waibel, 2004). Shortly after, during the 1990s, average incomes almost doubled (Weggel, 2002) resulting in a boom in the creation of private businesses by individuals and families (Waibel, 2004). By 1988, almost every house in the Ancient Quarter of Hanoi (introduced above) was again using its frontage as a retailing outlet, as had been the case during imperial and French colonial times (Nishimura and Phe, 1990). As a result, the city attracted a large number of migrants, many of whom became roving street vendors, some of whom still ply their trade today in the streets of the city's Ancient Quarter (see Chapter 7, Section 7.4 for a discussion on roving street vendors in contemporary Hanoi).

*Đổi Mới* also brought with it state directed legal reforms modelled on the success of neighbouring Southeast Asian countries. These include laws to protect foreign investment, private business enterprise laws, corporation laws, export and import tax laws, bankruptcy laws, state enterprise laws, laws encouraging domestic investors, state budget laws and further revisions of land laws. These laws have been implemented in a step by step process in an attempt to keep up with the changing economic environment in Vietnam. Nevertheless, they are repeatedly criticised as inadequate for the coordination of an industrial society (Owen, 2005). Furthermore, the laws instituted have been crafted to allow state enterprises to become hybrid enterprises; being run with the purpose of generating a profit, while still being retained by the government who is a majority shareholder (Guo, 2006). Despite abandoning the planned economy, the Vietnamese government is still politically socialist and therefore endeavours to keep many enterprises under some form of state control. In this way, the Vietnamese economy has become a hybrid socialist market.

Since the beginning of *Đổi Mới*, the retail scene in Hanoi has changed dramatically. Gone are the coupons of the socialist-past and the reliance on the informal economy during the stricter socialist period; in their place has grown a thriving retail trade. The pre-socialist traditional trading systems of Hanoi are being re-established – including the importance of street vending trade – while also being

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<sup>3</sup> Debate continues as to whether *Đổi Mới* was a continuation of, rather than a break from former policies, and whether the changes were implemented slowly or rapidly. For more on this debate see: Ma, 1988; Fforde and Porter, 1995; Sikor and O'Rourke, 1996; Fahey, 1997; Auffret, 2003; Owen, 2005.

constantly adapted and developed as the country becomes increasingly integrated into the global economy. In 2009, a diversity of food outlets, including supermarkets, formal markets (organized bazaars or public markets), informal markets, and ‘Mom and Pop’ stores, constituted the main ways in which local residents gained access to their daily needs (Maruyama and Le Viet, 2007).

### 3.2.1 1993 Land Reform

Briefly turning to the rural economy, it is important to mention the Land Law of 1993 that drastically altered farmer’s rights to use land. The Land Law tried to create ‘peace of mind’ in the villages. Farmers could not own their own land, as all land remains the property of the state to this day; however, land tenures were extended for up to 20 years for land used for annual crops, and up to 50 years for land used for perennial crops (Ravallion and van de Walle, 2003; Coe, No Date). Furthermore, tenants received the ‘five rights’ of transfer, exchange, lease, inheritance and mortgage (Marsh and McAuley, 2006; Fforde, 2008). This created a new sense of security in rural areas and contributed to the success of the law. This Law was revised in 1998 to streamline bureaucratic policies related to the lease of state land. It also added the right to use land (including rented land) as capital for joint ventures (Marsh and McAuley, 2006). These reforms are important in the context of present day peri-urban Hanoi, because farmers today have substantial rights to the land they cultivate (see Chapter 7, Section 7.1).

### 3.3. *Contextualising the supply side of the Fruit and Vegetable Commodity Chains that move through Long Biên Market*

To gain an understanding of how the city’s outlets acquire the fresh produce on their shelves and available to the city’s population, it is important to study the peri-urban farming networks that surround the city. This next section starts with an introduction to this sector, and then traces the products through to the ultimate consumers. As such this section provides the essential background context to my case study of commodity chains of fresh produce that pass through the *Long Biên* wholesale market. I begin by summarizing the current literature on Hanoi’s peri-urban farming, focusing in turn on the actors involved in the trade of agricultural produce, and on the traditional retailing system as a whole. I round off the section with a discussion of current concerns in Hanoi, such as the recently enacted street vendor ban and the impact of supermarkets on the traditional agricultural retail system.

It should be noted, as discussed in my Introduction Chapter, that the commodity chains that I investigated during my time in the field are those that have *Long Biên* market as a core node. My fieldwork focused on the distribution side of these commodity chains, from *Long Biên* market onwards. The key reason for this was the substantial literature (reviewed below) already covering the supply side of these chains; while virtually nothing is written on *Long Biên* market itself, and little on post-market distribution. What follows therefore acts as the starting point for these commodity chains as a whole, as I introduce the actors who bring the fruit and vegetables to *Long Biên* market.

### 3.3.1 *Peri-Urban Farming around Hanoi*

Peri-urban areas are the transition zones between urban and rural landscapes, where both rural and urban processes take place. A large amount of anthropogenic modification and development takes place in these zones (Khai et al., 2007). In Southeast Asia, land usage in peri-urban areas has undergone rapid change, often (although not always) from rice based to more profitable vegetable based agriculture (Richter and Roelcke, 2000; as will be seen later, urban industrial development and housing expansion also takes place in these zones). Peri-urban vegetable production has now become the cornerstone of the regional agricultural economy in the Hanoi area (Jansen et al., 1996; AVRDC, 2002; Midmore and Jansen, 2003), and about half of the total peri-urban area of Hanoi is used for agriculture, supplying the city with 62 to 83 per cent of its daily vegetable needs (van den Berg *et al.*, 2003).

The area within a 50 kilometre range of Hanoi is considered to be peri-urban; this includes all suburbs and districts of Hanoi, as well as parts of the neighbouring provinces of *Bắc Ninh*, *Hà Tây* and *Hải Dương* (Trinh and Nguyen, 2005). In this peri-urban area of Hanoi, there has been a rapid increase in land prices due to the outward expansion of the city since *Đổi Mới* was initiated. As a result, the amount of agricultural land per household declined by around 15 per cent from 1991 to 1999 in Hanoi's peri-urban areas, forcing peri-urban farmers to intensify production in order to stay competitive (van den Berg *et al.*, 2003). Since decollectivisation, as well as a notable change in land use rights, farmers in the Hanoi peri-urban zone have tended to shift from growing mainly staple crops to cash crops (such as vegetables and herbs) as farmers adapt their livelihoods to the changing environment around them and choose to grow crops with higher market value (Hiesinger, 2007). More recently, it has been reported that: "The annual vegetable production in Hanoi province is over 115,000 tons accounting for 70 per cent of the city's demand" (Gia *et al.*, 2004: 2).

Despite less area available for farming in this zone as a whole, farmers have taken advantage of better seeds and intensive farming techniques to increase their output (Hoang *et al.*, 2003).

Peri-urban production is seasonal, meaning that the origin of the city's supply of fresh produce fluctuates between imported produce and locally planted crops. Vegetable productivity reaches its peak during the winter-spring crop which begins in September and ends in March of the following year. Farm productivity falls sharply in the summer due to high temperatures and heavy rainfall (Hoang *et al.*, 2003). "In the periods of low local productivity, produce is imported from further away, [such as from other provinces or from other countries]. However, imports subside as soon as local production increases" (Moustier, 2007: 9).

### 3.3.2 *Actors along the Agricultural Commodity Chains*

The most common method for produce to enter Hanoi is through producers or collector agents of other wholesalers from outside Hanoi. These individuals then sell at wholesale markets in Hanoi such as *Long Biên* to a variety of retailers who sell the produce on to consumers (van Wijk *et al.*, 2006). Most consumers buy their fruits and vegetables from wet markets, from roadside street vendors or from roving street vendors who go from house to house (Jensen and Peppard, 2003). Slightly less common, but nevertheless part of the myriad of commodity chains, is for peri-urban farmers to come into the city and sell directly at wet markets (van Wijk *et al.*, 2006). In the following sections I review the literature to date on the numerous producers and intermediaries along the supply side of the agricultural commodity chains of Hanoi.

### 3.3.3 *Producers*

Many peri-urban farmers have managed to continue a farming lifestyle bring their vegetables directly to wholesale night markets around Hanoi. They are familiar with these markets and have learned where and how to market their wares to sell the maximum amount of produce for the highest possible price (Tran *et al.*, 2005). There is a seasonal pattern to the number of producers marketing their produce at the wholesale market, with the highest number being in March, at the end of the growing season (Hoang *et al.*, 2003). "When considering total quantities, the share of vegetables sold by traders is generally much higher. This may be explained by the fact that traders usually sell a larger average amount of vegetables each night, than that sold by the producers" (Hoang *et al.*, 2003: 40). Often, producers are forced to

sell their goods at set prices to wholesalers. In order to counter this, farmers from the same production areas sometimes group together at certain places in the market to sell their products. In doing so, they limit competition from other vegetable sellers and establish a basis for collectively dealing with wholesalers (Tran *et al.*, 2005).

#### 3.3.4 *Wholesalers*

The main competitors to peri-urban farmers at wholesale markets are wholesale traders. These actors will either travel to the countryside to buy produce for sale at the wholesale market, or will buy it from producers already at the wholesale market for re-sale to retailers (Hoang *et al.*, 2003). These actors rely on timely information, gleaned from farmers or other traders – hence building on social capital – to make decisions about what produce to procure. They know and understand the seasonality of the local fruits and vegetables and take advantage of this knowledge to maximize their own profit (Tran *et al.*, 2005). They tend to trade two to three kinds of vegetables at a time, usually in large quantities, compared to producers who will sell a wide array of small amounts of produce. Wholesalers at the night markets in Hanoi often rely on a network of fellow traders for their supply of vegetables, especially in those months when the bulk of produce is imported from further away. Traders will often communicate and exchange information over the phone (Hoang *et al.*, 2003).

Professional traders and wholesalers usually sell from bright locations inside the wholesale markets so that buyers can more easily locate them and better choose their wares (Hoang *et al.*, 2003). These traders often have a number of regular customers who are themselves retailers at locations inside Hanoi. The wholesalers will therefore often prepare plastic bags of produce for their customers beforehand (Tran *et al.*, 2005). Thus, before we focus on those actors involved in the distribution of goods from peri-urban locales and further afield, it is clear that the fruit and vegetable under analysis here, have already gone through a number of different supply nodes.

#### 3.3.5 *Retail System: Official and Informal Markets, and Street Vendors*

Having looked at specific actors involved in the agricultural commodity chains, I now turn to a brief review of the literature on markets and street vending in Hanoi. In doing so, I build an understanding of the various concerns along the commodity chains and set the scene for my own findings.



The traditional commodity chains for fresh fruits and vegetables consist of official and unofficial/informal (street) markets at which one can find either fixed and mobile hawkers or vegetable retailers. Official markets have either been constructed or formally approved by the city administration, while unofficial, informal markets operate without official approval and are at best only tolerated (van Wijk *et al.*, 2006). These unofficial markets tend to occur on a daily basis by sellers who converge on a particular street in a certain neighbourhood to sell vegetables to the area's residents; they normally function for five to six hours a day, usually during the morning (Cadilhon and Tam, 2004; van Wijk *et al.*, 2006). Recently, city authorities have become stricter by making a greater effort to close down unofficial markets in an attempt to diminish traffic jams and counter possible unhygienic conditions (Nguoi Lao Dong, 2004; Cadilhon and Tam, 2004).

Official markets usually operate 10 to 12 hours a day and are monitored by the Department of Trade which appoints a management team to each specific market. These management teams are responsible for collecting taxes, security, cleaning and traffic control on the market premises (van Wijk *et al.*, 2006). While most official markets have a roof and concrete surface they tend to have poor facilities such as water, sanitation, limited or no cold storage for perishable products, and insufficient waste management.

Informal markets on the other hand have neither formal structure nor facilities (van Wijk *et al.*, 2006). Informal markets, due to their very nature as unofficial gathering places, provide easy access for peri-urban producers to the retailing sector. For these actors, entry into formal markets is much more difficult due to the required rent (Cadilhon and Tam, 2004). In 2001, according to the Vietnamese Department of Trade, there were 130 official markets and an estimated 600 informal markets in Hanoi (van Wijk *et al.*, 2006).

In their study of the traditional vegetable retail system of Hanoi, van Wijk *et al.* (2006; 2007) have found that the nature of trade is substantially different for fixed retailers and street vendors. "On average, fixed retailers [...] sold around 22 tonnes of fresh vegetables per year, while hawkers sold less than nine tonnes per year" (van Wijk *et al.*, 2006: 466). While all retailers sell to an average of 64 clients per day – with 60 per cent being regular customers – fixed retailers tend to sell to more customers than street vendors (*ibid.*). The same study found that, on average, retailers procure their vegetables from eight different suppliers. Only seven per cent of all retailers have some kind of agreement with their suppliers, and these agreements are usually for higher value vegetables. "These agreements were all verbal and meant that

the retailer could place an order by telephone several days before she needed the products. These agreements were only made by fixed retailers operating in the markets” (van Wijk, 2007: 21). The source of vegetables also varies considerably between fixed retailers and street hawkers both in the urban and peri-urban zones. Van Wijk (2007: 21) explains this in detail:

Fixed retailers in the urban zone source most of their vegetables from wholesalers (78 per cent), while the hawkers buy mostly from farmers (53 per cent) and from wholesalers (39 per cent). In the peri-urban zone, fixed retailers (80 per cent) and hawkers (66 per cent) obtained most of the vegetables they sold directly from farmers. For several hawkers (24 per cent), their own vegetables were also an important source.

Few retailers obtain loans for business purposes, however, and should a loan be required it is usually procured from a relative. In their study of vegetable markets in northern Vietnam, van Wijk *et al.* (2006) found that loans obtained by retailers are usually between VND 1 million and VND 3 million in value (USD 62 to USD 186 at 2006 rates, applicable at the time of cited study), and are usually paid back within one year with interest rates ranging from zero (in case of relatives) to 1.5 per cent per month (van Wijk *et al.*, 2006; van Wijk, 2007). Through such surveys it has been ascertained that mean daily incomes range from VND 27,000 (USD 1.7) for hawkers in urban areas to VND 39,000 (USD 2.4) for fixed retailers in urban markets. In comparison, the average earnings for a street vendor are slightly higher than those of an unskilled labourer. However, street vendors must work long hours, usually from two or three am until late in the afternoon, in order to generate that amount of income (van Wijk *et al.*, 2006). It therefore comes as no surprise that the vast majority of retailers are women, whose alternative off-farm employment opportunities are severely limited, often due to a lack of formal education, childcare responsibilities or cultural norms (*ibid.*).

### 3.3.6 *Street Vendor Ban*

A major concern for these street vendors, who represent a significant node in the agricultural commodity chains, is a recently introduced street vending ban. In July 2008 the Hanoi city authorities announced a partial ban on street vendors and sidewalk-based commerce. A list of 62 streets was drawn up – including the main commercial thoroughfares as well as streets bordering tourist destinations – along

which such activities would be forbidden (Lincoln, 2008). “Census data collected in 2006 indicate that some 5,600 mobile fruit and vegetable vendors operate in Hanoi, 90 per cent of whom travel into the city from neighbouring rural provinces to vend” (Lincoln, 2008: 262). For these individuals, street vending is a way of making ends meet and of supporting their family’s rural livelihood, which, without this supplemental income is unsustainable (Jensen and Peppard, 2003; Markets for the Poor, 2007).

The Vietnamese authorities associate street vending with pre-modern, undisciplined urban commercial patterns. Furthermore, they consider street vending as creating confusion by bringing peasant traders into urban spaces (Lincoln, 2008). The official explanation given for the ban on street vending is to “beautify the city,” as well as to “improve urban sanitation, food hygiene, and [...] congestion” (AFP, 2008: online). The Vietnamese authorities consider street vending as a component of underdevelopment which does not conform to their definition of a modern city (Lincoln, 2008). Ironically, the foreigners whom the government seeks to attract consider street vendors as an integral part of the landscape of this picturesque city (Steinglass, 2006). To date, street vendors, who remain effectively un-taxed, have reported being fined by city authorities as well as having had their merchandise confiscated (AFP, 2008: online). The daily challenges faced by street vendors in Hanoi have a substantial impact on the distribution network of the agricultural commodity chains. Because of the ban street vendors have to spend more time evading the police, which translates into fewer sales for them, and fewer opportunities for consumers to make use of this shopping convenient option.

### 3.3.7 Supermarkets

Supermarkets represent a new and recently introduced type of node along the agricultural commodity chains in Hanoi and are competing for consumers with nodes more closely associated with the traditional retailing sector such as neighbourhood markets. While *Đổi Mới* came into effect in 1986, the first supermarket in Vietnam only appeared in 1995 (Maruyama and Le Viet, 2007). Supermarkets are limited to larger urban areas such as Hanoi and Ho Chi Minh City. In Hanoi as of 2004 there were 55 supermarkets with a surface area of 250m<sup>2</sup> or larger (Moustier *et al.*, 2005). Despite their recent growth in popularity, supermarkets only account for ten per cent of food distribution in Vietnam. Regardless of growing wealth and prosperity, it seems as though in the food selling sector – as in so many realms of Vietnamese life – there is room for the old and the new to coexist (Maruyama and Le Viet, 2007).

Retail modernisation in less developed countries – to which the emergence of supermarkets is intrinsically linked – is widely considered to lower food prices, stimulate production and consumption and enable poor consumers to spend a larger proportion of their income on non-food items (Figuie and Nguyen, 2006). This view has been challenged by a number of authors who point out that this relationship is difficult to prove in practice and that in some cases food prices have actually increased with the arrival of supermarkets (see Kinsey, 1998). Nevertheless, the Vietnamese government strongly encourages the continued growth and expansion of modern retailing by enacting policies which directly benefit large commercial retail firms (Figuie and Nguyen, 2006). These policies include supporting the centralization of food distribution through planned retail and wholesale markets, support for private investment in supermarkets and the eviction of street vendors and informal markets (*ibid.*). The official reasons given, which include enhanced food safety as well as an abstract idea of modernity (*ibid.*), resound well with a large number of consumers who cite food safety as one of their main reasons for frequenting supermarkets instead of traditional retailing systems (van Wijk *et al.*, 2006).

Supermarkets in Hanoi are supplied by peri-urban cooperatives that specialize in ‘safe’ vegetables or semi public companies. The ‘safe’ cooperatives consist of voluntary farmers’ associations with family or neighbourhood links and through their specialization can supply officially labelled ‘safe’ produce, as stipulated by supermarkets. These cooperatives have access to more capital and land area than individual farmers and through their cooperation can compete with the semi-public companies (Moustier *et al.*, 2005). Both the semi-public companies and the farmers’ cooperatives have acquired minivans which allows for a daily supply of fresh vegetables (*ibid.*). Despite the presence and growth of supermarkets, and their adaptation to local market conditions by taking advantage of local safe vegetable supply chains, consumers still overwhelmingly make use of the traditional retailing system to procure their daily supply of fresh vegetables.

### 3.4 Current day concerns regarding trade in Hanoi

The changes which have taken place along the agricultural commodity chains since *Đổi Mới* began to be implemented have been drastic: in the wake of a planned, centrally led socialist economy and food distribution system, an informal economy has emerged which boasts a vibrant and efficient retailing sector. The future of this system however is uncertain and supermarkets are not the only challenge. Broader, structural changes such as Vietnam’s ascension to the World Trade Organization and

rising inflation within the Vietnamese economy are likely to have an effect on these commodity chains.

#### 3.4.1 *Vietnam's Ascension to the World Trade Organization*

Vietnam formally joined the World Trade Organization (WTO) on 11 January 2007, becoming the organization's 150th member (Kinley and Nguyen, 2008). The economic liberalisation mandated by the WTO means that Vietnam's businesses are now exposed to international commercial competition, which before ascension was much more limited. For the economy as a whole, this means that business failures, which in the new competitive environment are quite likely, will have a direct effect on employment, and therefore on general wellbeing and living standards (*ibid.*). Many international businesses are eyeing the 81 million strong market, which, especially in the cities, is already showing evidence of a strong middle class (Boos, 2006). For smaller enterprises and retailers there are both benefits and drawbacks to WTO accession: they may be able to market cheaper goods from abroad, however, they are likely to face increased competition from outside providers and new forms of retailing (such as shopping malls and supermarkets) (John, 2007: online). Also, as stipulated by the WTO, Vietnam is required to cut large amounts of subsidies for the agricultural sector, leaving farming families to fend for themselves in an increasingly competitive environment (John, 2007: online).

#### 3.4.2 *Inflation and the Global Financial Crisis*

The economic reforms of *Đổi Mới* also included a number of policies aimed at fiscal adjustment and monetary restraint (Justino and Litchfield, 2002). As a result, inflation, which had been at 160 per cent in 1988, decreased to less than ten per cent in 1997 (Dollar, 2002). This led to a growth in employment of two to three per cent per year in the early to mid 1990s, with real wages increasing from 1995 onwards (O'Connor, 1996; World Bank, 1999; CIEM, 2000; IMF, 2000; Minot and Goletti, 2000; Justino and Litchfield, 2002). The Asian Financial Crisis of 1997 reversed some of these gains:

Following the economic downturn in 1997, GDP growth began to slow down, Foreign Direct Investment (FDI) fell by 50 per cent and inflation more than doubled. An immediate outcome has been job loss and social hardship for many (Kamoche, 2001: 626).

The gains made before the Asian Financial Crisis have slowly been recovered, with the government tackling inflation and bringing it under control. However, more recent events like the rise in world commodity prices (such as fuel) and the rise in world food prices, combined with the global financial crisis of 2008/2009, have sent inflation skyrocketing again (Nga, 2008: online). Those most affected by rising inflation are the poor and company workers, whose wages are continually being devalued by rising inflation (*ibid.*). The Hanoi government is worried that public grievances arising due to inflation may lead to social unrest in the city (*ibid.*). Along the agricultural commodity chains, rapid inflation has meant a 27 per cent increase of food prices (BBC, 2008: online), which has slowed demand for more high value goods such as imported fruit and vegetables (Hoang, 2009: online).

### 3.5 Conclusion

In this chapter I have presented an overview of trade through time in Hanoi. In Section 3.1 I discussed the Vietnamese socialist experience with special reference to trade in Hanoi. Section 3.2 was devoted to a comprehensive analysis of the economic renovations of *Đổi Mới* and how this impacted trade in Hanoi. Section 3.3 dealt with the supply side of the commodity chains which end in Hanoi. This section included a discussion on the actors who operate in the peri-urban areas of Hanoi, as well as what effects the growth of supermarkets and the street vendor ban in Hanoi have had on these actors. Lastly, Section 3.4 examined some of the larger current issues facing Vietnam as a whole such as Vietnam's ascension to the World Trade Organization, inflation and the global financial crisis of 2008/2009, with a specific focus on Hanoi.

Present day Hanoi is a vibrant, bustling and growing city that has seen a rapid increase in living standards, as well as a rapid increase in inequality (Markets for the Poor, 2005). Enterprises, traders and entrepreneurs in Hanoi, as in all of Vietnam, must still contend with a highly bureaucratic state, high levels of regulation on the home front, as well as with increased competition from abroad. The Hanoi city authority's efforts to reconstruct and redefine the city's image as a modern one have resulted in the crackdown on informal businesses as well as in an increase in inspection and harassment of formal businesses (*ibid.*). It is in this context that I conducted research on the social networks and social capital that actors involved in the traditional retail system make use of to conduct business along the agricultural commodity chains that stretch from Hanoi's peri-urban areas (and beyond) into the city.

#### **Chapter 4: Methodology**

In this chapter I introduce the methods used during my fieldwork in Hanoi. I spent three months in 2009, from the beginning of May until the end of July, conducting research on the agricultural commodity chains in and around Vietnam's capital city. This chapter begins with an assessment of access to the field sites (Section 4.1) and continues with an appraisal of the roles of various gatekeepers (Section 4.1.1). I go on to describe both methods I made use of in the field; conversational interviews (Section 4.2) and overt participant observation (Section 4.2.4). Next, I detail how the analysis of my raw data was conducted (Section 4.3). I also delve into matters of both theoretical and practical consideration: such as my own positionality as well as issues related to conducting research with the aid of interpreters (Section 4.4).

For this thesis, my focus is on understanding the distribution side of the agricultural commodity chains operating in and around Hanoi. Broadly described, my field sites can be split up into three categories: primarily I focused on Hanoi's wholesale markets, and the city's neighbourhood markets and streets where the products reach the consumer. These were my main fieldwork sites, since I am examining the distribution side of these commodity chains. Third, and to a lesser extent, I also conducted brief fieldwork in Hanoi's agricultural, peri-urban areas, to gain a better understanding of how the agricultural goods are produced and transported to *Long Biên* wholesale market. The markets – both secondary and wholesale – that I visited were all within the city limits of Hanoi (see Figure 4.1 for a map of research locations). Due to personal connections I made at the *Long Biên* wholesale market, I was then able to visit one farm in the peri-urban areas surrounding Hanoi.

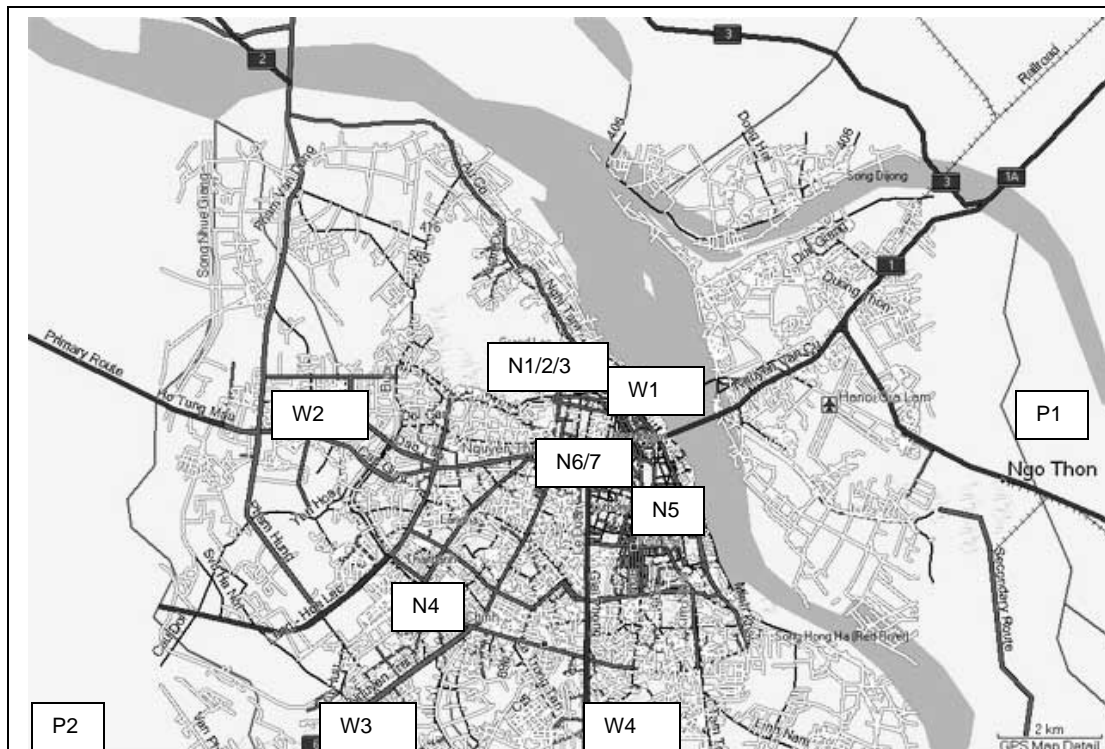


Figure 4.1: Research Locations in and around Hanoi

Peri-Urban Areas:

P1) Gia Lam District

P2) Xuân Mai village

Wholesale Markets:

W1) Chợ Long Biên

W2) Chợ Dịch Vọng

W3) Chợ Hà Đông

W4) Chợ Dầu Mối Phía Nam

Neighborhood Markets:

N1) Chợ 19-12

N2) Chợ Hàng Da

N3) Chợ Châu Long

N4) Chợ Nghĩa Tân

N5) Chợ Hôm

N6) Chợ Yên Thái

N7) Chợ Hàng Bè

(Note: Locations are approximate)

(Source: Vietnammaps, 2009)

#### 4.1. Accessing the Field Site

The application for my research visa for Vietnam was a fairly straight forward process thanks to previous contacts established by my supervisor, Professor Sarah Turner, at the Vietnam Academy of Social Sciences (VASS). I received a three month, multiple entry research visa to Vietnam well in advance of my arrival there. Once I had arrived in Vietnam, I obtained an open letter of introduction from VASS to the market managers of the markets where I planned to conduct research. During the three months that I collected data in Hanoi, I was questioned on only one occasion regarding whether or not I possessed the correct documents. The undercover official



did not ask to see these documents once I answered that I did possess both the required visa and a letter of introduction.<sup>4</sup>

While official permission in Vietnam is essential in order to conduct field research (Scott *et al*, 2005), I was surprised at the lack of interest which various officials expressed in either my research or my official documents. My presence was very visible to the many market guards, all of whom left me alone. On the only occasion when I was approached by a market guard, the guard was friendly and I was even able to conduct an interview with him. I believe that the lack of interest displayed in me and my research by the authorities can be explained by a general relaxation of interest by the authorities of researchers in urban areas in Vietnam. My research was conducted neither in a sensitive area nor on an issue deemed to be of national or politically importance; as compared to research undertaken in the highlands with ethnic minorities, for example (see Turner and Daviau, 2010).

#### 4.1.1 *Gatekeepers*

During my time in the field, a number of individuals acted as gatekeepers. While gatekeepers are often narrowly defined as “authority figures with whom access has to be negotiated, or obstacles to be overcome” (Mandel, 2003), I prefer the following, broader definition offered by Heller *et al.*, (in press): “[Gatekeepers are] persons who control and facilitate access to respondents, resources and knowledge, such as interpreters, social contacts and research participants themselves, who hold the ultimate power to allow or deny our work”. Apart from the aforementioned incident where I was questioned by an undercover agent, I was in no way discouraged or hindered from conducting research by official actors. Other, non – state affiliated gatekeepers, were crucial in actively facilitating access into areas which I could not have entered without their help. For example, I made a number of Vietnamese friends in Hanoi, who, on several occasions, provided me with contacts and unofficial introductions to other individuals (such as market managers) who shared their knowledge of agricultural commodity chains. Also, a number of farmers who I met at the various markets offered to let me visit their homes. Even though I was only able

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<sup>4</sup> During my last week in the field I was approached one night by a well dressed young man who introduced himself as the son of a peri-urban farmer. In the course of a lengthy conversation he asked me detailed questions about my research objectives, what kind of visa I possessed, where I had obtained it and who my contacts inside Vietnam were. These were not questions I had ever been asked before by anyone but government officials. I, along with various Vietnamese friends I consulted on the issue, therefore concluded that he was an undercover agent.

to visit one farm due to time constraints, without the help of this individual farmer I would have lacked crucial information.

#### 4.2. *Methods Used: Conversational Interviews*

I conducted both conversational interviews and overt participant observation. Table 4.1 details the number of conversational interviews I completed, and with whom.

<i>Table 4.1: Number of conversational interviews conducted by interviewee type.</i>		
	Consumer	7
Street Vendors	Roving Street Vendor	9
	Fixed Street Vendor	8
Neighborhood Markets	Small Market Stall Holder	25
	Organic (Non Market) Shop Owner	1
	Farmer	11
Wholesale Market	Wholesaler	29
	Porter	4
	Truck Driver/Owner	6
	Market Guard	3
	Market Manager	2
Miscellaneous	Drinks Vendor	7
	Xe Ôm Driver	1
	International Business Person	1
	<b>Total</b>	<b>114</b>

Conversational interviews, sometimes also referred to in the literature as unstructured or informal interviews are a qualitative method often employed in geographical research. The objective is for the researcher to participate in a conversation with an interviewee in order to fully understand that individual's opinions on one or more subjects. While the researcher still has control over the interview and can direct it to more deeply explore certain issues, the distinct advantage of this type of interview is that it allows the interviewee to "express the details and meanings of their experiences in their own terms and at their own pace" (Pratt 2009: 393). In eschewing specific questions and keeping to themes and topics instead, the researcher facilitates the free flow of information (Siegel *et al.* 1994; Kitchin and Tate, 2000).

Despite originally planning to conduct both semi-structured and conversational interviews during my time in the field, I eventually relied solely on the

conversational style for my interviews. The informality of the approach lent itself well to a cultural context in which the formality of a more structured interview might have been associated to government inquisition and would probably have been received with suspicion. Over a period of three months I conducted 113 interviews with consumers, truck drivers, farmers, wholesalers, market guards and market managers at various nodes along the commodity chains (see Table 4.2 for a complete breakdown of interviews conducted).

#### 4.2.1 *Getting Started: Informed Consent*

My strategy for conducting conversational interviews was very similar at all locations along the commodity chains yet variations arose in how I approached various individuals. My interpreter, Diệp (introduced in Section 4.4.3) and I would walk through markets and try to strike up a conversation with a vendor or other person of interest such as a customer or truck driver who was not visibly occupied at the time. In keeping with the ethical requirement of informed consent in interviews (see Gordon, 2000) I had instructed Diệp ahead of time to administer informed consent orally as part of the initial small talk of the conversation. I decided to conduct oral instead of written consent, as formal forms and the required signature are reminiscent of the state in Vietnam and therefore viewed with suspicion. By conducting oral, instead of written consent, I was also able to guarantee my interviewees a certain degree of anonymity (due to the lack of a signature on a form) while simultaneously allowing for a larger amount of people to be interviewed who would otherwise have probably refused. (For a discussion on informed consent in unstructured interviews see Dowling, 2005; also, see Appendix C for a copy of the Oral Consent Form).

Many interviewees would interrupt Diệp during the informed consent process to clarify where I was from and whether or not I was intending to marry a Vietnamese woman. Occasionally, the spontaneity of the conversational style of interview led to me missing the consent at the beginning of the discussion. As a result, I acquired consent for the use of the information collected after the discussion. Fortunately, all respondents agreed to allow me to use the discussion information for my research after I informed them of my research intentions. I also did this if a passer-by inserted themselves into the interview and contributed.<sup>5</sup>

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<sup>5</sup> Shortly after beginning fieldwork at markets in Hanoi, I became suspicious that, despite my instructions to orally administer informed consent, Diệp was waiving it. When I discussed the matter with her, I learned that she felt conducting oral consent would deter people from speaking with us. It was difficult for me to convince her of the contrary – especially since she claimed that the previous

#### 4.2.2 Interview Strategy

Irrespective of interviewee, I began all interviews by asking simple questions, usually about the origin of the produce the person was working with. If the interviewee was responsive I would delve deeper into topics related to my research questions such as social networks and social capital. It was my intention to build up a conversation rather than to adhere to a strict set of questions. I intended to create an atmosphere where the interviewee could introduce facts or issues he or she felt were relevant to the conversation. In this manner I was able to pick up on nuances in the information divulged by different interviewees and repeat questions or ask for clarification of terms or issues in an attempt to gain a better understanding of the interviewees' narrative (Spradley, 1979).

Initially, most interviews lasted between 5 to 10 minutes at markets active during the day and for 2 to 5 minutes at wholesale markets held at night. In most cases this was not because of a lack of interest in participating from the respondents, but rather because respondents were usually too busy attending to customers. I therefore purposely found out at which times markets would be less busy and conducted interviews then. At day markets, interview length jumped to an average of 20 to 30 minutes once I started conducting interviews between 12 noon and 2pm, as markets were near empty and vendors had more time to spend talking to me. At the night markets, specifically at *Long Biên* market, the optimum window to conduct interviews was usually between 11pm to 2am. If conducted at this time, interviews would usually last around 10 minutes. Again, this was not due to a lack of interest on the part of the respondents, but because the night market was generally busier and informants would usually be forced to return to work within that timeframe. Nevertheless, outside these averages, the longest interview I conducted was close to 3 hours and times varied significantly.

#### 4.2.3 Sampling

While quantitative researchers are usually concerned with getting a large, random sample, Marshall (1996: 523) points out that "the appropriate sample size for a qualitative study is one that adequately answers the research question". Sanders (2005), recounting her experiences of researching Cambodian sex workers, makes the

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student (from a different university) she had worked with did not administer informed consent! After I (re-)explained the importance of informed consent to Diệp, she finally agreed to the practice. No prospective interviewee was deterred from speaking to us on account of us administering informed consent.

case that often the total population size is unknown, therefore it is hard to establish an appropriate sample size. Likewise, I had no way of knowing the total number of vendors and transporters working in the different markets where I interviewed, as official statistics are not kept on these numbers.<sup>6</sup>

According to Marshall (1996), there are three broad types of sampling strategy, namely, convenience sampling, theoretical sampling and judgment sampling. The convenience sample, which is the least costly to the researcher regarding time and effort, is usually considered to lack academic credibility.<sup>7</sup> While convenience sampling involves speaking to whoever is available, theoretical sampling entails “building interpretive theories for emerging data and selecting a new sample to examine and elaborate on this theory” (Marshall, 1996: 523). Theoretical sampling is mainly used for a grounded theoretical approach, but can be found in one form or another in any qualitative research requiring some form of interpretation (*ibid.*). In judgment, or purposeful sampling, the researcher actively selects people to be interviewed based on the interviewee’s knowledge of the research area. The underlying idea is that, unlike for quantitative studies, a large, random sample may not be optimal in qualitative research, as there are too many variables to guarantee the researcher an accurate picture (*ibid.*). The researcher determines the variables important for their research, and recruits interviewees accordingly. As I explain below, I made use of a number of sampling strategies.

During my time in the field I attempted to stay away from convenience sampling, preferring instead to make use of various forms of judgment sampling. I chose specific sets of actors who work along the agricultural commodity chains (for example customers, fixed vendors, truck drivers, market guards and street vendors) and purposely searched for individuals within these sets who might possess crucial information. For example, when interviewing actors about trucking operations I would look for the owner of the truck, or, when trying to gain information on wholesale operations, I tried to find opportunities to speak to the owners or large scale wholesaling operations. There were times, however, when, because of not being

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<sup>6</sup> I was able to arrange an interview with the market manager of *Long Biên* market during my last week in Hanoi. According to her, there 10,000 individuals work and trade at the market on a nightly basis. Unfortunately, by the time I learned this information, it was too late to incorporate these numbers into my sampling strategy.

<sup>7</sup> The data gathered from convenience sampling is usually considered to be of too poor quality due to the inclusion of informants who lack specific information on a topic (Marshall, 1996). While every researcher at some point in time will probably be forced to speak with those people who are more easily accessible than the group they had originally intended to speak to, it is argued that convenience sampling should, where possible, be avoided in favour of more thoughtful approaches.

able to contact the desired individuals, I had to make do with interviewing those individuals who were available at the time.

More specifically, first; I was interested in understanding the broadest range of concerns along the commodity chains and therefore, in an attempt to get a maximum variation sample<sup>8</sup>, I spoke to a broad range of actors at each node. Second, I made use of snowball sampling when interviewees recommended another person, sometimes also helping arrange a meeting with them. The market manager of *Chợ Hàng Da* (*Hàng Da* market) for example, upon completion of our interview, enthusiastically called the market manager of *Chợ Long Biên* and arranged an interview with her for an hour later. Third, having learned the broad range of concerns and experiences common along the commodity chain I would then employ a critical case sample<sup>9</sup> to target interviewees who had specific experiences or who were part of a specific subset. Finally, those interviewees who were willing to spend a longer time than usual completing an interview with me and to whom I could return at a later point to clarify issues became key informants (see Marshall, 1996 for a further description of sampling strategies). As the example below of how my fieldwork proceeded in reality might make clear, there is considerable overlap between maximum variation sampling, snowball sampling and critical case sampling.

I soon learned that the most effective way of interviewing people at the *Long Biên* wholesale market was to sit at one of the many drinks stalls and wait for other people to come to the stall for a drink. We would then ask these individuals for an interview. Diệp and I soon made friends with a number of the drinks vendors which were all too happy to see us because they knew that Diệp and I would attract a large number of other customers, as market individuals were often curious to talk with us. This strategy, better known as a maximum variation sample (see footnote earlier), yielded a large amount of interesting data. On occasion, interviewees would recommend we speak to another individual whom they knew to be knowledgeable on certain subjects, thereby contributing to our snowball sample. Diệp and I, employing a critical case sample, often made a mental list of what kind of actors would be able to answer specific questions as well as what kind of actors we had not come into contact with while sitting at the drinks stalls. After about a month and a half of conducting research on the commodity chains all over Hanoi, I began to recognize

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<sup>8</sup> A maximum variation sample involves interviewing a broad range of subjects in order to account for stratifications of known public attitudes or beliefs (Marshall, 1996).

<sup>9</sup> In a critical case sample the researcher actively recruits interviews because of their specific experiences (Marshall, 1996).

gaps in my understanding I still wished to fill and hypothesize. At that stage I therefore purposely sought out specific actors who I knew would be able to enlighten me on the issues, through this range of sampling strategies.

#### *4.2.4 Participant Observation*

In conjunction with conversational interviews, I also conducted straight, overt participant observation. Cook (2005) differentiates between two kinds of observations: the overt observer and the overt participant. Namely, the role of the researcher can range from passive (overt observer; similar to straight observation) to highly active (overt participant) (Gold, 1958; Jackson, 1983). Whether passive or active, several authors have pointed out that the researcher's stance as observer will directly influence all aspects of data gathered, including collection, analysis and interpretation (Schwartz & Schwartz, 1955; Kawulich, 2005).

While conducting research along the agricultural commodity chains flowing into Hanoi, I made use of both overt passive and active participant observational methods. In both types of observation the researcher is open about the fact that they are researching and are known to be doing so by the community. When conducting overt passive observation, the researcher observes an activity without actually taking part in it. Active participant observation, on the other hand, requires the researcher to take part in the activities of the community or society in order to gain a better understanding (Cook, 2006). While at the market, be it the wholesale market, or smaller markets further along the commodity chains, I tended to overtly observe the activities, taking note of what I saw and then formulating questions for prospective interviewees based on what I had observed. Conducting passive observation helped me get my bearings on what often seemed to be complicated, confusing and sometimes even seemingly contradictory processes. As a tall Caucasian, I was clearly an outsider and people at the markets were always well aware of my presence as a researcher.

On two occasions I also conducted active participant observation. While taking up the invitation to spend a night observing a wholesale stall at *Chợ Hà Đông* in the south west of the city, I decided to help the wholesalers and farmers move their wares. By the end of the rainy night I had helped shift roughly 5 tons worth of potatoes, cabbage and cauliflowers, had ruined my clothes and had gained a personal understanding of the difficulty of the work of these people who keep Hanoi well stocked with fresh produce. More importantly, however, by being able to station myself at one particular stall, instead of moving about the market as I usually did, I

was able to gain the trust of the wholesalers and gathered invaluable data I would not otherwise have been able to collect, either through observations or through conversational interviews. On the second occasion I worked with a team of porters who were hired by a wholesaler to ferry goods around *Chợ Long Biên*. On both occasions, being an active participant rather than a passive observer gave me a fresh perspective on the workings of both markets as well as the agricultural commodity chains.

#### 4.3 Analysis

In order to make sense of the raw, qualitative data – from both interviews and observations – I gathered in the field, I developed a series of descriptive and analytic codes to analyse the data (Auerbach and Silverstein, 2003). While in the field I had already developed a number of *a priori* codes based on my research questions, my conceptual framework and on the information that I learned while conducting preliminary interviews. While coding my data, a number of *a posteriori* codes emerged which offered further interpretations for the patterns and relationships I found within my data. At the initial coding stage, 13 codes emerged (within which I had a number of sub-codes). During a second round of thematic coding, five broader themes emerged from grouping these previous 13 codes. These five were: trading at *Chợ Long Biên*, social capital and social networks, concerns impacting upon the commodity chains, formal and informal elements in the economy, and temporary markets, market renovations and modernisation. These themes form the basis of my analysis in Chapters 4, 5 and 6.

#### 4.4. Positionality and other Fieldwork concerns

The ‘God-trick’, which assumes an all seeing, knowing and understanding individual who does not affect their surroundings (Haraway, 1988: Rose, 1997) which I had grown up believing I possessed was shattered at the age of 19 when I moved from Singapore to Cambodia. As a dual citizen of Switzerland and Germany, having grown up in East and Southeast Asia (Japan, South Korea, Hong Kong, Singapore) I had come to believe that I fully understood the societies and cultures around me as well as my own positionality within them. Since the shattering of these illusions during a year working in Cambodia, I have drastically changed my perspective, admitting that I know very little of the region I grew up in, the people and the cultures I grew up around and the place I call home. I relate this here for two reasons: firstly, because during my time in Vietnam I was acutely aware of the fact that my presence as a tall,



23 year old male Caucasian researcher was affecting my research process and my interactions with people. And secondly because, despite, or maybe exactly because Southeast Asia is such a familiar region to me, I often found it incredibly difficult to evaluate just how people were seeing me and how my interactions with them shaped the research process. In order to better come to terms with my own positionality in Hanoi, I have split the analysis of this into the following sections: an assessment of my own positionality (Section 4.4.1), how I (think I) was perceived by people at the markets (Section 4.4.2) and how those perceptions appeared to influence my research process.

#### *4.4.1 Who am I as a Researcher?*

In many ways I conform to the superficial stereotypes of a researcher coming from a developed country. I am male, I am white, I have enough resources to live a life in the place where I am conducting research far above the means of the average citizen and I have the power and the resources to extract myself from my research site at any time by flying home. In short, as a researcher in Vietnam I have a certain amount of power. Despite this power, I was regarded by Hanoian society as an outsider who needed to learn. This gave me the privilege of asking many questions (sometimes called supplication), yet meant that my behaviour and actions were greatly scrutinized by those I encountered.

As an outsider and a foreigner, I was seen as easy prey for overcharging by many (though fortunately though not all) taxi and motorbike taxi drivers. I was often approached and cajoled by street vendors and was treated, by the general public, as just another western tourist. In many situations in which I interacted with Vietnamese people it became quite obvious that I did not know the first thing about how to behave politely in their culture; I was in many ways a child who had to be taught the nuances of society.

#### *4.4.2 How was I perceived at Marketplaces?*

As an outsider, perceived by local Vietnamese of possessing the social skills of a child who had to learn (Caudill, 1961), I was often pitied for my lack of knowledge; many people seemed to want to teach me ‘how to do things the Vietnamese way’ which is to say I had to learn how to ‘do things properly’. In markets I believe this meant I was perceived as a non-threatening individual of low status and I assume that the openness and willingness of interviewees to share information with me was due to such a perception (although of course, it could also have been because they hoped I

would then buy something; which I did on numerous occasions as a gesture of goodwill at the end of our interview, as recompense for their time).

While I purposely cultivated this non-threatening role, exactly how I was perceived by people at the market is best described by the following three anecdotes. First, on two occasions I had individual men walk up to me, and without introduction, state in a matter of fact way ‘we won the war’ and then walk off.<sup>10</sup> I interpreted this not as an insult, rather as an assertion of their pride in having defeated their arch enemies in the ‘American War’ (as the Second Indochina or Vietnam War is known in Vietnam). Again, I was ‘shown my place’ in the local hierarchy and reminded of the greatness of the Vietnamese nation; an effort was being made to ensure that I, as a ‘Westerner’, did not gain the impression that I was above Vietnamese society.

Secondly, local interpretations of my positionality were often far from my own. While conducting research at the *Long Biên* wholesale market, I was often offered free samples of fruit – often so much fruit that I could hardly carry it, let alone eat it all. Many wholesalers, despite me telling them that I was a researcher, believed me to be the supplier of a restaurant or supermarket and hoped to establish business relations with me.

Third, I was often asked whether or not I wanted to marry a Vietnamese woman. This type of question is reasonably common in most parts of the developing world where I have travelled, and I usually replied with some form of (self-depreciating) joke. While I initially did not understand the cultural meaning behind this question, upon consultation I found that the best way to answer the question was that, if I found the right woman, then I would indeed consider marrying a Vietnamese woman. This signified my commitment to Vietnam and, as Diệp put it, made me a ‘serious’ researcher in the eyes of those at the market.<sup>11</sup>

In sum, I perceived myself to be positioned by numerous members of Hanoian society as an outsider. It was made clear to me that – in a very hierarchical society – I was either ranked lower, or placed equally to locals, depending on the progress I made in learning how to do things the ‘Vietnamese way’. Due to my efforts to engage

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<sup>10</sup> This happened on two occasions at two different markets. The men spoke Vietnamese and Diệp translated what they had said.

<sup>11</sup> After discussing the issue with my interpreter, however, I learned that this was an important question; as a western male, in part as a legacy of the Vietnam War, I was automatically assumed to be involved with or ‘looking for’ a Vietnamese woman. If I was intending to marry her, then the relationship would be reasonably acceptable, and I would be seen as a serious researcher who was interested in a long term commitment to Vietnam and my work there. If I was not intending to marry this imaginary Vietnamese woman, then I was just like any other western male who comes to Vietnam for fun and pleasure and leaves when responsibility catches up with him.

socially – by endeavouring to be polite and respectful – I seem to have been accepted and respected as an outsider in the market community which meant that I was able to conduct my research without hindrance.

#### 4.4.3 *Working with Interpreters*

Apart from my own positionality, the positionality of an interpreter or research assistant and their impact on the research process must also be acknowledged (Scott, 2001; Turner 2010). Despite taking language lessons for a semester before conducting field research in the summer of 2009, my Vietnamese skills were severely lacking. It was clear to me that I would require an interpreter. Before arriving in Vietnam I had resolved to work with a male interpreter, knowing that working with a female research assistant – especially at night – was not necessarily culturally acceptable in Vietnamese society. Nevertheless, in the end I hired Diệp, a young female Vietnamese who was 24 years old. This was in part because of the lack of suitable male candidates, (out of a total of 20 candidates whom I interviewed in Hanoi, only three were male) but also because of her previous qualifications. Diệp had an impressive *résumé* which included acting as interpreter for Vietnam's Vice-Prime Minister at the World Trade Organisation and she had previously worked with another researcher from North America. She proved to be a capable interpreter; she knew how to approach people and interact with them. Her translations were not just limited to the words, but she was also able to convey nuance and reveal meanings that would not have been necessarily obvious to an outsider.

Diệp was also adept at bridging the cultural, educational and class based differences between her (and indeed me) and the people at the market. Diệp is a university lecturer in linguistics at the University of Hanoi<sup>12</sup> and therefore, in a hierarchical society such as Vietnam, of higher status than those people we were interviewing. This was immediately noticeable to our interviewees both by her choice of dress and her speech. Diệp however was very good at putting interviewees at ease and starting a conversation and was thereby instrumental in facilitating an effective exchange between informants and myself.

Despite her strengths, as a Caucasian male researcher, working with Diệp presented a specific set of challenges. Having grown up in the region, I was aware of the potential problems that might arise if I were to work with a female interpreter. On

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<sup>12</sup> Despite having a government job which came with a certain number of benefits, Diệp chose to work for me to supplement her salary, which she considered to be insufficient to live on.

a practical level, I was concerned for her safety travelling to and from the market alone at night. I countered this by picking her up and dropping her off every night. Then there was the issue of cultural appropriateness: Diệp confessed to me that she received a number of negative comments from people at the markets because we were working together at night. I also knew that hiring a female interpreter would be perceived by Vietnamese society as potentially sexually exploitative in nature, a legacy of the rampant sex tourism in a region that Caucasian males unfortunately take part in on a regular basis (United States Department of State, 2009: Online).

While we were usually welcomed by actors at the market, the issues mentioned above did mean that on a few occasions Diệp and I were recipients of criticism. On two occasions (male) truck drivers and wholesale vendors jokingly swore at me and refused to answer questions if they came from me because I was with Diệp. She however was able to smooth over the situation and we successfully interviewed both individuals.

It is because of her interviewing skills and her ability to bond with respondents that, despite the delicate issues inherent in me working with a female interpreter at night, I believe that hiring Diệp was advantageous and greatly benefited my research. Diệp was tenacious, hard working and appeared as interested in understanding the agricultural commodity chains as I was. She opened the door for me not just to *Chợ Long Biên*, but to all the markets which we visited in the city. Most importantly however, Diệp was able to connect with our interviewees, which allowed me to easily interview both male and female actors at the markets, especially as women make up a majority of the actors along the agricultural commodity chains in Hanoi.

#### *4.5 Conclusion*

In this chapter I set the stage for the analysis that follows by outlining my data collection strategies and the dilemmas that arose in the field, including concerns around positionality. I described the research methods which I employed (Section 4.2) and I discussed how the analysis of my raw data was conducted (Section 4.3). Lastly, I laid bare my own positionality as a researcher in the field in Vietnam and considered the effect I and my interpreter had on the research process (Section 4.4). With this information in hand, I now turn to the results that I was able to gain and analyse through these methods.

## **Chapter 5. Ethnography of Long Biên Market**

“*Chợ Long Biên* is full of criminals and uneducated people. It is a bad place. You need to be very careful there. You should not be doing research there.” Such was the advice of Mr. Phạm whom I met soon after arriving in Hanoi; advice, which I soon learned reflected a common perception among Hanoians of the market which supplies them with all of their fruit and a quarter of their vegetables. Despite these ominous warnings, conducting research at *Chợ Long Biên*, which is the main node in the agricultural commodity chains that move through Hanoi, was crucial in answering the following two of my research questions: “How does the *Long Biên* market operate, who are the actors present, and how does trade take place here?” and “Who are the actors that move agricultural goods along these commodity chains, and what are the social interactions that occur between them to allow the functioning of these chains?”. Over the course of the three months during which I conducted research in Hanoi, I eventually spent many nights at *Chợ Long Biên*, recording over half of my interviews at that location (which I found to be very convivial and safe). This chapter, therefore, is an ethnography of *Chợ Long Biên*.<sup>13</sup>

I begin this chapter by presenting a brief overview of Hanoi’s wholesale fruit and vegetable markets in Section 5.1, while situating *Chợ Long Biên* within that network. Section 5.1.1 describes functional aspects of *Chợ Long Biên*, such as the timing of various operations, seasonal variations in trading, the role of the market management and fees and taxes payable by actors conducting business at the market. I continue by describing the fruit and vegetable sections of the market (Sections 5.2.1 and 5.2.2). Here I describe the various actors present in each section of the market as well as the role they play and how trade is facilitated by each of them. Despite the fact that my thesis deals with agricultural commodity chains, I have also included a brief description of the seafood section of *Chợ Long Biên* in Section 5.3, to round out this place-based ethnography. Similarly, I conclude the chapter with a section on drink vendors who work in all sections of the market and whose business consists of providing traders and buyers with refreshments and snacks (Section 5.3). Neither seafood vendors nor drinks vendors are part of the agricultural commodity chains, but I have included them because they are an important part of the everyday workings of *Chợ Long Biên*.

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<sup>13</sup> I have chosen to identify all markets in my results chapters with their Vietnamese names. The word *chợ* means ‘market’ and therefore *Chợ Long Biên* is *Long Biên* Market while *Chợ Dịch Vọng* is *Dịch Vọng* Market and so on.

### 5.1 Wholesale Markets in Hanoi

Hanoi, which at the time of the last census in 2008 (before its enlargement) had 3.4 million inhabitants (Tien Phong, 2008: online), relies on a system of four wholesale markets for its agricultural imports. These four markets, shown in Figure 5.1, are *Chợ Dịch Vọng* in *Cầu Giấy* District in the west of the city, *Chợ Hà Đông* in the south western *Hà Đông* District, *Chợ Đầu Mối Phía Nam* on the main southern highway into the city in *Hoàng Mai* District and of course *Chợ Long Biên* in the north east of the city, at the edge of *Hoàn Kiếm* District, the city's commercial heart. Until recently, there was one more wholesale market, namely, *Chợ Mơ*, located in *Hai Bà Trưng* District. However, at the time of research in May 2009, the market had been closed down with no indication of whether it would be reopened.

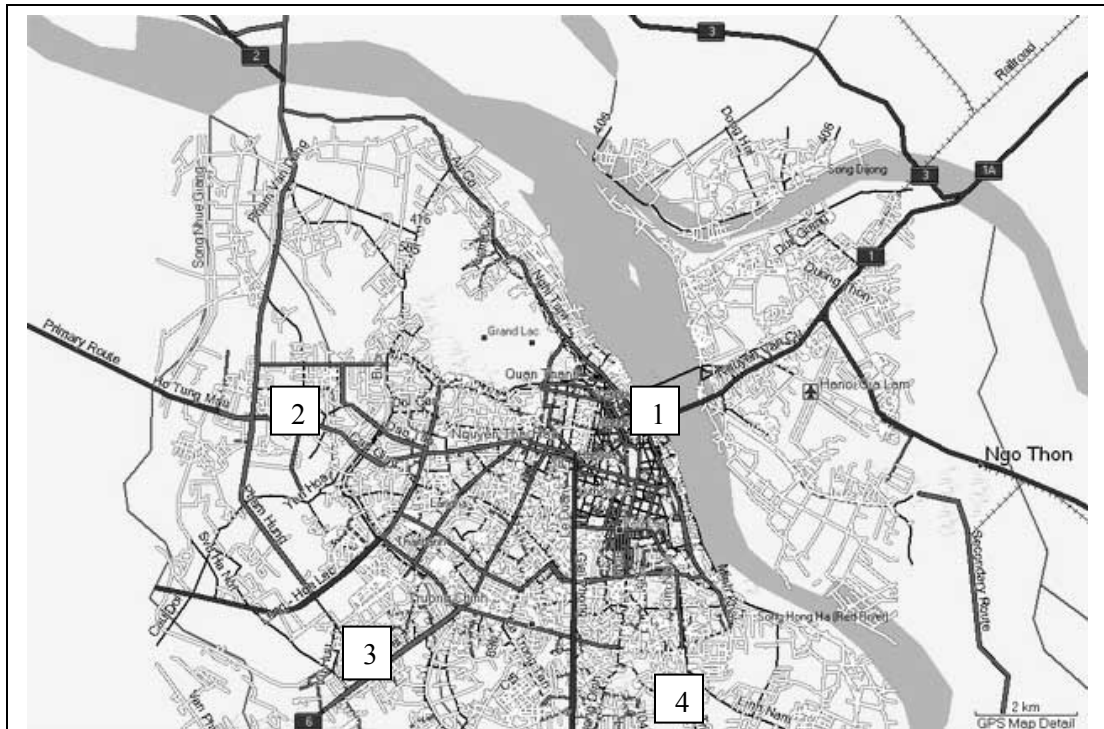


Figure 5.1 Map of Wholesale Markets within Hanoi

- |                         |                                |
|-------------------------|--------------------------------|
| 1) <i>Chợ Long Biên</i> | 3) <i>Chợ Hà Đông</i>          |
| 2) <i>Chợ Dịch Vọng</i> | 4) <i>Chợ Đầu Mối Phía Nam</i> |
- (Source: Vietnam Maps, 2009)

Of the above listed markets, *Chợ Dịch Vọng* and *Chợ Hà Đông* serve predominantly as vegetable wholesale markets with a large amount of peri-urban produce. Being newer, *Chợ Đầu Mối Phía Nam* has vastly improved infrastructure over *Chợ Long Biên*, is more spacious and can handle larger trucks. It was modelled after a wholesale market in South Korea (MM6 24/7/2009) and is an example of how the government is

attempting to shape the agricultural commodity chains in Hanoi. *Chợ Đầu Mối Phía Nam*, although disliked by traders because of its location in a quiet Hanoi suburb, has been slated by the city government to take over operations from *Chợ Long Biên*. Currently *Chợ Đầu Mối Phía Nam* acts mainly as a transshipment hub for produce arriving from southern Vietnam and headed to *Chợ Long Biên*. (See Chapter 7 for a further discussion on the changes along the agricultural commodity chains in Hanoi).

*Chợ Long Biên*, being the busiest wholesale market in the city, and at the heart of this Chapter, is described by actors working there as the city's 'most popular' wholesale market (W13 8/7/2009). It is divided into three sections: seafood, fruit and vegetables, with the fruit section dominating the market. Since *Đổi Mới*, *Chợ Long Biên* has functioned as the main fruit and seafood wholesale market for Hanoi while serving a quarter of the city with peri-urban vegetable produce (MM5 17/7/2009). Despite its planned closure, it continues to be the favoured trading location for a wide array of actors. As Mr. Đăng (8/7/2009),<sup>14</sup> a trader at *Chợ Long Biên* proudly pointed out: "*Chợ Long Biên* has been operating for a long time and has a good reputation".

It should be noted at this time that I did not find any evidence of 'safe' or organic vegetable commodity chains passing through any of the city's wholesale markets. According to Moustier *et al.* (2006), these chains, which supply only 5 per cent of household consumption, pass from cooperative directly to corner stores, local market vendors or supermarkets (Luis and Firmino, 2007). None of my respondents at any wholesale market claimed that their vegetables were 'safe' or organic. This is in contrast with local market vendors who purposely specify this aspect of their business by hanging large signs to alert customers and to differentiate their produce from that of other vendors (Moustier *et al.*, 2006; O4 15/7/2009).

#### 5.1.1 Introducing Chợ Long Biên

*Chợ Long Biên*, in its present form as a wholesale market, has been operational since 1992 (MM5 17/7/2009). According to a section director at the Vietnam Academy of Social Sciences (VASS), whom I met in Hanoi shortly before commencing my field research, the plot of land that *Chợ Long Biên* occupies today was used during the French Colonial Period as a place where fruit and vegetables were offloaded from barges on the Red River and distributed throughout the city.

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<sup>14</sup> The names of the key informants which appear in this chapter are pseudonyms used in order to respect their confidentiality. Interview codes are classified according to the interviewees' profession: SMS = small market-stall holder, SV = street vendors (both roving and fixed), W = wholesaler, PF = peri-urban farmer, TD = truck driver, DV = drink vendor, MM = market management, C = consumer, P = porter, O = personal observation.

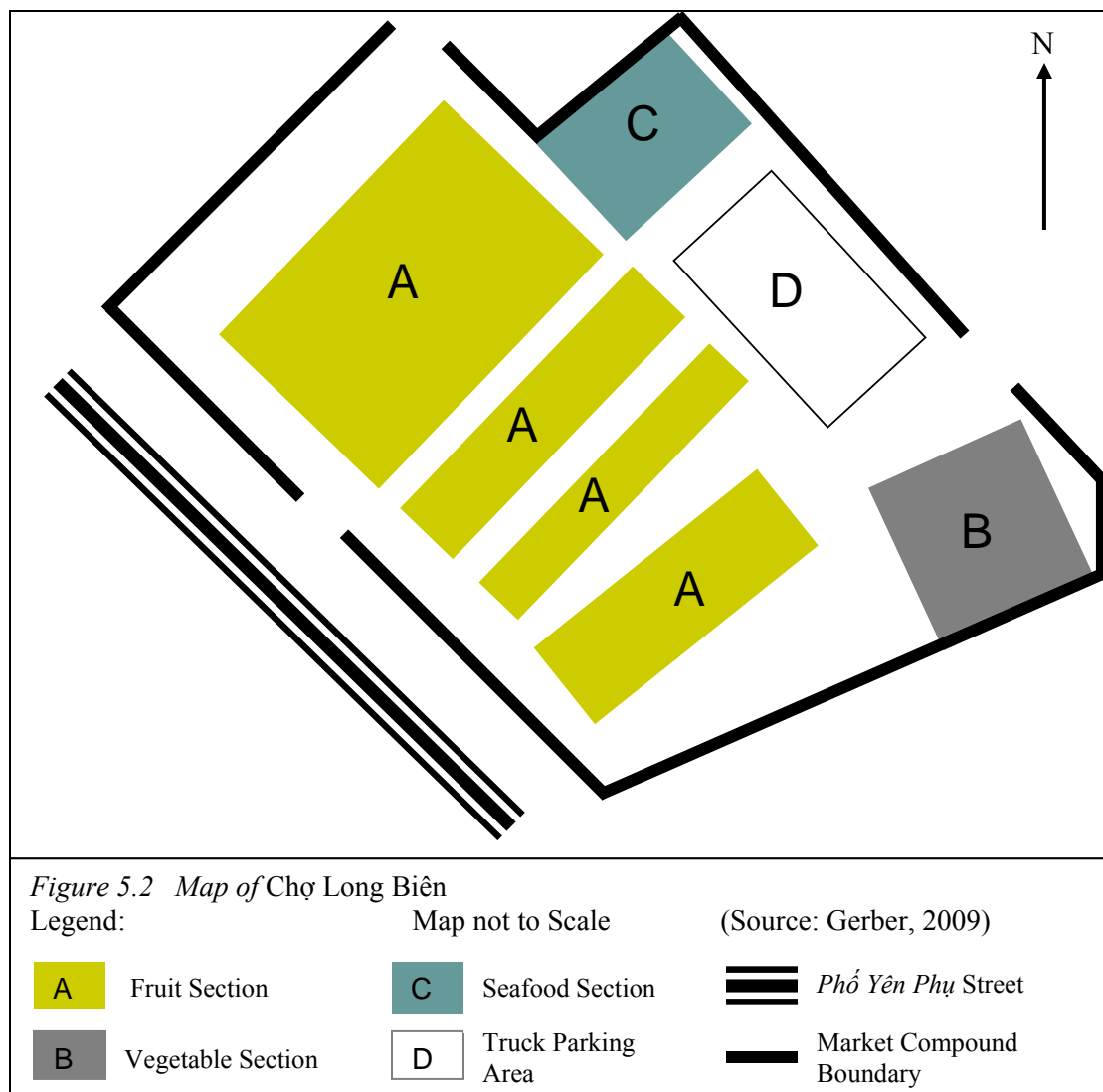
As mentioned above, nowadays *Chợ Long Biên* plays a pivotal role in the distribution of agricultural produce throughout Hanoi. It serves all of Hanoi with fruit, and supplies the city with about a quarter of its vegetables (MM5 17/7/2009); with 62 to 83 per cent of these vegetables originating from Hanoi's peri-urban areas (van den Berg *et al.*, 2003). The other two-thirds of the city's vegetable supplies enter the city via other wholesale markets (PF6 10/6/2009; W17 14/7/2009). Also, *Chợ Long Biên*, which is illustrated in Figure 5.2, through its fish section, supplies the city with a significant amount of its seafood (O2 14/7/2009). These factors combined make *Chợ Long Biên* the largest and most popular node in the fruit and vegetable commodity chains entering Hanoi (O3 14/7/2009). Mr. Đăng, one of my key informants working at the market explained his continued enthusiasm to trade there: "The area around *Chợ Long Biên* has many people ready for work or willing to buy. This is why I prefer *Chợ Long Biên* to other markets. Also, at *Chợ Dầu Mối Phía Nam*, the manager makes it hard for people to do business" (8/7/2009). Similarly, Phương, a buyer, explained his attraction to *Chợ Long Biên*: "I go to *Chợ Long Biên* because it is the cheapest place to buy produce". He continued, "at any other market, the produce will have passed through too many hands and will therefore be more expensive" (26/6/2009).

*Chợ Long Biên* has a total area of 0.16 km<sup>2</sup>. The market manager explained to me that in total around 10,000 people are active at the market every night (17/7/2009). The fish and seafood section is the smallest of the three sections, the market manager explaining that 100 different operators work there (*ibid.*, 17/7/2009). Furthermore, she explained that this is the only section in which the market management and the city's health authorities actively conduct food safety checks. Furthermore, the seafood section is unique as it is the only part in which refrigeration of produce is commonplace. While seafood is transported to *Chợ Long Biên* in refrigerated trucks and stored in cooled containers, no operator in the vegetable or fruit sections boasted refrigeration capabilities.

The fruit section is the largest of the three market sections. It includes 600 stalls as well as a large area for trucks to park and unload their produce. On an average night, 500 tonnes of fruit are traded in this section, increasing on Friday and Saturday nights. The vegetable section has 400 official stalls from which traders sell their produce. The amount traded here is significantly less than in the fruit section; 80 tonnes of produce pass through the vegetable section of the market on an average night (MM5 17/7/2009).



Laden trucks weighing between 15 to 30 tonnes are too large to enter the market and therefore park along nearby *Phố Yên Phụ* street and sell their produce directly off their trucks (see Figure 4.2). There are also around 200 traders who conduct business on the edges of the market, outside its official boundaries. While unlicensed, these people are not prevented from conducting their business because, as the market manager (17/7/2009) explained: “The market is inside the limit of this ward, but the area behind the market belongs to another ward. I have no control over the buying and selling behind the market compound”.



#### 5.1.2 *Timing: What happens when and where?*

Differences between the fruit and vegetable sections also manifest themselves in the nightly timing of operations within each section. In the fruit section, trucks arrive and unload their goods between 7pm and 10pm (DV1 12/6/2009; W11 12/6/2009). The processes of unloading, sorting, cleaning and setting up displays must be completed before midnight, when customers begin to arrive. The busiest time in the fruit section is between midnight and 2am when the flow of people, carts and trucks attempting to manoeuvre is often so thick that passage becomes impossible (DV1 12/6/2009; O1 14/7/2009). Accordingly, the best produce in the fruit section is typically sold by 2am. Trading continues, albeit at a slower pace, until 7am, the official closing time of the market. Most trucks will have left the premises by this time, and those that are still conducting business will be instructed to leave immediately by the market guards (O4 15/7/2009). (See Chapter 6, Section 6.3.3.3 for a discussion of bribery of market guards by wholesalers.)

The general trading patterns in the vegetable section are similar to those in the fruit section, yet operations take place later each evening. Most vegetables arrive from peri-urban areas on heavily laden motorbikes, with imported produce arriving on trucks. The goods arrive between 9pm and midnight followed by traders actively unloading, sorting, cleaning and setting up of displays from 11pm until 2am (PF7 19/6/2009). Customers generally begin to arrive around 1am, yet the vegetable section experiences its busiest period from around 3am until 5am by which time the highest quality produce will be sold (PF7 19/6/2009). After 5am, the flow of people into and out of the vegetable section decreases, yet a lot of trading takes place up until closing at 7am.

While the market is officially closed after 7am, and all trucks have either left by then or are being evicted by the market guards, some trading continues in the market until early afternoon. This trading however, is predominantly conducted by smaller traders in either the fruit or vegetable sections who failed to sell all their goods before closing time. The volume of customers after 7am is greatly diminished and from then onwards the market functions as a neighbourhood market rather than a wholesale market.

#### 5.1.3 *Seasonal variations in Trade*

While the timing of operations described above takes place nightly, there are also seasonal variations in trading at *Chợ Long Biên. Tết*, the Vietnamese New Year, is the cause of the highest annual sales of fruit (W26 23/7/2009). Other high volume fruit

sales take place on the first and mid-day of each lunar month as fruit are used as offerings at Buddhist pagodas (PF9 11/7/2009). Friday and Saturday nights are also lucrative for fruit traders. Fruit sales increase during these nights for two reasons: firstly, because students and part-time workers returning to their home province for the weekend buy fruit as presents for their families and secondly, because fruit, consumed as a desert, is a treat eaten more commonly during weekend family meals in Vietnam (PF9 11/7/2009). Sales in the fruit section drop substantially if it rains at night since most vendors in neighbourhood markets have enough fruit to last a few days and prefer not to go to *Chợ Long Biên* in bad weather (W12 2/7/2009).

Trade in the vegetable section stays fairly constant throughout the year, as consumer's demand the freshest possible produce and traders come to *Chợ Long Biên* on a nightly basis to procure goods of the highest possible quality. Rain only has a minimal effect on trade as most (peri-urban) vegetable produce is consumed within 24 hours of being harvested, and hence demand stays high, come rain or shine (PF7 19/6/2009). Wholesalers in the vegetable section must sell all their vegetables every night or dispose of them as no one will buy old produce the next night. Likewise, one step further along the commodity chain, vendors at neighbourhood markets buy every night and sell most, if not all, of their produce on a daily basis (PF7 19/6/2009).

A key variation in trade in the vegetable section is the fluctuation of produce originating from peri-urban areas versus produce originating from further afield, including *Đà Lạt* in southern Vietnam and China. While peri-urban farmers have a monopoly on fresh produce sold at *Chợ Long Biên*, the type of produce they grow depends on the season. Traders from elsewhere therefore specialize in selling produce which cannot be grown in Hanoi's peri-urban areas at a particular time of year (PF7 19/6/2009). As Mr. Huyền, (11/7/2009) a peri-urban farmer selling at *Chợ Long Biên* explained: "It is easier to sell in the summer because it is hot and not many people can grow their vegetables. Therefore the demand is high. But in the winter there is more supply because the conditions are good for growing, so everyone [who can] grows their own products".

#### 5.1.4 Market Management and Market Guards

*Chợ Long Biên* market is administered by the *Ba Đình* District People's Committee (MM5 17/7/2009), and the market manager as well as all market officials and guards are state employees. Market management officials and farmers selling at the market noted that the responsibilities of the market management include the allocation of market-stalls, the collection of market fees, general security at the market and the

enforcement of market rules such as closing times (PF7 19/6/2009; MM3 11/7/2009). Traders report that having a good relationship with the management can be converted into significant advantages such as lower fees, better selling locations or better selling conditions (see Chapter 6 on Social Capital and Social Networks for a detailed discussion) (W13 8/7/2009).

The office of the market manager is located on the second floor of a building just inside the main market gates. This building contains various administrative offices and is attached to a row of market-stalls in the fruit section. While the market manager conducts most of her office business during the day, the market is policed on a nightly basis by market guards who collect fees and enforce opening and closing times (MM1 26/6/2009; MM3 11/7/2009). One market guard explained his job description to me: “I have different tasks. I have to keep an eye on the motorbikes of the vendors who come and sell here, I have to sell tickets to the vendors and I have to ensure security and solve conflicts between vendors when these arise” (MM3 11/7/2009). Wholesalers, however, both in the fruit and vegetable section, report that market guards do *not* play an active role in the settlement of disputes (W12 2/7/2009). Indeed, traders prefer to solve problems on their own, because of the ‘unofficial fee’ which must be paid to a market guard to rule a conflict in one’s favour (W12 2/7/2009). This informal arrangement however is exploited by traders when it suits them. On one occasion, for example, I observed a fruit wholesaler conducting business from his truck slip a market guard VND 50,000 (USD 2.60) in order to stay past the official closing time and thereby finish selling all his goods (W13 8/7/2009; W14 11/7/2009). On another occasion a wholesaler divulged that he gives the market manager a monthly gift of VND 500,000 (USD 26) in order to sell on the road just outside the main market gate – which is technically illegal (W13 8/7/2009).

Despite being a state affiliated market in an officially socialist country, the market management allows trade to take place fairly freely and, as described by the majority of actors at *Chợ Long Biên*, is mainly focused on enforcing general rules and collecting market fees. The market management does not interfere in specific trade negotiations and only interferes in conflicts between vendors if called upon to do so by the vendors themselves (MM5 17/7/2009). Asked whether the market management set prices for various products, I was told emphatically by Mr. Dũng (9/6/2009), a peri-urban farmer selling in the vegetable section that “the market manager has no right or power to decide the price at which vegetables are sold. This is decided in the market by the vendors”.

### 5.1.5 Fees and Taxes

As mentioned above, the market management is very diligent about collecting fees and taxes from traders working at *Chợ Long Biên*. While those wishing to sell at the market face a number of fees as illustrated below, there are no fees for buyers wishing to procure goods at the market. Trader fees and taxes are dependent on a number of factors such as the produce being sold (for example, potatoes are larger than limes and are therefore taxed more), the size of a vendor's stall, the size of the truck entering the market compound and the section of the market in which one is trading (PF7 19/6/2009; MM3 11/7/2009). While I was not able to gain an accurate or full list of fees payable in the fruit section of *Chợ Long Biên*, I managed to gather information on the amount an average vegetable trader must pay in order to conduct business at *Chợ Long Biên*. Table 5.1 therefore represents a sample list of applicable fees based on interviews with peri-urban farmers who own stalls averaging 4m<sup>2</sup> in the vegetable section (PF7 19/6/2009; PF9 11/7/2009).

<i>Table 5.1 Fees payable in the vegetable section at Chợ Long Biên</i>				
	Transaction	Cost VND	Cost USD	Notes
<b>1 Time Fee</b>	Stall Area	5 million	260.00	
	Selling License	900,000	47.00	
	Total	5,9 million	307.00	
<b>Monthly Fees</b>	Stall Rental	40,000	2.10	per m <sup>2</sup> , payable if stall is not owned by vendor can be paid on a monthly or daily basis
	Entry Fee	150,000	7.80	
	Total	190,000	9.90	
<b>Daily Fees</b>	Entry Fee	5,000	0.26	can be paid on a monthly or daily basis
	Motorbike Parking	90,000	4.70	
	Unloading Fee	180,000	9.50	
	Total	275,000	14.46	
<b>Estimated Monthly Running Cost</b>		460,000	24.10	Estimate based on monthly stall rental fee, monthly entry fee and daily parking and unloading fees
<b>Average Monthly Net Profit</b>		3.5 million	180	

<sup>15</sup> Despite land reform in the 1990s, land in Vietnam cannot be owned by individuals (see Context Chapter). While conducting interviews at various markets in Hanoi in the summer of 2009, interviewees often distinguished between market-stalls that were owned and those that were rented. While I did not have the chance to verify this, I assume, based on Vietnamese land law, that stalls

be paid either on a monthly or on a daily basis, depending on the frequency of the vendor's business at *Chợ Long Biên*. Should a vendor not own their own stall, they can rent a stall from someone else and pay them a monthly fee. There are a number of daily fees for all vendors which include the motorbike parking fee as well as the mandatory unloading fee. This unloading fee must be paid irrespective of whether or not a licensed porter has helped the farmer unload their goods. I estimate the average monthly running cost for a market-stall vendor in the vegetable section of *Chợ Long Biên* to amount to VND 460,000, or USD 24.10 (see Table 4.3 above). Peri-urban farmers report net profit earnings of between VND 3 million and VND 3.5 million (USD 150 to 180) per month through trading at *Chợ Long Biên* (PF7 19/6/2009). This amount of profit allows for a more secure livelihood situation; those peri-urban farming families who have access to wholesale markets are not dependant on the extra income gained by sending a family member to work as a roving street vendor in Hanoi.

#### 5.1.6 *Infrastructure: Trucks and Stalls*

An ethnography of the market would not be complete without an introduction of its key infrastructure: the trucks which transport the goods and the market-stalls in which most trade takes place.

##### 5.1.6.1 *Stalls*

There are a total of 1100 individual market-stalls spread over the three market sections. These are used as shops at night and as storage facilities during the day. Most market-stalls in the fruit section consist of fixed structures and buildings which are sometimes multi storey. These can be fenced off and locked while market-stalls in the vegetable area (shown in Figure 5.3) typically comprise makeshift tents: tarps strung up on bamboo poles. Although rudimentary, these structures are left standing during the day but cannot be locked or fenced off. In the rare event that a vegetable wholesaler stores goods on site during the day, these goods will be covered by tarps (O2 14/7/2009). After three months of research I found only one, small-sized, cold room in the back of one fruit wholesaler's stall; the vast majority of fruit and vegetable wholesalers hence make do without proper refrigeration. As such, if a

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described as being owned are actually held under long term leases from the market management and can be rented out to a third party.



*Figure 5.3 A market-stall in the vegetable section of Chợ Long Biên.*  
(Source: Gerber, 2009)

certain product requires refrigeration, it will be shipped and stored in ice-filled styrofoam boxes (O6 18/7/2009).

As in all markets in Hanoi, market-stalls at *Chợ Long Biên* are allocated through a lottery system; tickets to enter this lottery must be bought from the market manager who randomly picks the lottery numbers of vendors who will then be allowed to buy market-stalls (W7 1/6/2009; SMS20 7/6/2009). Vendors who ‘own’ their shop space have a formal certificate of ownership given to them by the market management (W8 1/6/2009; SMS20 7/6/2009). Shop space can be utilized by the owner, can be traded by the owner or can be rented out for use by third party (PF7 19/6/2009). As *Chợ Long Biên* has become more popular and subsequently more crowded, shop spaces have dwindled. As a consequence their value has skyrocketed. Mr. Dũng (19/6/2009), a peri-urban farmer who owns a 4m<sup>2</sup> shop at *Chợ Long Biên* reflected happily upon the rise in value of his property: “I bought this stall about ten years ago. At that time I had to pay VND 10 million [USD 525]. Now, this stall has increased in value and I can sell it for about VND 50 – 60 million [USD 2630 to 3150]”.

#### 5.1.6.2 Trucks

Typically the trucks at *Chợ Long Biên* can be categorized by tonnage: trucks carrying one to two tonnes usually arrive at the market empty. They are owned by wholesalers from northern Vietnamese provinces and leave with a full load of goods at the end of the night for sale elsewhere (TD2 21/6/2009; TD5 8/7/2009). The second category of trucks transport between three to five tonnes of produce and are generally used to transport fruit and imported vegetables to *Chợ Long Biên*. These trucks are the maximum size that can physically enter the market gate and proceed to their unloading areas shown in Figure 5.4 (MM5 17/7/2009). Finally, those trucks capable of carrying more than five tonnes, typically up to 15 tonnes, are too large to enter the market. These trucks, many of which carry Thai license plates, bring large quantities of fruit to the market. Due to their size they are forced to park on the street outside the main market entrance, despite the fact that doing so is against the law (MM5 17/7/2009). Such a truck is shown in Figure 5.5.

Within the market, there is a specific parking area where many trucks park and wholesalers sell directly off the back of the truck. Other trucks, however, were observed parking in front of shops, to unload their produce into the shop. Sometimes the shop and truck are owned by the same person, although usually both the truck and



*Figure 5.4 The truck parking area inside the market during its busiest period of the night: 11pm to 3am*  
(Source: Gerber, 2009)



the shop are hired by a large scale wholesaler. One wholesaler explained to me that “some trucks get to park in front of the shop because they supply a specific shop. Those trucks that don’t supply specific shops have to park in the general area and sell there” (W11 12/6/2009).

Lastly, trucks parked and conducting business on the road outside the market are not commonly affiliated with any shops; the wholesalers who hired the trucks therefore sell directly off the back of them. While conducting an interview with the market manager of *Chợ Long Biên* I was informed that such trucks are meant to park at *Chợ Đầu Mối Phía Nam*, approximately 20 kilometres south of *Chợ Long Biên* and transfer their goods onto smaller trucks to be brought to *Chợ Long Biên* (TD4 7/7/2009; MM5 17/7/2009). Wholesalers, however, do not like to shift their goods between trucks at *Chợ Đầu Mối Phía Nam* because of the added time and cost involved in such an operation.

On an average weekday night, approximately 15 large trucks are parked outside the market gates. About a third of these are registered in Thailand. Their drivers told me that Thailand, Laos and Vietnam had signed a transport agreement meaning that goods crossing borders no longer need to be carried by a truck registered in the country through which it is travelling. This has opened the way for

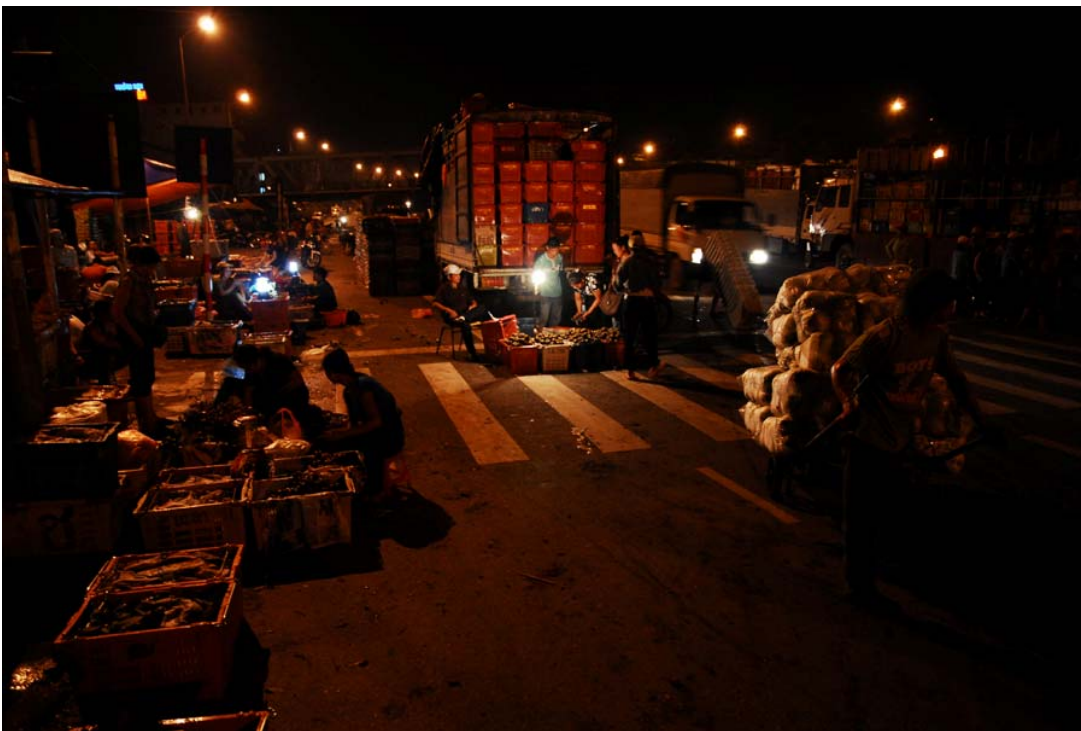


Figure 5.5 Trucks parked on the street outside *Chợ Long Biên*. (Source: Gerber, 2009)

Thai trucks to bring produce straight to wholesale markets in Vietnam (TD1 12/6/2009; confirmed by BBC, 2008: online). In this way, actors along the fruit commodity chain are reaping the benefits of international efforts to link trade routes in mainland Southeast Asia.

In sum, *Chợ Long Biên*, as Hanoi's favoured wholesale market, plays a central role in the fruit and vegetable commodity chains entering the city. *Chợ Long Biên* functions predominately as a night market, with two large sections – fruit and vegetables – that operate in fairly distinct styles. In both sections, along with the necessary fees to pay to the market management, stall prices have risen dramatically over time, as the land available for trading is increasingly in demand. This has squeezed the profits of large wholesalers (most of whom rent the stall area) yet provides others, such as peri-urban farmers (many of whom own their stall space) with an investment which can yield sizeable returns. As has already been hinted at, both local farmers and long distance wholesalers are important actors found at *Chợ Long Biên*, and it is to these individuals that I turn next.

## *5.2 Produce sections in the Market*

Here I describe in detail the actors present in two sections of *Chợ Long Biên*: the fruit section and the vegetable section. In doing so, I paint a picture of how trade takes place at the largest and most popular sections of the market.

### *5.2.1 Fruit Section: Actors involved*

The majority of the 10,000 people who cram into the wholesale market every night can be found in the fruit section. A list of the fruits available for sale in this section can be found in Figure 5.6. There are two types of traders here: large scale wholesalers with sophisticated operations in which every actor has a specific and specialized role, and medium sized wholesalers whose jobs are less specialized and whose operations are smaller in comparison. I begin by describing the operations of large wholesalers before proceeding to a comparison of medium sized wholesalers who compete with the large wholesalers.

#### *5.2.1.1 Large Scale Wholesaler*

People always consider Vietnamese fruit to be the best [quality]. That's why selling fruit from the south of Vietnam is good business (W13 8/7/2009).

Importing fruit into Hanoi, as explained by a wholesaler at *Chợ Long Biên*, is good business. Yet it takes a high degree of capital and organisation to transport produce the 2000 kilometres by road from southern Vietnam where the majority of traded fruit is grown to Hanoi. Large scale wholesale operations typically revolve around a single individual who owns the fruit being transported up to *Chợ Long Biên*. This individual reaps the profits or carries the losses, and hires all the other actors needed to complete the operations along the way (W14 11/7/2009). This large scale wholesaler hires trucks to transport his

*Figure 5.6 Survey of produce sold in the fruit section*

- Red and Green Apples
- Oranges
- Dragon Fruit
- Pears
- Peaches
- Yellow (honey) melons
- Chinese pears
- Palm fruit
- Grapes
- Pomelo
- Plums
- Rambutan
- Mangoes
- Mangosteen
- Lohan
- Apricot
- Green oranges
- Avocado (considered a fruit in Vietnam)

or her fruit to the market, hires professional sellers to sell the produce at the market, and hires individuals to unload the trucks who work together with teams of porters who carry the goods to either the owner's own stall or that of a customer, or to a customer's truck. Finally, it is also the large scale wholesaler who (typically) leases the shop space at *Chợ Long Biên* from which his or her entire operation is conducted (W14 11/7/2009). While the wholesaler does not usually participate actively in the selling process, they are nevertheless present and are usually consulted by the sellers on acceptable prices for their produce (W14 11/7/2009).

Fruit sold at *Chợ Long Biên* is imported from Thailand, southern Vietnam (especially the highlands around *Đà Lạt*) and China.<sup>16</sup> The trade in produce from southern Vietnam in particular is monopolized by 15 large scale traders, all of whom are originally from Ho Chi Minh City or its surroundings. Most traders, such as these 15, have strong ties to their suppliers in southern Vietnam, China or Thailand. The traders capitalize on their connections with suppliers, often specifically ordering goods which are in low supply at the market (W19 20/7/2009). Once loaded, trucks from southern Vietnam take two full days to travel the 2000 kilometres along the

<sup>16</sup> During three months of research I only encountered one woman who was selling fruit grown in peri-urban areas.

coast to Hanoi, while trucks from the fruit producing region of Chon Buri in Thailand (southeast of Bangkok) take 24 hours to cross Thailand and Laos before arriving in Hanoi. Trucks from southern China also travel 12 to 24 hours (depending on their origin) to reach *Chợ Long Biên* (W19 20/7/2009).

Each of the large scale southern Vietnamese wholesalers employs drivers from a trucking business to transport at least one truckload of up to 15 tonnes of produce every week night to *Chợ Long Biên*. On Friday and Saturday nights each of these wholesalers expects two to three trucks which have been commissioned in advance in order to satisfy the higher demand (W19 20/7/2009). Trucks will often sell things along the way in other provinces, as, due to less competition, fruit fetch a higher price in rural areas than in urban ones. Whatever is not sold en route to Hanoi is sold at *Chợ Long Biên* (W19 20/7/2009).

Although hiring professional sellers and unloaders to deal with their goods once the trucks arrive at *Chợ Long Biên*, Mr. Đăng (8/7/2009), a wholesaler, explained to me that he had a specific strategy for loading and selling boxes with perishable produce:

The truck needs to travel two days from the south to the north. In two days the fruit on the top suffer from the heat. Some customers therefore want boxes from the bottom. Others don't know and therefore don't mind taking from the top. However, my strategy is to sell to people who are from far away [who re-sell the fruit in other provinces]. I sell them boxes from the bottom so that the fruit will last longer. The fruit which are on the top will be consumed faster, so I sell them to people in the city.

#### 5.2.1.2 *Truck Owners, Drivers and Personnel*

A successful trucking business, as Mr. Trần, a wholesaler, explained to me one night, is not merely profitable for the truck driver, but adds symbolic capital to the entire wholesale operation. He continued: "The big trucks are better for business because when people come to buy and see a big truck with much fruit, they trust that he is the 'original' vendor, and that the fruit has not passed through too many hands" (W13 8/7/2009).

Therefore, one of the first connections a prospective large scale wholesaler needs is with a trucking business. Such a business typically starts with a single, medium-sized truck (three to five tons). The owner will drive it him or herself until they have saved enough money to buy another truck. As the business expands, family

members will be hired as drivers. The owner of the truck will then oversee his or her small trucking business, often spending a lot of time at *Chợ Long Biên*, supervising transactions and checking on his trucks (TD3 21/6/2009). Through observations as well as a number of interviews, it became clear that the average trucking business consists of four medium-sized trucks, driven by members of the same extended family (TD3 21/6/2009; O2 14/7/2009). Indeed, family members are preferred as truck drivers, as the strong familial bonds inherent in Vietnamese society dictates that family are more trustworthy than outsiders (TD3 21/6/2009; O1 14/7/2009). On the road, especially if long distances are to be covered, drivers operate in tandem, with one to two relief drivers taking over when one driver gets tired to ensure that stops en route are kept to a minimum. Once the truck arrives at the market, the truck drivers rest while the unloading is completed by another set of actors specifically hired for this job by the truck owner. Alternatively, smaller trucking operations (those consisting of one truck or less) are sometimes unloaded by the team of drivers (TD1 12/6/2009). Those people hired specifically for the job of unloading are typically Hanoi residents. They are unrelated to the family of truck owner and drivers. The owner of the trucking business usually supervises the unloading process and is able to fire these unloaders easily if needs be, because of the lack of a socially obliging connections (see Section 6.3.2 on trust in Social Networks, in Chapter 6 for further details) (TD3 21/6/2009).

#### 5.2.1.3 Professional Sellers

Textbox 5.1 introduces a typical working night for Tuyết, a professional seller working at *Chợ Long Biên*. While the large scale wholesaler who owns the produce stays in the background, there is a team of professional sellers who oversee the actual trading, such as shown in Figure 5.7. They are hired by the large scale wholesaler to supervise the unloading of the trucks, to be in charge of the selling of the produce, to hire porters to ferry produce around the market when necessary and to keep an accurate record of the weight and price of each sale (W19 20/7/2009). Essentially, this team of professional sellers under its leader acts as a hands-on management team for the large scale wholesaler.

While the sellers deal with the customers, the price at which the produce is sold is set by the large scale wholesaler. Similarly, should a buyer attempt to bargain or demand a discount because they are buying in bulk, this sale must first be approved by the large scale wholesaler who is usually present at the market (W22 20/7/2009).

While they do not decide the price, the professional sellers get paid by the box sold; it is therefore in their interest to sell-out of stock every night (W19 20/7/2009).

Professional sellers build up a relationship with the large scale wholesalers for whom they work, and are employed by the wholesaler on a long-term basis (W19 20/7/2009). In turn, their main customers include owners of large fruit stalls and shops in Hanoi as well as wholesalers from provinces surrounding Hanoi (W19 20/7/2009). While the professional sellers will mostly sell a single box or crate at a time (usually weighing 10kg – 20kg), they prefer to sell several boxes at once. Furthermore, the price per unit is reflected in the amount a buyer procures. As one wholesaler (W22 20/7/2009) explained: “I don’t like to sell less than 10 boxes [at a time]. I will do it, but it will be more expensive. For example, if you buy 10 boxes at a time I will charge you VND 12,000 [USD 0.60] per box [of fruit], but if you buy only one box it will cost you VND 14,000 [USD 0.75]”.



*Figure 5.7 A Professional Seller updating her ledger.*

(Source: Gerber, 2009)

#### *5.2.1.4 Small Scale Wholesalers*

Small scale wholesalers (an example of such a business is shown in Figure 5.8) operate similar businesses as large scale wholesalers but because they have less capital they manage most aspects of the business themselves and handle smaller



quantities of produce (W15 14/7/2009; W16 14/7/2009). As Mr. Đinh (14/7/2009), such a wholesaler, noted, “I operate in this way because I don’t have enough capital to deal with larger quantities”. These wholesalers either own or rent a market-stall themselves (W15 14/7/2009; W16 14/7/2009), and they buy directly from truck operators who are not affiliated to other shops. They usually do not commission trucks to transport produce or order produce from trucks in advance (W15 14/7/2009). Their operations tend to be smaller than those conducted by professional sellers (O4 15/7/2009) and their business depends much more strongly on regular customers (W15 14/7/2009; W16 14/7/2009; O4 15/7/2009). Unlike large scale wholesalers, small scale wholesalers will readily sell smaller quantities, often opening up the crates or boxes and selling the contents by the kilo (W15 14/7/2009; W16 14/7/2009; O4 15/7/2009). Their customers therefore include actors who themselves also do not deal in large quantities, including vendors from neighbourhood markets and street vendors (W15 14/7/2009).



*Figure 5.8 An empty fruit stall. This wholesaler has sold almost all of their produce.*  
(Source: Gerber, 2009)

### Textbox 5.1: Tuyết, a Professional Seller in the fruit section of *Chợ Long Biên*

Tuyết has been working as a professional at *Chợ Long Biên* for eight years, ever since she was hired by Kiệt, a large scale wholesaler from Ho Chi Minh City. Since then, Tuyết has become the team leader of a unit of five women. Kiệt also hired a trucking company to transport the fruit and rented the stall space from a third party. Tuyết, however, is in charge of the nightly running of the business: she deals with the trucks as they arrive in the evening, hires the porters and interacts with the customers. She only consults Kiệt to establish a price for the goods.

Tonight Tuyết has two trucks arriving from the outskirts of Ho Chi Minh City bringing three tons each of lychee and honey melons. Tuyết oversees the unloading of the trucks straight into the wholesaler's rented 10m<sup>2</sup> stall. She has delegated the task of keeping an accurate list of accounts to her sister Dững. Dững has a large ledger in which she records the weight of every box that comes off the trucks, the weight and amount of boxes sold to each customer and the amount of money the team has received from sales over the course of the night.

Customers begin arriving around midnight. Most are wholesalers from other areas of northern Vietnam and some are familiar to Tuyết and her team. Despite competing against trucking businesses that sell produce at a slightly cheaper price directly off the back of their trucks, Tuyết's team usually sells most of their fruit on a nightly basis. This is because truck operators selling fruit do not allow customers to check the quality of the produce whereas Tuyết allows her customers to ascertain the quality of her goods for themselves.

Until around 3am most transactions involve several hundred kilos each, but after 3am shop owners and neighbourhood market-stall owners from inside the city arrive. These customers usually buy in smaller quantities; one to three boxes, each weighing 20 kg. When Tuyết and her team make a sale, they arrange for a porter with a cart for their customer. If Tuyết is not able to sell all her produce for the night, which might be the case on a rainy night, the fruit is stored and locked in the market-stall at *Chợ Long Biên* until the next night when it is usually sold at a slightly discounted price.

At 7am, when trading slowly winds down, Tuyết and her team clean up and prepare their store for the next night's trading. Tuyết gives Kiệt the money earned that night, and Kiệt in turn pays Tuyết and her team their share of the earnings. After working continuously for 11 hours, Tuyết returns home to catch some sleep, take care of her family and start work again at 8pm.

#### 5.2.1.5 Porters

Porters are hired to transport goods around the market; they will bring goods from trucks to shops, from shops to trucks, or from trucks to other trucks inside or outside the market boundary (P1 11/7/2009). According to the market manager, there are two kinds of porters working at *Chợ Long Biên* totalling 2000 individuals (MM5 17/7/2009), namely licensed and unlicensed porters.

There are 500 licensed porters who have a formal license issued by the market manager. Such porters, as pictured in Figure 5.9, transport goods using a registered cart which has a license plate, and which, when not in use during the day, is parked in a designated area (MM5 17/7/2009). They work in teams of three to five; one pulls the cart while the others push (O3 14/7/2009). Occasionally they are hired by wholesalers for longer term work, but usually they are hired on the spot for one or two trips (P1 11/7/2009). In order for them to become licensed and to start work at the market, porters acquire a cart: either by commissioning someone to build a cart



for them, or by buying a ready made cart from someone else. They then need to buy a license from the market manager (P1 11/7/2009; MM5 17/7/2009). This license costs VND 1 million (USD 52.50), on top of which a monthly ‘certification of ownership’ fee of VND 160,000 is due (USD 8.40) (P1 11/7/2009). Being are paid by the weight they carry per trip, licensed porters will refuse to carry a load lighter than 100kg and can carry 800kg to 1000kg at a time on their cart (P1 11/7/2009).<sup>17</sup> Of these hauls, 100kg will earn them between VND 20,000 (USD 1.05) to VND 30,000 (USD 1.57), while 800kg will fetch them VND 100,000 (USD 5.25) (P1 11/7/2009). Such porters have an unofficial understanding with other formal porters to stay in their own, unofficially designated, areas (P1 11/7/2009).

Alternatively, informal or unlicensed porters were described by the market manager as ‘free labourers’ (MM5 17/7/2009). They do not have a license to work and can therefore be evicted at any time (although I never saw or heard of this happening). They work alone or in pairs using a bamboo pole to carry smaller amounts of produce (O6 18/7/2009). They come to the market on a seasonal basis, working for short periods of time to supplement their families’ income in nearby rural areas (C3 16/7/2009; Agergaard and Vu, 2010).



*Figure 5.9 A porter in the fruit section loading his cart.*

(Source: Gerber, 2009)

<sup>17</sup> Each box is weighed by the seller in front of the customer using the seller’s scale, usually with the porters present.

#### 5.2.1.6 Customers

Customers fall under the following categories: firstly, shop owners or neighbourhood market-stall owners from within Hanoi and secondly, wholesalers, most of who are from Vietnam's northern provinces. On the one hand, neighbourhood market-stall owners will buy around 300kg of produce at a time from a number of wholesalers and transport it to their stall by motorbike or trishaw (known locally as 'cyclo'). These buyers come to *Chợ Long Biên* several times a week, but not necessarily every night. Usually the owner of the stall, who tends to be female, will conduct the buying while her husband will ferry the two of them as well as the 300kg of fruit home on their family motorbike (SMS24 12/6/2009). As will be discussed further in Chapter 6, most of these customers do not have a strong relationship with any particular supplier (W13 8/7/2009).

On the other hand, out of town wholesalers buy in bulk, usually between one to two tonnes at a time. Most of these wholesalers come to *Chợ Long Biên* on a weekly basis and transport the fruit back to their home province on a small truck (SMS25 26/6/2009; TD2 21/6/2009). These wholesalers buy 50 – 70 boxes (each box weighing on average between 15kg and 20kg) at a time. Most have built up a trust relationship with their suppliers and therefore do not need to pay on the spot, but can pay at their convenience (see detailed discussion of payment systems, in Chapter 6, Section 6.3.2) (W13 8/7/2009).

Roving street vendors come to *Chợ Long Biên* on a nightly basis and buy as much fruit as they can carry on their shoulder poles (which from observation appears to be between 40kg to 60kg) (SV8 17/7/2009). While fixed street vendors tend to sell a variety of fruit, roving street vendors specialize in one or two types of fruit or vegetable (O2 14/7/2009).

Buyers in the fruit section at *Chợ Long Biên* are free to buy either from wholesalers operating from a market-stall, or from trucks that are not affiliated with any shop (O1 14/7/2009). However, as hinted at earlier, there is a catch: "If you buy directly from the trucks, you cannot check the quality of the produce" one buyer explained to me (W16 14/7/2009). She continued, "if you try to open one of the boxes from the trucks, the truck driver will get angry at you because he does not want you to see the quality. If you buy from the stalls who bought from the trucks, you can pick and choose and check the quality".

When buying directly off the back of a truck, each box will be sold for the same price with the customer running the risk that they will receive a box of bad quality produce. When buying from wholesalers or professional sellers working out

of a market-stall however, customers are allowed to check the quality of the produce and can bargain accordingly (O2 14/7/2009; W16 14/7/2009). However the privilege of knowing the quality of the goods, means that buying from a wholesaler at a shop tends to be on average VND 3,000 (USD 0.15) more expensive per box of fruit than buying from a truck (O6 18/7/2009).

In sum, the fruit section of *Chợ Long Biên* handles all of the fruit imports into the city of Hanoi. Traders appreciate the market's central location in Hanoi. Indeed, the fruit section dominates the market, handling around 500 tonnes of fruit on an average night. From my interviews and observations I found that actors in the fruit section have well defined and established tasks. It is rare, for example, for a truck driver to assist a porter with their work. This is in stark contrast to the vegetable section, which I turn to next.

### 5.2.2 Vegetable Section Actors

While the various actors' roles in the fruit section are reasonably defined and separable, actors' roles in the vegetable section are much more fluid and difficult to define. Many peri-urban farmers act as wholesalers, transporters, and agents for restaurants (PF7 19/6/2009) selling a wide variety of vegetables listed in Figure 5.10. The following is best understood to be an illustration of the roles which actors in the vegetable section of *Chợ Long Biên* fulfil, rather than a strict characterization of each actor's role.

#### 5.2.2.1 Peri-Urban Vegetable Farmers

About half the sellers in the vegetable section of *Chợ Long Biên* are themselves peri-urban farmers (PF7 19/6/2009). The daily schedule of one such farmer, Minh, is detailed in textbox 5.2. Peri-urban farmers bring their own produce to the market on a nightly basis and sometimes augment their own produce by buying produce from their next door neighbours back in their peri-urban areas (PF7 19/6/2009). They transport their produce to *Chợ Long Biên* on motorbikes, carrying up to 300kg of produce at a time (PF9 11/7/2009). These farmers have a *de facto* monopoly on the goods they grow compared to imported produce. This occurs because

Figure 5.10 Survey of produce sold in the vegetable section

- Ginger
- Tomatoes
- Cucumbers
- Herbs
- Mushrooms
- Carrots
- Onions
- Potatoes
- Cabbage
- Water Gory
- Pumpkin
- Lime
- Pineapple
- Chilli
- Beans

while there is no official law banning imported produce, consumers prefer the peri-urban farmers' cheap, fresh and local produce. As such, importers to *Chợ Long Biên* from elsewhere can only compete by selling produce that is currently not in season in Hanoi's peri-urban areas (PF7 19/6/2009).

While peri-urban farmers come to the market every night, they do not bring the same produce every time. Rather, they bring whatever they have harvested the day before. They depend on strong connections to restaurants and regular customers to make a profit, and will telephone restaurants and offer their produce on a daily basis. As Mr. Dũng (19/6/2009), a peri-urban farmer pointed out:

It is usually for the farmers to call the restaurants to offer their goods, because the restaurant agents never know which farmer will have what produce on what day. This way, many farmers can have many connections to many restaurant agents and all can make a living.

Peri-urban farmers depend on two crucial elements to make a profit: they must be able to develop a wholesale business beyond the simple sale of their own produce (that is, in order to make a profit they must sell all their own produce, but then also buy more produce at the market and re-sell all of that too), and they must have connections to several restaurant owners, to whom they can market a large amount of produce (PF7 19/6/2009; PF9 11/7/2009). Again, this was explained to me by Mr. Dũng (19/6/2009):

If I only sell my own products I will have only a little bit of profit. Sometimes this profit is not even enough to cover the cost of production. So I take on this extra role [wholesaling] to supplement my income. There are some farmers who don't have a relationship with various restaurants, so they have to sell their products to me and I can sell it to the restaurant because the only way to sell all your produce is to be a restaurant supplier.

Should a peri-urban farmer receive an order from a restaurant, the farmer will deliver the produce to the restaurant personally, usually leaving a family member behind to look after the stall at *Chợ Long Biên* or asking a neighbouring stall-holder to keep an eye on his or her stall.

In this environment, those farmers who can directly access and sell at *Chợ Long Biên* have an advantage over competitors (such as importers or local wholesalers) because they supply the freshest produce and can offer the lowest price,

since the vegetables come direct from their farm with no intermediaries. However, there are only a limited amount of market-stalls for sale or rent at *Chợ Long Biên* which limits the number of traders who have access to a market stall (either by owning or renting one) and who can therefore participate in this system (PF7 19/6/2009).

#### 5.2.2.2 Vegetable Wholesalers

Wholesalers operating in the vegetable section (shown in Figure 5.11) procure their goods either from farmers in the countryside, from farmers who sell their goods at *Chợ Long Biên* as noted above, or they buy imported vegetables off trucks arriving from China or southern Vietnam (W5 1/6/2009; W9 1/6/2009). Vegetable wholesaler operations in the marketplace tend to be the same size as those of peri-urban farmers. Despite not growing any of their own produce, these wholesalers can remain competitive with the peri-urban farmers present at *Chợ Long Biên* because only a small number of farmers from peri-urban areas have access to a market-stall. Therefore wholesalers can take advantage of a large pool of suppliers in the

#### Textbox 5.2: Minh, a Peri-Urban Farmer in the vegetable section of *Chợ Long Biên*

Despite being the son of a carpenter, Minh, now aged 36, decided to become a farmer. He learned his trade from friends and neighbors and, once he had a consistent crop, bought himself the rights to use a market-stall at *Chợ Long Biên* from which he now sells his produce on a nightly basis.

As a peri-urban farmer Minh lives and works with his family 15km southeast of *Chợ Long Biên*. They have approximately one acre of land, spread over four plots on the outskirts of their village in *Bắc Ninh* province. Minh's wife *Điệp*, his mother, daughter-in-law and nieces and nephews spend most mornings in the fields harvesting their crop. This includes potatoes, chilies, eggplants and peanuts. Minh himself returns from *Chợ Long Biên* between 8am and 9am and then sleeps until the early afternoon. He usually then spends some time in the fields himself before preparing the produce which is destined for the market that night. Usually *Điệp* accompanies Minh to the market, where she helps him to look after the stall and sells some homemade handicrafts, but since the recent birth of their son, Minh goes to the market alone.

Minh arrives at the market around 10pm. Until midnight the vegetable section at *Chợ Long Biên* is abuzz with activity as vendors, Minh included, set up their stalls, catch up on the latest news and prepare for their customers' arrival. These customers turn up between 1am and 2am and quickly buy up all the best produce. Minh frequently brings one to two different kinds of produce to the market, totalling 300kg. He usually sells out by 3am. Once he has sold all his produce, Minh's strategy is to call his familiar customers: restaurateurs or neighbourhood market-stall owners. They place their orders with him and he acts as their agent, buying what they have ordered from other farmers or wholesalers at the market. He then delivers these orders directly to his customers. He finishes work at *Chợ Long Biên* around 7am and then heads home.

Minh reports that he has not been impacted by the global financial crisis, as he has recently experienced an increase in sales of his vegetables. When he is working at *Chợ Long Biên* he considers his long term familiar customers as his most important clients. If he is lucky, he can win a month long or even year long delivery job with them.

countryside; namely all those peri-urban farmers who do not have access to a market-stall at *Chợ Long Biên* (W9 1/6/2009).

#### 5.2.2.3 Porters

It is rare to find porters working in the vegetable section of *Chợ Long Biên*. Despite the existence of a mandatory ‘unloading fee’ which is paid to the market management, peri-urban farmers report that they do most of the unloading themselves (PF9 11/7/2009; PF7 19/6/2009). Passageways in the vegetable section are narrower making it difficult for official porters with carts to enter. Also, the volume of goods traded in a single transaction is usually of a size which a customer can carry by themselves. This, combined with the fact that vegetables do not bring very high returns means that customers prefer to carry goods themselves and save the money they would otherwise have to pay a porter.



Figure 5.11 The vegetable section of *Chợ Long Biên*.

(Source: Gerber, 2009)

#### 5.2.2.4 Customers

Customers who travel to *Chợ Long Biên* to buy vegetables include agents for restaurants, market stall operators, street vendors and occasionally residents of houses directly adjacent to the market. Around 80 per cent of buyers in the vegetable section report buying their goods from the same suppliers on a regular basis (SMS12

22/5/2009; PF3 24/5/2009). As such, the connection between buyer and seller is significantly stronger in the vegetable section of *Chợ Long Biên* than in the fruit section. Such a connection brings with it certain advantages: if the connection is strong enough, a buyer may buy on credit, paying the supplier up to weeks after the initial purchase. Furthermore, while most buyers travel to *Chợ Long Biên* every night, those buyers who have built up a strong relationship with a supplier can ask for the produce to be delivered to them (SV11 20/5/2009) (see Chapter 6, Section 6.3.3.1 for a full discussion on Bonding Social Capital.).

In contrast to the fruit section, each actor in the vegetable section fulfills a variety of tasks. To summarize, while fruit passes through many hands from its origins until it reaches the consumer in Hanoi, many peri-urban farmers deliver their vegetables directly to their customers, thereby eliminating several intermediate transactions. Consumers benefit from this approach through gaining fresher produce – typically available within 24 hours of harvest – and cheaper prices. Farmers gain from this system, as they eliminate intermediaries, hence making greater profits. While the vegetable section of *Chợ Long Biên* is considerably smaller than the fruit section, it is larger than the seafood section and the numbers of drink vendors. I briefly turn to these two categories next, to round out this ethnography.

### *5.3 Completing the Market produce range: Seafood and Drinks*

The seafood section is the smallest section in *Chợ Long Biên* and falls outside of the purview of this thesis in terms of the analysis of agricultural commodity chains. Nevertheless, I briefly include it here to complete my ethnography of *Chợ Long Biên*. According to a wholesaler working in the seafood section “conditions for selling seafood in this part of the market are similar to those in the fruit and vegetable sections” (W17 14/7/2009). The majority of seafood sold here originates from the province of *Nam Định*, 100 kilometres southeast of Hanoi (W17 14/7/2009).

The seafood section covers roughly five to ten per cent of the market area and houses 38 stalls. While neither trading in fruit nor vegetables requires tools beyond a truck and a scale, traders in the seafood section require an elaborate system of cooling machinery and water to keep their produce fresh. Also, traders have been observed adding various chemicals to the water in which they store their fish. Traders in the seafood section at *Chợ Long Biên* trade a wide variety of seafood including varieties of fish, shellfish and squid, with shrimp and squid being the most popular (O4 15/7/2009).

Ever since food safety scares of the mid 1990s (Vietnamnet, 2010: online), food safety has been a growing concern of Vietnamese consumers. While all produce is considered potentially suspect by the average consumer (C1 9/7/2009; C4 16/7/2009), the market manager of *Chợ Long Biên* admitted that the authorities currently only have the capacity to conduct safety checks on meat and seafood (MM5 17/7/2009). Such checks, conducted at *Chợ Long Biên* in late 2009 and early 2010 revealed grave food safety concerns such as the use of fertilizers to prolong the shelf life of seafood (Tuyet Nhung, 2008: online).

Finally, there are a handful of actors at *Chợ Long Biên* who do not directly participate in the trading of fresh food produce, yet provide a vital service to those who do: drinks vendors. Although few in number, these vendors serve a large clientele on a nightly basis. A total of about five drink stalls can be found in both the fruit and vegetable sections of *Chợ Long Biên*. While primarily providing rehydration capabilities, they also serve snacks and provide vendors and buyers with a place to rest, relax and catch up with others (DV3 11/7/2009; O2 14/7/2009). Information sharing at drink stalls, such as who is selling what at what price, is a vital part of these actors' activities and livelihood strategies (O4 15/7/2009).

The drink vendors themselves are usually migrants to Hanoi and work 16 hours a day (DV7 21/5/2009). They operate mobile stalls consisting of little chairs or benches and a box that contains drinks and ice. All of these can easily be moved by the vendor who can pick up and carry all components of their drink stalls. This allows them to set up their stalls at a different location each night, depending on where they believe they will have the most business. Drink vendors are generally able to avoid paying any formal fees, as Mrs. Trịnh (11/7/2009) explained: "I do not need to pay to sell here because I have a good relationship with the market manager. If I were to work at another location such as at a bus station, I would have to pay someone there, so this location is more advantageous for me". Although few in number and easily overlooked by an outside observer, drink vendors provide other actors at the market with a location to relax, to meet and to exchange information over a cup of tea. It is this exchange of information (such as who is selling what product at what price) which allows small scale wholesalers to compete against their larger counterparts.

#### 5.4 Conclusion

From the above ethnographic analysis of this market, it is revealed that every night, over 10,000 people crowd into the 0.16km<sup>2</sup> that is *Chợ Long Biên*, moving a total of almost 600 tonnes on a nightly basis. For those who are 'in control', the role of the



market management (Section 5.1.4) is to arbitrate disputes and to collect taxes (Section 5.1.5). The market management licenses the stalls out of which traders conduct their business (Section 5.1.6.1) and regulates a specific parking area from which truck operators may conduct business (Section 5.1.6.2). Of the three sections in the market, the fruit section is the largest; the actors here supplying all of Hanoi with fruit. The long distances which fruit travels to reach *Chợ Long Biên* mean that a high degree of cooperation and coordination is required between various actors. Section 5.2.1 of this chapter revealed the tasks completed by these actors in the fruit section. These individuals include large scale wholesalers (Section 5.2.1.1), truck owners, drivers and personnel (Section 5.2.1.2), professional sellers (Section 5.2.1.3), small scale wholesalers (Section 5.2.1.4) and porters (Section 5.2.1.5). In contrast, actors in the vegetable section of the market (Section 5.2.2) move fluidly between different tasks. Among these are peri-urban farmers (Section 5.2.2.1) and vegetable wholesalers (Section 5.2.2.2). Linkages between customers and traders are much stronger in the vegetable section than in the fruit section of the market. It is the strength of these trade linkages and relationships that facilitate and define trade in these commodity chains that is the subject of my next chapter.

## **Chapter 6. Exploring Hanoi's Agricultural Commodity Chains and the Social Networks that keep them humming**

“Every business relationship in Vietnam depends on a personal relationship.” This insight, provided to me by Mr. Dũng (19/6/2009), a peri-urban farmer who trades at *Chợ Long Biên*, was echoed countless times by traders along Hanoi's vegetable and fruit commodity chains. His statement reflects the fact that these commodity chains are the result of interactions between individual actors, and that this trade depends strongly on the relationship between such traders. This is not unique to Vietnam. Yet, as I learned from Mr. Dũng and other traders and wholesalers whom I interviewed, there are a fair number of nuances, secrets and particularities about conducting trade in Vietnam. In this chapter I analyse the commodity chains as they enter Hanoi and stretch beyond the wholesale markets until they eventually reach the consumer. I also investigate how the social networks formed by traders assist the movement of goods along the commodity chains.

I begin this chapter in Section 6.1 with a ‘snapshot’ of the fruit commodity chains (Figure 6.1) and the vegetable commodity chains (Figure 6.2) in diagrammatic form. This is followed by a more in-depth analysis in Section 6.2 of the actors present along these commodity chains, including small-scale market-stall holders, street vendors and customers. Section 6.3 deals with the social networks and the social capital that these actors make use of to run their businesses. In Sections 6.3.1 and 6.3.2 I expand further on these social networks, examining how they begin, the advantages for an actor in being a part of such a network, and the strong role that trust plays within these networks. In Section 6.3.3 I focus more specifically on the concept of social capital and examine, in turn, examples of bonding, bridging and linking social capital. Section 6.4 completes this chapter with a discussion on how actors along the fruit and vegetable commodity chains use social capital to further their business. In this section I answer research question number two, namely: “How do the agricultural commodity chains that have *Chợ Long Biên* as a main distribution node operate? How far can we trace these chains through the distribution and consumption sides?” and research question number three, “What are the social interactions that occur between actors along the agricultural commodity chains in Hanoi that allow the chains to function?” To answer these questions, this chapter draws heavily on the commodity chain analysis, social network and social capital sections of my conceptual framework, outlined in Chapter 2.

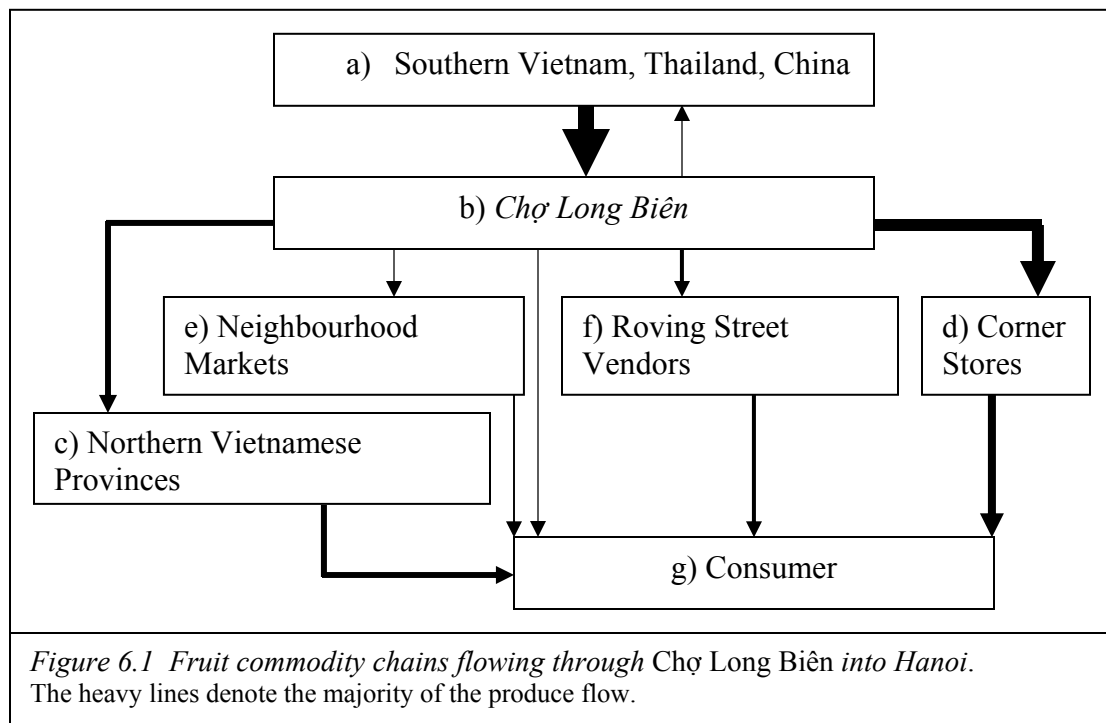
### 6.1 *Agricultural Commodity Chains in Hanoi*

As already discussed in Chapter 5, “Ethnography of *Long Biên* wholesale market”, there are distinct and important differences in how each chain - fruit and vegetable - functions and operates. Fruit tend to come from regions further away such as southern Vietnam and southern China, and enter Hanoi almost exclusively through *Chợ Long Biên* (O1 14/7/2009). Conversely, between 62 and 83 per cent of all vegetables consumed in Hanoi originate from the city’s peri-urban areas, about a quarter of which arrive via *Chợ Long Biên* (van den Berg *et al.*, 2003). As such, vegetables grown in peri-urban areas out-compete imported produce, and hence instead of competing directly with peri-urban farmers, vegetable importers complement peri-urban produce by importing vegetables that are out of season locally (PF7 19/6/2009).

Moving along the commodity chains and away from the wholesale market, the quantities that actors at each node handle and sell decrease while the price slightly increases with each new actor/node. The variety of goods sold by each vendor (and available to the customer) also increases at each subsequent node. This is due to the fact that producers bring their goods to *Chợ Long Biên* in bulk and sell to a wide variety of customers. These customers, operators of neighbourhood market-stalls or street vendors, in turn sell a wide variety of produce in small amounts as they try to meet the needs of all their customers while exhausting their supply of perishable produce on a daily basis.

#### 6.1.1 *Fruit Commodity Chains*

Figure 6.1 shows the flows of the fruit commodity chains that pass through *Chợ Long Biên* in Hanoi. These commodity chains originate in China, Thailand and Southern Vietnam (point a). The majority of fruit passing through *Chợ Long Biên* (point b) is destined for consumption within Hanoi (points e,f,d), while an estimated third of the fruit is bought by wholesalers from other provinces in northern Vietnam and sold back in those provinces (c). A small proportion of fruit is trans-nationally shipped through *Chợ Long Biên* on to China or Thailand (back to point a). The majority of fruit destined for consumption in Hanoi is distributed through corner stores (d) to customers; while roving street vendors are the second largest source of fruit for consumers in Hanoi (f). Only a very small amount of fruit can be found for sale in neighbourhood markets (e).



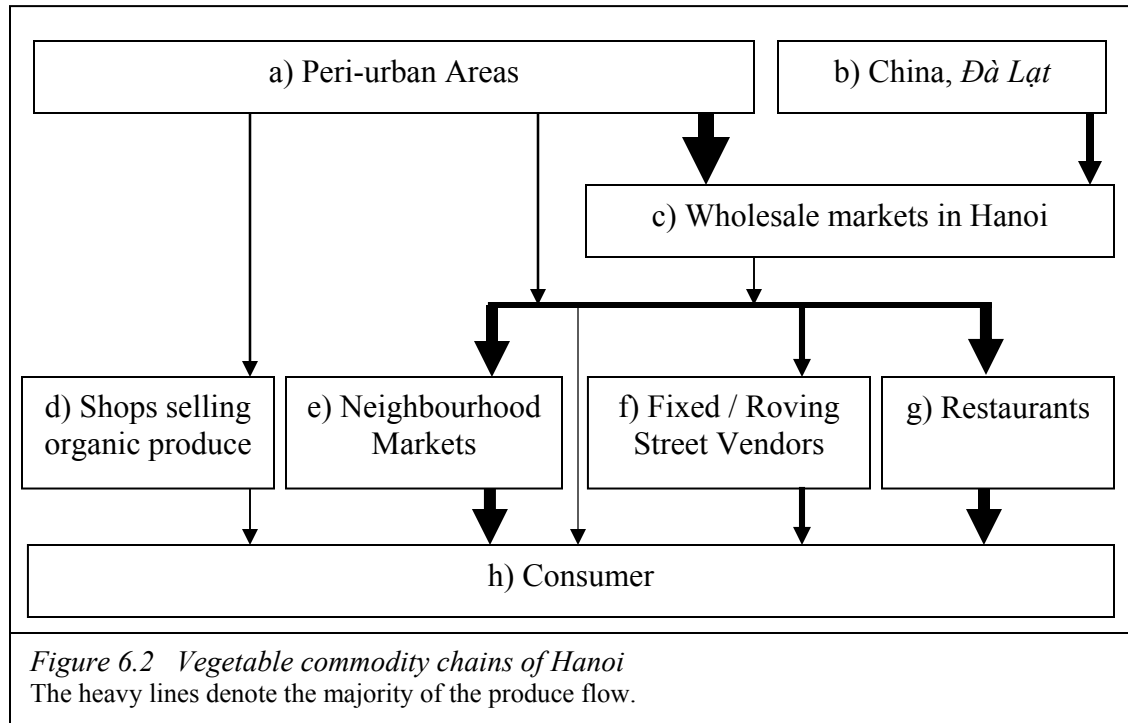
### 6.1.2 Vegetable Commodity Chains

Figure 6.2 illustrates the flows along the vegetable commodity chains entering Hanoi. As already noted above, the majority – 62 to 83 per cent – of vegetables consumed in Hanoi originate from the city’s peri-urban areas (point a) (van den Berg *et al.*, 2003) while the remainder is imported from China or arrives from the highlands of *Đà Lạt* in southern Vietnam (b). The majority of this produce passes through one of the city’s four main wholesale markets: *Chợ Dịch Vọng*, *Chợ Hà Đông*, *Chợ Dầu Mối Phía Nam*, and *Chợ Long Biên* (c). From these wholesale markets most produce either continues on to restaurants (g) or to neighbourhood markets (e), while the rest is sold by street vendors (f). Customers may also choose to procure their vegetables from shops specialising in organic produce (d). These shops are supplied directly from cooperatives in peri-urban areas, and to date are small in number (SMS13 22/5/2009).

### 6.2 Actors along Commodity Chains (outside of Chợ Long Biên)

In Chapter 5 I detailed the actors who operate within *Chợ Long Biên*, forming one specific node of these commodity chains. In this section I therefore focus on introducing the other actors along these fruit and vegetable commodity chains. Indeed, the specific interactions between traders at *Chợ Long Biên* and buyers are vital in moving fruit and vegetables along the commodity chains. These buyers, who procure produce at *Chợ Long Biên*, go on to resell their goods at various nodes

throughout the city. The following is an analysis of the fruit and vegetable trade along Hanoi's agricultural commodity chains once produce has passed through *Chợ Long Biên*, based upon my fieldwork.



### 6.2.1 Neighbourhood Market-Stall Operators

Neighbourhood markets are common throughout Hanoi, supplying the majority of the city's consumers with fresh vegetables on a daily basis (Jensen and Peppard, 2003). These neighbourhood markets are made up of between 50 and 100 small stalls, with each stall usually run by a female vendor (O1 14/7/2009). These women own or rent their stalls and have a certificate issued by the market manager (W5 1/6/2009). Stalls within a market's premises predominantly sell vegetables, though there are usually a few fruit stalls operating as well, in a separate area (O6 18/7/2009). Fruit are more commonly procured from neighbourhood stores, often located close to a market; or from street vendors. It is very rare to find a market-stall vendor selling both fruit and vegetables from the same stall (O4 15/7/2009). Similar to the vendors in the vegetable section of *Chợ Long Biên*, the women selling at neighbourhood markets depend on a network of familiar customers. In order to serve their customers' needs, each vendor maintains a small stock of a variety of goods, most of which will be sold by the end of the day (O6 18/7/2009). Neighbourhood market-stall operators make up the majority of customers in the vegetable section of *Chợ Long Biên*. Since they only

retail small quantities of a specific vegetable at any one time (5 to 15 kilos, depending on the type of vegetable) and because customers demand freshness, small-scale stall owners go to *Chợ Long Biên* every night, even in bad weather.

Should these stall operators need help with the day to day running of their business, they will almost certainly turn to a family member for help – usually the woman's daughter (SMS6 18/5/2009). Alternatively, when transporting goods back from *Chợ Long Biên*, these women often hire a *xe ôm* (motorcycle taxi) or a 'cyclo' (trishaw) to transport the goods. If possible, it is not uncommon for them to solicit the help of their husbands to carry goods home on the family motorcycle. While these women traders shop inside *Chợ Long Biên*, their husbands wait outside the market to ferry the entire load of goods (sometimes up to 300kg) back to the neighbourhood market on the family motorcycle (O4 15/7/2009; SMS24 12/6/2009).

Most of these vendors at neighbourhood markets are Hanoians, although a small minority are peri-urban farmers or residents from villages and towns around Hanoi who commute into Hanoi on a daily basis to run their businesses (SMS8 20/5/2009). While they all rely on their network of regular customers to run a profitable business, these neighbourhood market vendors also establish ties amongst themselves to limit price competition and regulate the social order in the market (SMS15 29/5/2009; W12 2/7/2009). These elements, pointing to the importance of social capital, will be expanded upon in Section 6.3.2.

#### 6.2.2 Corner Store Operators

Unlike for vegetables, the majority of fruit reaches customers not through neighbourhood markets, but through neighbourhood stores (as well as via fixed and itinerant street vendors, discussed next) (O4 15/7/2009). These shops specialize in fruit and are often located near the neighbourhood market, close to the main market entrance. The vendors running these stores either rent the shop space or run their businesses out of the ground floor of their homes (SV10 20/5/2009).

Fruit store owners usually go to *Chợ Long Biên* every night to buy fruit. They have a broad range of fruit, but they rotate which ones that they buy at the market. That is, while they might sell between ten to 15 types of fruit at their stores they buy only two or three types of fruit a night to maintain their stock (O2 14/7/2009; SMS21 7/6/2009). While they might then sell out of one or two kinds of fruit, fruit vendors tend to have enough overall stock to be able to go a day or two without replenishing at the market (PF9 11/7/2009). This means that such vendors may choose to avoid *Chợ Long Biên* on a rainy night. Additionally, while their stock of fruit does not sell

out as quickly as that of the vegetable sellers due to different consumer buying habits, their goods do not perish as rapidly as vegetables either. Fruit in Vietnam, as in much of Asia, is considered a snack or a dessert and therefore a luxury. Consequently, prices for fruit are marked up. It is consumed after the meal though not necessarily after every meal. Consequently, fruit sellers have slightly higher profit margins than do vegetable sellers, but they also deal with greater risk, as consumers will forgo buying fruit if necessary but consider vegetables a staple.

### 6.2.3 *Fixed Street Vendors*

Fruit is not exclusively sold from neighbourhood stores, with fixed and itinerant street vendors being another retail channel. There are a large number of fixed street vendors around Hanoi who sell fruit and sometimes vegetables on the street, predominantly in front of their homes. Run by Hanoi residents, almost exclusively women, (often as a side business, for example, by retirees), they have a smaller selection and quantity for sale than fruit stores (O4 15/7/2009). These vendors go to *Chợ Long Biên* on a periodic basis, often several times a week, to buy new supplies (SV12 29/5/2009).

Fixed street vendors commonly owe their selling location to a relationship with an extended family member or close ties to a prominent community member. As Mrs. Trần, a fixed street vendor sitting on the steps of a dentistry clinic near *Chợ Châu Long* explained to me (SV15 7/6/2009): “This clinic belongs to my uncle. I am allowed to sit on the stairs leading to his clinic and sell fruit here because he gives me permission. My uncle talks to the police so they know that I am his niece and then they leave me alone”. As she is a member of this community, members of the police force are also Mrs. Trần’s neighbours and are familiar with her. As a result of this, and her uncle’s connections, she, like most other fixed street vendors, requires neither a formal certificate to conduct business nor needs to pay any form of tax or bribe (*ibid.*).

There are however certain rules that must be followed. If a street vendor conducts business on the sidewalk under the protection of a patron, then the goods for sale must be displayed and sold from a space – usually stairs jutting onto a pavement – belonging to the person who is providing such protection (O2 14/7/2009). Should a vendor set up their goods on public property, such as the sidewalk or pavement, then the police can react by either asking them to remove their wares, fining them or, in extreme cases, by confiscating their goods (SV15 7/6/2009; W10 10/6/2009).

This practise of street vendors using patrons to overcome the street vendor ban was also noted by David Koh (2006). He observed that while such bans are enacted

by the district government, it is left to the police officers in each ward to enforce them. As Koh describes, there are variations in how officers in each ward implement the ban meaning that it is not unusual for police officers to play favourites; either allowing their neighbours to continue working, or by selling ‘licenses’ to street vendors for sections of pavement.

#### 6.2.4 *Roving Street Vendors*

Roving street vendors are a common sight throughout Hanoi, especially in the city’s Ancient Quarter, which has the highest concentration of tourists, introduced in Chapter 3, Context. Roving street vendors are constantly on the move, attempting to find new customers. They are also in a far more tenuous situation *vis-a-vis* their legal right to trade than market-stall and fixed-street vendors. Avoiding police officers is a necessity for street vendors, as it is common for the police to fine them or confiscate their goods (SMS9 20/5/2009; SMS16 29/5/2009; SV7 7/7/2009) (for an in-depth discussion on the 2008 street vendor ban see Chapter 7, Section 7.4). During the morning rush when customers buy their produce for the day, roving street vendors commonly move into the vicinity of neighbourhood markets in order to take advantage of the plethora of customers. Furthermore, between the hours of 12 noon and 2pm they can attempt to do a brisk trade with reduced risk of being caught as that is when police officers eat lunch (SV8 17/7/2009).

Roving street vendors sell a wide variety of goods, ranging from T-shirts to pineapples. For the sake of this research I focus on those roving street vendors who carry either fruit or vegetables. These can further be subdivided by transport method into those who sell from bicycles and those who sell from a carried bamboo pole with two baskets of goods suspended from either end (O3 14/7/2009). Roving street vendors tend to be from outside Hanoi and come into the city on a seasonal basis when there is less work in the peri-urban areas. The income they earn in the city supplements the farming income of other members of their household who remain in the provinces (Jensen and Peppard, 2003). These vendors typically lack strong relationships to customers in the city. While they try, with limited success, to establish a network of familiar customers by following regular routes, roving street vendors are hampered by the constant need to move and by the fact that customers see them as a convenient, rather than a trustworthy (and therefore regular, long-term or permanent) source of produce (Jensen and Peppard, 2007). Furthermore, they seldom have connections to potential patrons who might allow them to become fixed street vendors or protect them from police raids (SV4 20/5/2009; see discussion in



Section 6.3.3.1). While periodic police raids have always been a hazard for roving street vendors, recent attempts by the city government to remove street vendors from the city's streets and the subsequent increase in harassment by police officers has especially amplified the pressure on roving street vendors' livelihoods. Mrs. Đinh, a roving street vendor sitting outside *Chợ Hôm* (SV5 2/6/2009) described her dilemma: "Getting in trouble with the police is my biggest problem. When the police come I have to run. I have to run at least ten times a day! But I continue to sell here because outside this market I get more customers and the problem with the police is the same everywhere."

#### 6.2.5 Customers

Hanoi's consumers have played an active role in shaping both the fruit and vegetable commodity chains that exist today. Customers, who are predominantly local female residents, demand fresh produce (C1 9/7/2009; C4 16/7/2009). While this applies to both fruit and vegetables, it is especially true for vegetables. To this end customers procure the vegetables needed for the day's meals in the morning between 7am and 10am. Fruit are bought whenever necessary, on average every two days (C4 16/7/2009).

Customers typically procure their fresh produce from a vendor who is familiar to them at the nearest neighbourhood market (C1 9/7/2009). It is rare for them to buy at a wholesale market unless they live right next to it (P1 11/7/2009). Should a customer buy from an itinerant street vendor, it seems to be for reasons of convenience rather than habit (C1 9/7/2009).

Due to a number of highly publicised food safety scares in recent years, consumers in Vietnam have become very concerned about the origin and chemical content of their produce (C1 9/7/2009). As the Vietnamese authorities currently do not have the capacity to check produce and ensure its safety, customers are turning to vendors from whom they have consistently procured safe vegetables and whom they have come to trust. Mrs. Huyền (C4 16/7/2009) explained to me how this information was impacting her food buying habits:

Recently I heard that some people had to go to hospital because they were poisoned by the fruit that they ate. I am very concerned about the quality of the fruit and vegetables. That's why I only buy from people I trust. Other people might sell me poisoned vegetables.

#### *6.2.6 Summary of Section 6.2*

The initial actors described in Section 6.2, namely neighbourhood market-stall operators who tend to sell vegetables, neighbourhood corner store operators who tend to sell fruit, and fixed and itinerant street vendors selling fruit or vegetables (but rarely both), procure their goods from wholesale markets around Hanoi and distribute produce onwards throughout the city. Within the city, they form the core of the traditional agricultural retail sector, but one that is very much alive and active in the 21<sup>st</sup> century, and that (predominantly female) customers continue to rely on.

As already hinted at in the above section, each of these actors selling produce - except for roving street vendors - depends on close linkages with their suppliers and has a network of regular customers whom they supply. It is to these social networks and the social capital that is apparent along the commodity chains that I turn next.

#### *6.3 Social Networks and Social Capital along the Commodity Chains*

It became clear very quickly during my fieldwork that trust is the fundamental basis of the social networks that facilitate trade at and between each node along both the fruit and vegetable commodity chains that deliver produce to Hanoi's consumers. The lack of both formal regulatory oversight for these commodity chains and any kind of formal contracts or enforcement thereof, mean that actors along these chains must be able to trust their business partners completely. Since trust is the basis of any relationship and a strong personal relationship is the basis for business and trade in Vietnam, trust is especially important in the agricultural commodity chains due to their informal nature.

Due to their importance in the operations of the fruit and vegetable commodity chains I studied, in this section I examine social networks as the connections between individual actors before moving on to a discussion of social capital. I consider social networks to be the underlying foundation of social capital. I have divided the discussion between social networks and social capital in order to differentiate between the mechanics of a network – such as how these networks develop and how they are maintained, the benefits to actors of belonging to a network and the importance of trust within a network – and the classification of different kinds of social capital into bonding, bridging and linking social capital.

##### *6.3.1 Developing a Social Network*

If a personal relationship is a vital component of any business in Vietnam (McMillan and Woodruff, 1999; Nguyen, 2005; Turner and Nguyen, 2005), then one would

imagine that actors looking to expand their business would be constantly and actively also looking to expand their social networks. Because these networks rely on trust, a considerable amount of time and effort goes into establishing a business relationship before either side is prepared and willing to fully trust the other. As one former roving street vendor (SV8 17/7/2009) explained to me: “At the beginning I had to learn how to attract customers. I had to learn to speak softly [be polite] and to consistently offer customers produce that was both fresh and of good quality.” While the seller actively courts new buyers, buyers take their time before giving their trust to one vendor. Because food safety is an important issue for consumers in Hanoi and because there is no conclusive way of knowing the origin of produce, buyers must be able to trust that the vendor they are buying from has procured the best possible produce from their supplier. One customer at a neighbourhood market (C1 9/7/2009) commented, regarding how she chose to purchase fruit at a specific corner store:

If I buy from a shop and the quality is good, and the quality is consistently good over a period of time, then I will come to trust this shop. People talk to each other and recommend shops to each other that sell good fruit – they talk to each other and exchange information – they learn from each other and apply it the next day.

Indeed, along the fruit and vegetable commodity chains which flow into Hanoi, trust is the closest thing to a guarantee that consumers have of the safety and origin of the produce they are buying: “As a customer I have no way of knowing if the vegetables have chemicals in them, so I need to be able to trust the vendors. The vendors need to ‘deserve’ the trust of customers” (C1 9/7/2009). Once this trust has been earned and the relationship has been established, customers tend to procure the majority, if not all, of their produce from the same vendor. This was explained to me by a customer shopping at a neighbourhoods market (C1 9/7/2009), who noted that “all the vendors and customers have long and stable relationships; they trust each other and this can prevent food poisoning – because buying from a trusted source means you don’t end up with bad produce”.

While consumers benefit from safe produce, vendors in turn acquire a network of familiar customers which they can rely on to sell their produce on a daily basis, thereby sustaining their business (PF9 11/7/2009). Customers are not likely to buy from unfamiliar sources and it is rare for customers to switch suppliers. Therefore, losing a single regular customer can represent a large loss to a neighbourhood market vendor. I found that along the vegetable commodity chains, consumers procure 80 to

90 per cent of goods from familiar sources (SMS30 15/7/2009; W23 20/7/2009). Thus, for vendors, earning customers' trust translates into a successful business. As one vendor at *Chợ Hàng Bè* (DV4 21/7/2009) explained to me, "every vendor must have a network of familiar customers – if they don't have this network they can never do any business."

Interestingly, the importance of developing trust relationships appears to differ depending on whether these are upstream (suppliers) or downstream (customer) relations. Actors are more dependent on those further downstream along the commodity chains: their customers. Interviewees explained to me that it is easier to replace a single supplier than to rebuild a network of customers. Traders therefore prioritize their relationships with their customers over their relationship with their suppliers. One buyer at *Chợ Long Biên* (SMS30 15/7/2009) put it as follows, "at *Chợ Long Biên* I usually buy from familiar sellers, but quality is very important to me – if my familiar sellers don't have good quality I will buy from someone else".

#### 6.3.2 *Advantages of being part of a Social Network*

There are a number of advantages to being part of, maintaining and expanding a social network when conducting business at each node along the fruit and vegetable commodity chains. As already explained above, these include the procurement of safe produce for consumers and the establishment of a network of customers for the supplier. In addition, actors can make use of their social networks for other types of gains.

As noted briefly earlier, in order to secure protection from city authorities, fixed street vendors often use familiar connections to obtain permission to sell produce on family members' or neighbours' property and thereby increase their own legitimacy. For example, it is not uncommon to find a fixed street vendor sitting on the stairs leading up to a formal business (SV10 20/5/2009). As long as the street vendor conducts his or her business while sitting on these stairs (and all of his or her goods are kept on these stairs) the police will not intervene (SV17 15/7/2009). According to street vendors, there are exceptions to this rule; when the government announces a street cleanup for a specific event (for example, when foreign dignitaries visit Hanoi or when a sporting event is to be held in the city), the police become more aggressive and will fine street vendors and confiscate their goods despite their social connections (SV8 17/7/2009).

As noted earlier, roving street vendors do not have access to a patron who can provide them with protection from police raids and therefore have to rely on each

other instead. These vendors usually rent rooms together and form social networks within this setting. They provide each other with small loans, give advice on how to start a business, and warn each other about police tactics (SV4 20/5/2009).

Cooperation is not unique to roving street vendors however. Neighbourhood market-stall operators as well as fixed and roving street-vendors cooperate within social networks in order to limit competition for the sale of their produce amongst each other. These actors have created an unofficial system of price-fixing which prevents any one actor from being out-competed (SV4 20/5/2009). By working within the bounds of a communally agreeable price range for their goods, actors are not constantly forced to try to undercut each other.

Within markets, both wholesale and neighbourhood, a person's geographical position becomes cemented through their social network. In other words, the social network, in the absence of a well regulated formal system of registry, confers legitimacy. "I have been sitting [working] here for five years and no one can move me!" was how one peri-urban farmer (PF4 24/5/2009) at *Chợ Dịch Vọng* expressed her right to sell from the same spot every night. While farmers and wholesalers may have a formal certificate allowing them to sell inside the market perimeter, there are differences between markets in how precisely the seller's location and/or shop space is defined. While at *Chợ Long Biên*, for example, a trader's certificate delineates the exact location and size of their selling area, certificates provided by the market management at *Chợ Dịch Vọng* are a lot more ambiguous (*ibid.*).

In addition to keeping traders from being evicted from their selling locations, social networks within markets protect actors from unscrupulous suppliers or buyers. A wholesaler at *Chợ Long Biên* (PF7 19/6/2009) explained to me that:

It is easy for bad people to buy [on credit] and not pay. But it would be the last time these bad people could buy at *Chợ Long Biên* because everyone would remember them. *Chợ Long Biên* is a central market from which everything is sold. So if someone does something bad at *Chợ Long Biên* everyone will know and that person can no longer work there.

Actors, such as this peri-urban farmer, rely on an informal enforcement of social norms to solve conflicts as the (already sparse) formal system of conflict resolution brings with it problems, such as having to 'pay' (bribe) the market manager to ensure a favourable outcome (W12 2/7/2009). This enforcement of social norms depends on

participation by all actors in order to be effective and to discourage those who would go against such rules.

Within the market and vendor community everyone knows each other and everyone looks out for one another. For example, one fixed street vendor I interviewed (SV16 7/7/2009; PF9 11/7/2009) was able to leave her covered goods unattended for lengthy periods of time because her sister, who works in an adjacent shop, as well as other people who work in the area, keep an eye out for her goods while she is gone. Other examples of mutual assistance include completing a business transaction for someone else if that person is temporarily elsewhere (SMS30 15/7/2009), giving advanced warning of police raids and sharing information about customers who conduct business in a dishonest manner.

Due to the difficulty of obtaining loans from established financial institutions, actors along the commodity chains often allow their customers to buy on credit. Credit, however, is only extended if the buyer and seller are familiar with each other and have established a close relationship. The length of time a payment can be deferred depends on the strength of their relationship, ranging from a few days to a few months. Such deferral of payments is most commonly practised at wholesale markets such as *Chợ Long Biên*, yet occasionally also occurs at small neighbourhood markets. This system of credit has been noted by McMillan and Woodruff (1999) in their work on interfirm relationships and informal credit in Vietnam. They argue that credit is offered only when a supplier has information or experience with a customer's reliability, and when the supplier belongs to a network of similar suppliers who will all sanction a customer that reneges on a deal.

Social networks develop both within and across wholesale and neighbourhood markets. They bind together customers and traders, and form bonds between traders which overcome the lack of strong formal regulatory authority. The more social networks an actor belongs to, the greater the benefit for their business in terms of efficiency, expansion and security. These networks, when analyzed through the lens of social capital and classified accordingly, reveal the advantages (and potential limitations) to actors involved in different kinds of social networks.

### *6.3.3 Social Capital arrangements along the Commodity Chains*

Social networks are a core component of the development of social capital, which can be further subdivided into bonding, bridging and linking social capital. While the above section provided an analysis of the specificities of social networks along the vegetable and fruit commodity chains that run through Hanoi, the following section

will both categorize and analyze the trends identified above, in relation to specific forms of social capital.<sup>18</sup> The purpose of considering social capital in such depth is to understand how these actors build upon trust and social networks to support their livelihoods. I first investigate the various instances of bonding, bridging and linking social capital that I encountered during fieldwork in Vietnam, including how these forms appeared to be either supporting or working to disadvantage specific actors. Then, in Section 6.4 I analyse the conflicts that arise along the agricultural commodity chains in Hanoi between sellers' preference for bonding social capital and buyers' inclination towards bridging social capital.

#### 6.3.3.1 *Bonding Social Capital*

Bonding social capital develops within a closed network such as a business organization within which all participants are from the same ethnic group and can rely on each other for support to 'get by' or 'get ahead' (Fukuyama, 1995; Beugelsdijk and Smulders, 2003). Research conducted by Dalton *et al.* (2002) concludes that in Vietnam, especially in the northern part of the country, the family is the focal point of social life. This already suggests that bonding social capital, such as linkages between extended family members likely plays a greater role in Vietnamese society than either bridging or linking social capital (Norlund, 2003; Turner and Nguyen, 2005).<sup>19</sup> While conducting fieldwork in Hanoi in 2009 I found a wide variety of instances of bonding social capital along the commodity chains in question, many of which were based around extended family ties, while others focused on a common community.

#### *Extended family ties*

Businesses and enterprises, such as trucking transportation businesses, fruit or vegetable wholesale enterprises up to a certain size, as well as peri-urban farms, are usually run by members of an extended family. The owners of truck transportation businesses, for example, prefer to hire family members to drive their trucks (TD4 7/7/2009; TD5 8/7/2009), while wholesalers at *Chợ Long Biên* often have a family

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<sup>18</sup> For my working definition of social capital and definitions of bonding, bridging and linking social capital, as well as a discussion thereof, please refer to Section 2.2 in the Conceptual Framework Chapter of this thesis (Chapter 2).

<sup>19</sup> It should be noted that close family relationships, such as between brothers, or a mother and daughter, are not usually considered social capital, as these are immediate kinship ties. However relationships between far more extended family members – such as cousins - have been described as leading to social capital.

member permanently stationed in China to take care of the selection and purchase of the fruit to be sent down to Hanoi (W14 11/7/2009). By making use of members of such a close network, business owners can be certain of the trustworthiness of the individuals they have employed. Similarly, in farm work, members of one's extended family can be counted on to perform necessary tasks, the completion of which benefits the entire family. In one peri-urban farming family who invited me to their home, all members of the family (husband, wife, children and grandparents) took part in the harvest, a common occurrence throughout Vietnam. From this farming family, both the husband and wife travelled to *Chợ Long Biên* on a nightly basis where the wife sold vegetables while the husband delivered produce to restaurants (PF4 24/5/2009; PF9 11/7/2009).

Going beyond the extended family in the rural setting, one market vendor at *Chợ Châu Long* (W12 2/7/2009) explained to me how families in her village work together in order to maximize their collective gains.

The vegetables were planted by farmers in my village. Most of these farmers do not have any means of transportation. My family doesn't have any land, so I collect the produce from the farmers and come here to the market to sell it for the farmers. There is a war veteran who lives in my village. He drives his 'tuk tuk' [three wheeled motorized vehicle] to the city every day and transports many people from the countryside for a small fee. That is how I bring the produce from my village to the market.

#### *Vendor to vendor bonding social capital*

Market vendors, many of whom come from the same village, all sit together at *Chợ Dịch Vọng*, one of the neighbourhood markets where I completed interviews (PF4 24/5/2009). These vendors, much like the fruit vendors at *Chợ Hôm*, most of whom are neighbours in the community, draw upon bonding social capital to set price limits on various goods to avoid competition (PF4 24/5/2009) and to keep an eye on each other's goods should someone have to step away from their stall for a moment (SV16 7/7/2009). This was described as "peaceful cooperation" by a market-stall operator at *Chợ Châu Long* (C2 15/7/2009). Drawing upon such bonding social capital can also counter the strength of what vendors termed the 'mafia'; at *Chợ Châu Long*, for example, all market vendors banded together and refused to pay the inflated market-stall rental prices demanded by speculators who had bought market-stalls in order to make a large profit from their rental (SMS27 7/7/2009).



### *Other forms of bonding social capital*

As discussed in Section 6.3.2, fixed street vendors, and on occasion roving street vendors, draw upon their bonding social capital to gain a patron, such as an extended family member. With the protection of this patron the street vendor is spared the attention of the police and may conduct their business undisturbed from the patron's property (W10 10/6/2009). Other instances of bonding social capital include the example given in Section 6.3.3 of roving street vendors who collectively rent a room and, within this community, share knowledge and give each other small loans (SV4 20/5/2009). Bonding social capital can also be found in the teams of porters who work together at *Chợ Long Biên*. Cooperation within the team is necessary because, as explained in Chapter 5, the carts are too heavy to be pulled by one person alone (P1 11/7/2009). These teams of porters, each of which is made up of porters hailing from the same village, benefit from the close ties and trust inherent in bonding social capital, as each member can trust that the others are pulling their weight. Also falling under this category are wholesalers who, despite owning separate businesses, work together, help each other with a wide variety of tasks such as cleaning and sorting produce, and freely share tools and equipment amongst each other (W12 2/7/2009).

### *Advantages and Disadvantages of Bonding Social Capital*

Actors choose to develop and draw upon their potential bonding social capital because of the advantages it brings, usually, in this case, for their businesses and livelihoods. A group within which there is strong bonding social capital acts as its own rule-making and enforcement body, especially when operating within the informal economy where there are no formal contracts and no existing authority to vouch for informal contracts. For the individual within such a network this means that there are high levels of trust as well as severe social sanctions against someone who breaks this trust. For example, as Portes (1998) found in his work on social capital in modern sociological thought, favours can be requested and benefits reaped without the need for instant reciprocity (see Chapter 2, Section 2.2.3). Yet depending on one's position or standing within this group, individuals must also fulfil certain obligations towards one another. In the context of a neighbourhood market for example, this means that if customers have developed a strong sense of bonding social capital, they feel an obligation to procure produce from that vendor before shopping around.

The disadvantage of being so reliant on bonding social capital is the (often) rigid nature of the related networks and the resultant strict social norms which must be adhered to. Running afoul of these norms may invite sanctions against an

individual. For example, should one actor disagree with another actor or with the prevalent opinion of their tight knit group on a topic, the disagreeing actor risks harming their reputation as well as their status within the group. Mr. and Mrs. Nguyễn (W12 2/7/2009), wholesalers at *Chợ Long Biên*, explained this problem to me. They noted that, “the biggest problem for the vendors who break the unofficial rules and who behave rudely is the break in relationships to other vendors. Without these relationships no one can work.”

#### 6.3.3.2 *Bridging Social Capital*

While many actors operate by drawing on bonding social capital, the marketplaces around Hanoi provide for an amalgamation of many different types of actors who have to interact with each other. Interactions between actors from different ethnic groups, from different social strata, or from different physical locations, often result in the development of bridging social capital, which can allow actors to ‘get by’ or ‘get ahead’. Bridging social capital usually brings together more diverse actors than bonding social capital, allowing access to a greater number of contacts and resources (Turner, 2005). In the context of a wholesale market, for example, bridging social capital allows for actors from two or more different activity groups, such as wholesalers and roving street vendors, to build lasting ties to one another, thereby furthering trade. While bonding social capital amongst like-actors provides individuals at various markets around Hanoi with a social safety net for the day to day running of their stalls or operations and within which rules are enforced to their benefit, many actors rely on bridging networks to sell their goods to actors from different backgrounds.

#### *Vegetable Wholesalers to Restaurants*

Wholesalers at *Chợ Long Biên* rely on positive formal or informal relationships with restaurant operators. Mr. Dũng (19/6/2009), a peri-urban farmer who trades at *Chợ Long Biên*, explained the nuances of this relationship to me.

The people who don’t have a connection to restaurants or other shops at the market have a very hard life. If the quality of the produce isn’t good enough the restaurant will immediately return the produce to the wholesaler. Some restaurants have written contracts in which price and quality is set, while others merely have oral contracts. Restaurants don’t want to change suppliers – it doesn’t happen often. They will reprimand once or twice before changing suppliers.

Restaurant operators, like customers at neighbourhood markets, lack any way of verifying the origin or safety of the produce they are procuring. As a result, restaurant operators build up a relationship over time with a wholesaler they have come to trust. Should they receive sub-par produce from their regular supplier on one occasion, the restaurant must weigh the option of breaking their relationship with this supplier and expending a large amount of time and effort to find another trustworthy supplier. Having built a relationship of trust, restaurants are reluctant to do this; they know, just as their supplier does, that a network of customers is vital to every wholesale operation. A warning from the restaurant operator should therefore suffice, as the wholesaler will not want to lose their connection to even a single restaurant. Bridging social capital therefore develops over time as trust is formed between such actors, and in turn, maintains these ties when there are ‘hiccups’ along the way.

#### *Employer to Employee*

Truck owners regularly employ people to help unload their trucks at *Chợ Long Biên*. These people are usually non-kin. Apart from the fact that they can be paid for only the work they perform (they do not need to be paid when the truck is not there) they are easier to lay off should the need to do so arise, as they are not family members (TD3 21/6/2009). While these workers are to some extent expendable, they do, over time, become a trusted part of the employer’s network of contacts. For example, a wholesaler at *Chợ Long Biên* explained to me that he considered it important to take care of the families of his employees. While this certainly boosts morale among his employees, this close relationship between him and his employees also enables a higher level of trust; he can now be confident that since his employees trust and respect him none of his employees will attempt to steal any goods from him or defect to someone else’s operation (W13 8/7/2009).

#### *Buyer to Seller*

Sellers at markets along the commodity chain prefer to have a reasonably close, yet non-obligatory relationship with their suppliers. They often procure goods from the same supplier, but will quickly switch supplier should the produce no longer be satisfactory (SV10 20/5/2009; SV12 29/5/2009; PF9 11/7/2009). Because these ties are looser than those under bonding social capital, the buyer must either pay for the goods immediately or within a short grace period (a few hours to a day) (W13 8/7/2009). In this case, the relationships formed between two different groups of actors – namely wholesalers and neighbourhood market-stall operators – are an

excellent example of bridging social capital. The weaker ties inherent in these relationships allow both kinds of actors, but especially buyers, to access a wide variety of information and resources, improving their own knowledge of the market situation and therefore business prospects. Yet at the same time, the ties and networks that they do develop, mean that they gain good prices from their suppliers.

*Bridging Capital as a Social Control Mechanism*

This man was supposed to help us unload two tons of cabbages from a truck at midnight. But he did not come. He came now at 2am. When I told him that he was late and that he is untrustworthy he got angry. But everyone at the market supports me because they saw his bad actions and know now that he cannot be trusted (W12 2/7/2009).

Actors who have formed strong bonding social capital are not alone in enforcing a set of social standards. In the example above, all actors at the market – large scale and small scale wholesalers as well as customers – made use of bridging social capital to roundly and unanimously condemn the latecomer. The incident described above took place one night at *Chợ Hà Đông*; on this occasion, I had been invited to visit a wholesaler and his wife and conduct research from their market-stall. By the time the individual, who was supposed to arrive at midnight, arrived at 2am, a whole section of the market had already learned of his offence. As he drove up on his motorcycle vendors all along the row of market-stalls began chastising him. In this case, bridging social capital, as opposed to bonding social capital, was made use of by the larger market community; despite having taken place in a more loosely knit group, no individual wants to be ostracised by their fellow workers, with whom they work on a nightly basis and on whom they ultimately depend.

Furthermore, bridging social capital between individuals becomes important in the absence of a strong rule or law enforcement authority. As one wholesaler (W12 2/7/2009) expressed: “The market manager does nothing other than collect taxes. The vendors need to solve their own problems. We much prefer to solve our own problems rather than going to the market manager.” This wholesaler went on to say that any involvement by the market manager in conflict resolution required payment (that is, a bribe), especially if one was looking for a favourable outcome. To avoid this, the vendors – building upon their bridging social capital – have internal, informal agreements about where and how they can sell goods; for example, produce displays should not protrude too far into the road, so that trucks can still pass. Any vendor who contravenes these unofficial rules will be disciplined collectively by

other actors at the market, using one of the strongest social coercion mechanisms in a first step towards wider social sanctioning: “They will complain” (W12 2/7/2009).

#### *Advantages of Bridging Social Capital*

From my interviews along these commodity chains, it became clear that bridging social capital brings a number of advantages to those involved. The primary advantage is the substantial expansion of one's social network beyond the immediate family and one's own local community, a condition essential to operating successfully within Hanoi's complex fruit and vegetable commodity chains. Indeed, this bridging social capital appears to be essential for these chains to operate at all, given the fluid nature of market regulations and their irregular enforcement.

#### *6.3.3.3 Linking Social Capital*

Both bonding and bridging social capital are made up of horizontal linkages, ties between people belonging to the same class or social hierarchy. Yet, connections within one's own close circle or amongst those of similar social standing are sometimes not enough to gain access to necessary resources, especially in a country with such a prevalent social hierarchy as Vietnam. In such instances individuals create vertical linkages, building upon linking social capital. In this way new information is gained and access to resources is acquired from individuals of different socioeconomic or social standing, or from formal institutions beyond the immediate community (Woolcock, 2001; Turner, 2003). During my three months in the field I found few relationships which could be classified as linking social capital. While I did observe instances in which actors were forging connections with others higher up in the social hierarchy in order to access resources or improve conditions for their businesses; these connections were all some form of bribery. Bribery, as is argued in the literature on social capital, cannot be equated with linking, or any other form of social capital, because of the inherent lack of trust and the need for instant, up-front payment for services rendered (Rothstein and Stolle, 2001). I want to argue here though, based on my fieldwork, that there is however a possibility that through the process of bribery genuine personal relationships do develop which might signal the beginning of linking social capital.

#### *Bribery along the Agricultural Commodity Chains*

*“At Chợ Long Biên, the secret to success is having a good relationship with the market manager” (C5 18/7/2009).*

While there may be an absence of linking social capital, actors along the agricultural commodity chains understand that having access to individuals higher up in the social and political hierarchy can be of great benefit. The following three examples illustrate how linkages across these social and political hierarchies function. They also illustrate that the connections which exist are based on payment for services rather than on personal favours stemming from a relationship based on trust.

While a close relationship with the market manager is of great benefit for actors working at the market, market *guards* are the everyday face of the market management. Should a small dispute arise, such as that created by the need to stay a short time past the official market closing time, it is often more beneficial to quietly give the insistent market guard a small tip. On one occasion, I observed a truck driver slipping a market guard VND 50,000 (USD 2.60) in order to stay an extra 15 minutes. In doing so, the truck driver managed to sell all the fruit which remained in his cargo bay (TD6 14/7/2009).

With the right kind of incentive, such as a large basket of fruit with ‘an envelope’<sup>20</sup> hidden in it, the market manager will also remove obstacles such as obstacles, such as policing the official market closing time, and ensure that a flourishing business will neither be bothered by other figures of authority nor be held to official laws and regulations (W14 11/7/2009).

Due to the absence of a strong government oversight, some markets have seen a ‘village mafia’ take control. In such cases, whatever tribute would normally have been paid to the market manager (albeit still following an informal ‘envelope’ approach) will instead flow to the local mafia (W12 2/7/2009). While conducting research around Hanoi the ‘village mafia’ was occasionally mentioned by interviewees. Although I was never able to properly define what was meant by the ‘mafia’, it was alleged that while no such group operated at *Chợ Long Biên*, one had a strong grip on *Chợ Hà Đông*. A wholesaler (PF9 11/7/2009) at *Chợ Long Biên* explained to me that, “since *Chợ Hà Đông* has recently been relocated, it is unstable. That is why the village mafia could get a foothold. But *Chợ Long Biên* is famous. It has been situated here for a long time and is well established. Therefore the authorities make sure that no mafia can operate at *Chợ Long Biên*.” While I was not able to confirm either the presence or absence of the ‘mafia’ at other markets, it did become clear that not only did the ‘mafia’ position itself above other actors within the

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<sup>20</sup> This is a term used throughout Southeast Asia to refer to an envelope with bribes in it.

social hierarchy, but that it also actively threatened actors at the market, such as wholesalers, who did not comply to the 'mafia's' wishes (W12 2/7/2009).

#### *Absence of Linking Social Capital*

In the case of nodes along the agricultural commodity chains leading into and through Hanoi, bribes are used to circumvent formal laws or regulations which would otherwise inhibit business. These bribes do represent a vertical linkage; however, they are not examples of linking social capital. Rothstein and Stolle (2001: 9) state that "a government institution that simply acts in my interest as my agent, no matter what, is one that I have bribed (or one that is run by my cousin). And if I can bribe a judge, so can someone else, including my adversaries". Bribery, then, is open to those who have the necessary resources (usually monetary). In its simplest form, it is a payment for a service and cannot be compared with a vertical connection based on a personal relationship of trust forged over time. Rothstein and Stolle (2001) go on to make the case that a widespread culture of bribery is an indication of low levels of trust in the formal institutions that one could theoretically rely on. This lack of trust necessarily means a lack of linking social capital.

#### *Possible development of Linking Social Capital*

There is, however, a gray area between the practice of bribery and that of gift giving, which may make the difference between corruption and linking social capital. The anthropologist Alan Smart (1993: 389) recognizes that this difference exists within a specific cultural context.

The distinctiveness of the gift is constituted through the need to conform to the demands of the gift as a social form with its own etiquette. For the gift to succeed as a gift, it must follow the social forms that usually prescribe that it be an unconditional offer of a presentation in which explicit recognition of instrumental goals is excluded from the performance.

There is, of course a huge literature on gift giving in anthropology (see Mauss, 1990), which I will not delve into here. But my point is that perhaps there is the possibility that when an initial contact, based on bribery, deepens, over time a genuine relationship develops in which bribes become forms of gift-giving. For example, I interviewed a wholesaler at *Chợ Long Biên* whose truck was too large to fit through the main market gate. He therefore conducted his business on the highway outside of

the market instead. Thanks to a positive relationship with the market manager, further strengthened with invitations to extravagant lunches, drinks and parties (W13 8/7/2009), his business was not impeded by the existence of a formal prohibition against trading outside the market boundaries (W14 11/7/2009). In this case the wholesaler no longer needs to bribe the market manager on a regular basis in order to conduct business. Furthermore, there is no longer a direct correlation between the benefits accrued by the wholesaler and the size of the gift. Rather, the gifts lavished on the market manager have become opportunities for getting to know each other (such as lunches or parties), and therefore for trust to develop. I describe this as a 'grey area' between bribery and linking social capital because for a number of reasons. Firstly, the wholesaler can only initiate such a relationship due to access to considerable resources, which, as pointed out by Rothstein and Stolle (2001) constitutes bribery. Secondly, the market manager, a representative of a formal institution, is breaking formal laws by bestowing privileges on the wholesaler which this individual would otherwise not obtain (Heyman and Smart, 1999). Nevertheless, out of this 'grey area' and over time, genuine trust develops; and once this trust – and a resultant personal relationship – has taken hold, one might well argue that linking social capital is starting to form in the place of a relationship based purely on payments for services.

#### *6.4 Discussion: Conflicting Goals of Social Capital*

In the process of conducting research in 2009 I came across two types of social capital: bonding and bridging social capital. It became apparent to me through both observations and interviews that the majority of actors along the agricultural commodity chains in Hanoi prefer to rely on bonding social capital whenever possible, creating strong networks of trust, in which they can rely on others to fulfil certain obligations (see also Davis, 1973). The statement that “in Vietnam, the business relationship depends on the personal relationship” (PF7 19/6/2009) is one that was repeated to me over and over by actors at various markets and indicates to me a strong desire of individuals to form such connections.

Something which I have not yet come across in the literature on social capital, is that two actors involved in a social network may not necessarily be wishing to develop and rely upon the same form of social capital, at the same time. While most actors – usually suppliers – try to entice their customers into entering into close, bonding social capital relationships by drawing on a common experience as produce traders, customers are wary of such a relationship. Despite an overall preference for



bonding social capital in Vietnam (Norlund, 2003; Turner and Nguyen, 2005) customers often resist the obligation which comes with bonding social capital of buying goods exclusively from one supplier. They prefer instead to work with the types of relationships common to bridging social capital. Customers (such as consumers or market-stall operators at neighbourhood markets) purposely situate themselves as a distinct group from their suppliers (which include for instance wholesalers at *Chợ Long Biên*). This way they can make use of the looser ties afforded by bridging social capital which allow them to take advantage of good prices via their networks and linkages while simultaneously retaining the right to switch suppliers if necessary. Bonding social capital will only develop between a customer and their supplier if the customer has been thoroughly convinced of the vendor's long-term trustworthiness and produce quality.

While suppliers persistently endeavour to make use of bonding social capital between themselves and new customers through politeness, fair prices and by consistently offering good-quality produce, customers are wary of such tactics.

I don't have a regular shop I buy from – I go to the market and buy the best quality produce I can find. I know a few market-stall owners but I won't buy from them if they don't have good quality produce. These shopkeepers won't get upset if I don't buy from them; they must accept that I won't buy from them if the quality isn't good enough (DV4 21/7/2009).

It is not uncommon therefore for two types of actors to want and work towards two different kinds of relationships. Suppliers favour relationships common to bonding social capital with their customers in order to secure a regular sale. Customers on the other hand prefer to make use of the loose links afforded by bridging social capital that can still bring about good prices, but with the accompanying freedom to choose the potentially better produce from someone else and to avoid the obligation of buying from a specific supplier.

Suppliers are therefore under constant, heavy scrutiny and news of one vendor's misdealing will spread fast: "People talk to each other and recommend to each other which vendors are good – they talk to each other and exchange information – they learn from each other and apply it the next day" (C3 16/7/2009). Therefore, as noted earlier customers purposely make use of bonding social capital by entering into a relationship with a particular supplier only after a considerable trial period. The customer will also attempt to get to know the vendor on a personal level

as an extra guarantee of their trustworthiness: “I have known the proprietor of that shop for a long time, and I know the village that the vendor comes from. I know that her family still farms and produces fresh vegetables and fruit which they bring directly to the city. That is why I chose to buy from that vendor regularly” (C5 18/7/2009). Only if the customer is thoroughly convinced of the trustworthiness of a supplier – which may take several months – will their relationship develop from one based on bridging social capital towards bonding social capital.

This conflict of differing social capital expectations was observed to various degrees and in a variety of forms along both the fruit and vegetable commodity chains. Between 80 to 90 per cent of consumers reported making use of bonding social capital to procure produce from both their fruit and vegetable suppliers at neighbourhood markets, while a similar number of vegetable sellers at these markets report a strong relationship to their wholesalers at *Chợ Long Biên* or other wholesale markets. In these cases customers have evaluated their suppliers over a period of time and have come to the conclusion that a relationship based on bonding, rather than bridging social capital which was previously the case, is in their interest. However, only 50 to 60 per cent of fruit sellers, both wholesalers from other Vietnamese provinces and those based at neighbourhood markets described bonding social capital as an important factor in their maintenance of customer networks. Like the vegetable sellers, the fruit sellers have evaluated the relationship with their suppliers, and have decided that looser ties, such as those offered by bridging social capital, are most advantageous to them. I believe this disparity is due to the greater consumer emphasis on vegetable food safety than fruit food safety since a fruit’s origin is more limited and thus considered better known (for example, it is well known in Hanoi that all oranges for sale in the city come from China and all mangosteen come from Thailand). Customers can therefore stay away from those they suspect of being unsafe; vegetables are also a larger part of consumers’ diets and less easily classifiable as either safe or unsafe at the point of sale, therefore, for the customer, being able to trust that their supplier is not selling them bad produce becomes increasingly important.

Social capital does not usually just occur; it is a quality that must be actively encouraged. Actors dynamically participate in negotiating the conditions of their relationships with other parties within the commodity chains; suppliers will do everything in their power to convince their customers that their food is safe and fresh, in an attempt to build up a loyal customer base, and strengthen their bonding social capital. Customers, alternatively, work to create different forms of networks, more in

line with bridging social capital. They do not immediately – or in some cases ever – enter into a close network using bonding social capital because they gain a greater advantage from a looser one. Being bound closely to one's supplier may be in the vendor's interest, but unless and until customers are convinced that it is also in their interest, they will actively work to stay away from the type of relationship inherent in bonding social capital and will force suppliers to rely on bridging social capital.

Trade along the agricultural commodity chains of Hanoi is not random and the linkages between traders are not sporadic. Trade takes place in well defined networks and is based on personal relationships, which in turn are based on trust. Actors along the commodity chains make use of a variety of networks and forms of social capital to further their trade and to try to improve their businesses. They also actively work towards creating the kinds of networks and social capital which benefit them most. In this process it is not uncommon for two actors involved in the same network to actively promote the development of two different kinds of social capital.

### *6.5 Conclusion*

In this chapter I analysed both the fruit and vegetable commodity chains flowing into Hanoi as well as the social networks that allow this trade to take place. With Figures 6.2.1 and 6.2.2 I presented visual representations of the flow of the fruit and vegetable chains respectively, while in Section 6.2 I detailed the actors along the nodes of the fruit and vegetable commodity chains and how they operate at their respective nodes. Then, in Section 6.3, 'Social Networks and Social Capital along the Commodity Chains' I began with an analysis of the social networks that uphold the trade in these commodity chains. In this section I analysed how these social networks start (Section 6.3.1) and the advantages that accrue to individual actors who make use of social networks (Section 6.3.2). The social network section was then complemented by a precise breakdown of the various kinds of social capital I encountered along the commodity chains including bonding social capital (Section 6.3.3.1) and bridging social capital (Section 6.3.3.2). This was followed by an examination of the notable lack of linking social capital along the agricultural commodity chains in Hanoi (Section 6.3.3.3). Finally, Section 6.4 completed the chapter with a discussion of how I found various actors conducting business with each other to purposely maintain different kinds of relationships to those preferred by the other party. I was especially intrigued by this final point, as it was a situation that I have not found reference to in the literature on social capital and yet it appeared to be a significant part of the social network development in these commodity chains that move through *Chợ Long Biên*.

## **Chapter 7. Discussion and Conclusion: Current Concerns along Hanoi's Agricultural Commodity Chains**

The year 2009 was an eventful one, both globally and for Vietnam. While stock markets around the world tumbled, Hanoi was in the midst of preparations for its 1000 year anniversary. By the summer of 2009, Vietnam's export oriented economy had started to feel the impacts of the global recession; rapid monetary inflation followed by macroeconomic adjustments seemed inevitable. As the Vietnamese government was grappling with these challenges, actors along Hanoi's agricultural commodity chains were facing a wide variety of obstacles ranging from the city's planned expansion into peri-urban areas to the closure of *Chợ Long Biên* itself. The research for this thesis was conducted in the summer of 2009, when these changes were slowly, yet perceptibly taking place. As such, in my discussion and conclusion chapter, I answer my fourth research question: "How are broader structural and economic changes in contemporary Vietnam impacting the agricultural commodity chains that pass through Hanoi?" To do so I address events that are impacting both the actors involved in agricultural commodity chains and the shape of the chains themselves. I begin with a broad look at the environment in which the agricultural commodity chains of Hanoi operate before moving on to discussions of specific aspects.

During the global economic slowdown that began in late 2008, Vietnam experienced a rapid rise in inflation, a slowing rate of foreign investment and an increase in food costs of up to 27 per cent (BBC, 2008: online; Hoang, 2009: online). Talking to fruit wholesalers at *Chợ Long Biên* I learned that sales had been slow from mid-2008 to mid-2009. Especially during *Tết*, the Vietnamese New Year in January 2009, sales were a lot smaller than they had hoped (W26 23/7/2009). Yet among peri-urban farmers and vegetable wholesalers there was a different perception. "I have not been impacted by the financial crisis," I was told by Mr. Dũng (19/6/2009), a peri-urban farmer. He added: "This crisis is a phenomenon of industrialised countries and Vietnam is not industrialised, so it is not taking place here. I personally have been selling more vegetables than usual."

If peri-urban farmers are in any doubt about the state of industrialisation in Vietnam, then – despite Mr. Dũng's announcement – it is disappearing fast. As part of the government's vision for Hanoi in 2030, large areas of peri-urban farmland have been re-zoned in order to be integrated into the city. As a consequence, speculators have been quick to buy cheap land in peri-urban areas with the expectation of a rapid rise in land prices. The impacts on Hanoi's agricultural commodity chains will be

examined more closely in Section 7.1; but in Vietnam, and in Hanoi in particular, the mantra is modernisation. *Chợ Long Biên*, having served as the main node for the agricultural commodity chains for a decade, is now facing the potential of being closed due to it being overcrowded and ‘dirty’, as noted in Section 7.2. Likewise, neighbourhood markets are being given face-lifts in the run-up to the city’s millennium anniversary, to be addressed in Section 7.3. October 2010, the date of the original founding of *Thăng Long* (the imperial name for Hanoi) 1000 years ago, is an auspicious date in the city’s calendar; a month during which the city wants to present itself as a modern, thriving metropolis (VietnamNet, 2008; online). Certain reminders of the city’s traditional past, such as street vendors, do not fit into this nicely crafted image of the new Hanoi and therefore, as discussed in Section 7.4 need to be removed. While attempting to eliminate these reminders of ‘underdevelopment’, the city authorities are not taking into account the fact that a large proportion of the city’s residents rely on the traditional retailing sector for their daily produce. Indeed, in their quest for a more modern Hanoi, authorities are also failing to address the issue of food safety which is at the forefront of consumers’ concerns, as investigated in Section 7.5. I follow this up with a discussion of the future of Hanoi’s agricultural commodity chains in Section 7.6, while comparing Hanoi to other Southeast Asian examples in Section 7.7. I argue in this chapter that in their quest for modernity, the city authorities are not taking into account the livelihoods of actors along the city’s agricultural commodity chains and are altering the chains in ways which may have substantial negative impacts for a variety of actors. I conclude this chapter and the thesis as a whole with Section 7.8, by briefly summing up how I answered each of my four research questions in the course of this thesis.

### *7.1 The Future of Peri-Urban Farming in and around Hanoi*

The municipal and national governments want Hanoi to become a modern metropolis, a shining example to the world of the new Vietnam. *Hanoi 2030* is the city government’s master plan, projecting what the city will look like by that year (VietnamNet, 2009: online). Already, the city limits of Hanoi have been officially expanded to include *Hà Tây* province and parts of *Vĩnh Phúc* and *Hòa Bình* provinces (Mét Vuông: 2008: online) (see also Chapter 1, Section 1.3). City authorities are now working on shaping and expanding the urbanised core within these new official city limits, as a large portion of land within the new city limits is (as of summer 2009) still peri-urban farmland. While the existence of this plan is public knowledge, specific details, such as how and where urbanisation will occur, are not. These details are to

be officially revealed on October 10, 2010, coinciding with the 1000 year anniversary of the city of Hanoi (Vietnamnet, 2008: online).

City authorities have however, publicly announced other aspects of this plan, such as the building of three satellite cities adjacent to Hanoi, a second international airport and the urbanization of up to 60 per cent of the land which falls under the expanded city limits, noted above. They have not, however, publicly detailed the exact locations of the satellite cities or what land within the expanded city limits is to be re-zoned from peri-urban agricultural land to commercial, residential or industrial areas. According to Lee *et al.* (2010) who studied the dynamics of peri-urban agriculture in Hanoi, this has led to great uncertainty among farmers as to the future of their land.

Due to all this secrecy, individuals and businesses with close links to the government who were able to gain access to these details have bought peri-urban land for very low prices, speculating that land prices will drastically increase in the near future - in fact, land prices have tripled already, according to farmers (W10 10/6/2009; PF5 10/6/2009). In some cases, sales were even facilitated by district or municipal government officials who 'persuaded' farmers to sell their land to private investment companies. In these cases, farmers dealt only with government officials and not with the companies buying up the land (PF5 10/6/2009). Such cases have been documented previously by Sun and Kim (2007). One peri-urban farmer at *Chợ Dịch Vọng* explained to me how the process worked: "Officials from the district government came to my village and they presented the company's request and persuaded myself and other farmers to sell. There was never a direct meeting between us [the farmers] and officials from the company" (PF5 10/6/2009).

I argue that the apparent willingness of the district Peoples Committees to collude with land speculators in taking advantage of peri-urban farmers bodes ill for those whose livelihoods depend on the agricultural commodity chains. Despite the Hanoi master plan recommending that 40 per cent of the most fertile agricultural land remain productive, the livelihoods of peri-urban farmers are not assured. As land prices continue to rise and pressure increases for peri-urban farmers to be as productive as possible, there will potentially be many opportunities for large-scale produce companies to gain a foothold and potentially out-compete peri-urban farmers, along with further pressure from local government authorities who wish to see industrialisation and the greater returns they can gain from it, take a foothold.

It should be noted that while conducting field research I did not come across any instances in which farmers were forced off their land without any compensation

whatsoever, or directly forced to sell their land. However, I would argue that peri-urban farmers were being taken advantage of because they did not know that their land would soon be more valuable; that is, reclassified as being inside Hanoi's administrative city boundary (W10 10/6/2009).

While private investment companies offered to buy a lot of peri-urban land, farmers reported that only some people sold their plots, and many of those sold only part of their land. Furthermore, those farmers who did sell land did so out of financial necessity. Also, farmers who had previously sold land told me that they now refuse to sell any more because of their previous negative experiences and that they can no longer expand or 'improve' agricultural production because there is not enough land left to do so (W10 10/6/2009; PF5 10/6/2009). One farmer at *Chợ Dịch Vọng* told me angrily: "I'm glad that I only sold a little bit of land. Now that I know that the land is worth more and the companies do not plan on giving me a fair price, I definitely will not sell any more land to them" (PF5 10/6/2009)! This farmer, as well as others I spoke to, told me that they were attempting to reclaim from the companies the difference between what they were paid and the amount the land was actually worth. At the time of research, none had been successful (W10 10/6/2009; PF5 10/6/2009). Farmers are angry about having been taken advantage of and describe their sale of land to companies as "the company took our land" (W10 10/6/2009).

Peri-urban farmers currently dominate the trade in fresh vegetables because they supply the highest quality produce to consumers in the city (Moustier and Nguyen, 2008). The land which these farmers rely on is, however, considered by some to be more valuable as urban commercial areas than as farmland. The expansion of the city will take up much of this peri-urban land. I have not been able to find any indication of how the government plans on dealing with the soon-to-be large number of landless peri-urban farmers. This would suggest that, since there is no formal plan, the majority of these farmers will migrate into the city. As demand for peri-urban produce grows, supply is set to shrink, increasing food prices and likely giving importers an edge over local produce. The small minority of farmers who would be able to continue living in peri-urban areas may well choose to intensify their production, which would further exacerbate the risk to food safety from chemicals in produce. These farmers, however, would likely no longer be able to dominate the vegetable commodity chains into Hanoi, as importers could establish a larger presence at the wholesale markets. In such a situation the two unknowns are whether consumers will continue to prefer the freshest possible vegetables and whether

importers will be able to convince consumers that their produce contains fewer harmful chemicals than that of their peri-urban competitors.

## 7.2 Closure of Chợ Long Biên

The challenges which farmers are facing are not limited to increasing demand for land in peri-urban areas. Their dominant position as traders in the vegetable commodity chains is now also threatened due to planned renovations at various wholesale markets. These changes are exemplified in the recently renovated *Chợ Đầu Mối Phía Nam* (Main Southern Wholesale Market), which, in comparison to *Chợ Long Biên*, boasts large, purpose-built storage units with enough space for trucks to offload directly into them without hindering traffic. The design of *Chợ Đầu Mối Phía Nam* is the result of a Vietnamese delegation's fact finding mission to South Korea in 2008. The Hanoi city government purposely incorporated aspects of a wholesale market studied in Seoul into the plans for *Chợ Đầu Mối Phía Nam* (MM6 24/7/2009). I was not surprised therefore, to learn from the market manager of *Chợ Long Biên* that the role of *Chợ Long Biên* is to be changed from that of a wholesale market to a regular neighbourhood market, with a new wholesale market being built on the northern outskirts of the city to complement *Chợ Đầu Mối Phía Nam*. According to the market manager, initial renovations to improve infrastructure were slated to begin at the end of 2009 (MM5 17/7/2009). The market manager cited lack of space, lack of facilities and aging infrastructure at *Chợ Long Biên* as reasons for this change from wholesale to neighbourhood market (*ibid.*). She explained to me:

In the future the market will no longer be a wholesale market. This market will become a normal neighbourhood market while the wholesale operations will be shifted to a new market north of the city [which has not been built yet] as well as to *Chợ Đầu Mối Phía Nam*. However, *Chợ Long Biên* will continue functioning [as a wholesale market] for a while in order to give people an opportunity to adjust to the changes (MM5 17/7/2009).

The market manager did not give me any indication as to when this transition was to begin. However, in my last week of conducting research, the large trucks which usually park along the road outside *Chợ Long Biên* were absent. In their place were large numbers of police officers who spent all night drinking tea outside the market perimeter wall. I cannot be sure whether this is merely a temporary crackdown by the



police on heavy trucks entering Hanoi<sup>21</sup> and parking (illegally) outside *Chợ Long Biên*, or if this is the beginning of a planned shift designed to force truck owners to unload goods at *Chợ Đầu Mối Phía Nam* and, should they wish to continue trading at *Chợ Long Biên*, to transfer their goods onto smaller trucks.

After several days of the large trucks not being present I ventured to the (usually quiet) *Chợ Đầu Mối Phía Nam* (Main Southern Market) and found a number of large trucks parked there. The truck drivers were rapidly shifting boxes from the large trucks arriving from southern Vietnam onto smaller ones. Later on, a truck driver confirmed to me that he now had to transfer his goods at *Chợ Đầu Mối Phía Nam* (TD4 7/7/2009).

Interviewing vendors in the fruit section of *Chợ Long Biên*, I found that some wholesalers were aware of the fact that *Chợ Long Biên* was due to close as a wholesale market. However, no vendors in the vegetable section were aware that *Chợ Long Biên*'s role as a wholesale market was to end.

According to vendors at *Chợ Dịch Vọng* wholesale market, some markets have been closed down (presumably they meant *Chợ Mơ*, see Chapter 5) and others, such as *Chợ Đầu Mối Phía Nam*, have been recently renovated. One drinks vendor (DV2 16/6/2009) commented (unsolicited):

I don't want anyone to buy this market because this is the place where people come and work. I don't worry about you [the researcher] but I am afraid that rich people will come and buy this market. Other markets have been renovated and people now have to pay higher fees. But I want this market to stay the way it is because I don't want to pay higher fees.

Government policy has resulted unforeseen consequences for vendors on previous occasions. The eventual closure and shifting of *Chợ Long Biên* is one such event which is likely to strongly affect vendors.

Part of the appeal of *Chợ Long Biên* to wholesalers is its central location within the city. Physically moving the market to a newly designed complex outside the city will mean that traders along both the fruit and vegetable commodity chains (but especially along the vegetable commodity chains) are likely to lose part of their social network on which they depend for their businesses. Although at a different node and on a smaller level, the experiences of vendors at the temporary *Chợ Hàng*

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<sup>21</sup> Officially, only trucks weighing less than 2.5 tons are allowed to enter Hanoi (MM5 17/7/2009).

*Da* (see Section 7.4) serve as a poignant precedent to what may happen to traders who are moved out of *Chợ Long Biên*.

### 7.3 Neighbourhood Market Renovations

Potential increases in market fees are a concern for vendors at neighbourhood markets, adding further worries for those already concerned about a possible change in their wholesale market's location. The city government periodically renovates neighbourhood markets and increases the fees correspondingly. *Chợ Hàng Da* for example, was renovated three times between 1954 (when it first began operating) and 2009, the year of its fourth renovation (MM4 17/7/2009). Such renovations focus on improving infrastructure and providing the customer with a more enjoyable shopping experience by moving away from the traditional 'wet market' (but not the traditional retailing system) where the floor is perpetually covered in water and unused produce is thrown into the isles. The market management envisages an upgraded market with adequate facilities as they exist in both Hong Kong and Singapore (see Section 7.8). These renovations are mandated by the city government and undertaken by the market management (*ibid.*).

While the renovations at *Chợ Hàng Da* progress, vendors from that market have been moved to a temporary market set up along a main road in Hanoi's old quarter about three blocks away from the construction site. This temporary market consists of green metal market-stalls lined up along the road. Each vendor who holds a retail license in the old market has been relocated, and according to the market manager of *Chợ Hàng Da*: "After the renovations began, the Peoples Committee decided that they need to rearrange the market, but that all vendors need to have a space in the new market" (MM4 17/7/2009).

Vendors are appreciative of the temporary market set up for them during the renovations of *Chợ Hàng Da*, but they concede that it is not as good an environment for business as the fixed market (SMS 18/5/2009). Mrs. Chung, a stall owner selling vegetables at the temporary *Chợ Hàng Da* lamented:

The openness of the temporary market lets sunlight in which makes the market a hot environment to work in, and makes the fruit go bad faster. That's why I am looking forward to moving back into the renovated *Chợ Hàng Da*. All of us [vendors] are looking forward to this move because we know that the renovated market will attract more customers (SMS3 18/5/2009).

Vendors at the temporary *Chợ Hàng Da* are positive about the market renovations in general, and many, like Mrs. Chung, expressed a desire to move into the renovated market as quickly as possible (SMS3 18/5/2009; SMS4 18/5/2009). Vendors are aware of the fact that the rent will increase in the renovated market. The widely held view regarding rent increases was summed up best by one vendor at the temporary *Chợ Hàng Da* (SMS4 18/5/2009) when he told me that “the rent at the new market will increase. I think it is supposed to double. But that’s all right because I will have more customers.” Unfortunately, the market management actually plans to increasing market-stall rental fees by six to eight times (MM5 17/7/2009). What effect such large increases in market fees will have on vendors is unknown. However, it is likely to significantly cut into their profits, substantially affecting their livelihoods.

The slightly less than optimal facilities provided at the temporary *Chợ Hàng Da* were not the vendor’s only concern. They reported that their networks of regular customers had been affected by the move to the temporary facilities: “They [the customers] see that the old market has been torn down, but don’t know about the temporary market” (SMS4 18/5/2009). Nevertheless, vendors are confident that they will be able to re-establish these networks when they move back into the renovated market.

According to the market manager of *Chợ Hàng Da* the renovations of the neighbourhood markets – which in the case of *Chợ Hàng Da* include a parking area on the ground floor, a traditional market on the second floor and a supermarket on the third floor – are meant to “incorporate the modern and the traditional” (MM4 17/7/2009). When asked how the renovations will achieve this, he added that:

There are already a number of supermarkets and trade centres (regular traditional markets) around here. Supermarkets tend to be more expensive but they are clean and have modern safety equipment. The People’s Committee decided that by adding features such as elevators and fire escapes, the market will be safer for everyone. In this way we are making the traditional market modern.

Modernising the traditional retailing system keeps it both viable competitive. The market manager believes that traditional markets can hold their ground against modern retailing systems such as supermarkets:

The traditional markets will never ever go away. They will compete with the supermarkets. They have the edge on freshness and reasonable prices. Traditional markets have existed in Vietnam for

1000 years, so their disappearance would be unthinkable. I am happy that you [the researcher] are here because I want to show you that Vietnam and Hanoi are on the way to join the modern world (*ibid.*).

The renovation of *Chợ Hàng Da* in preparation for Hanoi's millennial celebration is a showcase of Vietnam's modernity, as well as a symbol of how the government intends to weld the traditional with the modern. In preserving the traditional retail system the government is following the example set by other countries in Southeast Asia such as Hong Kong and Singapore, a replication reflected on more in Section 7.8).

While the government intends to modernise the traditional retailing sector, the way in which it is going about this is likely to negatively impact the livelihoods of vendors. Rent increases at renovated neighbourhood markets, and also possibly at renovated wholesale markets, are going to cut into the profits of traders. The disconnect between the rising rents vendors expect and the more costly reality will lead to those vendors with less capital reserves, such as smaller fruit vendors and many vegetable vendors, not being able to afford the rent and therefore going out of business. Being unable to operate a viable business inside the market, some of these vendors might decide to continue their business as either fixed or roving street vendors; this is another potential outcome which the city authorities seem not to have considered.

#### *7.4 Street Vendor Ban*

As was made clear in Chapter 6, Section 6.3.2.4, street vendors are a vital part of many versions of the agricultural commodity chains that pass through Hanoi, frequently being the final node through which produce reaches the consumer. Roving street vendors sell a wide variety of goods; however, they most commonly sell flowers, fruit or vegetables which they either carry over their shoulders suspended from a bamboo pole or in a large basket attached to the back of a bicycle. The majority of roving street vendors are peri-urban farmers who come to the city to supplement their families' farming income. The money earned by them enables their family to survive on the income generated from farming activities (Jensen and Peppard, 2003).

In January 2008, the latest ban on informal street vending was enacted on the majority of Hanoi's main traffic arteries, 62 streets in total, as well as a range of 'public spaces' around hospitals, schools and tourism sites (Lincoln, 2008). The

official rationale behind the imposition of this ban is to ‘clean up the streets’ and ‘ease traffic congestion’. As the Hanoi People's Committee Chairman Nguyễn Thế Thảo, told state media: “The purpose of the program [banning street vending] is to make sidewalks available for pedestrians and improve the face of the city. Foreign tourists will be happier and appreciate our management” (asiaone, 2008: online). Countering criticism that such a ban would erode part of Hanoi’s heritage, Nguyễn Thế Thảo added that “we do not have to conserve what is essentially a characteristic of underdevelopment. [...] [T]radition can be kept by filming and photographing”.

Unfortunately, the attitude expressed by the Chairman is not confined to Hanoi. Linda Seligman (2004), in her work on Peru’s informal economy noted a similar mind-set among Peruvian officials who perceived women working in local markets as symbols and catalysts for social disorder. Seligman outlines efforts by municipal officials to eliminate their practices and describes a ‘cat and mouse game’ between street vendors and the police which has many similarities to the street vendor ban in Hanoi.

Unsurprisingly then, interviewees in positions of authority with whom I spoke shared the pervasive view of both Peruvian and Vietnamese officialdom of informal activity as disorder. Both the market managers of *Chợ Hàng Da* and *Chợ Long Biên* described informal business taking place on the outskirts of their market as ‘illegal’ (MM4 17/7/2009; MM5 17/7/2009). The market manager of *Chợ Hàng Da* (MM4 17/7/2009) explained that:

These people [street vendors] are not allowed to sell outside the market. It is not fair for these people to sell, because they compete with people who paid rent to sell inside the market. Also, they constitute a traffic hazard. There is a law that makes it illegal for them to work informally in the street.

Despite their constant movement to evade the police I had no trouble finding potential interview candidates among street vendors; while conducting research in Hanoi in the summer of 2009, I spoke with 16 street vendors in order to further my understanding of the distribution side of the agricultural commodity chains. During interviews the topic of the street vendor ban and the accompanying harassment by police was mentioned by three-quarters of these vendors. The defining characteristic of the ban in these vendors’ minds was that its enforcement was sporadic and administered in an uneven fashion. Indeed, while many roving street vendors report having been fined or arrested, I witnessed numerous occasions on which members of the Hanoi police

force would walk past roving street vendors and ignore them completely. I interviewed one roving street vendor selling boiled peanuts and sweet potatoes who reported earnings of between VND 40,000 to VND 50,000 per day (USD 2.10 – USD 2.60). According to her, police fines are typically VND 10,000 (USD 0.50) while an arrest carries with it a fine of VND 40,000 (USD 2.10) (SV3 18/5/2009). “I have been fined many times” she told me, adding “some of my friends have been fined up to three times in five days. This morning I myself was fined by a police officer. He saw me, stopped me, handed me a fine of VND 10,000 and told me that my activities were creating traffic problems for the city” (SV3 18/5/2009). Similarly, Mrs. Dũng, a street vendor selling oranges and bananas, reported that she had to pay a fine of VND 75,000 (USD 3.95) and had her baskets confiscated for a day (SV7 7/7/2009).

While fines are more common, the police do sometimes choose to arrest street vendors. If a street vendor is arrested, he or she must spend the day at the police station. Sometimes the police confiscate their goods, while returning the baskets and poles (SV3 18/5/2009); other times the police will return the produce too (SV8 17/7/2009). The combination of arrests and fines means that itinerant street vendors must constantly be on the lookout for police. While conducting passive observation at various markets in Hanoi as well as at various locations throughout the city’s Old Quarter, I observed that while police officers often ignored street vendors, street vendors usually became very nervous when police approached. A street vendor outside *Chợ Hôm* (SV5 2/6/2009) elaborated:

Getting in trouble with the police is my biggest problem. When the police come I have to run; I have to run away from them at least 10 times a day! Nevertheless, I choose to sell here [outside *Chợ Hôm*] because the problem with the police is the same everywhere. It doesn’t matter where I go!

In the face of continued threat and harassment by the police, some street vendors have developed adaptive measures by learning to exploit the daily schedule of police officers. As Mrs. Dũng noted: “The police come by very, very often. In the morning or the afternoon I have to be on the move constantly so that I do not attract the attention of any police officers. But at noon I can sit down because the police aren’t as active then. That’s when they go and eat lunch” (SV7 7/7/2009). Other street vendors find that they can limit the amount of fines and arrests by paying bribes to police officers. Mrs. Đăng (SV8 17/7/2009), selling tomatoes and cucumbers, explained how others exploited this approach:

Some street vendors can avoid fines and can get their wares back faster after an arrest if they are related to or are neighbours of police officers, or if they bribe officers once a month. I don't bribe the police. I don't like it, and also, I don't have enough money! I only sell cheap vegetables!

While some street vendors have found a way to lessen the impact of the street vendor ban, mounting pressure puts their livelihoods at increasing risk: it remains unclear whether or not, in the run-up to the city's millennial celebrations, the city's police force will step up its efforts and actually succeed in keeping roving street vendors off the street. In the face of this potential, increased pressure, street vendors say that they will keep on attempting to sell, as they have no other options left open to them: "I don't know what to do about the police because it is against the law to conduct business on the street. This law was made by the city authorities. I have no choice but to keep selling" (SV3 18/5/2009).

Again, there is a disconnect between what policy makers are (at least officially) trying to achieve and the effects their policies have on those operating within the agricultural commodity chains in Hanoi. Policy makers are aiming to 'modernise' the city by eliminating 'dirty practices'. What they do not realise is that actors such as roving street vendors have little or no alternative to their current profession. Because street vendors use their income gained in the city to supplement their families' farming income, denying street vendors their (often seasonal) urban income – which would be the case if the ban were to be effective - would in effect render a large number of peri-urban farms unviable. Such rural unemployment could, in turn, precipitate a massive influx of migrants into the city; not forgetting potential food shortages. It seems that policy makers have not considered the possible wider effects of an effective street vendor ban.

Another troubling point is that the implementation of the street vending ban is unpredictable. The policy bans street vending on Hanoi's main arteries and allows police to fine street vendors only when they have stopped to sell something, rather than when they are just travelling from point A to point B with their goods (IRIN, 2008: online). However, street vendors report being stopped and fined 'all over the city' no matter their activities. In practice, police fine or arrest roving street vendors at will, or ignore them if they are on the way to lunch. Police impose seemingly arbitrary sums as fines and often confiscate goods while returning baskets. For street

vendors this translates into a patchy policy which they do not understand, cannot possibly comply with and have trouble adapting to.

Although an unpopular suggestion with those wishing to maintain the livelihoods of small-scale traders, I believe that while roving street vendors are numerous – some estimates put their number at 5600 (Markets for the Poor, 2007) – they do not represent an irreplaceable component of the commodity chains. I estimate, based on observations, that one out of every two street vendors sells fruit or vegetables and that on average each of these street vendors carries 25 kilograms of produce. This would mean that street vendors account for roughly 62 tonnes of produce distributed throughout the city every day. While customers do buy from them, street vendors are less trusted than are neighbourhood market vendors and represent a convenient, rather than a permanent option for consumers (as discussed earlier in Chapter 6, Section 6.2.1.4). This, combined with the fact that most Hanoians buy from neighbourhood markets on a daily basis instead, is why I believe that any reduction in produce sold by roving street vendors would easily be absorbed by neighbourhood market-stalls. While policy makers are no doubt encouraged by the fact that the complexity of the commodity chains' distribution system means that Hanoi's fresh vegetable supply does not hinge on a single node, I cannot advocate the removal of street vendors as a point of supply, for the sake of consumers but especially for the livelihoods of street vendors.

Roving street vendors will likely face harassment from the authorities in the future; the severity of this harassment, however, is in question. Looking at previous campaigns to eradicate street vendors, it becomes clear that these campaigns are usually temporary and that the severity of their implementation often depends on a specific event such as the arrival of a foreign dignitary or the occasion of a large international event such as the SEA (Southeast Asia) Games (SV8 17/7/2009). In the case of this ban, the seminal event seems to be city's centennial celebration. One would therefore expect and hope that after the festivities are over, the authorities' zeal in removing street vendors from the city's various quarters would be somewhat diminished.

In order to completely eradicate the practice of street vending, the police would have to launch a concerted and permanent effort to eliminate their activities. Due to authorities' previous motives for banning street vending as well as the police force's mixed record on carrying out these policies, I expect street vendors to be present on the streets of Hanoi well into the future. Their incomes will shrink however – at least during those periods in which the ban on street vending is in place



– as street vendors have to spend more time evading the police and less time hawking their wares to potential consumers. Unfortunately for street vendors, evading the police is not their only challenge; as consumers grow ever more concerned about food safety, the wares offered by street vendors will come under increasing scrutiny from their customers.

### *7.5 (Lack of) Changing Food Buying Habits*

The rapid economic growth of the late 1990s and the first decade of the new millennium have altered the demography of Vietnam's urban consumers. The urban middle class has grown substantially, creating a large pool of affluent young consumers (King, 2008). Nevertheless, my research did not detect a change in consumer tastes away from traditional markets and towards supermarkets.

Consumers in Hanoi overwhelmingly demand good quality food products, including fresh and clean fruit and vegetables. The vegetables bought at traditional markets are usually consumed within 24 hours of being harvested. Supermarkets cannot match this ancient example of just-in-time performance. As Ms. *Tiền* (9/7/2009), a kindergarten teacher who became one of my key informants and a proponent of Hanoi's traditional retail system explained to me: "The quality of food is very important to people in Vietnam. People want to eat fresh vegetables. Farmers supply the freshest vegetables because they bring them to the market the same day as they harvest them."

Furthermore, despite growing wealth and the increasing use of refrigerators, consumers still buy their produce on a daily basis. Supermarkets are not nearly as well represented around Hanoi as are neighbourhood markets, making the former an inconvenient option for shopping on a daily basis. Peri-urban farmers on the other hand, by channelling their produce through Hanoi's vegetable commodity chains, are considered to have fresher produce at competitive prices and are therefore still a popular choice among consumers. Neighbourhood markets also provide the consumer with more choice than do supermarkets. As Ms. *Tiền* (9/7/2009) continued to explain, "markets have many more kinds of vegetables and the quality of produce at neighbourhood markets is usually better than at supermarkets".

The peri-urban produce available at neighbourhood markets contains, as several recent studies have shown, high levels of chemical concentrations (Dang *et al.*, 2005), giving consumers in Hanoi ample reason to be concerned about food safety. I addressed this issue with the market managers of *Chợ Hàng Da* and *Chợ Long Biên*, both of whom conceded that the government lacks the capacity to ensure

the safety of produce. The market manager of *Chợ Long Biên* (MM5 17/7/2009) discussed this problem and outlined what was currently being done to improve the food safety situation.

The safety of the food is a problem because we don't have the equipment or capacity to check the food at this market. Sometimes the medical department comes to check, but by then it's too late because by the time the results come out all the produce is already sold. The government is trying to ensure that the origin of the product is always known. Also, the knowledge of the farmers should be higher, so that they use good farming practices and if there are repeat offenders, they should be banned from trading at any market.

While both market managers I spoke to were optimistic that the government would get food safety under control, customers were not. Although the fear of food safety has not yet precipitated a move away from the traditional retail sector towards supermarkets, it has caused a shift in consumer behaviour.

Consumers' fears about food safety are leading them to increasingly buy only from trusted sources. While a minority of consumers trust supermarkets as being the only source of 'safe' produce, most believe that all produce procured from any source contains chemicals and is therefore potentially unsafe (W13 8/7/2009; C1 9/7/2009). Those people who continue to buy from neighbourhood markets base their trust in the vendor they are buying from. This in turn strengthens the social bonds between vendor and buyer (see Chapter 6, Section 6.3.3.1). One small market-stall owner at *Chợ Yên Thái* (SMS30 15/7/2009) told me about the lengths she went to in order to ensure the safety of her vegetables: "My own customers demand quality. In order to ensure that I have good quality produce I buy from familiar sellers at *Chợ Long Biên* – sellers that I trust. That way my customers can also be assured that they are receiving the best possible produce."

Along with concerns about food safety (VietnamNet, 2010: online), consumers are facing increases in food prices thanks to inflation (BBC, 2008: online) and are likely to face further rises in vegetable prices as supply diminishes from peri-urban areas. While neither the current increase in food prices nor the recent food safety scares have provoked a substantial shift away from traditional retailing systems, a further increase in food prices combined with tangible evidence of contaminated produce originating from peri-urban areas (which in popular opinion are considered to produce the least contaminated produce) might convince people to

increasingly procure produce from other sources such as from organic farming cooperatives, supermarkets or from their own rooftop or backyard gardens.

According to my observations, a number of conditions must be fulfilled before supermarkets will be able to capture a substantial amount of clientele away from the traditional retailing sector. Firstly, supermarkets would need to make an effort to provide fresh produce and purposely market their produce as clean and safe. Secondly, supermarkets would need to become more prevalent and accessible to people throughout Hanoi. Thirdly, consumers who are experiencing an increase in wealth would need to want to spend less time shopping, therefore buying their foodstuffs on a weekly or biweekly basis at supermarkets, instead of on a daily basis at neighbourhood markets, as is the case currently.

#### *7.6 Future of the Commodity Chains*

Despite the competitiveness of the traditional retailing system in the face of its modern counterpart, for peri-urban agricultural commodity chains to remain viable in Hanoi in the long term, the city government must put in place adequate food safety measures. Studies have shown – and several recent food safety scares in Hanoi have exemplified – that produce (both imported and peri-urban) sold in Hanoi contains unusually high levels of pesticides, fertilisers and herbicides (Dang *et al.*, 2005). Currently, consumers base their choices of where to procure vegetables on the trust they place in a specific vendor. However, if the citizens of Hanoi are to continue to prefer vegetables from the city's peri-urban areas then these vegetables must conform to the standards of trust which buyers place in their suppliers. If evidence emerges that (contrary to popular belief) Vietnamese vegetables are just as, or even more contaminated than imported produce, a shift away from the traditional retailing sector may take place, leading to a decline in revenue for peri-urban farmers and reduction in the viability of their livelihoods.

The fruit commodity chains leading into Hanoi do not face the same kinds of existential pressures that the vegetable commodity chains originating in Hanoi's peri-urban area are exposed to. I assess that actors along the fruit commodity chains are better placed than their counterparts along the vegetable commodity chains to weather certain stresses such as the relocation of wholesale markets, the expansion of the city into peri-urban areas and the removal or modification of nodes within Hanoi. Firstly, their products are not dependent on the peri-urban areas of Hanoi. Secondly, while the geographical location of *Chợ Long Biên* may be advantageous to fruit wholesalers, in general these actors are not as strongly tied to specific locations as are

vegetable wholesalers. While a relocation of *Chợ Long Biên* would pose some inconvenience, it is easier for fruit wholesalers to move their operations to another location, as a large number of their customers buy in bulk, transport these goods with their own trucks and sell them on in Vietnam's northern provinces. Thirdly, *Chợ Long Biên* is the only wholesale market that deals with any measurable quantity of fruit (while there are three other wholesale markets that handle vegetables but not fruit), meaning that customers have less choice and are forced to seek out vendors at the wholesalers' convenience; hence a relocation of the market would not result in customers potentially moving their loyalty to wholesalers elsewhere. Lastly, while trading fruit poses a greater economic risk than trading vegetables, it also brings greater profits, meaning that actors along the fruit commodity chains have more capital to weather any changes brought about by government policy.

The fact that the fruit commodity chains examined here stretch from Hanoi into southern Vietnam, China and Thailand means that the chains themselves are exposed to a wide variety of unknown factors long before they reach Hanoi. For example, as a large amount of fruit crosses national borders, mostly from China into Vietnam, but also from Thailand through Laos into Vietnam, fruit wholesalers are at the mercy of cross-border relations between various neighbouring countries. In addition, cross-border flows result in exposure to even greater concerns over food safety, especially for food originating from China, as Vietnamese consumers are particularly concerned about the safety of produce from their northern neighbour. The vast distances which trucks have to travel in order to reach Hanoi mean that transportation costs, among them rising fuel prices, affect the cost at which fruit is sold, and ultimately the profit which a wholesaler is able to gain. Profits can also be jeopardised by a realignment of fruit supplies from countries exporting fruit to Vietnam towards other countries. For example, Thai fruit is exported throughout the world, and rising demand from elsewhere might convince suppliers to export fruit to other parts of the world instead of to Hanoi. Such a scenario would be especially plausible if large multinational corporations become more active in the regional fruit trade. In this case, suppliers might decide to ship fruit to China via aircraft, circumventing Hanoi, currently a vital transit point for fruit travelling between Thailand and China. Fruit wholesalers at *Chợ Long Biên*, although generally having large enough amounts of capital to deal with local pressures and oscillations, are nevertheless still greatly exposed to unknown and sudden regional fluctuations in the fruit trade.

### *7.7 Reconciling the Traditional Retail Sector with Modern Realities: Examples from other Southeast Asian Countries*

The most important changes occurring at the Hanoi nodes of these agricultural commodity chains – be they cultivation in peri-urban zones, wholesaling, or distribution in neighbourhood markets or by street vendors – are the result of the Vietnamese government's large-scale push towards its vision of modernity. As shown in the previous sections of this chapter, this process does not take into account the livelihoods or individual predicaments of a number of actors along these commodity chains. While both market managers I interviewed professed a desire to keep the traditional retailing sector alive, the methods which are currently being put in place risk producing suboptimal outcomes for actors making their livelihoods along the agricultural commodity chains in Hanoi.

If we expand our scope to Southeast Asia in general, the traditional retailing sector has by and large ‘stood up to’ the expansion of supermarkets (Goldman *et al.*, 1999). In Hong Kong, Malaysia, Singapore and Thailand the traditional retailing sector has, instead of competing with supermarkets, developed a complementary relationship with the modern retailing sector (*ibid.*). Across Southeast Asia, consumers continue to display a strong desire for fresh produce on a daily basis; supermarkets, for a variety of reasons, are not able to satisfy this need as optimally as ‘wet markets’ and therefore tend to specialise in selling imported and dried goods instead (*ibid.*). Similarly, concerns over food safety along traditional agricultural commodity chains are not unique to Vietnam. Examples from across Southeast Asia have shown that in order for these chains to remain viable, the issue of food safety must be addressed by the authorities (Cheng, 1990).

Continuing to look elsewhere in Southeast Asia, there are a variety of strategies which the Vietnamese government could use in order to secure the livelihoods of actors along the current agricultural commodity chains, provide for food safety, and ‘modernise’ the chains, all at the same time. Singapore, for example, has experienced extremely rapid economic growth. Yet, instead of banning the 20,000 street vendors who plied their trade in the 1970s, the government issued them all with licenses and gradually moved them into permanent stalls with a fixed eating area, known locally as ‘hawker centres’ (Cheng, 1990). In order to keep their licenses, ‘hawkers’ must pass a health check, attend classes on food hygiene and comply with laws governing public health. Initially, the stalls allocated to vendors were government owned and vendors had to pay a small monthly fee. In the mid 1980s the government ‘privatised’ these stalls, selling them to vendors. By 1998 the last

government-owned 'hawker stall' was sold to the person operating it (Jones, 1998). Ownership of a stall now means that vendors can sell or lease out their stalls. Similar processes are already in place in Vietnam both at wholesale and at neighbourhood markets. However, the Vietnamese government could strengthen this system by combating the corrupt practices of some market managers who allow their families to speculate on the price of market-stalls, and by preventing local 'mafias' from extorting protection money from vendors (SMS27 7/7/2009) (see Chapter 6, Section 6.3.3.3). Furthermore, the Singaporean hawker centres and wet markets are purposely designed with adequate facilities for vendors such as proper drainage facilities, waste disposal facilities and clean toilets. The renovation of *Chợ Hàng Da* in Hanoi is promising in this respect.

In order to ensure safe food at hawker centres and at wet markets (both wholesale and neighbourhood markets) the Singaporean government created a public health agency which is tasked with checking the safety of produce on a daily basis. This, the National Environmental Agency (NEA), also rates vendors according to their hygiene standards, rewarding those vendors who comply with the laws and allowing consumers to identify vendors who do not follow the most stringent practices. I visited Singapore's largest agricultural wholesale market, the Tanjong Pagar Wholesale Centre (TPWC) on my return from fieldwork in Vietnam. Vendors there are well aware of the strict hygiene standards and pointed out to me officers of the NEA doing their rounds.

Similar to Singapore, authorities in Hong Kong have worked to bring street hawkers and neighbourhood markets into the formal economy. In Hong Kong, which has 24,000 market stalls in 250 neighbourhood markets, the Food and Environmental Hygiene Department (FEHD) is responsible for leasing market stalls and licensing street hawkers (Goldman *et al.*, 1999; Zunn, 2008). Leases at wet markets are bought at public auctions, run for three years and are usually renewed automatically (Goldman *et al.*, 1999). Licenses for street vending however are no longer available; in a bid to encourage 'hawkers' to move their businesses into neighbourhood markets, the FEHD has ceased granting street vendor licenses. The FEHD uses a HKD 60,000 (USD7700) reward as an incentive for street vendors to voluntarily return their licenses (Zunn, 2008). Like in Singapore, the traditional retail system in Hong Kong has been brought into the formal economy and continues to serve the needs of the population and to flourish despite the growth of supermarkets (Goldman *et al.*, 1999). Unlike in Singapore however, the government in Hong Kong has put some markets under private management, while upgrading and 'modernising' other markets due to

hygiene complaints from the public (*ibid.*). Goldman *et al.* attribute the persistence of ‘wet markets’ and ‘hawkers’ to the fact that they can provide produce which is both fresher and cheaper than supermarkets. They also point out that wet markets are not alone in adapting to changing conditions in a bid to stay competitive; supermarkets in Hong Kong have adopted aspects of neighbourhood markets, such as their operating methods and an imitation of the atmosphere, in order to appeal more to their customers.

Comparing contemporary Vietnam with Hong Kong and Singapore it becomes clear that the experiences of Vietnam today closely reflect those of the other two cities. Both market managers I spoke to in Vietnam, those of *Chợ Hàng Da* and of *Chợ Long Biên*, were generally positive about the future of the traditional retail system, but lamented the fact that they did not have the capabilities to enforce food hygiene laws. Nevertheless, this is a crucial aspect of the long-term survival of the traditional retail sector; along with educating actors about the need for and the attainment of hygiene along the commodity chains, the Vietnamese authorities could follow the example of Singapore and require that all goods, both peri-urban and imported, be clearly labelled, as well as other hygiene regulations. This would create greater trust and peace of mind for Vietnamese consumers, and allow authorities to better pinpoint the origin of contaminated produce.

The Vietnamese authorities are keen on modernising their country and on ‘catching up’ with other Southeast Asian countries. My proposition is that they should, as has been done in other countries, deal with the informality of the agricultural commodity chains, not by shutting down informal markets, but by slowly, as in the case of Singapore, legalising the informal sector, allowing actors along these commodity chains to flourish, and working with them to enact food hygiene laws which ultimately are in the commodity chain actors’ interests as well. Such a strategy would aid the government by creating more than just the façade of modernisation by protecting the livelihoods and increasing the living standards of a large number of Hanoi’s citizens.

### *7.8 Thesis Summary and Conclusion*

Having examined the current and near future economic and policy decisions and events that are going to impact upon these commodity chains, as well as potential ways forward for the Vietnam government to protect and allow the livelihoods of those involved to flourish, I now conclude my thesis as a whole with a summation of

how I answered my aim and research questions. Here I give a brief, comprehensive overview of the key findings and arguments that have emerged from my research.

Throughout this thesis my aim has been to *investigate the diverse ways by which agricultural produce makes its way from Hanoi's Long Biên market to consumers, and the roles and activities of the actors involved at numerous nodes along these commodity chains*. I began my research at one of the most important nodes along the agricultural commodity chains in Hanoi, namely *Long Biên* wholesale market by asking the following question:

1. *How does the Long Biên market operate, who are the actors present, and how does trade take place here?*

While answering this question through an ethnography of *Chợ Long Biên* in Chapter 5, I explained how, in terms of spatial area, *Chợ Long Biên* is the smallest of Hanoi's four operational vegetable wholesale markets. It is, however, by far the busiest and most populated: 10,000 people work and trade at this 1,800m<sup>2</sup> market on a nightly basis, moving up to 550 tonnes of produce amongst them. From observations it quickly became clear that the market is divided into three sections: fruit, vegetables and seafood. The fruit section is both the largest produce section at *Chợ Long Biên*, as well as the only fruit section I observed in any of the four operational wholesale markets in Hanoi. Stall operators and porters here handle 500 tonnes of fruit on an average night, supplying all of Hanoi. The section is dominated by large scale wholesalers who commission trucks to bring produce from as far away as southern Vietnam, China and Thailand. While most fruit passing through *Chợ Long Biên* is consumed in Hanoi, this market is also an important node for wholesalers from elsewhere in northern Vietnam and a large amount of fruit is bought at the market by these wholesalers who buy in bulk and then return to their provinces to sell their goods. Other traders again, use *Chợ Long Biên* as a trans-national shipment point, transporting fruit from Thailand onward to China or *vice versa*.

A notable difference between the fruit and vegetable sections in this market is the fluidity (or lack thereof) with which individuals perform different types of jobs. In the fruit section one meets people with very specific, defined jobs such as truck drivers, professional sellers or porters. Conversely, in the vegetable section, a peri-urban farmer completes a multitude of roles such as farming, transporting their goods to the market, acting as a wholesaler and bringing produce directly to various restaurants in the city. These differences, which have also been noted by Tran *et al.* (2005) on their work agricultural production and marketing in peri-urban Hanoi,



seem, at least in part, to be due to the differences in cost for the raw products as well as the divergence in operational complexity of transporting fruit or vegetables to *Chợ Long Biên*.

In sum, *Chợ Long Biên*, as a major node on the agricultural commodity chains that pass through Hanoi, is hectic, chaotic and noisy. But yet, delving into the sea of fruit, vegetables and traders, it becomes clear that the numerous actors involved, be they truck drivers arriving from Thailand or local peri-urban farmers, are part of a finely tuned and efficient trading-scape. Here, individuals are part of a community that adheres to specific social norms and orders of how trade is to take place. As numerous examples along the agricultural commodity chains in Hanoi make clear, the formal and informal economies are visibly linked, with a large amount of fluidity where actors pass in and out of the formal and informal spheres. This makes the case against a dualistic approach to the informal economy as discussed in Chapter 2, Section 2.3.1.1. Furthermore, *Chợ Long Biên* shows that the messiness of reality is far more complex than traditional approaches to the informal economy allow for. In fact, the nuanced understanding of trade at *Chợ Long Biên* presented in this thesis was made possible only through a combination of literature on the informal economy, social capital and commodity chain analysis. By drawing on all three bodies of literature presented in my conceptual framework I was able to interpret how the informal and formal aspects of this market are operationalised and sit beside each other. The stalls may be rented in a formal manner, but bribes are paid to keep operations going just that little bit longer to make a final sale; traders display their wares in their best possible light, but it is social networks and linkages that keep customers coming back night after night. Such aspects were returned to in more detail in Chapter 7.

Following on from this ethnographic study of Long Biên market, I then turned to my second research question, namely:

*2. How do the agricultural commodity chains that have Long Biên Wholesale Market as a main distribution node operate? Who is involved and how far can these chains be traced through the distribution and consumption sides?*

In Chapter 6 I examined the operations of the agricultural commodity chains which have *Chợ Long Biên* as a central node. I found that the commodity chains are highly varied and at times extremely complicated, a finding which is supported by van Wijk (2007) in his work on the supply side of these chains in Hanoi's peri-urban agricultural area. Indeed, while there are a certain number of standard routes along

each chain, each commodity chain also has a number of alternative sub-routes (see Chapter 6, Figures 6.1 and 6.2). For example, while most vegetables proceed from *Chợ Long Biên* on to a variety of neighbourhood markets, some neighbourhood market-stall holders receive their produce directly from peri-urban areas and some consumers shop directly at *Chợ Long Biên*, avoiding wholesalers. The Systems of Provision approach (see Chapter 2, Section 2.1.3), with its balanced treatment of production and consumption, allowed for an understanding of the influence which consumers exert on the commodity chains by demanding ‘safe’ produce. Furthermore, the levels of complexity revealed by my findings strengthen the case for a combination of the vertical and horizontal approaches to commodity chain analysis (see Chapter 2, Section 2.1.4); neither approach on its own would have been capable of revealing a comprehensive picture of product flows along the chains and across various nodes.

Despite their complexities, the intricate links along the agricultural commodity chains in Hanoi have led to an extremely efficient system which minimizes waste and supplies the nation’s capital with exceptionally fresh produce on a daily basis; wholesale markets operate at night in order to facilitate a 24 hour cycle from harvest to consumption. While city residents profit in the form of fresh vegetable, peri-urban farmers benefit from their farms’ proximity to the city through a direct link to customers. They do not need to rely on intermediaries to transport their produce to the market, and are consequently able to keep a greater share of the earnings as profit. This system, which functions to the benefit of peri-urban farmers (Moustier and Nguyen, 2008) is under threat from broader contemporary events such as the eventual closure of *Chợ Long Biên* and the expansion of the city into peri-urban areas.

To delve more deeply into the complexities of these commodity chains, while drawing on a Systems of Provision approach to be able to understand the roles and interactions of the social actors involved to a greater degree and employing the literature on social networks and social capital, I then turned to answer my third research question, namely:

### *3. What are the social interactions that occur between actors along the agricultural commodity chains in Hanoi that allow the chains to function?*

I have found that social networks, as analysed and discussed in Chapter 6, are the underlying basis for agricultural trade in Vietnam; a phenomenon researched and corroborated by a variety of authors working on inter-firm trust dynamics in post-*Đổi*

*Mới* Vietnam (see McMillan and Woodruff, 1999; Nguyen, 2005; Nguyen *et al.*, 2005; Turner and Nguyen, 2005). In the absence of an enforced, formal regulatory environment, the trust inherent in these relationships provides the security which would otherwise be guaranteed by a formal contract. Trust, however, must be earned. A customer must be able to trust that their supplier is providing them with clean and safe produce and a supplier must be able to trust their customers to pay them if the produce has been bought on credit. Those who betray the trust of another individual face strong social sanctioning designed to provide the market community with a form of social stability.

Drawing upon the third building block of my conceptual framework, as outlined in Section 2.2, Chapter 2, when examining social networks through the lens of social capital, I found that bonding social capital, which can form among members of a close knit community, occurs most frequently. Bonding social capital thus ‘trumps’ bridging social capital (social capital that develops among people with less close relations), as well as linking social capital (vertical social linkages, such as those that cross social hierarchies). Hence actors along these commodity chains prefer to build strong trust relationships with extended family members and those from the same communities. Interestingly, my findings of the forms of social capital relied upon the most, are in line with a number of other studies that have examined social capital in Vietnamese society, although our specific contexts differed (Norlund, 2003; Turner and Nguyen, 2005). Such findings highlight the cultural aspects and specificities of social capital. The strength of family ties and the importance of bonding social capital demonstrate a clear preference within North Vietnamese society to function wherever possible within tightly knit groups.

While in Chapter 6 I demonstrated that business relationships formed around bonding social capital are the most common, interesting nuances also occur, which to date, I have not yet encountered in the literature on social capital. While suppliers prefer to rely on bonding social capital with their customers, focusing on their similar social status and attempting to develop a strong trust-based relationship; customers, on the other hand, often refuse such a close relationship because of the obligations it would entail towards that supplier to constantly buy from them. Customers only enter into a close relationship with their suppliers after an extended period of time, during which the supplier must prove their trustworthiness by continuously and unfailingly providing fresh, clean and safe produce. There is, however, still the customer who prefers not to enter into such a relationship at all, choosing instead the advantage of switching between suppliers at will.

Finally, building upon the analyses and interpretations to date, I turned to answer my fourth and final research question, in the first section of this chapter:

*4. How are broader structural and economic changes in contemporary Vietnam impacting the agricultural commodity chains that pass through Hanoi?*

While conducting research in Hanoi in the summer of 2009, I uncovered a number of concerns which are impacting actors along the city's agricultural commodity chains and affecting the shape of the chains themselves. These five key concerns, analysed and interpreted in the first part of this Chapter 7 include the loss of land by peri-urban farmers, the closure of *Chợ Long Biên*, the renovation of neighbourhood markets, the ban on street vendors, and the changing preferences of consumers in Hanoi. The common denominator among these points is the city authorities' drive towards modernisation and the numerous unintended consequences of this vision.

The initial starting point of many of the commodity chains investigated in peri-urban Hanoi, is under intense pressure. Before the metropolitan area of Hanoi was officially expanded in 2008 (detailed in Chapter 1), speculators bought land from peri-urban farmers at low prices. The steady increase in land prices as the city grows and expands will not only put farmers under immense pressure to sell their land, but will also present policy makers with a difficult choice between preserving agricultural land for food production and to maintain peri-urban livelihoods and the desire of companies to acquire land for commercial purposes.

Second, I was informed by the market manager of *Chợ Long Biên* that this specific market is due to be closed as it suffers from inadequate infrastructure and because the trucks that park in front of it every night impede traffic around the city's Ancient Quarter. The increased distance of any new market from the city would likely mean fewer customers, which in turn disrupts the social networks on which peri-urban farmers and wholesalers in the market rely.

Third, neighbourhood markets throughout Hanoi are being renovated, starting with *Chợ Hàng Da* and *Chợ 19-12*. This is in large part a directive coming from the city authorities as part of the city's 'face lift' for the 1000 year celebrations in 2010 and part of the state's drive to modernity. In their drive to present a modern appearance, the city authorities are planning on raising the market-stall rental prices far above what vendors are expecting. While it is not a policy to eliminate these vendors, economics unfortunately might.

Street vendors, unfortunately, do fall under the government's category of 'elements of underdevelopment' to be removed from the streets of Hanoi. The 2008

street vendor ban which is currently in place is unevenly enforced, increasing the stress on the livelihoods of street vendors. Many of these street vendors are seasonal migrants whose income allows their family to continue farming in the city's peri-urban areas. Were the authorities to make a concerted effort to eliminate street vendors, a large proportion of peri-urban farms would be rendered unsustainable resulting in a possible large scale influx of rural migrants into the city. The city authorities would then find themselves in a double-bind: in the unenviable position of having to feed and house an ever increasing urban population including all those people who used to supply the urban population with food, but do so no more.

Finally, while these agricultural commodity chains are being adversely affected by government policy from numerous starting nodes in the urban-periphery, through the potential move of *Long Biên* wholesale market, and the potential out-ricing of stalls at re-developed neighbourhood markets, along with the potential disappearance of street-vendors, consumer buying habits are also having an effect on the commodity chains. Hanoi's urban consumers, extremely mindful of food safety due to a number of recent food safety scares, are increasingly procuring their fruit and vegetables from a small number of trusted sources. This has not yet resulted in a move towards supermarkets. Consumers are however, generally suspicious of produce (especially Chinese produce) and are wary of buying from vendors that are unfamiliar to them. Both consumers and actors in the traditional agricultural retailing sector would benefit greatly if the government were to put in place measures to assure the safety and quality of food passing along these agricultural commodity chains: consumers would be assured of safe produce, and suppliers would likely be able to widen their network of customers.

In sum, in this thesis, I have presented findings from my comprehensive investigation into the distribution side of the agricultural commodity chains that pass through Hanoi, with *Long Biên* wholesale market as their key node. I have highlighted the importance of interpersonal relationships among actors along these commodity chains to facilitate trade, and how these chains are constantly affected by the political, social and economic climate in Hanoi. This thesis underscores and adds to the understanding of transitional economies in socialist countries by highlighting several key points. In the absence of a well-enforced, regulatory authority, interpersonal relationships – based on a high degree of trust – take the place of formal, enforceable contracts and agreements. These informal contracts are enforced by social norms which stigmatize any individual who does not live up to their communal obligations. Despite the fact that operators in these marketplaces are only

loosely managed in the formal sense, they are, however, socially both extremely regulated and highly organized. Actors along both the fruit and vegetable commodity chains continue to adapt their highly organized supply chains to any political or economic change, as quickly as possible. Such adaptability ensures the survival of individual businesses on which individual and familial livelihoods depend. In the case of Hanoi, the traditional agricultural retailing sector supports a wide variety of livelihoods and seems to also be more efficient and better adapted to meet the needs and desires of consumers, than the modern retailing establishments beginning to gain a foothold in Vietnam. The latter are still unable to compete with the well organized and efficient system of neighbourhood markets and street vendors in terms of food freshness and quality.

While the municipal government currently plays only a small role in regulating food safety along these commodity chains, its current, large scale policies aimed at modernising and expanding the city, are having adverse and negative effects on actors along Hanoi's agricultural commodity chains. Some of these acts are intentional, such as the drive to ban street vendors in certain locations; others are less direct, such as the potential impacts of renovating neighbourhood marketplaces. If there was the political will, the municipal government is, however, in a position to potentially formalize and regulate the activities of those in the traditional agricultural retail sector. In doing so it would not only secure and strengthen the livelihoods of those individuals and households supplying the city with its fresh produce, but it could also encourage the continued survival and prosperity of a supply chain which has been a part of Vietnamese daily life for centuries. Whether there is any willingness to do so, in the face of the continued quest for modernity, is yet to be seen.

## APPENDIX A. Interview Codes by Informant Type

### Small market-stall (SMS)

1. Woman, 15 May 2009, *Chợ 19-12* (Temporary Market), small market-stall (SMS1 15/5/2009)
2. Man, 15 May 2009, *Chợ 19-12* (Temporary Market), small market-stall (SMS2 15/5/2009)
3. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), small market-stall (SMS3 18/5/2009)
4. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), small market-stall (SMS4 18/5/2009)
5. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), small market-stall (SMS5 18/5/2009)
6. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), small market-stall (SMS6 18/5/2009)
7. Woman, 20 May 2009, *Chợ Châu Long*, small market-stall (SMS7 20/5/2009)
8. Woman, 20 May 2009, *Chợ Châu Long*, small market-stall (SMS8 20/5/2009)
9. Woman, 20 May 2009, *Chợ Châu Long*, small market-stall (SMS9 20/5/2009)
10. Woman, 20 May 2009, *Chợ Châu Long*, small market-stall (SMS10 20/5/2009)
11. Woman, 22 May 2009, *Chợ Nghĩa Tân*, small market-stall (SMS11 22/5/2009)
12. Woman, 22 May 2009, *Chợ Nghĩa Tân*, small market-stall (SMS12 22/5/2009)
13. Woman, 22 May 2009, Behind the University of Hanoi, mini mart (SMS13 22/5/2009)
14. Woman, 29 May 2009, *Chợ Nghĩa Tân*, small market-stall (SMS14 29/5/2009)
15. Woman, 29 May 2009, *Chợ Nghĩa Tân*, small market-stall (SMS15 29/5/2009)
16. Woman, 29 May 2009, *Chợ Nghĩa Tân*, small market-stall (SMS16 29/5/2009)
17. Woman, 2 June 2009, *Chợ Hôm*, small market-stall (fruit) (SMS17 2/6/2009)
18. Woman, 2 June 2009, *Chợ Hôm*, small market-stall (vegetables) (SMS18 2/6/2009)
19. Woman, 7 June 2009, *Chợ Châu Long*, small market-stall (vegetables) (SMS19 7/6/2009)
20. Woman, 7 June 2009, *Chợ Châu Long*, small market-stall (SMS20 7/6/2009)
21. Woman, 7 June 2009, *Chợ Châu Long*, small market-stall (fruits) (SMS21 7/6/2009)
22. Woman, 7 June 2009, *Chợ Châu Long*, small market-stall (SMS22 7/6/2009)
23. Woman, 7 June 2009, *Chợ Châu Long*, small market-stall (vegetables) (SMS23 7/6/2009)
24. Man, 12 June 2009, *Chợ Long Biên*, Husband of small market-stall owner (SMS24 12/6/2009)
25. Husband and Wife, 26 June 2009, From *Chợ Long Biên* to Yen Chai, small market-stall, (SMS25 26/6/2009) Mr. Phuong
26. Woman, 28 June 2009, *Xuân Mai village*, Small market-stall (SMS26 28/6/2009)
27. Woman, 7 July 2009, *Chợ Châu Long*, Small market-stall (herbs) (SMS27 7/7/2009)
28. Woman, 10 July 2009, Market in *Cầu Giấy* District, small market-stall (SMS28 10/7/2009)
29. Woman, 15 July 2009, *Chợ Yên Thái* (informal Market), small market-stall (SMS29 15/7/2009)
30. Woman, 15 July 2009, *Chợ Yên Thái* (informal Market), small market-stall (SMS30 15/7/2009)

### Street Vendors (SV)

31. Woman, 15 May 2009, *Chợ 19-12* (Temporary Market), roving street vendor (SV1 15/5/2009)
32. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), roving street vendor (SV2 18/5/2009)
33. Woman, 18 May 2009, *Chợ Hàng Da* (Temporary Market), roving street vendor (SV3 18/5/2009)
34. Woman, 20 May 2009, *Chợ Châu Long*, roving street vendor (SV4 20/5/2009)
35. Woman, 2 June 2009, *Chợ Hôm*, roving street vendor (SV5 2/6/2009)
36. Woman, 2 June 2009, *Chợ Hôm*, roving street vendor (SV6 2/6/2009)
37. Woman, 7 July 2009, *Chợ Châu Long*, roving street vendor (SV7 7/7/2009)
38. Woman, 17 July 2009, *Chợ Long Biên*, roving street vendor (SV8 17/7/2009)
39. Woman, 21 July 2009, *Chợ Long Biên*, roving street vendor (SV9 21/7/2009)
40. Woman, 20 May 2009, *Chợ Châu Long*, fixed street vendor (SV10 20/5/2009)
41. Woman, 20 May 2009 outside *Chợ Châu Long*, fixed street vendor (SV11 20/5/2009)
42. Woman, 29 May 2009, (outside) *Chợ Nghĩa Tân*, Fixed Street Vendor (SV12 29/5/2009)
43. Woman, 2 June 2009, (outside) *Chợ Hôm*, Fixed Street Vendor (SV13 2/6/2009)
44. Woman, 2 June 2009, (outside) *Chợ Hôm*, Fixed Street Vendor (SV14 2/6/2009)
45. Woman, 7 June 2009, *Chợ Châu Long*, Fixed Street Vendor (SV15 7/6/2009)
46. Woman, 7 July 2009, *Chợ Châu Long*, Fixed Street Vendor (SV16 7/7/2009)
47. Husband and Wife, 15 July 2009, (next to) *Chợ Hàng Da* (under renovation at time of research), fixed street vendors (SV17 15/7/2009)

**Wholesalers (W)**

48. Man, 24 May 2009, *Chợ Dịch Vọng*, wholesaler with truck (W1 24/5/2009)
49. Woman, 24 May 2009, *Chợ Dịch Vọng*, wholesaler (W2 24/5/2009)
50. Woman, 24 May 2009, *Chợ Dịch Vọng*, wholesaler (W3 24/5/2009)
51. Uncle and Nephew, 1 June 2009, *Chợ Long Biên*, Chinese wholesalers (W4 1/6/2009)
52. Woman, 1 June 2009, *Chợ Long Biên*, vegetable Wholesaler (W5 1/6/2009)
53. Woman, 1 June 2009, *Chợ Long Biên*, vegetable Wholesaler (W6 1/6/2009)
54. Man, 1 June 2009, *Chợ Long Biên*, vegetable wholesaler (W7 1/6/2009)
55. Man, 1 June 2009, *Chợ Long Biên*, vegetable wholesaler (W8 1/6/2009)
56. Group of People, 1 June 2009, *Chợ Long Biên*, vegetable wholesalers (W9 1/6/2009)
57. Woman with 13y/o son, 10 June 2009, *Chợ Dịch Vọng*, wholesaler (W10 10/6/2009)
58. Man, 12 June 2009, *Chợ Long Biên*, wholesaler (W11 12/6/2009)
59. Husband and Wife, 2 July 2009, *Chợ Hà Đông*, wholesalers (W12 2/7/2009) Mr. and Mrs. *Nguyễn*
60. Man, 8 July 2009, *Chợ Long Biên*, wholesaler (W13 8/7/2009) Mr. *Đặng*
61. Man, 11 July 2009, *Chợ Long Biên*, wholesaler (W14 11/7/2009)
62. Woman, 14 July 2009, *Chợ Long Biên*, wholesaler (W15 14/7/2009)
63. Man, 14 July 2009, *Chợ Long Biên*, wholesaler (W16 14/7/2009)
64. Man, 14 July 2009, *Chợ Long Biên*, wholesaler (W17 14/7/2009)
65. Woman, 20 July 2009, *Chợ Long Biên*, wholesaler (W18 20/7/2009)
66. Man, 20 July 2009, *Chợ Long Biên*, wholesaler (W19 20/7/2009) Mr. *Trần*
67. Man, 20 July 2009, *Chợ Long Biên*, wholesaler (W20 20/7/2009)
68. Man, 20 July 2009, *Chợ Long Biên*, wholesaler (W21 20/7/2009)
69. Women, 20 July 2009, *Chợ Long Biên*, wholesalers (W22 20/7/2009)
70. Woman, 20 July 2009, *Chợ Long Biên*, wholesaler (W23 20/7/2009)
71. Women, 21 July 2009, *Chợ Long Biên*, wholesalers (W24 21/7/2009)
72. Man, 21 July 2009, *Chợ Long Biên*, wholesaler (W25 21/7/2009)
73. Man, 23 July 2009, *Chợ Long Biên*, wholesaler (W26 23/7/2009)
74. Man, 23 July 2009, *Chợ Long Biên*, wholesaler (W27 23/7/2009)

**Peri-Urban Farmers (PF)**

75. Husband and Wife, 24 May 2009, *Chợ Dịch Vọng*, peri-urban farmers (PF1 24/5/2009)
76. Husband and Wife, 24 May 2009, *Chợ Dịch Vọng*, peri-urban farmers (PF2 24/5/2009)
77. Woman, 24 May 2009, *Chợ Dịch Vọng*, peri-urban farmer (PF3 24/5/2009)
78. Woman, 24 May 2009, *Chợ Dịch Vọng*, peri-urban farmer (PF4 24/5/2009)
79. Husband and Wife, 10 June 2009, (inside) *Chợ Dịch Vọng*, peri-urban farmers (PF5 10/6/2009)
80. Woman, 10 June 2009, *Chợ Dịch Vọng*, peri-urban farmer (PF6 10/6/2009)
81. Man, 19 June 2009, Visiting Farmer in Village, peri-urban farmer (sells at *Chợ Long Biên*) (PF7 19/6/2009) Mr. *Dũng*
82. Woman, 11 July 2009, *Chợ Long Biên*, peri-urban farmer (PF8 11/7/2009)
83. Man, 11 July 2009, *Chợ Long Biên*, peri-urban farmer (PF9 11/7/2009) Mr. *Huyền*
84. Women, 21 July 2009, *Chợ Long Biên*, peri-urban farmers (PF10 21/7/2009)

**Truck Driver (TD)**

85. Man, 12 June 2009, *Chợ Long Biên*, truck driver (TD1 12/6/2009)
86. Man, 21 June 2009, *Chợ Long Biên*, truck driver (TD2 21/6/2009)
87. Man, 21 June 2009, *Chợ Long Biên*, truck owner (TD3 21/6/2009)
88. Man, 7 July 2009, *Chợ Đầu Mối Phía Nam*, truck driver (TD4 7/7/2009)
89. Two Men, 8 July 2009, *Chợ Long Biên*, truck drivers (TD5 8/7/2009)
90. Man, 14 July 2009, *Chợ Long Biên*, truck driver (TD6 14/7/2009)

**Drink Vendor (DV)**

91. Observations, 12 June 2009, *Chợ Long Biên*, sitting at drinks stall (DV1 12/6/2009)
92. Man, 16 June 2009, *Chợ Dịch Vọng*, drink vendor (DV2 16/6/2009)
93. Woman, 11 July 2009, *Chợ Long Biên*, drinks vendor (DV3 11/7/2009)
94. Woman, 21 July 2009, outside *Chợ Hàng Bè*, drink vendor (DV4 21/7/2009)
95. Woman, 21 July 2009, outside *Chợ Hàng Bè*, drink vendor (DV5 21/7/2009) Mrs. *Đặng*



96. Man, 21 July 2009, *Chợ Long Biên*, drink vendor (DV6 21/5/2009)  
97. Woman, 21 July 2009, *Chợ Long Biên*, drink vendor (DV7 21/5/2009)

**Market Management / Experts (MM)**

98. Man, 16 June 2009, *Chợ Dịch Vọng*, market guard (MM1 26/6/2009)  
99. Man, 7 July, *Chợ Đầu Mối Phía Nam*, market guard (MM2 7/7/2009)  
100. Man, 11 July 2009, *Chợ Long Biên*, market guard (MM3 11/7/2009)  
101. Man, 17 July 2009, *Chợ Hàng Bè*, market manager (MM4 17/7/2009)  
102. Woman, 17 July 2009, *Chợ Long Biên*, market manager (MM5 17/7/2009)  
103. Woman, 24 July 2009, Hanoi, International Business Woman (MM6 24/7/2009)

**Consumer (C)**

104. Woman, 9 July 2009, Café, Customer (C1 9/7/2009) Ms. *Tiền*  
105. Woman, 15 July 2009, *Chợ Yên Thái* (informal Market), Customer (C2 15/7/2009)  
106. Woman, 16 July 2009, *Chợ Hàng Bè*, Customer (C3 16/7/2009) Mrs. *Nguyễn*  
107. Woman, 16 July 2009, *Chợ Hàng Bè*, Customer (C4 16/7/2009) Mrs. *Nguyễn*  
108. Woman, 18 July 2009, Supermarket, Customer (C5 18/7/2009)

**Porter (P)**

109. Five Men, 11 July 2009, *Chợ Long Biên*, porters (P1 11/7/2009)  
110. Three Men, 11 July 2009, *Chợ Long Biên*, *xe ôm* drivers (P2 11/7/2009)  
111. Woman, 14 July 2009, *Chợ Long Biên*, porter (P3 14/7/2009)  
112. Two Men, 14 July 2009, *Chợ Long Biên*, porters (P4 14/7/2009)

**Observations (O)**

113. Observations, 14 July 2009, *Chợ Long Biên* (O1 14/7/2009)  
114. Observation, 14 July 2009, *Chợ Long Biên*, Coffee Shop (O2 14/7/2009)  
115. Observations and Notes, 14 July 2009, *Chợ Long Biên* (O3 14/7/2009)  
116. Observations, 15 July 2009, *Chợ Yên Thái* (informal Market) (O4 15/7/2009)  
117. Observation, 15 July 2009, *Chợ Yên Thái* (informal Market) (O5 15/7/2009)  
118. Observations, 18 July 2009, *Chợ Long Biên* (O6 18/7/2009)

## APPENDIX B. SAMPLE INTERVIEW QUESTIONS

### For Market Stall Holders, Traders and Street Vendors

- Where is this product from?
- How did you get this?
  - Who brought it to you from where it was produced?
    - What is your relationship to that person?
    - How long have you know him/her?
    - How did you first meet him/her?
  - Can you describe the arrangement you have in place to get this produce?
    - For example, do you pay up front or get them on credit?
    - If on credit, can you describe this credit system?
  - How do the goods come here?
    - For example, do you go get it or does someone bring it to you?
    - Who is responsible for getting new produce?
- How often do you get new produce?
  - Is it a fixed amount of time, or flexible to your specific needs?
  - How much do you get at one time?
  - How much do you usually pay?
- Do you always buy from the same people or do you shop around to get the best price and produce? Why?
- How would you describe your typical customer?
  - Where are they usually from?
  - What do they typically buy?
  - How much do they tend to buy?
  - Do certain groups of customers have noticeable preferences?
  - Do you also work as a distributor to other sellers?
    - What is your relationship to these other sellers?
    - How long have you know them?
    - How did you first meet them?
    - What do you usually charge another seller for these goods?
  - Which type of customer do you prefer – individual buyers, or other sellers of the goods? Why?
  - Have you noticed a change in the kind of customer who buys from you?
- Why did you start selling these goods?
  - Why do you continue to sell them? Do they sell well?
  - What sells the best in the store?
  - Do you think you will continue to sell these goods in the future?

(Specifically for Market Stall Holders)

- When did you first open this stall?
  - How many people work here?
  - How did you start this store? Were other people involved?
  - Who do you work with to run this stall?
- Is there a lot of competition involved in selling these goods?
  - Is competition a concern for you? Why or why not?
  - Has competition changed over time? How?
- What sort of profit do you make on these goods?

(Specifically for Traders)

- When did you first start trading agricultural produce?
  - How many people do you employ/work with?
  - How did you start this enterprise? Were other people involved?
  - Who do you work with to run this enterprise?
- Is there a lot of competition involved in selling these goods?

- Is competition a concern for you? Why or why not?
  - Has competition changed over time? How?
- What sort of profit do you make on these goods?

(Specifically for Street Vendors)

- When did you first start street vending?
  - How did you start street vending? Were other people involved?
  - Do you cooperate with anyone else?
- Is there a lot of competition involved in street vending?
  - Is competition a concern for you? Why or why not?
  - Has competition changed over time? How?
- What sort of profit do you make on these goods?
- How has the ban on street vending affected you?

#### **For Farmers at the Long Bien Market**

- How long have you been selling these goods?
  - Why did you start selling these goods?
- To whom do you sell them?
  - Do you always sell to the same people?
  - How did the relationship start if you have consistent customers?
- How often do you sell these goods?
  - How much do you sell them for?
  - What do you usually sell?
  - How much time is involved?
  - How long does it take you to get to the market?
- Do you always come to the same place inside the market?
  - Does this affect who you sell to?
  - Does this affect your relationship with other sellers in the market?
- What do you think of the traders and truck drivers?
  - Do they sell the same thing as you do?
  - How much do they charge for their products?
  - Do you feel that they have an advantage over you?
  - Do you think their food is fresher? Better?
  - Why do you think people buy from them?
  - Do you sometimes work together with them?
- Are there many other sellers of these goods?
  - If yes, what is your relationship with them?
  - Do you know the other sellers?
  - Do you compete with them, or do you help each other?

#### **For Truck Drivers**

- Where did you come from this morning?
  - Do you go there often?
- Do you always drive the same route?
  - Who and what decides where you will drive to pick up goods?
- Do you have a network of people from whom you buy/pick up goods?
  - How did you form this network?
  - Have you changed the people from whom you pick up goods? If yes, why?
- Do you work for someone else?
  - If yes, who do you work for?
  - How did you come to work for them?
  - If no, do you have other people working for or with you?
  - How did you come to meet these people?
- Does this truck belong to you?
  - Who does it belong to?

## **APPENDIX C. ORAL CONSENT SCRIPT**

Hello, my name is Jonathan Gerber, and I am a student at McGill University in the Department of Geography. I am currently collecting data for a thesis, and wondered if you could spare a few minutes to talk with me. I am looking at the trade of agricultural produce in Hanoi and what social networks people make use of to conduct this trade. I would really appreciate some of your insights on this.

[person approached agrees or declines...]

Thank you for accepting to help me with my project. Please feel free to stop the conversation at any time. If there is a subject that you don't feel comfortable discussing, just say so and we will move on.

Information of this interview may be written up in my results, but I will not identify you by name or in any other way.

Conversation...

Thank you so much for your time and insights, I really appreciate it. It has been great talking with you!

## **APPENDIX D. WRITTEN CONSENT FORM**

You are invited to participate in a study conducted by myself, Jonathan Gerber, from McGill University, Department of Geography. In this study, I am looking at the trade of agricultural produce in Hanoi and what social networks people make use of to conduct this trade.

Involvement in this study is entirely voluntary. It will involve a brief interview, anticipated to be thirty minutes to one hour in duration. However, you are welcome to withdraw from the study at any time.

Any information that is obtained in connection with this study and that can be identified with you will remain confidential and will be disclosed only with your permission. Subject identities will be kept confidential, and aliases will be used in the case of any direct quotes.

If you have any questions, please feel free to contact me at [jonathan.gerber@mail.mcgill.ca](mailto:jonathan.gerber@mail.mcgill.ca). Alternatively, you can contact me at the McGill University Department of Geography, 805 Sherbrooke Street West Room 705, Montreal, Quebec H3A 2K6.

Your signature indicates that you have read and understand the information provided above, that you willingly agree to participate, that you may withdraw your consent at any time and discontinue participation without penalty, that you have received a copy of this form, and that you are not waiving any legal claims, rights or remedies.

Print Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

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