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Reform Capital: Hedging Saigon's Urban Futures

By

Hun Kee Kim

A dissertation submitted in partial satisfaction of the
requirements of the degree of

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in

City and Regional Planning

and the Designated Emphasis

in

Global Metropolitan Studies

in the

Graduate Division

of the

University of California, Berkeley

Committee in charge:

Professor Ananya Roy, Chair

Professor Teresa P. Caldeira

Professor Aihwa Ong

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Abstract

Reform Capital: Hedging Saigon's Urban Futures

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Doctor of Philosophy in City and Regional Planning

with a Designated Emphasis in Global Metropolitan Studies

University of California, Berkeley

Professor Ananya Roy, Chair

Beginning in the 1990s, Saigon became a frontier of urban development for East and Southeast Asian real estate firms in a period that continues to be known, paradoxically, as “market-oriented socialism.” While maintaining one party rule and a socialist legal, political, and bureaucratic order, Vietnam enacted its own version of perestroika to create a market-based economy and in the process has become a late-socialist state. Buoyed by this reform mandate, Vietnamese state agencies have partnered with Asian investors as well as with international development institutions to reimagine and build Saigon into a world-class city. In Saigon, urban property development, along with infrastructure projects have become major sources of national growth. That is, urbanization fueled by foreign direct investment has been at the center of the country's growth with Vietnam the second fastest developing economy after China. Based on eighteen months of ethnographic research from 2012 to 2013 this dissertation examines reform as not merely technocratic but as an innovative feature in Saigon's urbanism. Reform, I argue, is a mode of governing that can funnel future aspirations into the present, transpose beauty onto disarray, and suspend critiques of governance and growing inequality in its pitch of Saigon as part of Asia's world-class cities. I demonstrate how the Vietnamese state, which is itself made up of many agencies and individuals with competing aspirations, utilizes multiple and seemingly contradictory modes of reform to capture foreign investment and create the city anew.

I examine one mode of reform under a category I call opacity to describe legal and regulatory practices in urban development that are often foreclosed analytically when identified as corruption. I argue that these practices are in fact flexible strategies capable of catering to the multiple and contradictory demands of foreign investor-builders from within the region (South Korea, Singapore, Taiwan) who are crucial to national economic growth. Often, these demands are for exceptions to urban regulation, predicated on these developers' experiences in real estate in their home countries. I trace a second mode of reform under a category that I call transparency. While investors from Asia are plentiful in the real estate development game in Saigon, western investors in contrast are visibly absent. I argue that this is largely due to the pervasive characterization of the late socialist state as an agent of crony capitalism and corruption. But other western institutions operate in the city to deal with corruption, framed as an

issue of malfeasance requiring diagnosis and intervention. Corruption accordingly has spawned and legitimated interventions that fall under the rubric of “governance reform.” The aim of western institutions is to create a more transparent system of urban development. Governance reform relies heavily on concepts of liberalism, including strong private property rights, greater citizen participation in urban planning, public administrative and bureaucratic reform, and the creation of the rule of law. The Vietnamese state participates equally in these reforms to capture and comply with multilateral development organizations like the World Bank who invest in urban infrastructure such as Saigon’s subway lines and its national highways.

The dissertation argues that these two modes of reform—opacity and transparency—allow the Vietnamese state to mobilize its governance over the urban environment in order to speculate on two very distinct urban futures, futures that are linked to speculative property capital from Asia on the one hand, and western development institutions on the other. These divergent futures appear at a moment when the referents of the world-class city are shifting from West to East, from New York, London and Tokyo to Shanghai, Seoul and Singapore. The dissertation theorizes that the future orientation of reform allows the state to juggle and suspend contradictions between these two modes of reform and benefit from multiple kinds of foreign investment into the city, essentially using these modes of governance to speculate, hedge and manage the promises of multiple futures.

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Chapter One. Introduction: Erasures of the City

1.1 Colonial nostalgia

The DJ is on a terrace overlooking our table. The chorus of LMFAO's song "Shots," blares over the speakers, "*Shots! Shots! Shots! Shots! Shots!*" It is the second or third time I hear the song tonight. A gaggle of six wait staff carry an enormous six-liter bottle of Grey Goose vodka dressed with four oversized sparklers set ablaze. The bottle costs VND 6 million or approximately USD 300. The wait staff dance in step to the music in a procession and set the bottle down at the table next to us, a group of Saigon's young elite who dance and holler in excitement.

Chill Skybar is an open-air bar atop the 27-story AB Tower in the heart of Ho Chi Minh City, more commonly referred to as Saigon. Greeters usher guests onto a red carpet and into an elevator that takes them directly to the bar. When the doors open, guests are ushered upstairs onto the terrace deck. When they step outdoors, they descend onto a staircase into the crowd below. It's an exercise of seeing while being seen, contributing to a voyeuristic club effect. The décor is white and minimalist. Strategically placed blue lights cast a cool hue onto the bar lending itself to a modern scene. A large white circular bar is the centerpiece. Four bartenders display their dexterity; serving signature cocktails to Saigon's elite, expatriate community and tourists. Standing on the deck of this open-air rooftop bar affords one a birds-eye view of the city. Leaning over the thick glass railing, guests peer down at life down below and a panoramic view of the city.

Directly below is a traffic circle in front of the historic *chợ Bến Thành*, a central market located in the city's business district, known as District One. During the day, residents and tourists peruse merchandise crammed in kiosks that make up the stuffy and hot narrow aisles, brushing up against everything from construction materials and fresh meat to t-shirts and tailored tuxedos. At night, when the punishing sun has run its course and the air begins to cool, Saigon shows its true colors. Life spills out into the streets and sidewalks. Red, pink and baby blue plastic chairs and tables are strewn out across the city's sidewalks, low to the ground and occasionally with tarps overhead to redirect bouts of tropical rain. These *quán nhậu* are popup sidewalk eateries and bars where friends meet after work to eat and drink lager beers cooled with large chunks of ice. Street vendors start their nightly rounds, balancing goods in baskets tied to a bamboo pole, or set up on elaborate jury-rigged attachments on the back of motorbikes, selling a variety of items that supplement *quán nhậu* fare —cut fruit, cakes, and dried squid. Later into the night drunken friends sing an occasional song accompanied by musicians with guitars making their rounds. During the day, residents are covered from head to toe to protect themselves from the sun, from face-masks underneath their motorbike helmets to long gloves to protect arms and hands. At night people shed these layers and dress more comfortably, even scantily, while enjoying the feel of the cool night air on their skin. As market life of *chợ Bến Thành* moves outside, transforming into a night market, tarps are erected above stalls while the smell of razor clams and satay skewers waft into the air. Clothes, tropical fruit, and bootleg DVDs are lit up against the washed out yet festive

fluorescent glow that I have come to associate with the Southeast Asian city. It is hard to imagine how the worlds of Chill Skybar and *chợ Bếnh Thành* cross paths.

At the rooftop bar tonight, I lean over the banister to watch the thousands of red glowing motorbike taillights merge into the traffic circle in a fierce yet delicate and coordinated dance, a hypnotic tribute to chaos. The cacophony, of beeps and motorbike engines, is still audible during breaks in the music. But from this height it sounds like chirping birds and a pleasant hum. In the center of the circle is a bronze statue, paying tribute not to market life and urban chaos, but to General Tran Nguyen Hai, a fourteenth century poet and strategist under Le Loi of the Le Dynasty. Le Loi is a national hero for leading an insurrection against the Ming Dynasty, liberating Vietnam from Chinese control. The statue is one of many dedicated to bolster the narratives of heroism and commemorate figures that resisted Chinese domination throughout Vietnam's pre-modern period. These figures are also populist tropes deployed widely by the current socialist regime to engender nationalist connections between the heroes of old and the communist party. AB Tower sits on the adjacent Le Lai street. The street is named after a general who fought for Le Loi against the Chinese. Across the circle, construction cranes swing back and forth in the night with workers erecting what will become The One Saigon, a building that will host the first Ritz Carlton in Vietnam which will sit atop lower floors of office space. Further away looms the Bitexco Tower, the iconic bud-shaped building with a helipad, built by the same company that built The One Saigon. "Shots!" starts playing again. I can see another set of sparklers in the distance making their way over to our table.

Next to me in a moment of silence is Huy.¹ He too peers down below to observe the city. Huy is from one of Saigon's most prominent business families. His aunts, uncles and parents run the business. Huy's siblings and cousins are all part of the family business, taking up key leadership roles in subsidiary companies. When the various companies in total are considered, his family is the largest landholder in the central business district and one of the largest landholders in the city. In addition, they are also one of the biggest real estate developers in the city rapidly expanding their work to the periphery. They have built and own some of Saigon's iconic and well-known skyscrapers, luxury hotels and restaurants, and have worked on new townships, infrastructure and large-scale projects, like hospitals, across the city. At the time, Huy was a director of one of the family's real estate development firms, a key component of the family's large business portfolio. I jokingly call him the "prince of Saigon," although he is one of many prominent developers in the city. Huy's family is *Việt Hoa*, a term for ethnic Chinese in Vietnam. His aunt and uncle stayed in Vietnam after the war, despite many ethnic Chinese fleeing from the communist regime. The central government saw their commercial activities in the south as bourgeois practice and scapegoated the Chinese through a series of property seizures and forced removals from the city. But under the reform period, which introduced "market socialism," Huy's family rapidly built a business empire from modest beginnings. His aunt and uncle started off with a food stall

¹ Fieldnotes, 8/20/2012. All names and identifying markers of informants throughout the dissertation have been changed. Interviews cited herein were conducted primarily in English with some Vietnamese. Vietnamese has been translated for continuity.

at *chợ Bến Thành*, shrewdly reinvesting their savings in a series of successful businesses to eventually build the business empire. Now they have built and own five star hotels, high-end restaurants, office buildings, and apartment buildings. Huy himself was raised and educated in the US and, like his siblings, came to Vietnam in his late twenties looking to join and learn the family business.

When sober, Huy is a man of few words. The handful of times I interviewed him tested my skills as an interviewer. But after a few drinks, Huy becomes a different person. He is sharp, extremely funny and in his own way, reflective. He is also a history buff who likes to consider the present in long arcs involving the past. Often times, Huy will cite European historical events or pre-modern Vietnamese or Chinese history to illustrate his point about a contemporary issue. Despite the music of synths and techno drum beats, the drinks and the view prompt him to reflect in these long historic arcs upon the city.

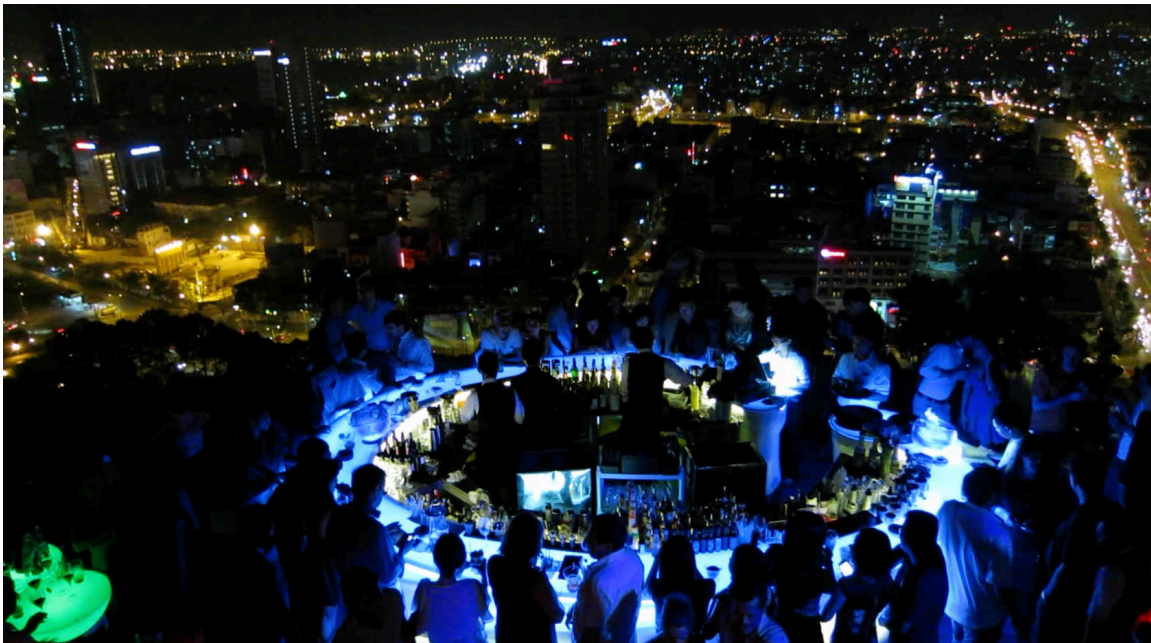


Image 1: Chill Skybar and on left, lighted construction site for "The One," future site of the Ritz Carlton. Photo by author, 2012.

Huy and I speak, despite struggling to hear each other over the music. We drink from a reserved leftover bottle of Johnnie Walker the bar held onto from a previous visit. Huy would often invite me out for drinks because he was able to save leftover bottles from business functions that were also social events. Huy points to the construction site of the Ritz Carlton and comments about its strange location. He wonders why the builders would choose to build the Ritz adjacent to *chợ Bến Thành*, a tourist attraction to be sure, but one that does not invoke images of luxury associated with the Ritz. I point out to him that the market is one of the most well known historic sites in Saigon. Huy laughs and wonders how a giant market, essentially a warehouse, along with a post office and a small "Notre Dame" cathedral became the historic and iconic sites of the city. "Saigon is a city without a history," he says, waxing philosophical over sips of whiskey. Huy pours

me another drink from the bottle at our table. Even though there is still a quarter of a bottle left, Huy orders another.

The French built *chợ Bếnh Thành* in 1870, creating a market building on what was once an informal wet market that had been in existence since the early 17th century. But Huy is well aware of this. There is a tinge of sarcasm in his voice when he says that Saigon has no history. I ask him to explain. He reveals that this is more of a cynical joke about what he sees as the erasure of certain narratives in the city. “Of course the city has a lot of real history,” he says. On the one hand, he points to the erasure of the colonial city, many parts of which are being razed to actualize new visions of Saigon as a global city. Architectural blogs such as *Saigon, Then and Now* provide commentary on the architectural heritage of the city and capture a sentiment of loss and nostalgia. The blog juxtaposes images of streets and buildings during the colonial or war period alongside images of them as they appear today. Often times, photos of old colonial buildings slated for demolition provoke outrage among netizens in Vietnam and around the world. Older generations of the Vietnamese diaspora along with local residents recall their urban lives in the city of the past, translating the names of communist heroes and reformers on street signs to their once French equivalents—*Đông Khởi* was once *Rue Catinat*, *Lê Duẩn* Street was once named after the Cambodian monarch who ceded his kingdom to French protection in 1863: *Boulevard Norodom*.

This nostalgia for the past is mobilized in the spirit of preservation, but there is also a critique of the Vietnamese state embedded in these stories of loss, one that finds fault in the socialist state for prioritizing rapid development over a sense of history and place. Nostalgia is also entangled with more entrenched critiques of the socialist state. The state is often portrayed as greedy and willing to sell the country’s heritage for top dollar through land seizure, state-coordinated land speculation through public-private partnerships and corruption. This sentiment stands in relation to a longer history of erasures. Huy explains to me what his aunt and uncle had gone through. The Vietnamese state was once a harsh critic of what it saw as the “unethical capitalist behaviors” of the country’s southern region and scapegoated ethnic Chinese as a primary source of the country’s problem. Entrepreneurs, petty and bourgeois alike, were maligned as were former ARVN military personnel and Republic of Vietnam employees. The center of power in the North began spearheading a number of programs aimed at curbing population growth in the city, but also to remove the unethical elements of Saigon into new economic zones, rural farms and reeducation camps as part of the country’s anti-urban and anti-capitalist ideology (Thrift and Forbes 1986; 152-163). These were bolstered by a series of failed attempts to reign in private petty bourgeois trading in the city, the most dramatic of which began in 1978 when the state transferred all private trade to socialist trade organizations, which effectively closed 30,000 businesses in the South (Thrift and Forbes 1986; 108). Huy’s aunt and uncle stayed while hundreds of thousands of people who were part of the entrepreneurial and military classes fled Vietnam.

In the present, another kind of erasure is taking place. Those critical of the state recognize a different kind of erasure, this time under the frenetic project to remake the city under the reform mandate of “market oriented socialism.” Being *Việt Hoa*, Huy’s position made

him well aware of the limitations of this narrative. While critiquing the city for lacking history and losing it, he turns the argument on its head, taking aim at the preservationist attitude. He compares Saigon's French colonial structures to the city's non-French ones. Should he really care that the French colonial legacy was being erased, noting the brutality of the colonial regime and Vietnam's long history of attempting to emancipate itself from foreign rule and occupation? He points to other historic legacies. He jokingly



Image 2: Contemporary view of *Chợ Lớn* with District 1 in the distance. Photo by author, 2013.

asked, “how come nobody loses their mind about Chinese social clubs and shop houses being torn down in *Chợ Lớn*?” We both chuckled. He continued, “doesn’t the history of the Chinese in Saigon go back even further than the French?”

Chợ Lớn is Saigon’s historic Chinatown. Under French rule it was “the other” city in a classically French colonial “dual city” arrangement. From the bar’s vantage point, we are able to identify colonial buildings in what is now District 1 or then what was the entirety of Saigon, the European colonial city. *Chợ Lớn*, the so-called “native city,” composed of Chinese and Vietnamese, was off to the south and out of view. Bloggers and historic tours mention *Chợ Lớn* but at a fraction of the frequency of the colonial city. Often *Chợ Lớn* is mentioned to reference places in Graham Greene’s *The Quiet American*, but the architectural form of everyday shop houses are beyond the horizons of the preservationist gaze. Huy denaturalizes the moral grounding of certain values in the city. Huy’s uneasiness with “colonial nostalgia” mirrors what William Bissell (2005) argues are reconstructions of the past “as a means of establishing a point of critique in the present.”

Longings for the colonial city “can be linked with all sorts of political projects, for good or for ill, depending on the context” (239).

Huy laughs at the irony of it all—the French colonial city, designed by those who razed Saigon’s citadel in its conquest of the South, could be used as a way to stop what preservationists see as a contemporary erasure.

Part of Huy’s provocation has to do with his position as a land developer. For him, the city’s colonial history stands in stark contrast to the Saigon he and a number of other closely knit developer-investors in the city envision for its future. For Huy, Saigon’s future is a distinctly Asian one, with its connection to the West diminished. It no longer references Paris nor does it look to contemporary cities in the west like New York and London to model its development. The new Saigon models itself after Asian tigers and iconic Chinese cities—cities like Singapore, Seoul, Taipei, and Shanghai. Huy saw himself as part of a historic turn in the city, one where circuits of Asian capital and expertise would remake Vietnam and where he would become rich doing so.

1.2 The Asian city

In my lead-up to performing ethnographic research in Saigon for eighteen months between 2012-2013, I had the opportunity to visit and observe the city at a few critical moments. These visual and material snapshots would inform my understanding and perspective of the city’s changes. My first visit to Saigon was in the summer of 2004. I recall a bias, based on the assumption that the city would not yet be integrated into a rapidly globalizing world. Instead, what I found surprised me. I was struck by the city’s global character just fifteen years after the communist government enacted reforms to open up the once centrally planned, socialist economy. Saigon’s global character at that moment did not reference earlier iterations of international connections.

In the more distant past, the city was a key node in the West’s imagination of Asia. Under French administrators and planners like Ernest Hebrard, colonials envisioned and reconfigured key parts of the city to resemble Paris’s wide tree-lined boulevards and public parks. Later, Saigon would capture the imagination of American commercialism and empire as a principal city in the US’s Cold War against the spread of communism in Asia. After the American War in Vietnam, the country unified under a communist regime and the city underwent a series of transformations. During the Cold War, Vietnam aligned itself with Soviet Russia. Advisors and builders from the Soviet Union and East Germany were influential in the administrative setup of the city, as well as in the architecture and construction of several key buildings and monuments (Schwenkel 2012, 2013). Under socialism, the old French administration buildings, schools, markets, hotels and villas of the colonial era were washed away of their associations with French rule and transformed into monuments of communist power. Soviet-style communism became the new internationalism in the streets of Vietnam’s major cities with bronze statues of Lenin and Ho Chi Minh overlooking streetscapes.

Streets named after French historical figures and reformers were changed to commemorate heroes of the communist party and historic dates of communist victories in Vietnam. Some streets were named after prominent pre-modern fighters who resisted Chinese domination. And although the city still retains much of its French colonial architecture and maintains cultural and physical remnants of from the American War, a different kind of city began to bubble up to the surface with vertical aspirations.

In Saigon, I was struck by the presence of a large Korean community and the popularity of Korean-style aesthetics and consumption, including its buildings. Lotteria, a popular Korean fast food chain, spanned the city by occupying centrally located street corners. My father-in-law had tried to do business in Saigon the early 1990s and had connections to global logistics firms. My father-in-law also introduced me to Linh, his business contact from when he had considered supplying building materials for real estate projects there. From the early 1990s on, builders and entrepreneurs had been moving to Vietnam in large numbers, seeing Saigon as a new Asian property frontier and speculating on the growth that Vietnam promised through its newly established production and real estate markets. Koreans at that time were optimistic about growth in Vietnam and invested heavily in the built environment.



Image 3: Cathedral with Diamond Plaza in the background. Photo by Sylvia Nam, 2009.

Linh was a middle-aged Vietnamese woman, providing key introductions and translation services for US businesses looking to do business in Vietnam. While taking me on a tour, she pointed at the Diamond Plaza, a luxurious 22-story glass high-rise center surrounded by a four-story department store that retains its colonial façade. It was built and completed in 1999 by the Korean *chaebol* (conglomerate) POSCO. It hosts a shopping

mall, grade A office space, and “service apartments” or full service apartments that come with cleaning staff and daily prepared meals. She asked me, “How did a private development company get sited in an area occupied by state buildings?” I shrugged my shoulders and pondered her question. I did not know that five years later, I would be riding my motorbike passed the Diamond Plaza every day, asking variations of the same question for a year and a half.

While I couldn’t answer her question at the time, Diamond Plaza was a sign of things to come. It was a symbol of the transition not only from communism to capitalism, but a shift in the imagination of a future city with tiger-like ambitions. In Saigon, the promise of what was perceived as a uniform Asian development pathway was beginning to take root. Like Diamond Plaza, efficient and modern towers of glass and steel began to overshadow the low-rise French colonial city, once a vision of urban modernity and progress. These glass and steel towers would become the new monuments of Vietnamese late socialism, a handful of which had been recently completed and towered over what was otherwise a low-rise urban scene. These towers were comprised of buildings like Sunwah Tower, built by the Hong Kong firm, the Sunwah Group, the Saigon Trade Center, then in 2004, the tallest building in Vietnam and built by the Hong Kong firm, LUKS, and the Saigon Centre, built by the Singaporean land developer, Keppelland.

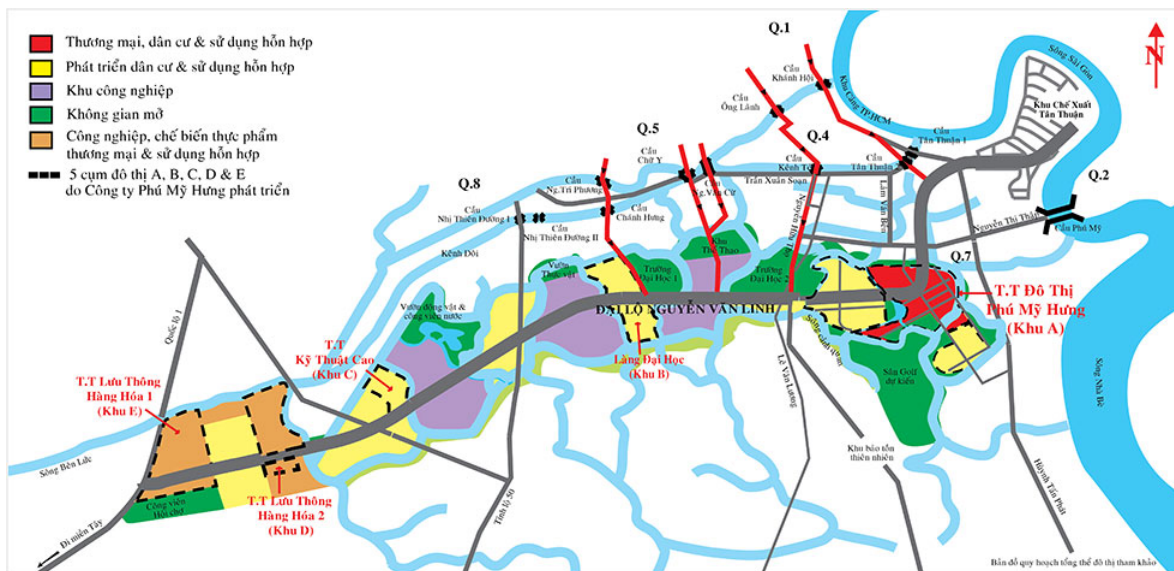


Image 4: Phu My Hung master plan drawing. Image from Phu My Hung Corporation.

I returned to Vietnam in the summer of 2009 with the goal of conducting exploratory research on the city. I completed my master’s degree in urban planning and was about to begin my doctoral degree. I decided that Saigon would be to be my dissertation research site. Armed with an urbanist’s lens, I hired a taxi driver one day and toured the city’s periphery, familiarizing myself with the city’s new developments. My surprise in 2004 was dwarfed by my shock when I saw the city in 2009. In five years, the city changed significantly, a ceaseless process I would encounter again on my next visit in 2012. The pace of change and the verticality of the city’s growth was astounding. I became

familiarized with the first master planned urban development area in Vietnam, “Saigon South,” which included the Phu My Hung New Urban Area. The development had the distinct feel of an elite urban enclave, with wide roads and high-end condominium housing slated for construction. Gone were the myriad of sidewalk shops and hawkers that filled the streets of the city center, signaling an alternative regulatory regime in place.

Lawrence S. Ting envisioned the Phu My Hung new urban area development. It was built by the Phu My Hung Corporation, a joint venture between the Tan Thuan Industrial Promotion Company (IPC) owned by the Ho Chi Minh City People’s Committee (the highest city level government body) and the Taiwanese firm, Central Trading and Development Group (CT&D), a Taiwanese firm that at one time was the corporate arm of the Kuomintang (KMT) ruling party in Taiwan. At the time, the development was partially anchored by a large mall and market, Lotte Mart. It was operated by the Lotte Group, the same Korean conglomerate that owns Lotteria. Phu My Hung was a collection of high-end residential communities that were separated by wide desolate roads and large swaths of agricultural land that were reclassified as urban land. This was to be used for malls, schools, an international hospital, and mix of middle-class and luxury housing.

The Phu My Hung development was the first planned new town in Vietnam after the reform period. It was one of the first large scale developments between the Ho Chi Minh City People’s Committee and a private foreign developer. After its completion and success, it served as a model for both the structure of public-private partnerships that created new towns and large real estate projects in the city. It produced a new aesthetic for the city, requiring different regulatory patterns over urban space. For example, Phu My Hung is a collection of different enclave type apartment complexes and residential communities, surrounded by security walls and staffed by security personnel. This urban form has spread to new developments all over the city. Phu My Hung, along with a handful of others in the city, like those developed by POSCO, Keppel Land, and Sunwah, signaled to foreign investors that Saigon was a viable site for real estate development. This ushered in a real estate boom period starting in the late 1990s, continuing on for over a decade.

When I arrived in Saigon for fieldwork in the beginning of 2012, the city underwent additional rapid change. Asian real estate development and construction firms had exponentially expanded their presence on the urban scene. Players like Kumho (Korea), Daewon E&C (Korea), KeppelLand (Singapore), CapitaLand (Singapore), Sun Wah (Hong Kong) and Phu My Hung (Taipei) became household names among Ho Chi Minh city’s wealthy residents. In addition, there were dozens of smaller firms purchasing land in the periphery and developing housing and residential communities. The Phu My Hung new urban area became a fully realized luxury enclave for Saigon’s elite and expat community. New modernist apartment high-rises filled out what was once agricultural land slated for urban development. Large sections of Phu My Hung became Korean enclaves, with the Sky Garden One and Two apartment complexes filled with Korean families. The surrounding retail areas were filled with Korean grocery stores, restaurants, and shops.

Giant fields of land were fenced off, covered with images of luxury living. Behind them, construction cranes towered over the skeletal frames of luxury high-rise living soon to come. Popular US food chains like Kentucky Fried Chicken, Popeye's, Burger King and Carl's Jr. had set up shop on one of the main boulevards. Entrepreneurial Vietnamese brought these chains to Vietnam via franchise license from the US, looking to establish a foothold in an emerging fast food market. The Saigon South International School stood nearby, with a mixture of Korean, Filipino, Singaporean, American, and Chinese students attending classes.

One of the defining characteristics of Saigon's real estate development sector is it is dominated by Asian firms. At the time of my fieldwork there were a handful of western firms engaging in real estate work, their focus centered around what I describe as a secondary services real estate market. Firms like CB Richard Ellis and Savillis provide consulting services and property management for built projects, but they were not directly involved in acquiring land and developing property through construction. This is not to say that western capital is averse to Saigon or Vietnam as a whole. Western capital in the urban development sector flowed into Vietnam and Saigon through investment fund brokerages dealing mostly in a handful of Vietnam's largest and most stable property developments produced by its largest developers. But overall, western presence in property development remained limited. I distinguish between investments made by global funds looking to extract profits out of foreign markets and the kinds of real estate development that requires firms to take on the risk of partnering with the state, acquiring land and investment capital, engaging in the design and construction of urban schemes and bringing them to market. For this latter category, I refer to these individuals and firms as "investor-developers" to describe a foreign firm and "developers" to describe Vietnamese firms.

Vietnam's growth has been spurred on by export oriented manufacturing and urbanization. Over the last fifteen years, the country has experienced sustained GDP growth averaging approximately 7.5%. Net inflow of Foreign Direct Investment (FDI) into Vietnam ranged from \$1.3-\$1.8 billion in 2002-2006 and increased to \$6.6 billion in 2007 and \$9.3 billion in 2008. The top investors during this time period were Japan, Singapore, Taiwan and South Korea (see figure 1) each of which has shuffled the top FDI investor position over the last ten years. Urbanization has played a significant part of both Vietnam's growth and FDI inflows. Urban areas grew an estimated 27% in the period 1984 to 2007 (Douglass *et al.*, 2002; McGee 2009). The Ho Chi Minh City mega region accounted for approximately 52% of all FDI received in Vietnam and 74% of all investment (Douglas, *et. al.* 2009; Jung, *et. al.* 2013). Of the FDI that flowed into Ho Chi Minh City, 85% went into the property sector in 2007. During that year, considered the height of the real estate boom, the real estate market saw FDI inflows of US \$2.1 billion out of a total \$2.5 billion registered capital (Jung *et. al.* 2013).

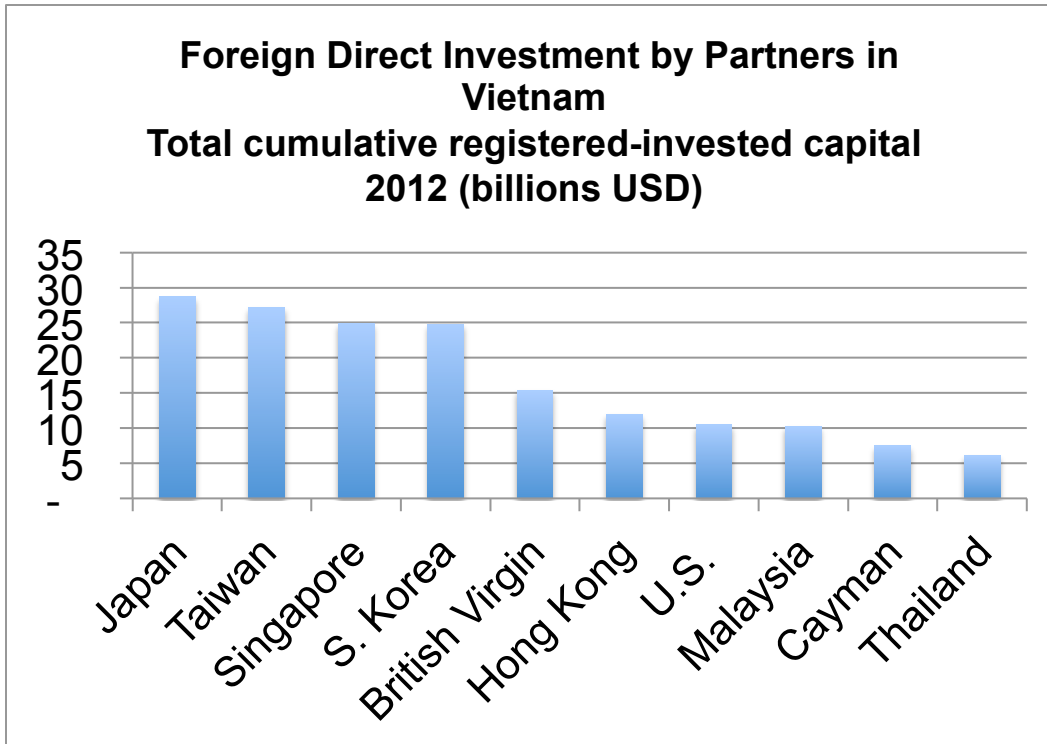


Figure 1. Source: General Statistics Office, Socialist Republic of Vietnam.

Much of the foreign investment from the West into Vietnam and Saigon has roots in the manufacturing sector, taking advantage of Vietnam’s export processing infrastructure and its abundance of young, educated, and skilled labor supply. Many firms implement a “China plus one” strategy as insurance against increasing labor prices in China (Jung et al. 2013). This strategy is expanding, as Vietnam is surging to the top of Asian Stock Markets, fueled by large investments in the manufacturing sector coming from Japan, South Korea and Taiwan. These countries are beginning to move their primary manufacturing hubs from China to Vietnam, as cheap labor on China’s coastal cities are increasingly difficult to find.² Factories producing goods from all over the globe pepper Saigon’s periphery. One can find the signs of European and American capital, in addition to capital from all over the globe, present throughout the city. Asian firms play a large role in this sector of the economy and have been the subject of recent protests in the city; one example being a mixture of protests against Chinese economic dominance and the treatment of workers at foreign manufacturing plants.³ So, while Asian investment makes

² Barrons, “Vietnam Surges to Top of Asian Stock Markets,” 9/26/2015. URL: <http://www.barrons.com/articles/vietnam-surges-to-top-of-asian-stock-markets-1443248116>, (accessed 9/30/2015).

³ Of note are protests that occurred in April, 2015, where thousands of workers assembled in Ho Chi Minh City to express their grievances over changes to the social insurance law, which would create retirement savings funds to be paid out monthly upon retirement age rather than one time payouts equivalent to withheld wages upon loss of a job. Almost exactly one year earlier, Anti-Chinese protests broke in Binh Duong on the outskirts of Saigon. News sources reported multiple motivations for protests, some protesting the treatment of workers in foreign firms and while others targeted Chinese owned firms in what was described in the news as anti-Chinese nationalism (See: *BBC News*, “Vietnam Anti-China Protest: Factories Burnt” 5/14/2014. URL: <http://www.bbc.com/news/world-asia-27403851>, (accessed 5/15/2014).

up the bulk of FDI in Vietnam, growth in the real estate development sector is almost exclusively capitalized through Asian FDI.

Some of the primary questions that drove my research were related to this observation. What was fueling the rapid expansion of Asian firms doing real estate development in Saigon? Why were firms from the West not taking advantage of the real estate boom? Were western firms experiencing barriers to market entry? What enabled firms from East and Southeast Asia to navigate the real estate scene? What role did government agencies have in this process?

1.3 Fieldwork in a time of economic decline

The answer to these questions did not come easily. When I arrived in February of 2012, Vietnam's real estate sector fell into a massive slump fueled by waning investor confidence, rising inflation, and years of wild lending practices brought on by the real estate boom. Towards the end of 2012, banks were coming to terms with the fact that they were harboring a significant amount of bad debt in the form of non-performing loans (NPLs). Informants and news outlets revealed that developers around the city, fueled by extreme confidence in market growth, had daisy chained financing on multiple projects. Many used projected sales of over-leveraged and incomplete projects as collateral to finance second and third projects underway. Most of these projects were for luxury and high-end housing, the demand for which had waned due to overproduction. Driving around the city, I saw the stoppage of work. Developments around the periphery were suspended indefinitely. Some were waiting for better times and capital infusions, while others were on the verge of bankruptcy. In 2012, bankruptcies reported in Vietnam rose by 57% with 54,261 business declaring bankruptcy (Ministry of Investment and Planning 2013). In 2013, rate increased 13% from the previous year.

With the economy faltering, the euphoria that many of my informants felt in the previous ten years came to an end. With capital frozen, FDI waning, and job growth stagnant, a different kind of talk began to dominate the national consciousness. Land seizure became a major topic of discussion over the year, with one prominent case breaking as I arrived. The Tien Lang incident involved a farmer and his family who engaged in armed resistance with police over what he claimed was an illegal land seizure by the Haiphong people's committee. The case brought national and international press and called into question the state's murky land laws and land protections for peri-urban farmers. The incident, along with a handful of other prominent cases, fueled a national conversation in the media about the role of the state in land development. At the same time, many people around Ho Chi Minh City were looking for explanations for how their projects came up short and who was responsible. While in the boom years, nobody seemed to be complaining, the bust years had everybody pointing fingers, including city and national leadership. Much of this finger pointing came in the form of corruption talk, a pervasive subject of conversation throughout my time doing fieldwork in Vietnam.

1.4 Talking about corruption, talking about “Asian style” urbanism

In my first few months in Saigon, I made a concerted effort to engage with those influencing policy and urban reform in the city. I quickly came to find that engaging state officials was not only extremely difficult, but doing so almost always resulted in obtaining official state narratives that mimicked accounts given in state-censored media outlets. I was affiliated with the National University of Vietnam’s Social Science and Humanities school in Saigon, working with Minh, a lecturer in the urban planning department. Minh arranged for me to meet with the city’s Department of Architecture and Planning as well as the Ministry of Investment and Planning. But, the individuals I met in these departments were not very forthcoming about how urbanization functions in the city. They too produced official narratives of planning and development that were easily observed in the press. This narrative closure had a lot to do with these government agencies reacting to widespread perceptions about government corruption in dealings with land and urban development fueled, by prominent cases in Haiphong and Hanoi, where residents and farmers protested land seizures over the proposed “Ecopark” new town development, which led to violent clashes with police. These incidents drew the ire of regional and international news sources, many citing the land grabs as cases of government corruption. Many of my early interviews with NGO workers and those working for development institutions produced identical narrations of government corruption in Vietnam.

Development institutions like the World Bank and Asian Development Bank (ADB) cite corruption as a major impediment for foreign firms looking to participate in the real estate sector. Many of my informants cited the United States’ Foreign Corrupt Services Act, which bans any agents of a company or commercial entity to influence business outcomes through personal payments to foreign officials or interested parties. The act also extends to non-American companies who have a presence in the US. In interviews with key informants and in policy journals and regional media, this act was consistently brought up as a major deterrent to US business in Saigon’s real estate sector; despite the ubiquitous presence of US and other western firms in other aspects of the Vietnamese economy, like manufacturing. Despite the persistence of narratives that diagnosed the problem of widespread corruption in real estate, actual definitive cases of proven corruption between developers and state agents were not as common. Much of this is due to the fact that corruption is perhaps as hard to define as it is to prove in practice. I contend with this topic in depth in chapter four of this dissertation. In that chapter, I describe urban reforms that I organize under the category of “transparency,” reforms based on a reading of the city and city-making as inherently corrupt.

Widespread corruption is hard to observe, much less prove. A handful of high profile corruption cases serve as examples of how corruption is both defined and policed. But in the absence of proof of the kinds of everyday corruption that was purported to be going on in the city, what I instead found was an all-pervasive “talk of corruption.” Much like Teresa Caldeira’s (2000) “talk of crime,” “talk of corruption” are the everyday narratives that symbolically simplify, order and rationalize action in a city where the categories and terms of engagement are rapidly changing.

As a much more narrow subcategory of crime, corruption must be treated analyzed with more specificity than crime in general. Corruption talk makes up part of the daily vernacular used to understand and make sense of state involvement in the economy, the money required to make things work and the production of inequality and injustice in the city. Corruption typically takes place within the institutional framework of the state whereas crime (with the exception of corruption) does not necessarily have to. However, some similarities exist. Both crime and corruption are considered illegal or illicit activities. As such, they occur under opaque circumstances. Moreover, like talk of crime according to Caldeira, talk of corruption is also a symbolic reordering of a world both disrupted by corruption and more importantly, as she adds, by processes that have profoundly affected the society in question. In other words, corruption is a category through which individuals, communities and institutions evaluate and process and talk about social change and make these changes legible. For Vietnam, these changes include two wars and three major ideological shifts in the last half century, each of which has attempted a complete overhaul of the moral, legal, economic and political order of the city and nation, the most recent of which is the transition from socialism to what is now called “market oriented socialism.” As is the case with most modernist upheavals of state ideology and practice, these attempts did not eradicate their previous eras. Rather, they entangled them into a complex array of inconsistent and contradictory regimes of ideology, law and regulatory practice.

The corruption framing is a rationality and practiced language that circulates widely, becoming a readily available and easy rationality for individuals, firms and different kinds of agencies to pick up and utilize to diagnose and solve problems. In Saigon, the language of corruption and transparency has become so ubiquitous in the real estate consulting sector, that almost every single market report or real estate presentation I attended had a segment dedicated to the question of improving the transparency and good governance of institutions and reducing government corruption in land dealings. These rationalities also are productive in other ways. For example, they are brought into action in the policy arena, where donor agencies intervene on the Vietnamese government in various ways to produce more transparent legal or bureaucratic systems. They also have impact on key re-orderings of the city through multilateral institutional and donor-initiated projects, like Saigon’s new transport systems (Subway, National Highway 1 and Bus Rapid Transit lines) and other urban infrastructure. These projects demand different forms of regulation in the name of transparency and good governance. These include new or different kinds of public procurement protocols, land compensation rates for farmers and land holders and demands on organizational structure to improve transparency in decision making.

Despite the ubiquitous talk of corruption, Vietnamese and investor-developers from East and Southeast Asia, have ways of evaluating, narrating, and producing the city that is qualitatively different from or even opposed to corruption framings at times. These alternative accounts of development culminate among this class of interlocutors in an assertion that there is an “Asian style” to the urban development business in Saigon. These informants make claim to an entangled set of cultural, economic, and political

practices that are lynchpin to the production of new developmental trends in the region. Contemporary scholars refer to these new trends as novel “south-south” configurations of expertise and capital flow among East Asian and Southeast Asian nations. What my informants discussed as an “Asian style” of urban land development revolved around practices that were defined and justified with very different rationales and terms than those which were available through northern narratives of development, particularly those propagated by international development institutions in addition to mainstream economic discourse. Moreover, depending on the national origin and the experience of my informants, “Asian style” development is not a single agreed upon narrative. Rather it has come to mean very different things depending on whom you talk to.

While developers all talked about an “Asian style” of doing business in the urban development game, they define and justify its practices with significant differentiation. “Asian style” urbanization became difficult to define, largely because it encapsulated a set of practices and a kind of urban development talk that has different meanings depending on who one encounters and what assumptions are being deployed. In the most general sense, Asian style urbanization describes business practices that are highly dependent upon established relationships with state institutions and political figures. Urban developers and speculators, landholders and investors leverage their connections to circumvent or find exception to the normative legal or regulatory order. Many of my informants believed that developing real estate in this way was illegible to the West. They noted that their willingness to engage in opaque practices of greasing and taking advantage of grey legal code factored prominently. Others offered cultural explanations, drawing comparison to the Chinese term, *guanxi*, roughly translated as “personalized networks of influence” that are critical to doing business. Many other investor-developers from the Asian region cited their ability to engage in opaque practices as an outgrowth of their experience in their home countries. They referred to urban production under semi-democratic or authoritarian regimes with little legal precedent or infrastructure—such that business and decision-making required the collusion of developers and the state. Under this more sophisticated version of “Asian style” urbanization, other Asian cities are drawn into what Sylvia Nam (2011) refers to as a teleological relationship, with Saigon the Seoul or Singapore or Shanghai of twenty years ago.

Aihwa Ong and Stephen Collier (2005) argue that “global forms” are cultural and social phenomena that have a “distinctive capacity for decontextualization and recontextualization, abstractability and movement, across diverse social and cultural situations and spheres of life” (11). These forms can be configurations of various rationalities and technologies of government that operate to solve different kinds of problems. As the authors point out, “global forms are articulated in specific situations—or territorialized in *assemblages*—they define new material, collective, and discursive relationships” (4). The space of assemblage for Ong and Collier is the field of possibility, the space of the emergent and contingent, irreducible to a singular logic. It is the shifting actuality and incalculable space of interrelationship and contradiction. Ong and Collier use the term “global assemblage” to highlight the tension between global forms and assemblages. They write:

An assemblage is the product of multiple determinations that are not reducible to a single logic. The temporality of an assemblage is emergent. It does not always involve new forms, but forms that are shifting, in formation, or at stake. As a composite concept, the term “*global assemblage*” suggests inherent tensions: global implies broadly encompassing, seamless, and mobile; assemblage implies heterogeneous, contingent, unstable, partial, and situated.

In this dissertation, I evaluate a kind of space of assemblage, where global forms are articulated but are constantly invoked within a shifting field of interests, political and ethical contexts and emergent patterns that reference the past. The talk of corruption and “Asian style” development are articulated combinations of global forms, deployed in a shifting political economy and ethical field, yielding different configurations over time. Talk of corruption and “Asian style” development have explanatory power, but also operate on the material level, solidifying and reordering practice. These rationalities are made material through programs of reform. When deployed, these reforms have significant impact, in this case, in the realm of urban development. The corruption framing, for example, is a key component in urban development schemes produced by the international development and donor community. The World Bank and ADB along with a host of NGOs and consulting firms regularly produce information and assessments about the state of corruption in Vietnam, citing it as a primary impediment to growth. They use this rationality as a way to intervene in policy. For example, there are many areas of government reform that are supported, if not spearheaded by, both international development institutions and the government of Vietnam. These include programs like: public administrative reform (PAR), where the political functions of the state are thought to be too entangled with what should be a rational bureaucracy necessitating their bifurcation; State-owned-enterprise reform; legal reforms; good governance reforms; anti-corruption reforms.

As I argue in later chapters, the rationalities that arise from the “talk of corruption” and the talk of “Asian style” urbanization function like “regimes of truth,” (Foucault 1980 [1977]; 107-133) that have profound impact on the way power is exercised, in this case, through agendas of reform. Rationalities of corruption and Asian development are discursively produced in a knowledge/power nexus, having material effects on how institutions create programs of intervention and reform. I have organized these knowledge/power nexuses into two broad categories or what I call “modes of reform,” transparency and opacity.

1.5 Transition and reform

Reform is a way of life in Vietnam. Or rather, coping with different historical regimes each of which had their programs of reform has been an everyday struggle of those living and working in the country. One can observe elements of each period of sustained reform programs going back to the era of French colonial rule in the city’s urban form and legal and bureaucratic structure. Today, reform is a word used to describe the program of

change following *đổi mới* (renovation), the policy announcing the end of the command control economy and the move to “market oriented socialism.” In this respect, “reform” has come to mean the evolution towards market practice (Duiker 1989). It is used to describe the privatization of state owned firms, under “state owned enterprise reform.” In other respects, it has been used to describe market behaviors producing growth. For example, academics and press refer to growth patterns in Saigon in “the reform era.” In the most general sense reforms are thought to be all of the legal and policy changes that produce and enact Vietnam’s transition to a “market orientation.” But reform in this respect remains a murky category. Reform is a difficult category to pin down in Vietnam for a number of reasons. Firstly, historical marking points such as reunification and *đổi mới* do not signal the end or beginning of market based or state-command economies. Much of the scholarly literature has focused on the persistence of capitalist behaviors in the South following reunification (Thrift and Forbes 1986). Others have attempted to debunk depictions of the period between 1954-1975 as an era of free wheeling capitalism, instead pointing to the ways that the state had considerable control over the economy through regulation (Gainsborough 2010).

Amidst historical continuities, maintaining communist single party rule and socialist bureaucratic institutions while securing the conditions for capitalist practice is a process fraught with contradictions. “Reform” or “marketization” comes to mean drastically different things depending on what set of practices or policies one observes and whom one talks to. For example, many of my informants spoke of reforms that enabled opaque practices of land development, practices that ushered in an era of real estate sector growth. Many of these practices are criticized as corruption, requiring anti-corruption reforms or banking reforms, or transparency reforms—also programs produced by the state and development institutions.

Thus I define reform not as a single program, but as a contested terrain where people and institutions attempt to reorganize and engineer new social, political and economic values. Change, however, doesn’t occur through clean breaks. Rather, rationalities and values from both extremes of the value spectrum, socialist and capitalist, are deployed at various times to the benefit of those attempting to navigate Vietnam’s political economy. Under Vietnam’s transitioning economy, reform’s shapeless qualities make it an easily deployed technology of government that can both explain and steer Vietnam’s contradictory process of transition. Reform in this sense can have multiple and contrasting meanings and outcomes. I use the term reform “modalities” or “modes” to highlight the different rationalities and regimes of value deployed in policy interventions that roughly fall under the category of “reform.” These modes are analytical groupings that highlight thematic assemblages and important contradictions in Vietnam’s program of transition.

1.6 Reform modalities

I use the term “reform modality” to describe different kinds of practices that are largely unplanned and uncoordinated. I do not speak of reforms as a singular or even as multiple types of policy. Rather, reform modalities describe forms of practice organized around a

set of rationalities and justifications. In this way they are akin to what Michel De Certeau (1984) refers to as “tactics.” They are not natural categories made by state agents, investor-developers, or anyone facilitating city making in Saigon. Rather, they are categories that the researcher extracts from everyday practice. A reform modality is not *necessarily* attached to specific people, types of agents or projects although they can at times be. It is important to note because reform tends to be associated with planning, with the explicit understanding that there is a set of premeditated policies put forward. I use the term to show that there is less of a coherent agenda in place as there are many practices, plans, policies, laws and people that produce the city, each of which can be analyzed according to different rationalities and values.

I organize the dissertation around two key modalities of reform that are productive rationalities in the making of Saigon’s built environment. I examine one mode of reform under a category I call opacity to describe legal and regulatory practices in urban development that are often foreclosed analytically when identified as corruption. I argue that these practices are flexible strategies that cater to the multiple and contradictory demands of foreign investor-builders from within the region (South Korea, Singapore, Taiwan) who are crucial to national economic growth. These demands are for exceptions to urban regulation and governance, predicated on their experience in developing real estate in their home countries.

I trace a second mode of reform under a category that I call transparency, which is based on a reading of the urban development scene as inherently corrupt and in need of intervention around a number of key institutional areas. The absence of western investor-builders in Saigon’s real estate market is largely due to the pervasive characterization of the late socialist state as an agent of crony capitalism and corruption. These rationales circulate among development experts, policy briefs and real estate and investment consultants advising western investors and act as barriers to market entry. An array of western institutions operate in the city to address corruption, framed as an issue of malfeasance that requires diagnosis and intervention. Corruption accordingly has spawned and legitimated interventions that fall under the rubric of “governance reform.” Its aim is to create a more transparent system of urban development. Governance reform relies heavily on western concepts of liberalism, including strong private property rights, greater citizen participation in urban planning, public administrative and bureaucratic reform, and the creation of the rule of law. The Vietnamese state participates equally in these reforms to capture and comply with multilateral development organizations like the World Bank and ADB who invest in urban infrastructure such as Saigon’s subway lines and its national highways.

These modes of reform are assembled rationalities, not bound to specific types of actors or institutions. In other words, it is not simply a matter of splitting reforms between the Western and Eastern global agents. Rather, I argue that reform rationalities are conveniently taken up by actors and institutions to solve problems or even more simply, act as fodder for conversations about Vietnam’s development. While I characterize Asian developer-investors as engaging in the reform mode of opacity, they also deploy and

rehearse anti-corruption narratives and transparency reforms propagated by western development institutions when convenient or useful to them. Similarly, institutions of the Vietnamese state officially use the language of transparency reforms, especially under the context of working with donor agencies. However, western development institutions and their agents, along with those working for western firms in the real estate sector, rarely venture into explanations characterizing grey area transactions outside of the corruption narrative. This asymmetry of deployed concepts shows that these rationalities do not separate the city of Saigon into a binary of Western actors versus Eastern ones, but rather reflects a complex bricolage of actors, rationalities and interventions that assemble and take shape as quickly as they are discarded for the next project, problem, conversation or policy.

1.7 Hedging the future Asian city

Drawing from anthropological and sociological literature on post socialism in Eastern Europe (Burawoy 1999, Verdery 2004, Dunn 2004, Stark 1996, Stark and Brust 1998) I argue that the reform modes of transparency and opacity are held together simultaneously in the city. Simultaneity is a key concept in post-socialist studies. David Stark, for example, uses the term along with “recombinant property” to describe how firms hold and value assets according to more than one legitimizing principle, effectively hedging against different ideological outcomes. Katherine Verdery and Michael Burawoy have looked at how property can appear “fuzzy” through the maintenance of multiple configurations of socialist and capitalist values. And Elizabeth Dunn has observed the audit culture of the factory under post socialism to understand how socialist notions of value come up against global standardized audit cultures.

I argue that the reform modes of opacity and transparency and their respective rationalities, while contradictory, are simultaneously held together in the city through recombinant hedging strategies. This is achieved by maintaining both rationalities of reform, but also by leaving them incomplete, by “a general wariness of pinning things down too much” (Simone 2016). By refusing to draw the two together and define them fully, the state can keep contradictory programs of reform simultaneously in the city. While the state is not a monolithic entity, keeping things incomplete is a defining feature of Vietnamese politics. As Martin Gainsborough (2010) writes,

Elites in Vietnam hang loose to policy ... people often do not want to be identified too clearly with any particular policy position as this potentially restricts their freedom of movement, and prevents opportunism in terms of going after resources, particularly financial resources on offer from the international donor community. (7)

Hedging governance allows the state to flexibly manage multiple forms of investment flowing into the city, each of which carries configurations of values and practice that can potentially conflict with others. By maintaining both modes of reform, the state effectively uses the tools of urban governance to hedge different models of the world-

class city. I therefore describe a form of urbanism that uses not only capital, property and assets to speculate on the future, but also politics and governance. Building off of Michael Goldman's (2011) term, "speculative government," I argue that the state not only engages in forms of legal exception and state informality in its pursuit of creating the Asian world class city, but must manage, balance, and maintain multiple and contradictory ideal types of the Asian city in the quest for foreign capital.

These hedging strategies coincidentally come at a time when the "citational" references to the world class city are shifting towards Asia. Ananya Roy and Aihwa Ong (2011) note that the geography of global cities have shifted, with Asian cities like Singapore, Shanghai, Seoul and Hong Kong becoming new coordinators of international finance. These new configurations challenge "the conceptual terra firma of generalizable spaces" (Ong 2011; 2). The rise of new centers of capital circulation and finance coordination force us to reexamine theories of the global, particularly with respect to forms of capital that do not follow typical vectors of movement from cities of the north to the global south, but rather circulate between cities in the global south. The proliferation of capital flows between southern cities requires us to challenge these borders of global urban theory.

In this light, these recombinant hedging strategies and their forms of speculative governance, come at a time when a multitude of different vectors of capital, expertise, ideology, and value flow into Saigon. As the references to the global city are a shifting terrain, so too must the art of governing flexibly attune itself to these alternative urban futures.

1.8 Reflections on method and approach

When I arrived in Saigon, I had no idea the entire city was about to experience a protracted economic slump. The slump profoundly affected my research. One of my interlocutors told me that I arrived at a moment when everybody began pointing fingers and assigning blame for what was a new phase for the city, defined less as spectacular growth but of economic stasis. A common trope and strategy in assigning blame in the city involved accusations of corruption. Doing fieldwork during this time of decline had certain advantages. While I was unable to witness the unfettered economic activity of the real estate boom, I arrived at a key moment of reflection. Developers and investors alike were taking stock of their successes and failures. Some were hedging their failures while others were pivoting into new areas of business. For some of my interlocutors, I was called upon as a planner to help research new business ideas. In one instance, a close contact asked me to do a regional economic analysis of a peripheral district to the south to provide insight on the viability of a new town development. In other instances, interviews were chances for informants to reflect on their position relative to the shifting economy.

I did not follow my original research plan. I initially set out to examine two sites for an extended comparative case study of developments in Saigon: the Thu Thiem New Urban

Area across the Saigon River and the Phu My Hung new urban area in the southern part of the city. My goal was to understand the interactions between state agencies and developers in the production of these sites. One of the first individuals I met in Saigon was Minh. Minh was a lecturer in the urban planning department of the National University's Social Science and Humanities unit. I was affiliated with the university as a student under a Vietnamese research visa to be supervised by Minh. He immediately advised me against this project, saying that the political environment was still raw from recent prominent land seizure cases. This included the Tiên Lãng incident in a district outside of Hải Phòng in northern Vietnam. The Hải Phòng government had used its police powers to evict farmers from what it claimed was its rightful use rights to the land. One family resisted evictions with the use of landmines and old firearms. The story erupted into national and international news outlets and the patriarch of the farming family became something of a folk hero in a narrative of resistance against the greed of government land grabs.

Minh cautioned that I would not be able to get interviews with government officials in the planning department, the Department of Land and Natural Resources or the department of investment and planning much less the HCMC People's Committee given the political environment. I had tried to meet with local government and had arranged for the university to have letters of introduction to a number of city departments. Through these efforts, I was able to meet with a representative from the Department of Planning and Architecture who would not allow me to take pictures of planning documents nor take copies with me. I was not allowed to record our conversation and we spoke for a very short amount of time. The representative's answers resembled news reports coming out of official state media outlets with accounts of how developments strictly follow master plans and how the state regulates urban development through coordinated and coherent programs across departments. According to the representative, the planning powers of the socialist state were narrated as unified, coherent and singular.

On the contrary, the stories from urban planning consultants were completely different. Minh introduced me to a handful of planners working either as consultants to state planning firms or as planners at design firms that worked on new township megaprojects. These informants narrated the state as a kind of failure, noting that planning happened "backwards" and where the plan constantly needed to be adjusted to meet the reality of haphazard developments. Here, I began to identify some of the first iterations of the logic of transparency.

Variations of this narrative of state failure were also prominent in NGO and development circles, where I frequented monthly social mixers and interviewed a number of NGO workers. On one hand, official government narratives painted a rosy picture of development. On the other, international development institutions and planning consultants provided a narrative of urban failure, blaming the period of decline on corrupt practice, effectively linking it as a major cause of the recession. Yet, despite the recession, there was evidence all over the city of major projects that had just been completed or were being completed. There was evidence that a real estate boom had come and gone. I found this binary and polarization to be frustrating because they had

little explanatory power for the actual projects of urban development and economic growth happening around the city. Moreover, as the real estate boom transitioned into bust, there were half-finished projects suspended in time scattered all over the periphery of the city that I could not comprehend outside of readings of the city as either perfectly planned or as failure.

My proposed sites did not pan out for other reasons. For one, the Thu Thiem Investment and Construction Authority had only thus far been created to clear land and create infrastructure and had yet to form partnerships with developers to create specific real estate projects. There were already researchers looking at the politics of land compensation and resettlement in Thu Thiem, a subject that I found important and interesting. I was deeply curious to learn about how these projects were being built. Studies of land clearances and relocations often characterize the state as a static, monolithic entity, against which the everyday lives of residents being evicted are described in detail and characterized as either reactive or resistant to state policy. This was a narrative I wanted to complicate by disaggregating and analyzing the motives and practices of state players and private developers. Furthermore, most of the developers involved with Phu My Hung or other developments in the periphery were all located in the central business district.

I had not initially intended for my project to focus so heavily on developers and real estate investors. But I had been trained by one of my mentors in an ethnography course to be attuned to difference. I employed ethnographic methods and used principles of qualitative methods to guide my work. Many of the narratives given to me by state actors or by those working for international development institutions or for planning consultancies followed similar scripts that congealed into specific rationalities and understandings about how the city was produced. These narratives were also the easiest to obtain and most accessible, since they had circulated in the city widely over the course of time. But the investor-developer narratives were not being told. By following investor-developers, I was afforded a very different perspective on the production of space in the city and the role of the state. I was then able to cross reference these perspectives and corroborate and compare information given to me by developers with other developers, economists, lawyers and other professionals, in addition to archival media content and policy reports produced both by the state and by the international development community. These perspectives challenged the pervasive narratives of both existing literature on urban development in Vietnam, as well as dominant narratives of the process of urban change being told publicly.

Developer-investors are a unique class of individuals, experts, and residents of the city who are granted exceptional freedoms. They have unprecedented access to agents of the state who run or work in political or administrative capacities, or both. Developers constitute a political and economic elite, who can talk relatively freely and share information without the kinds of fears of reprisals that people in other sectors of the economy face, like journalists or political bloggers.

The sociologist Howard Becker (2009) in “How to Find Out How to Do Qualitative Research,” suggests that many kinds of qualitative studies rely on decisions made “in the field.” That is, not all questions are posed up front nor are objects of analysis known and reduced to a manageable set of variables. This is to say that in many qualitative studies, the research approach evolves as the researcher continually refines and redirects his study. Drawing on Becker’s explanation is perhaps an exalted way for me to say that I decided to change some of my research focus in the field. But I feel it is important to note, given the kinds of obstacles that arise in rapidly shifting environments.

The ethnography course and the methods that I learned in it proved pivotal to my research approach and findings. Guided by a general principle to seek out difference and not repetition of categories or interpretations of categories of analysis inspired me to seek out perspectives in the city that were not commonly given. I also was able to participate in and observe several different social communities in Saigon—the NGO sector, aid and development workers and a number of different groupings of investors and real estate developers. Choosing a widely discussed topic like corruption, but seeking out different interpretations allowed me to explode the category, revealing multiple regimes of value. Pursuing difference rather than repetition shifts the direction of logic from one based on sampling to one based on case. Recent studies on qualitative and ethnographic methods note that “case study logic” is different than “sampling logic” (Small, 2009; Yin, 2002, Burawoy, 1998). These studies state that sampling logic prioritizes good representation (to avoid bias), replication (to test hypotheses) and generalizability. Sampling logic relies on preexisting categories that can be tested by a representative “universe.” In this sense, the strength of sampling is in its precision, particularly in tracking the prevalence and frequency of defined parameters at a given point in time. It relies on producing “hits” on established and defined native categories, rather than thinking about categories of analysis themselves as constituted by multiple and perhaps more importantly conflicting logics. This is not to say sampling logics do not have a place. Much of my analysis, both in the field and in the writing process, are built upon works reliant on sampling logic. For this study, however, sampling logic could not produce the kinds of information I was seeking. Generally, I understood this approach to be a methodological outgrowth of Michel Foucault’s notion of “problematization.” Social reality is not apprehended through tracing particulars that fit neatly into a coherent established narrative, but rather can be productive when considering them as an unframed and uncertain ensemble of disparate theorizations and practices requiring a methodology that can effectively trace and give meaning to a “history of the present” (Rabinow, 2002).

These reflections helped me to consider new directions for my research. Rather than focus on specific sites, my approach was to focus on specific actors who facilitated capital movement into urban development projects in the city. This approach falls in line with what Gavin Shatkin (2008) argues are “actor-centered approaches that focus on how actors, both internal and external to localities, shape urban space in response to forces of change operating at different scales.” According to Shatkin, this approach can “reveal critical differences in urban development processes that are shielded from our view if we employ ‘Westernization’ or ‘convergence’ as our analytical frame” (384). It is also an example of a type of “multi-sited ethnography” (Marcus 1995). Following George

Marcus, the research I propose “follows the people” and “follows the metaphor.” In the former, as is implicit in its name, the researcher follows a group of people instead of staying in a particular geographic locale. Here, the “strategic significance as single-site research with multiple sites evoked is their “off stage” knowledge, so to speak, of what happens to their subjects in other sites. The sense of “system” in their work arises from the connection between ethnographic portraits of their subjects and the posited relationship of these portraits to the fates of these same subjects in other locations” (106). By engaging in participant observation and interviews with urban investors and real estate developers, along with actors in development institutions and NGOs, my research was less “sited” in a particular locale. This study does not focus on any one particular real estate development project. By following the metaphor, the researcher traces modes of thought and discourse that are “most clearly alive in language use and print or visual media” (108). My work thematically categorizes reform modes as opacity and transparency as an example of this type of multi-sited ethnography, following specific deployments of rationale and reform in Vietnam’s urban development schemes.

A key part of choosing to focus on actors rather than research sites has to do with the political environment in Vietnam. Media censorship and state control over information is a serious concern for researchers. On one occasion, an anthropologist friend who was visiting Vietnam told me that his laptop had once been stolen from his house a day after he took pictures of street protests. The police came to his home days later with the laptop, claiming that they had “found” it. Although he had housemates and many other valuables, only the laptop was “stolen.” I never had any such experiences with police but my landlord, by chance, was also a high-ranking party cadre. Nonetheless, there was a need for me to practice discretion. Protecting the identities of informants was important, particularly when names and specific sites of opaque development practices are mentioned off the record. As I noted earlier, urban development in Vietnam is a highly politicized field. Prominent bloggers and journalists were jailed for reporting on key corruption cases related to urban development financing or land grabs while I was conducting fieldwork. Protecting sources has been a challenge and a source of frustration for me, as I have chosen to omit many stories and details that have too many identifying markers in order to protect the identity of my informants. Some of these omitted stories are more exemplary than the stories and quotes I provide in these chapters. With others I have removed identifiers as best I could, which can have the effect of watering down the description. It is an effect that I have resolved to be satisfied with for the time being.

Although I lacked a specific geographic research site, this is an urban study. It is urban because the study identifies and reflects upon city-making practices and the regimes of value and knowledge that discursively rationalize and produce them. Thus this research is less about the production of a specific place or a comparison between specific places as much as it is a comparison of different city making practices and rationalities. Similarly, while this study does not focus on any particular state department or state employee, it is a reflection on government practice in Vietnam. Following Akhil Gupta (2012), the state is not a coherent or unified entity, but rather is composed of multiple institutions, each of which is composed of individuals and actors. Moreover, each of these actants are capable of producing different materials, values, relationships and practices that come to be

agglomerated into the idea of a state. Ideas about the state can be multiple and constitute specific imaginaries of what the state is, what it should be doing, and how it is arranged in relation to itself and the world. Thus rather than focus on how these practices produce a coherent whole, a tendency that is common in studies looking at land clearance and dispossession, I instead think about how specific ideas and imaginaries of the state related to urban practice are produced and come into conflict or relation with one another.

A significant portion of my fieldwork was spent doing participant observation and interviews with Vietnamese real estate developers and foreign investor-developers. Much of this participant observation was done socially, through my integration into a handful of different social clusters. Informants in these clusters provided me with interviews, and also important introductions to their colleagues. This led to a snowballing effect for identifying and interviewing new research subjects. The real estate development community, either in the US or in Vietnam, was not one I was socially attuned to spending time with. Building trust among this group of individuals was not an easy task. Early on in my fieldwork, I had a difficult time with interviews, asking to record them and then being stonewalled by nervous experts who did not want to provide details on the record, despite my assurances that their identities would remain anonymous. In one instance, I met a prominent developer for lunch in a downtown café to interview him about a new real estate project in the city, only to learn that a member of the City People's Committee had come in to eat a few tables down. I was instructed to put the recorder away and just eat lunch, whereupon we talked about rescheduling the interview. Establishing trust through social networks was therefore extremely important to my fieldwork. Early on in my fieldwork I realized that my strategy for establishing rapport and trust needed to change. I gained the trust of a few key informants who opened avenues of research for me and introduced me to key informants. I will discuss this more in detail below.

Investors and developers are a privileged class of people. Taking seriously Laura Nader's provocation to "study up" (1972), I found that I had to be open to participating in many of these privileged acts despite my discomfort. At the same time I had to be conscious and remind myself about the inequalities inherent in them. From a financial perspective, socializing among this class of people was costly. I often found myself socializing in luxury bars and high-end restaurants for meetings, the suggested meeting places of my informants. My informants engaged in forms of extravagant spending that I was not accustomed to. I can recall having sticker shock on one night when I realized I had spent over US \$300 socializing with a group of developers to build rapport and trust. This is a significant amount of money to spend in one night anywhere, but in Vietnam, at that time, it was a little more than double the average monthly salary in Ho Chi Minh City.⁴ Some informants close to me graciously understood this and took on greater burdens of payments in social situations. I was also granted access by association to exclusive communities and events, like openings of new luxury venues and restaurants, or simply to play tennis on courts located inside the Presidential Palace, where you need political connections to reserve a spot. These places constituted different circuits of consumption and leisure where social class and status were rehearsed and performed. It was important

⁴ Japan External Trade Organization, Average Monthly Wage in Ho Chi Minh City, 2015.

for me to experience and understand these activities as my informants did, and participate in them to the best of my ability.

There are limits, however. Privileges were most clearly exercised along the axis of gender. Following Kimberly Hoang (2015), the real estate scene in Saigon is dominated by men. More specifically, it is a world where Vietnamese and other Asian men come together. Being a Korean male, I was afforded a unique kind of access to male spaces of leisure and consumption. There were countless times where I was expected to understand or be complicit in actions or statements simply because I was an Asian male. I can recall many social situations where the topic of mistresses or karaoke bars arose. Early on in my fieldwork, for example, I was invited by a Taiwanese businessman named Kevin to meet a group of his friends for karaoke. Coming from Oakland, California, I had assumed that karaoke meant what I was familiar with--that I was going to be sitting in a room with a group of friends and singing songs. Much to my dismay and horror, when I arrived with a group of about twelve Asian men, we sat in a room on a giant half-oval white leather couch. Each man stared at a line of women ushered in by a lead hostess. The men around the room were giddily talking about which hostess they thought was the prettiest, some of them making claims to specific women. Going around the circle, each of us were instructed to choose a woman who would sit next to us, pour our beer and play dice or card games. As uncomfortable as this was, I chose to play along, under the surveillance of these men, and chose a woman to sit with me for three hours. Some of the men engaged in touching and groping, with some girls sitting on their laps in what amounted to paid forms of intimacy. Others sat courteously next to their companions, drinking and talking and playing games and singing a song when their turn came up. According to Kevin, there were limits to what you could do in this karaoke club, as it was more “tame” than others. This club existed along a highly gradated range of intimacy and sex services in the city. At the end of the night, despite the “tame” designation, while talking to the head hostess, Kevin gave us two numbers. One was the tip we all were required to pay our companions for the night. The other was a figure for if we wanted to take our companions “out dancing,” a euphemism for sex.

Clubs like these are what Hoang (2015) argues constitute the intimate labor that is lynchpin to the urban development environment. There are a number of places catering to Asian businessmen who engage in what Hoang refers to as “business oriented intimacy” (79). These places, she argues, facilitate trust among actors who bring different forms of FDI into the city and local elite developers. I recall being struck by how awkward the interactions were in the karaoke room: a group of twelve men who were purportedly socializing with each other through the intimate labor of workers. None of the men actually conversed with each other, but rather, spent the time talking with and engaging intimately with their paid companions. Yet, we all left the karaoke room as a group of men, standing outside, after a night of drinking, with arms around each others’ shoulders in camaraderie, as if we had experienced something truly meaningful together. These men I met that night exchanged phone numbers with me and over the next few weeks, invited me to business gatherings where, when I met them, treated me like I was a close friend.

These forms of privilege provided the kind of access and trust from my informants that I needed to gather evidence into the practices of urban developers and foreign investors. In my attempt to participate and fit in socially with this group of informants, I had to be an active participant in statements and activities that I would not, under other circumstances, condone. In this way, I had to perform behaviors that I was at odds with.

My research methods consisted of a combination of participant observation, semi-structured interviews and a series of informal conversations. The latter were necessary, particularly with informants who were uncomfortable talking with the tape recorder on, but who allowed me to write about our conversations on the condition of anonymity. Some informants I met through direct contact, cold emailing them or getting introductions through my affiliated university. These were few in number. The majority of my informants came from “snowball sampling” or chain referral sampling, where existing study subjects recruit future subjects among their acquaintances. My introduction to some of my first key informants happened through chance. While I had been unsuccessfully cold calling different development companies and institutions, I had met a few friends through basketball and tennis; also, male-dominated domains. These friends introduced me to their friends and arranged social gatherings where we could socialize in group settings. I approached informants slowly, refraining from requesting interviews until much later, when I felt like the request would come from a place of greater trust. This rapport developed into some very strong friendships, with these informants generously opening up their social-business networks to me. In Vietnam, as I imagine it must be elsewhere, the social referral is an important aspect of building rapport. Among real estate developers, being referred by another developer produced a baseline amount of trust that was extremely productive and noticeably different from my interviews that resulted from “colder” methods of introduction.

My interviewees consisted of heads, managers and brokers of foreign investment firms, foreign investor-developers, Vietnamese real estate development firms, international lawyers working on investment law and real estate, Vietnamese lawyers working on the same, commercial real estate banking executives, Vietnamese and foreign construction firms and construction supply firms, investment fund managers (real estate), NGO and international development institution workers in Saigon, planning and architecture firms, and a handful of government agency workers and planning consultants for the city. Over the course of my fieldwork I conducted seventy-four semi-structured interviews. I was also a participant observer in a number of events and contexts such as real estate market reports, business mixers, various social gatherings of chambers of commerce (Korean, American), NGO sector collaboration meetings, NGO mixers, development institution reports, legal trainings and seminars, etc. Beyond these activities, I was a participant observer in a few tightly knit social groups of developers.

Chapter Two. Saigon, Vietnam

In this chapter, I aim to provide a short history of Vietnam with a focus on its economic hub and most populous city, Saigon, today officially known as Ho Chi Minh City. The chapter will focus solely on the development of land and systems of land management produced by the different regimes that have come to power in Vietnam's modern history. My aim here is to identify some of the legal-bureaucratic and cultural systems that have evolved over time which have influence over the current political-legal land management regime in both theory and practice. As a disclaimer, this is in no way a comprehensive history. Rather this chapter serves to illuminate the historical context for my later arguments about contemporary urbanism in Saigon.

2.1 Vietnam

The Socialist Republic of Vietnam (*Cộng Hòa Xã Hội Chủ Nghĩa Việt Nam*) is 329,600 square kilometers in area. From its border with China in the north, it curves south



Image 5: Vietnam. Google Earth, 2015.

3000km and tapers into a thin strip of land. At some points the country is as narrow as fifty kilometers, hugging Laos and Cambodia on its western border and the South China sea to the east. In the southwest, the land opens up and extends out past Cambodia into the ocean, splitting the Gulf of Thailand and the South China Sea. It is the fifteenth most populous nation in the world at 90.73 million people. Ho Chi Minh City (Saigon) is considered the economic engine and financial hub of the nation and hosts the largest concentration of people at approximately 7.8 million. Hanoi is the capital and seat of government in the North with its population trailing behind Saigon's at 6.9 million.

The population characteristics and world development indicators for Vietnam are considered very favorable according to development and economic metrics. The median age is 29.2 years with a workforce participation rate of around 76-77% over the last eight years (World Bank Country Data, Vietnam). Gross domestic product (GDP) growth has been steady at around 6.2% per year for the last ten years, with per capita gross national income (GNI) growing steadily each year. GNI is currently at (1,890) as of 2014, but still well below the rest of East Asia and the Pacific (6120.7) and just slightly below what the World Bank classifies as "Lower Middle Income" countries (2012.2).⁵ Inequality remains a key factor in Vietnam, its GINI coefficient at 35.6 in 2012 (down from 39.3 in 2010) with income share of the top 20% (quintile) at 43.0.

Vietnam is a socialist republic governed solely by the Communist Party of Vietnam (CPV). The party is maintained through a number of local level organizations that agglomerate into larger mass base organizations. The party holds a congress every five years to outline the country's direction and to formalize policies. The government is headed by its unicameral National Assembly, consisting of 498 members (open to non-party members) representing 63 cities and provinces in Vietnam. The National Assembly is the supreme organ of the state and only body with legislative and constitutional powers. Members are elected to the body every five years (most recently in May 2011). There are no separations of power in Vietnamese politics, meaning that all other bodies are in some way supervised by and accountable to the National Assembly. The National Assembly elects both the President and the Prime Minister. The President (*Chủ tịch nước*) acts as commander in chief of Vietnam's armed forces, heading up the country's National Defense Council. The Prime Minister oversees the government (*Chính phủ*), which holds executive state powers. Under the prime minister, there are three deputy prime ministers and twenty-six heads of ministries and commissions that report to him, in addition to state organizations like the State Bank of Vietnam and State Planning Commission. At the level of the Prime Minister's office is the Supreme People's Court of Vietnam and the Supreme People's Procuracy of Vietnam, the upholder of the law and police powers in the state.

As of 2015, territory in Vietnam is broken up into fifty-eight provinces (*tỉnh*), each of which is headed by a province level people's committee consisting of a chairman, a vice chairman and between nine and eleven members. This committee is the executive arm of each province and oversees a number of ministries and departments responsible for governing their respective territories. Each province has a number of districts (*huyện*),

⁵ World Bank Country Data, GNI Per Capita, Atlas Method, Current US\$, 2014.

which are subdivided into provincial cities, district level towns, which are then subdivided into communes (*xã*). There are also five additional provinces that are specially categorized as municipalities (*thành phố trực thuộc trung ương*): Hanoi, Ho Chi Minh City, Da Nang, Can Tho, Haiphong. Municipal provinces are also governed by a municipal people’s committee. The next order of territorial subdivision in municipalities is the urban district (*quận*)—there are typically around 10-25 districts per municipality. Ho Chi Minh City has 24 districts (19 inner districts and 5 rural ones). Subsequent territorial subdivisions differ in cities slightly. Districts are subdivided into wards (*phường*). The basic political unit is a household, each household having one position on neighborhood matters or in local elections for administrative positions. The household is also the unit recognized by the state through a household registration system which legitimizes a family’s presence in the city, although there is a significant “floating” informal or unregistered population in the cities of Vietnam making up a significant part of the workforce.

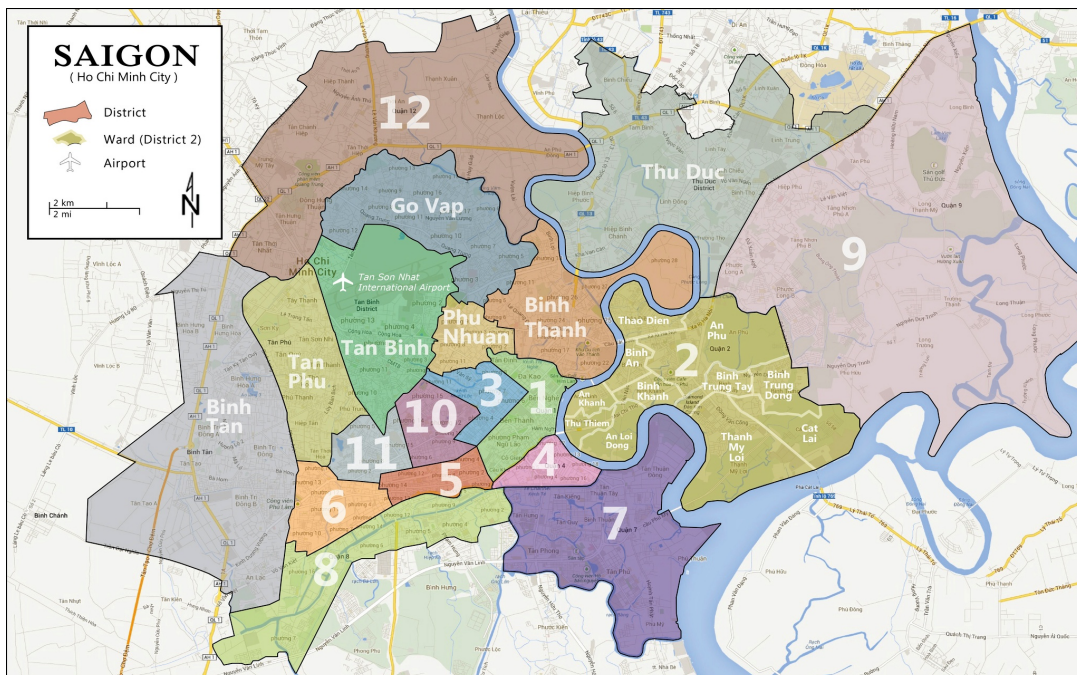


Image 6: A map of Ho Chi Minh City's (Saigon) districts. Google Maps, 2013.

2.2 A brief history

The historical picture I paint here is an overview of Vietnam and the city of Saigon, using broad strokes from a variety of academic sources. There are a number of ongoing and critical historical debates that either provide greater detail or contest the validity of certain historical claims, particularly those aspects of history that glorify Vietnam’s independence from Chinese influence or those that challenge socialist or capitalist ideologies. I do not put forth this version to stake a claim to any of these historical debates, but rather offer general watershed moments to contextualize the city in a

historical light for the purposes of identifying common themes, similarities or differences in phenomena that can be related to the contemporary moment.

The 300 year old Vietnamese city of Saigon is young, relative to other cities in the region. Following Gwendolyn Wright (1991) and Annette Kim (2015, 31-42), prior to its inception, the area was known as Prey Nokor, a strategic trading port city governed by the Khmer and an extension of Phnom Penh's rule. In the 17th century, the Cambodian monarch granted migration rights to Vietnamese refugees to settle in Prey Nokor to escape war between Trinh and Nguyen lords. The Vietnamese population grew in the region and in the late 17th century, the Nguyen lords took advantage of the Khmer war with the Kingdom of Siam as well as a Khmer civil war by subsuming Prey Nokor under Vietnamese rule (Bouchot 1927 in Kim 2015). They did so with the help of the Chinese Ming armies, whose generals had fled South to Vietnam and provided aid to the Nguyen Lords in their conquest of the region. There is consensus among most scholars that this is the birth of the Vietnamese city of Saigon.

According to Kim (2015), there are a number of factors that contribute to differences along a North-South axis, with Saigon and Hanoi key nodes along the spectrum. Kim, following Tana Li (1998) argues that a handful of structural factors contributed to relative autonomy of local government officials who engaged in Southeast Asian governmental practices for regulating space over Chinese ones. Kim states:

...the government of southern Vietnam at the time, Nguyen Cochinchina, used Southeast Asian practices instead of Chinese ones wherein local officials paid for their position in exchange for the right to collect taxes and labor from peasants; while in the North, military officials were paid directly in cash, land and in-kind compensation. She [Tana Li (1998)] infers that this structural difference provided the seeds for a practice of greater local government autonomy and discretion that many contemporary researchers have noticed about southern Vietnam today.
(33)

Kim goes on to point out that differences in commercial activity and international trade, along with more open cultural practices and syncretism of the ruling elite contributed to a less rigid spatial environment in the South. This is a regional differentiation that scholars point to today, albeit with many more historical layers.

Saigon has its roots in actuality as two cities—the city of *Chợ Lớn*, or the historic Chinatown, where Chinese immigrants came to settle and its adjacent sister city *Bến Nghé* (Saigon), generally thought to be occupied by ethnic Vietnamese—in the late 18th and early 19th century. Urban scholars (Wright 1991, Kim 2015) recount that *Chợ Lớn* was formed after the Tay Son rebellion in 1782, when the Nguyen lords were overthrown and the country was unified for the first time. The Tay Son armies massacred thousands of ethnic Chinese in the process, a historical narrative that continues to be glorified through more modern nationalist iterations and fueled by contemporary anti-Chinese sentiment. Those Chinese that survived were relegated to the adjacent city of *Chợ Lớn*

and were encouraged to conduct trade under the new regime—as Kim (2015) notes, a recurring theme and exemplary of the complicated history of different Chinese language groups in the region. After the Nguyen dynasty retook Vietnam and the region, ethnic Chinese were reintegrated into the administrative branches of the kingdom and *Bến Nghé* or Saigon developed into a citadel. The Nguyen lords built a French engineered citadel according to Chinese imperial architectural design and geomancy principles. Across the ‘plain of tombs’ filled with the bodies of massacred Chinese and Vietnamese from the Tay Son wars, the sister city of *Chợ Lớn* thrived during this period and outpaced the growth of Saigon. *Chợ Lớn* became the epicenter of economic activity in southern region (Kim 2015).

It is important to note that while texts refer to these areas at this point in time as cities, they were not urban in the sense that we would call something urban today. Rather, the southern region during this time was rural, with the majority of the population living outside of the citadel and towns associated with dynastic rule. Wright (1991) notes that there are two types of morphologies of villages in the 17th century. The first was the market village or *thị trấn*, which consisted of a small main street. The second was the *thành phố* (in modern Vietnamese, the word for city) or citadel, its form usually in a grid with a series of inner and outer walls, moats, canals and pathways built for specific uses and designed by royal geomancers.

With respect to land management, before colonial administrative laws were established, land was typically managed through customary rules at the village level. Family usage of land was recognized by village leaders and a local council of notables, who also oversaw the development of communal land in each village. While emperors retained all rights to ownership over land, there was little intervention in land transactions at the local level and each village maintained a degree of autonomy with respect to the application of customary rules and management. This is largely because imperial interests, administrated by mandarins, were centered on land taxation and social order, leaving the minute details of social reproduction and land transactions that occurred at the local level to the leaders of each village (Dao 1993). The underlying autonomy at the village level over land forms the basis for subsequent upheavals in social relations and land management during the colonial era, where the establishment of a legal framework for land came to supersede traditional custom (Gillespie 1994).

2.3 Saigon as a French colonial city

French forces razed the citadel of Saigon in 1859 and, following a two-year period of fighting for control of the city, assumed power in 1861. The conquest took its toll on the existing built environment. In addition to the citadel, villages along the Saigon River and waterways leading up to the citadel were destroyed. At that time, *Bến Nghé* (Saigon) was but a small village comprised of wooden cottages and huts outside of the citadel housing French colons and some of their early enterprises (Wright 1991). The French admiral, Luis Adolphe Bonnard, instructed one of his colonels, Paul Coffyn, to make a plan for a

city of 500,000, even though only 600 Europeans and less than 50,000 Vietnamese and Chinese were residing in the area at the time (Wright 1991, Kim 2015).

As argued by Wright (1991) and Rabinow (1989) the French took advantage of what they saw as a tabula rasa in conquered colonial cities to engage in experimentation with urban planning techniques—practices that were not necessarily permissible in French metropolises. This experimentation rolled out as part of the *policy of assimilation*, which pedestaled French cultural and technical mastery as universal and rationalized the French civilizing mission over the Vietnamese and Chinese ethnic groups in the region. As a result, the *Bến Nghé* or Saigon portion of the city was envisioned as a French city, meant to display the technical skill and universal aesthetics of a superior culture. Many of the historic waterways and canals running through *Bến Nghé* were filled to become the Haussman-esque tree-lined boulevards and open space we see today in what is now District One, the central business district (CBD). Moreover, urban planners built up the Saigon portion of the region in accordance with the western grid. To this day, this urban form contrasts sharply with parts of the city that were once *Chợ Lớn*. The latter's urban form evolved out of its orientation towards international trade, the movement of goods and commerce (Kim 2015, Ch. 2).

Chợ Lớn, it is thought, became the native city and object of French military rule and sanitation initiatives, while Saigon remained a predominantly French area, where the administrative and military apparatuses of French rule were located along with housing for French settlers. *Chợ Lớn*, became the living quarters for a large portion of the native population. During this time, *Chợ Lớn* flourished as an economic hub, often outpacing Saigon, to which French administrators responded by introducing a series of decrees and regulations to curb Chinese and Vietnamese competition with French imports. French rule by decree is an important part of Saigon's history, as French administrators managed the region's population and territory through centralized and autocratic means, with *Bến Nghé* as the administrative seat and symbolic edifice of its power.

Milton Osborne (1969) notes that French colonials attempted to establish administrative and legal capacities in response to the withdrawal of Vietnamese mandarins, the traditional administrators of Vietnam. French officials set out to establish this framework through strategies of direct rule and by training Vietnamese in provincial administration. Legal and administrative norms were key tools in the establishment of rational forms of governance and posed the colonial alternative to traditional modes of oversight and governance. There are many aspects to the ordering of Vietnam under rational colonial forms, including projects to reform education, the establishment of a French penal code and the use of French architectural style to create a visual order over space.

Most major land reforms under French colonial rule were aimed at increasing rural production and tax base to finance urban infrastructure development. French colonials engaged in efforts to expand cultivated land southwards into the Mekong Delta, granting land to French settlers as well as a large number of Vietnamese in exchange for support of the colonial regime. This had the effect of consolidating land into large estates and contributed to the growth of an “absentee landlord class” deteriorating customary

practices of land tenure and tenancy among the peasant class (Thion 1993). Land consolidations administered by the French and subject to colonial taxation schemes led to further dependence on market-based mechanisms to acquire, assess and manage land and land-transactions, bringing land under tighter controls and new modes of surveillance than in the pre-colonial era.

Following James Scott (1976), these developments served to disrupt social reproduction for the peasant class through French civil code and taxation. While peasant insurrection resulting from taxes was a preoccupation of imperial regimes in the pre-colonial era, the French colonial project enacted taxation of a different order. Scott notes that the introduction of fixed charges, without regard to yearly fluctuations in crop yield and thus, income, served to disrupt the subsistence ethic maintained through the pre-colonial land management system. Moreover, the introduction of abstract systems of accounting, measurement, enumeration and rights served to expand the number of taxable objects as well as institute stricter adherence to colonial policy. Scott writes:

The decisive advantage of the colonial apparatus, however, lay as much in paperwork as in rifles. To follow the development of the colonial regime is to follow the inexorable progress of cadastral surveys, settlement reports for land revenue, censuses, the issuance of land titles and licenses, identity cards, tax rolls and receipts, and a growing body of regulations and procedures. The collection of revenue was the end of much of this activity. Nets of finer and finer official weave caught and recorded the status of each inhabitant, each piece of land, each transaction, each activity that was assessable. Although it may be possible to exaggerate the official reach of established colonial regimes, there is little doubt that, compared to the kingdoms they replaced, they left few places to hide. (94)

In essence, the abstraction of land management to a bureaucratic system of enumeration led to greater inflexibility in land management and taxation, having subsequent effects on social reproduction and the subsistence ethic generated through pre-colonial systems. Taxation of the peasant class also served as a key mechanism through which colonial administrators sought to urbanize. Following his appointment to Governor General of Indochina in 1897, Paul Doumer raised rural tax rates in order to secure collateral for loans from Paris to finance urban infrastructure projects and city expansion (Wright 1991, Thion 1993).

With respect to urban land in Saigon, most was acquired by force through military seizure—as is evidenced by the capture and burning of Saigon in 1859. However, the colonial government also interpreted the imperial ownership of land as a justification for the colonial right to confiscate and in some cases, purchase urban land as well, guaranteeing colonial rights to land and development (Wright 1991). Additionally, as Wright notes, “court mandarins who had left their bureaucratic posts to protest the French takeover had destroyed many records, and the resulting confusion made it easy to disregard any assertions of previous title, even in lawsuits” (Wright 1991, 171).

Colonial administrators produced a tiered system of land law to regulate land use. French officials established an abstract legal framework to manage land, introducing new meanings and applications to land as a commodity and transferrable object, signaling major differences to traditional land administration under the imperial system. The colonial tiered system was essentially a form of land management privileging French citizens, Europeans and Vietnamese with French citizenship. Indigenous Vietnamese and Chinese residents were excluded from French civil code, and thus fell back on customary forms of land law to resolve disputes between Vietnamese. However, French civil code prevailed over Vietnamese law in cases where conflict involved one or more French citizen (Gillespie 1994).

The two-tiered legal system guaranteed colonial authorities flexibility in the management of urban land. It is interesting to note that the colonial strategy for urban land management lay in establishing legal justification for land seizure and development under a rational system of consistent laws. In essence, it was in the act of law making that the colonial apparatus enacted and justified urban land development. What is at root in this system is the notion that the colonial administration saw itself as originators of law, existing outside of any legal order, or at least as importers of French legal norms to a lawless environment. Additionally, law under the colonial regime was understood as having implicit universality and rationality, as being inherently part of the modernizing project. In this sense, French colonial land policy necessarily required the establishment of a legal framework based on consistency and conformance under the law, rather than through periodic suspensions of the law to achieve particular ends—in principle (but perhaps not in practice) a stark contrast to later schemes of urban development under socialist development, that while also engaging in legislation, would exist within legal standards but engage with them flexibly. The two cities of *Chợ Lớn* and *Bến Nghé* were eventually united as “*Sài Gòn-Chợ Lớn*” in 1923 by the French administrator and urban planner Ernest Hebrard, although today one can still observe the different characteristics of each area of *Sài Gòn* and *Chợ Lớn*.

2.4 War and postwar Vietnam

The period following reunification in 1975 saw the central government attempt to construct a land management system according to Marxist-Leninist principles. While the North had already undergone a significant program of land reform, the South had previously been subject to the “land to the tiller” program in 1970, a rural land reform and redistribution program spearheaded by the South Vietnamese government, with U.S. backing, aimed at swaying rural peasants in the south towards Saigon’s sphere of influence during the war. This program broke up the tenant farming system by compensating large land holders and redistributing over one million hectares of rural land to tenant farmers in the form of private property. Thus in 1976, after reunification, the fourth party congress decreed that all aspects of the economy be converted to state ownership. By 1978, “principle commercial and industrial properties, coupled with over 30,000 private businesses in the south and the balance of Chinese-owned businesses in the north, entered the realm of central planning.” (Smith and Scarpaci 2013)

Collectivization attempted to put an end to what central power in Hanoi saw as continuing capitalist practice in the southern region. With over two thirds of the southern region's population in the city of Saigon, the central government also attempted to reset the urban population by relocating a significant portion of Saigon's population to new economic zones and to the rural hinterland. Smith and Scarpaci write:

After reunification in 1975, the government attempted to disperse much of this surplus urban population to New Economic Zones in various parts of the country. There was some temporary success, and the growth of what is now Ho Chi Minh City (HCMC) did slow down. But approximately 30% of evacuees eventually found their way back to the city, often illegally and unrecorded. (747)

This policy was unsuccessful as the failures of collective agriculture mounted extreme pressures on rural areas while informal commerce continued to flourish in the region. And although a centralized household registration system or *hộ khẩu* exists to this day limiting rural to urban migration on paper, Saigon maintains a significant unregistered population engaging in key informal economic activities. These failures led to a "reformist" movement largely credited as coming from the southern region, specifically led by party members from Saigon who had gained key positions in the National Assembly.

On a general level, scholarship on Vietnam's land reforms during and after the first Indochina war point to the ways in which the Democratic Republic of Vietnam (DRV) in the northern part of the country used land to mobilize the rural peasant class. The overarching goals of the DRV in its rural land reforms were to eliminate the landlord class by redistributing land to a number of small-holder farms and to pave the way to collective farming (Moise 1976). Most of these reforms had taken hold by 1960. In urban settings, land reform took on a different character. After its establishment in 1954, the DRV formalized its relationship with the Soviet Union, who provided technical assistance and economic aid (Logan 2000). Drawing inspiration from Soviet architecture and planning, the DRV set out to rapidly industrialize and urbanize Hanoi and surrounding areas. To this end, the DRV looked to Soviet models of urban land law and policy. The land reform law of 1953 followed Soviet technical assistance and oversaw the redistribution of private urban land and housing and nationalized commercial property. It also established legal institutions like the procuracy, charged with ensuring administrative legality. However, over time, legal instruments for urban land management and development were treated with greater flexibility and in many cases were disregarded in favor of party policy. John Gillespie (1994) argues that:

There is reason for believing that the relationship between positive law and party patrimony was highly fluid. Laws, for example, were often not publicized and could be suspended by spontaneous, ad hoc intervention by the VWP [Vietnamese Workers Party] on the pretext of denouncing political opponents for alleged land reform infringements. During this period, legal institutions created to support formal laws, such as the

procuracy, had little direct involvement in the legal system; courts interpreted laws in accordance with party directives; and the Ministry of Justice was completely disbanded. Periodic campaigns to reinforce socialist legality apparently did little to raise the low priority given to the development and enforcement of law. Legal institutions were not strengthened until after reunification; this process has accelerated since the policy of *đổi mới* (renovation) was introduced by the Sixth Party Congress in 1986. (68)

What is notable here is the form of land management that took place under the socialist regime with respect to legal frameworks. The Vietnamese Workers Party (VWP) utilized a fluid approach to land management, privileging party politics over rule of law, allowing for a different modality of flexible rule compared to the universal legislative principles of the colonial administration. Under such conditions, flexible approaches to legality reinforced patronage as a primary mode of acquiring and developing land. For example, urban housing developments, exclusively monopolized by the state and following Soviet ‘superblock’ architectural forms, were only available to state employees and party officials as compensation for low wages (Yip and Tran 2008). By the 1980s, through a series of administrative decrees, all private rights to land had been abolished, establishing a vertical relationship between land-use and the state and ensuring that all urban development in Vietnam would occur through administrative channels controlled by the party.

The country unified under a communist flag in 1975, when North Vietnamese tanks rolled into the city of Saigon. Reunification linked the Northern communist organization (Lao Dong) with the People’s Revolutionary Party of South Vietnam to form the Communist Party of Vietnam (CPV). By 1976, the country was renamed the Socialist Republic of Vietnam.

Although North and South Vietnam were unified under a common flag in 1975 the development of the northern and southern regions remain different both prior to and after this moment. More importantly, urban development in the cities of Hanoi in the North and Saigon in the South had very different characteristics both before and after 1986, when the country started to put *đổi mới* reforms—reforms opening the economy to market based principles—into effect.

It is important to note these differences because they go against what Freeman describes as the tendency of many scholars to characterize the 1986 *đổi mới* reforms as a “big bang” moment (Freeman 1996). While it is indeed a watershed moment ushering in an era of change, it cannot be overstated how different historical streams of practice merge, evolve into new tributaries and forge new pathways while eroding or drying up others. Freeman makes his case with respect to petty entrepreneurs, who he claims have always been exemplary of a major difference between southern and northern regions during communist rule prior to the *đổi mới* reform period (1975-86) who established informal practices of private commerce which helped establish a different regulatory environment

after reunification, where large groups of people maintained small private enterprises and practiced usufruct throughout the period.

2.5 Reunification

Following reunification in 1975, the central government attempted to construct a land management system according to Marxist-Leninist principles. Despite reunification and the establishment of a single-party government, the northern and southern regions had very different systems of practice in place. While the North had already undergone a significant program of land reform under the DRV, the South had been subject to the “land to the tiller” program in 1970. This was a rural land reform and redistribution program spearheaded by the South Vietnamese government, with U.S. backing, aimed at swaying rural peasants in the south towards Saigon’s sphere of influence during the war. The program broke up the tenant farming system by compensating large land holders and redistributing land in the form of private property to tenant farmers. The central government, seated in Hanoi in the north, set its focus on the southern cities and regions, in an attempt to cull out the “unethical” capital practices that remained despite reunification. These interventions culminated in the forced removal and reeducation of those deemed as capitalist sympathizers or those who served in the South Vietnamese army (Thrift and Forbes 1986).

Thus in 1976, after reunification, the fourth party congress decreed that all aspects of the economy be converted to state ownership. Following Marxist-Leninist canon, unified Vietnam declared land an “unmarketable commodity” thus requiring the state to regulate and manage the people’s access to housing and land (Gillespie 2013). By 1978, “principle commercial and industrial properties, coupled with over 30,000 private businesses in the south and the balance of Chinese-owned businesses in the north, entered the realm of central planning” (Smith and Scarpaci 2013). Collectivization attempted to put an end to what those in power saw as continuing capitalist practice in the southern region.

Under the socialist land regime, Vietnam’s leaders sought to implement a Soviet style land management system. All land was not only owned by the state, but it could only be allocated and transferred to and from the state. The state allocated land to state owned enterprises, collective farms and households. These policies were put into place alongside efforts to curb “horizontal transactions between public and private entities” (Labbé and Musil 2014, Gillespie 1998).

The reunification government also rolled out a series of anti-urban policies, seeing agrarian development as a key strategy for national growth, promoting a shift from the consumption based model developed in the South under the guidance of the United States to an agrarian production based production model (Thrift and Forbes 1986). During the war, while US bombing campaigns in the north left Hanoi’s population dispersed into the surrounding region, Ho Chi Minh City’s population remained concentrated and large due to a lack of security in the rural areas. Saigon housed roughly two thirds of the South’s

population in 1975 (Thrift and Forbes 1986). After reunification, the central government attempted to reset the urban population by relocating a significant portion of Saigon's residents to new economic zones and to the rural hinterland. Smith and Scarpaci argue that:

After reunification in 1975, the government attempted to disperse much of this surplus urban population to New Economic Zones in various parts of the country. There was some temporary success, and the growth of what is now Ho Chi Minh City (HCMC) did slow down. But approximately 30% of evacuees eventually found their way back to the city, often illegally and unrecorded. (747)

After reunification, the central government in Hanoi attempted a massive land reform project in the South, collectivizing rural land in order to put an end to what it saw as continuing capitalist practice in the southern region. Despite these mandates, rural peasants engaged in the trading and selling of property throughout the period. Communist land collectivization is considered a massive failure, as the country failed to meet its production goals, and the policy was abandoned by the mid-1980s.

This policy was unsuccessful as the failures of collective agriculture mounted extreme pressures on rural areas while informal commerce continued to flourish in the region. And although a centralized household registration system or *hộ khẩu* exists to this day limiting rural to urban migration on paper, Saigon maintains a significant unregistered population engaging in key informal economic activities.

Thus, despite the anti-urban policies, Saigon remained a key productive hub after reunification, as the majority of state-owned enterprises engaged in manufacturing were located in the Vietnam's cities and were a primary source of revenue for the central government. However, up until the mid 1980s, the central government focused its growth policies on small town development, leading to the disinvestment of large urban areas like Saigon (Gainsborough 2003). Even though net population declined in this period, a number of new residents from the North, mostly party administrators and state employees, made their way into Saigon. In Saigon, the central government did apply socialist principles of distribution in a National Housing Program initiated in 1975. Housing was considered a right and was promised as a state-based resource for those legally residing in the city (Labbe and Boudreau 2011). However, these ideals could not be sustained as both housing demand steadily increased in the city and as the economic policies of central planning produced the economic crisis of the early 1980s (Labbe and Boudreau 2011).

Changes in reform regimes also had significant impact on institutional arrangements around key categories of social management, like law, bureaucratic design, industrial policy and property. After reunification, the central government brought in Soviet and East German advisors to assist in setting up the political and administrative structure of the country. With respect to law, many principles of Soviet law are still present in both theory and practice in Vietnam (Sidel 1997, 2008, Gillespie 2002, 2006). For example,

rule by moral decree is still a predominant tool of the state to introduce new legislation. Rule by decree reinforces Soviet-style legal principles that place great importance on the moral mastery of the party over explicit policy—a way to maintain the communist party as universally in the right. These forms of law help the regime maintain both legal and moral legitimacy (Sidel 2008).

With the Vietnamese economy faltering, due to failures in land reform, agricultural cooperative productive capacity and industrial policy, a number of political figures began to rise in prominence in the first half of the 1980s, promoting a reform agenda loosely modeled after China's "market socialism." Much of the national conversation focused on a reordering of the Vietnamese economy. By 1986 these reformers, largely said to be from Ho Chi Minh City (Saigon), gained control of the national congress and acceded to top governmental positions. The country embarked on a reform agenda entitled *đổi mới* (renovation) inaugurating a transition of Vietnam's political economy to "market oriented socialism." This transition took place through an evolving set of reform discourses, which included topics such as state owned enterprise reform, legal reform, land reform, investment law reform, decentralization policies and public administrative reform. Thus, reform is widely understood as a project that originates from the South, and more specifically in Ho Chi Minh City. For this reason, most city leaders from Ho Chi Minh City are dubbed "reformers" although this geographic designation is often overemphasized, with so-called reformers often also at the helm of more "hardline" socialist policies of the central planning era (Gainsborough 2010, 27).

2.6 Post *đổi mới* changes to the land regime

In an attempt to jumpstart the Vietnamese economy, Hanoi initiated a series of reforms aimed at privatizing collectively owned industries, while making changes to investment law to allow certain kinds of direct foreign investment into these industries. In 1988, the government issued its first Law on Land, establishing foremost that all land belongs to the people of Vietnam, effectively affirming the state's singular control over land and its usage. The law separated ownership from use by granting households term use rights over land and autonomy over how they would cultivate it. Through this measure, the state officially abandoned its national program of collective farming (Ravallion and Van de Walle 2004). The 1988 law did allow some provisions for the transfer of land use, particularly in order for offspring of farmers to continue using land, but the law did not have clear language about land use inheritance. The 1988 law also did not have any provisions for the exchange, lease or mortgage of land, effectively stopping short of creating a private market for land use rights (Ravallion, et. al. 2001) These restrictions were lifted in 1993. Following China, the 1993 land law maintained the government's ownership over all land, but permitted ownership and open exchange of various term-leases of land as well as private ownership and exchange of the buildings atop leased land. These rights were consolidated (in 1994) through the institution of a single certificate combining use rights to land and private ownership of improvements to land, the Building Ownership and Land Use Right Certificate (BOLURC). The 1993 law gave land users the ability to exchange, transfer, inherit, lease or mortgage land and to receive

compensation for land and improvements upon land if expropriated by the state (Land Law 1993, article 3/27, No.24-L/CTN). This land law was subsequently amended three times in 1998, 2001 and 2003. The 2003 land law (along with changes to national laws on investment) would most importantly change the rules around the types of land that could be held and sold by foreign investors and foreign nationals, opening the land market and the luxury housing market to foreign investor-builders. It also changed the ways that public and private entities could engage in horizontal exchanges of property without the need for the state to act as intermediary on all transactions.

While establishing and recognizing private interests to sell and mortgage and inherit land, the state has maintained its capacities to appropriate land and compensate land users in order to pursue a wide range of developments. Unlike eminent domain in the US, these provisions also include the right of the state to withdraw land rights from users in order to build privately funded developments for the benefit of national economic development (Gillespie 2013). Further, the 2003 law created a dual pricing framework for land—on the one hand, the state created an official price set by the government on an annual basis and on the other, a market price. The law enabled the government to set lower compensation prices for land expropriated by the state but allowed market prices to dictate the sale price of commodified land, incentivizing foreign investment into the urban sector based on low land prices and potential gains. Many of my informants indicated that the reasoning behind this move was to discourage land speculation among rural land users who were not making improvements to land. This seemed a specious line of reasoning however, given the subsequent real estate boom period that saw developed land and luxury housing prices skyrocket in the mid to late 2000s creating a speculative luxury real estate development boom period. Under this reasoning, prices could speculatively rise if investor-developers *made improvements* on land, but rural land users could not if they were selling land as-is. An economist I met in Saigon at the time referred to this unique pricing scheme as the “primitive accumulation phase” of Saigon’s development, quoting Marx’s claim that capitalist development is not a natural effect of the division of labor, but rather proceeds by way of state enclosure of the commons.

The central government in Hanoi facilitated this urban development boom through not only land laws, but also through a series of decentralization initiatives and key changes to foreign investment law. Decentralization policies coupled with foreign investment empowered regions and cities to act entrepreneurially, converting state owned land and collective enterprises into urban economic development projects to attract investment and foreign capital. Gaining momentum in the mid 1990s, Vietnam’s decentralization policies have given greater governing authority to lower levels of government with respect to industry and urbanization. Vietnam differs considerably from the development of East Asian nations, particularly with respect to the fact that the central government has not dictated or directed industrial growth to a handful of state backed firms (Kim 2008), what scholars looking at developmental states of Japan, South Korea and Singapore have noted (Amsden 1994, Stiglitz 1996, Wade 2004).

With respect to urbanization, decentralization has had a tremendous impact on urban development. Decentralization in the Vietnamese context relates generally to the process

of marketization. In this light, it is understood as a reaction to the failures of the period of central planning 1975-1986. Decentralization includes all forms of restructuring that devolve decision-making power from the central government to province and local levels of government. For the production of the urban Saigon, decentralization of development approvals and planning unleashed new powers of the city and its districts. Kim (2008) argues that districts, cities and provinces became like “bureaucratic fiefdoms in which district leaders could develop their own investment and economic development strategies” (41). This, she argues, is also a central difference in development style from the tiger economies of East Asia (94).

Decentralization, however, does not necessarily roll out smoothly. Scholars point to conflicts between the central government in Hanoi and provinces and cities, where the center is thought to attempt to reassert control over resource rich cities, either as a way to control growth or to gain from it. Gainsborough (2010) reads attempts by the center to control appointments over key positions in Ho Chi Minh City in the early 1990s as part of a recurrent theme of tug of war between the center and the city. For example, in 1992, the National Assembly made an attempt to give the prime minister’s office the power to appoint the Ho Chi Minh City People’s Committee chairman, a position that is elected at the local level by the people’s city council (57). This effort failed.

While there may be battles for control over the city coming from the center, city and center are not always at odds with one another. Recent political battles between the Prime Minister’s office and the President’s office show lines of conflict within the same echelons of government with both parties calling upon political allies and leadership on both sides at the city and state level. Further, many members of the National Assembly and at the city level are directly involved in urban planning and private development. For example, Nguyen Sinh Hung, the National Assembly Chairman and #4 ranking politburo member along with his immediate family are said to be majority stakeholders in the SSG Group, whose primary interest is real estate development, but is also involved in mining, education and renewable energy markets. Their real estate interests lie in Ho Chi Minh City, where they own the Saigon Pearl, a luxury residential apartment complex in Bình Thạnh district, a project they won an allocated land use auction for with a bid of 850 billion VND from the Ho Chi Minh City People’s Committee. Hung’s daughter, Nguyen Hong Phuong, is the chair of the board. Linkages such as these suggest that lines of authority and privilege in the city are not separated by a national-local divide, but rather that national and city interests are entangled.

Changes in the land law, decentralization and new laws on foreign investment have enabled state agencies and individuals controlling land use to turn Saigon into an emergent property frontier for foreign firms. From 2003-2011, foreign capital poured into Saigon, making urbanization a primary mode of accumulation in the country. Urban areas have grown an estimated 27% in the period 1984 to 2007 (Douglass *et al.* 2002, McGee 2009). The Ho Chi Minh City mega region accounted for approximately 52% of all FDI received in Vietnam and 74% of all investment during that period (Douglas, *et. al.* 2009, Jung, *et. al.* 2013). Of the FDI that flowed into Ho Chi Minh City, 85% went into the property sector in 2007. During that year, considered the height of the real estate boom,

the real estate market saw FDI inflows of US \$2.1 billion out of a total \$2.5 billion registered capital (Jung et. al. 2013).

For the last fifteen years, rural and peri-urban land grabs have been a significant part of the national debate and a key subject of study among scholars. In the decade after the 2003 Land Law, the Vietnamese state expropriated over one-million hectares of land from farmers with land grab cases making up over thirty percent of all land disputes in courts and other official channels (Gillespie 2013). High profile cases of land confiscation to build privately funded luxury development have eroded public opinion about the state's use of expropriation powers. These cases have a powerful effect on the national debate about corruption, a subject I take up in chapters three and four. The government has responded by incrementally raising compensation rates over the last ten years. However, recent struggles over compensation prices and cases where farmers have engaged in armed resistance with police enforcing government land grabs reveal that the issue of state expropriation remains a highly contentious issue. The recent 2014 Land Law which took effect in July of 2014 has limited the number of circumstances through which the state can expropriate land, indicating that state land clearances can only occur under projects that have been approved by the National Assembly or the Prime Minister's office or relevant provincial people's council, although the effect of such laws remains to be seen. The purposes of land clearance have been limited as well to infrastructure construction, new urban zones, industrial complexes, urban renovation, social housing development, sports, culture or amusement parks. However, some of these terms are ambiguous and open to interpretation.⁶

In this chapter, I have sought to provide a brief overview of Saigon's development within the context of changing land regimes throughout Vietnam's history. I have also sought to provide some background information about Vietnam's current government and legal structure with respect to land and real estate development. To this end, I have covered major periods of Vietnam's and Saigon's development, including a brief history of pre-modern Saigon, land management under the French colonial period, the rural-urban interface in the period of the first and second Indochina war along with postwar socialist development and contemporary urbanization under *đổi mới*. This background serves to situate and contextualize my later arguments about the multiple values and reform agendas at work in Saigon's urbanism, based partly on a multitude of conflicting historical legacies.

⁶ Allens Pte. Ltd., Vietnam Legal Update, February 2014, edition. URL: http://www.vietnamlaws.com/vlu/feb_2014.pdf, (accessed 10/21/2015).

Chapter Three. Opacity

3.1 Before the law

“With restriction comes privilege” Hai said with a knowing grin. He raised his cocktail glass to take a sip. I was first introduced to Hai through Binh.⁷ Binh knew that we were both alumni of the University of California, Berkeley and thought that this connection could translate into a fruitful relationship. Both Hai and Binh are *Việt Kiều*, or diasporic Vietnamese who have “returned” home. Both are part a class of returnees who are often highly educated and comprise an important part of economic growth in Vietnam’s cities. *Việt Kiều* are typically fluent in Vietnamese and English, and sometimes French. More importantly, they have cultural fluency and key family ties that enable them to operate as critical intermediaries, experts, and advisors in matters of business, government, and policy on a wide range of issues. I met both at Vesper, one of the new swanky bars along Tôn Đức Thắng Street, straddling the Saigon River in the central business district of Ho Chi Minh City, Vietnam known as District 1. The bar sits on the bottom floor of the Landmark Hotel. Built by Hong Kong and Shanghai Hotels Ltd., it is one of a handful of first-class hotels overlooking the river. I suggested meeting at Vesper, based on a friend’s recommendation that it was one of the few places to get a proper cocktail.

Hai began working in top-level management for real estate development firms in the country starting in the early 2000s. In his most recent stint, he managed the development of what will be one of the largest buildings in the city. Binh is the CEO of a real estate development firm whose parent company is among the most prominent private landholders in the city. The parent firm has developed real estate and infrastructure in the city including housing, well-known luxury restaurants, hotels and shopping malls, in addition to some of the most iconic buildings that dot the skyline. His firm does the conceptualization, planning, legal and government permissions work for potential and newly acquired projects. Binh also oversees the process of bringing projects to the construction phase in concert with the regulators in the city.

Hai is a man in his late forties. He is dressed casually wearing worn-out white sneakers, jeans, and a button-down shirt covered by a light rain jacket to protect him from seasonal downpours. Hai’s attire reflects his work. He moves in and out of offices and construction sites. He is as likely to be seen at a construction site to supervise the installation of a key piece of construction infrastructure as he is to be at his office, negotiating land purchases or perusing legal documents. Binh is also in his early forties, dressed more formally in business attire. Over cocktails, they shared their perspectives on real estate development in the city with a particular focus on the regulatory and legal environment.

What stands out in our conversation is a statement that Hai makes with ease. It is a phrase that I would hear him repeat frequently in later conversations, “With restriction comes

⁷ Interview with Hai and Binh, 4/30/2013.

privilege.” It is Hai’s way to discuss the differences in urban law and regulation, specifically extending to developers who have been practicing real estate long enough to know that connections to government are cardinally important to the trade. Hearing his accounts of extralegal negotiations with government agencies is new terrain for me. While my encounters with city and state planners, architects, and government officials had been fruitful, they generally confirmed what I had learned from the press. The state heavily monitors the press as it does policy documents circulating the city that provide official statements on planning, regulation, and “balanced development” in the city. In these documents, the state can sometimes be a strong critic of planning failures. Critiques take the form of “self criticisms” or come in the form of joint studies between multilateral development institutions and government agencies like the Ministry of Construction. What is surprising is that official reports detail the needs for greater transparency in city and state bureaucracy in addition to the need for a reduction of “informal” or nontransparent means of developing the city. While the state has always admitted that it needed to curb these informal, non-transparent practices, these reports revealed little about how these practices contributed to the production of the city, much less whether and why they were effective at doing so. In my conversation with Hai and Binh, I was hearing firsthand a different take on development, where the state of official planning was being pulled back for me to see.

Hai described the business environment structured by the negotiability of the law and by different regimes of regulation in Saigon. By stating that “With restriction, comes privilege,” Hai’s contention was that the law enables as much as it restricts conditioned by who one is. The statement reminds me of the difficulties of navigation and negotiation. I had just recently paid a traffic officer a “fee” of VND 500,000 or USD 25, for not using my right turn signal while I waited at a traffic stop with two hundred other drivers who also did not use their right turn signal. I was later told that the price I paid was too high and that I should have negotiated the fee down. This person also told me that traffic police pay for the rights to manage certain traffic areas where they set up shop to collect cash “fees.” In that moment, I realized that I could hardly negotiate a few *đồng* off a traffic violation much less negotiate exceptions to the law.

Hearing Hai’s descriptions of the law’s negotiability, I felt like Franz Kafka’s man “Before the Law,” without a clue about the rules of the game in front of me. In the parable, a man from the country finds himself before the gates of the law only to be thwarted by a gatekeeper. The gatekeeper informs the man of two things: one, that he is unable to pass at the moment and, two, that there are more gates to the law each with bigger and more frightening guards. The man waits for years at this gate, exhausting his entire fortune in bribes to the guard. The guard takes the man’s money telling him he does so only “so that you will not think you have failed to do anything” (1998 [1914]: 213-215). Ultimately, the man waits his entire life. As he takes his last breaths, the man whispers one last question to the gatekeeper: “Everyone strives for the law, so how is it that in these many years no one except me has requested entry?” The gatekeeper replies, “Here, no one else can gain entry, since this entry was assigned only to you. I am now going to close it” (215).

Like much of Kafka's work, the parable presents a central dilemma in late modernist thought. The law remains inaccessible only if those that seek it assume it is universal. An inability to access the law is not due to a lack of will, fear or barriers to entry. Rather, the assumptions one brings to the law foreclose the possibility of a through passage. The interpretations the man brings to the table, or in the case of Kafka's protagonist, his belief in the power of the guard and the gate, fundamentally alter the objects in question, such that his uncertainty keeps him perpetually waiting in vain. The man before the gate fails to recognize that the entranceway is specifically for him. The law is exceptional, not universal.

The Kafka parable illuminates the case of law and regulation in Saigon's property development arena. Like the parable, Saigon's development laws, in principle, are full of impossibility and restrictions. In 2013, the global law firm Baker & McKenzie conducted a study of the city's land, property, and real estate law. I met Sara, an attorney from that firm for lunch. An American from California, she had been living and working as an international lawyer in the city for over five years. She shared her story over a table of dim sum with a small group of friends to discuss her work. She said that she had been in a staff training, reviewing an internal study. The study found that to legally follow the regulatory processes necessary to acquire land, a large urban real estate project in the city could take up to seventeen years if the letter of the law was to be followed. Most at the table laughed in response, for they all knew that in reality large real estate projects have been completed in shorter time frames. Stories like this were a regular fixture in conversations amongst professionals I met in Saigon; statements about the paradox of local government and legal and regulatory orders. In Saigon, access to land and development rights depends on the developer's ability to negotiate entry through the gates of the law and to negotiate with its gatekeepers who, like the parable, create conditions tailored to the individual and the project.

Privileges are afforded to local developers, who have political connections, cultural know-how, and access to international finance that allow them to coordinate the host of variables necessary to develop large-scale real estate projects. Kafka's parable shows us that the protagonist, who sees himself as helpless before the law, is the only one who can be critiqued, for he alone fails to recognize that the law itself is carved out specifically for him as his privileged space. His misrecognition hinges on his assumptions about the universality of the law, which forecloses his ability to get to the other side.

Hai, and his peers, unlike Kafka's protagonist, are keenly aware of their unique skills and positions. In fact, their livelihoods depend on this position. Similarly, successful foreign developers in Saigon rarely make the mistake of assuming that the law is universal. Notably, these are developers from the Vietnamese diaspora and from within the Asian region: Taiwan, South Korea, China and Singapore. During my eighteen months in Saigon, many of my interlocutors working in real estate development firms pointed out that their companies created entire divisions devoted to "negotiating" with gatekeepers of laws and regulations. If not done in-house, negotiations were subcontracted out to the real estate consultancy whose sole purpose is to assist foreign investment firms by providing political connection and necessary grease to expedite and/or bypass regulatory processes.

This kind of consultancy is a mainstay in Saigon's urban scene. Jongsook, a project manager for a Korean firm that called itself a "middle income" housing developer, described its reliance on a consultancy in the early stages of its work in the early 2000s. The firm worked with this consultancy until it had enough connections and resources to build a department in-house for the same purpose.⁸

Many criticize the opacity of the legal framework in Saigon's property development arena because they view it as an avenue for the proliferation of corruption. Among these critics are multilateral institutions like the ADB and World Bank.⁹ These critiques proliferate in debates on Saigon's urbanization and property-based development that are seen as coming about through either corruption or poor design and coordination. But these critiques are based on understandings of property relations, democratic rule, and individual freedoms interpreted through the history and political economy of the North Atlantic. As I argue in depth later, these North Atlantic framings obscure what are highly innovative and adaptive recombinant processes that exist at the intersection of socialist and capitalist norms, particularly those processes that foster movement of global capital in the form of foreign direct investment. More importantly, foreign investment into urban projects does not solely entail the movement of money. Rather capital is accompanied by different models of development, styles and expectations of governance, and planning and architectural forms. In this sense, what I call "regulatory opacity" becomes a flexible way to govern and manage the production of space with respect to these differences. It is a tactic in which every parcel of land and the building atop of it can be made exception to the law. In essence, those granted access to development are given their own gatekeepers to negotiate with. Whereas "the law" belongs to a longer genealogy of legal thought shaped by history and geopolitics, my goal here is not to expound upon the historical development of any specific law or legal principles. Rather, here I examine the law's role in contemporary urban development and its permutations in the service of urbanism.

Given that highly particularized relationships embed the law and the law is embedded in these relationships, many in the property development game tie their economic futures to the political futures of individuals holding high-ranking state positions. Martin Gainsborough has noted the importance of "central umbrellas" (*o du*) or political friendships that move up the food chain, including with those at high-levels of city or central government (Gainsborough 2010, 57). As he points out, often times, these relationships only come to light during political conflict or when competition between central government and high ranking city level government officials and agencies over jurisdictional control over city development get exposed. Saigon's form of urbanism relies on political speculation, not only on the speculation on property. More importantly, Saigon's urbanism relies on the application of different values and rationalities of governance. There are firms that have fallen by the wayside as casualties of political battles between politicians at the highest levels of government or between different agencies within the government hierarchy. Often, these casualties arise during key transitional moments before party congresses or at the highest levels of government

⁸ Interview with Jongsook, 7/15/2013.

⁹ See "Asian Development Bank Country Strategy and Program Midterm Review, 2007-2010." Asian Development Bank, Manila, 2009.

during periods of political shakeup. Corruption cases, for example, are cyclical in nature according to one of my informants. Rather than avoid real estate development entirely, firms engage with risk that can lead to great rewards and success for some. In other cases, the law is not a one-way street as there are those gatekeepers who see either political or financial opportunity in the kinds of improvements foreign actors can bring to the city.

In this chapter, I describe the practices that I organize under the logic of opacity. I explain how state agencies and actors, developers, construction firms, and foreign investors negotiate the city and nation's array of urban development regulations and legal frameworks in their attempts to reshape the city. I do so by tracing current regulatory and legal practices in Saigon's urban development arena. This examination provides a contemporary counterpart to earlier historicization of key legal and social reforms that have taken place since the 1986 policy shift to *đổi mới* (renovation). As such, my aim here is to theorize late socialist legal and regulatory practice in relation to urban production. I also discuss ways in which reforms have structured practices of city making that occur between state agencies, developers, and a host of Asian foreign investors who bring capital and models of urban development from their respective home countries. Finally, I discuss the theoretical origins of legal and regulatory opacity.

3.2 Regulatory and legal opacity in urban development

Regulatory and legal opacity in urban development is structured and influenced by a number of factors, which include legal changes and historical developments. I will discuss some of them here.

Land Laws

The 1997 and 2003 land laws have compartmentalized land ownership in the country by effectively separating ownership from use rights. In its 2003 iteration, Article 5 of the law on the ownership of land states:

1. Land belongs to the entire people with the State as the representative owner.
2. The State shall exercise the right of disposal with respect to land as follows:
 - (a) Decide land use purposes by passing decisions and by considering and approving land use zoning and land use plans (hereinafter referred to as land use zoning and planning);
 - (b) Decide the quotas on allocation of land and on duration of land use;
 - (c) Decide allocation of land, lease of land, land recovery, and permission for conversion of land use purpose;
 - (d) Determine land prices.
3. The State shall exercise the right to regulate sources of income from land through financial policies on land as follows:
 - (a) Collection of land use fees and land rent;
 - (b) Collection of land use taxes and taxes on income from assignment of land use rights;
 - (c)

Regulation of increased value of land not accruing from investment by the land user.

4. The State shall grant land use rights to land users via the form of allocation of land, lease of land, and recognition of land use rights for persons currently using the land stably; shall regulate the rights and obligations of land users.¹⁰

The law explicitly maintains state ownership over all land. But it creates a land market that is mediated by the state through land use rights (LURs) which are further subdivided into different classifications. In Vietnam's cities, these classifications typically come in the form of allocation, recognition, or leases. Allocated land is the closest approximation to freehold land assets and is, by law, only available to 100% domestically owned entities.¹¹ These land use rights can be subject to a land use fee, but this is at the discretion of the District People's Committee. Recognized land use rights are also only available to domestic or national entities, which may also involve discretionary fees. Land leases are the most common type of land use rights and are the only kind of land available to foreigners. Leases are typically held on terms ranging from twenty-five or fifty years with renewal at the discretion of the District People's Committee or other relevant body. Land leases may be subject to land use rent.

Foreign investors who lease land must first establish themselves as a foreign investment company (FIC). They must obtain land from the government or from a lessor who has allocated land use rights. Typically, foreign companies, through joint ventures, develop land where the local partners contribute an allocated classification of land use right as their portion of capital contribution to the partnership. Local partners can include state-owned enterprises, private domestic firms, and state governmental units.

Land use rights are connected to specific development outcomes through land use designation, requiring any changes to development plans to undergo state oversight and approval. Oftentimes, this requires the transfer of land use rights back to the state, who then reissues land under the changed designation. Foreign companies are further classified into land use rights holders based on arrangements that are considered "annual" or "one-off." Under an annual arrangement, FICs are unable to transfer or sublease land use rights and must use land according to designation set by the state. However, they are permitted to transfer assets attached to land. Under the one-off arrangement, FICs have rights to transfer and sublease land along with assets attached to it. They may also use the land use rights as capital for joint ventures. Furthermore, FICs have rights to mortgage land use rights during the lease. Under the land law, land prices are set by the province or city level people's committee. There are guidelines that instruct people's committees in how to set land prices, but this serves as a point of contention, particularly in cases where farmers have protested land compensation rates for government sponsored projects. Buildings and other assets attached to land, along with use rights, are combined into a building ownership and land use certificate (BOLUC). Most assets attached to land can

¹⁰ Law on Land, No. 13-2003-QH11, National Assembly, Republic of Vietnam, 2003.

¹¹ The 2014 version of land law grants foreign companies the privileges of ownership who, upon approval, can enjoy allocated and recognized land use rights.

be privately owned and traded. Due to these changes to the land laws, large portions of available land in and around the central business district of District 1 belong, or have belonged, to various state agencies such as the Ho Chi Minh City People's Committee or national military units.¹² As I later argue, the laws themselves are not as concrete as they appear. The National Assembly earlier announced that it would update the land laws each year starting in 2008, but did not do so until 2014. Legal analysts have suggested that the government has struggled to match the land law to existing practices across all cases and is reluctant to delimit these practices by codifying clarity in the law (Gillespie 2005, Sidel 2008).

3.3 Decentralization

Decentralization is another major structuring factor contributing to the practices that I organize around what I call opacity. Decentralization in the post-1986 reform period has been recognized by the central government as a necessary step of reorienting the country to market logics. In order to foster investment and growth, authority over planning, expenditure, and investment were devolved to smaller scales or administrative units. This proved to be a boon for resource-rich provinces and city people's committees, which were suddenly empowered to direct economic development. With respect to land, people's committees at the city and concomitant province level were given autonomy over planning, infrastructure expenditures, land allocation, investment along with a host of local level reforms, enacted by issuance of decree or through interpretation, known as circulars, of central government decrees (Gainsborough 2010).

The Ho Chi Minh City Department of Architecture and Planning (formerly the Chief Architect's Office) designs master plans for the city and designates land use. Each of the districts within the city are also responsible for producing their own detailed plans, oftentimes, interpreting the broad plans of the Chief Architect's office differently. Each district's plans provides details about where key infrastructure will be located along with details about individual land plots. According to Annette Kim (2008) decentralization allows districts to behave like "bureaucratic fiefdoms" where district people's committees and leadership can create and implement their own economic development strategies and district master plans became a "bit like the district's wish list" (Kim 2008, 41-43). These decentralized empowerments occurred alongside reductions of revenue streams between the central government to the city and district level, thus incentivizing districts to act more entrepreneurially to secure growth. To this end, authorities at both the city and district level have incentive to use resources available to them to ensure growth and development of their districts and governmental units. Without large amounts of capital, districts utilize their newfound control over land allocation and planning to lure private investment both domestically and abroad. Many of the prominent urban development projects in the city during the early stages of Saigon's post-reform urbanization in the

¹² For example, the retired Ba Son Naval Yard rests adjacent to prime real estate in District 1 next to the Legend and Le Meridien Hotels and is currently a premiere site of property speculation by a number of development suitors.

early to mid-1990s took the form of a joint venture between a state-owned company using land as invested capital and a partner bringing development capital to the project.

As a number of scholars have noted, decentralization has resulted in a great deal of uncertainty due to overlapping authorities, lack of bounded roles and responsibilities, as well as uncertainties caused by a legal system based on moral decree (Gainsborough 2010, Sidel 2008, Kim 2008, Gillespie 2005). Many of the developers I spoke to commented on the uncertainties of master plans, noting that master plans were constantly being updated to account for new developments that did not follow previous iterations of the plan. In other words, master plans essentially operated backwards by conforming to the past rather than projecting onto the future. This was further supported by claims about the need for developers to constantly be in conversation with city and district level authorities to protect investments and to hedge against sudden changes to the plan.

In this vein, Kim (2008) chronicled the rise of an entrepreneurial developer class responsible for the built environment in Saigon after these new land laws came into effect. Kim notes that there are strong ties between this class of investor-developer and state agencies that were central to the creation of a land market in Saigon. As Kim writes,

In the case of HCMC [Saigon], political connections and social networks permeated all of the activities of entrepreneurs. This is necessarily so because the state still retains considerable oversight of the economy and controls land use, so much so that most experts have assessed Vietnam as an impossible place to invest. It would be impossible if one were to follow a textbook model of business decision-making (33).

For Kim, these uncertainties required the establishment of complex social networks, where informal ties between investors, developers, planners and agents of the state could share information and create just enough conditional certainty to mitigate these risks. Kim employs social cognition theory to interpret her findings, a topic I address later in the chapter.

3.4 The Ba Son shipyard

Rising land prices and the possibilities of profit compel different state agents to either sell their landholdings to the highest bidder or engage in city making directly. A case in point is the Ba Son naval shipyard, the former shipbuilding site of the pre-colonial Nguyen Dynasty (1802-1945) and later the *Arsenal de Saigon*, a military shipbuilding dock under French colonial rule. The site has been memorialized in official historical narratives due to a workers' strike against the French in the 1920s. The strike was led by then-mechanic Tôn Đức Thắng, who would later serve as president of North Vietnam (1969-1975) and unified Vietnam (1975-1980). The street along the Saigon River that curves around the shipyard's southern border is named after Tôn. The Ba Son shipyard is still a military installation on twenty-two hectares of land, resting on one of the last continuous pieces of land slated for development in the central business district. The primacy of its location is

crucial here as it rests on the edge of the Saigon River in the northeast corner of District One. The site is adjacent to a row of four-star hotels to the south, along the river and is walking distance to downtown. It is also connected to the future site of the proposed Thu Thiem bridge, which connects downtown Saigon to a new planned luxury district across the river.



Image 7: Concept drawing, Ba Son Shipyard development. Drawing by Siaplan Architects and Planners, 2014.

Through two of my interlocutors, I learned that the Ministry of Defense had been looking for investors and project fundraisers for a large-scale project for many years. But, there were problems with the site itself, one of them being the infrastructure necessary to build multi-story units would make the project costly, given its proximity to the soft sediment next to the riverbed. If developers wanted to build a project according to the demands of the Ministry of Defense, the site would require very deep piling—a process of driving foundational supports deep into the bedrock and driving the project cost into the multi-billion dollar range. One informant told me that attracting competent investors willing to put forward the amount of cash necessary to make improvements to the land would translate into a lower price for the land, and a lower capitalization of the land use right. However, I was told that those high up in the Ministry of Defense were keen on commanding a high price or capitalization rate for the land and were also holding out for an investor willing to put in the infrastructure for high-rise construction.

Finally in March 2015, the project found investors when the South Korean firm Eunsan and the Singaporean firm OUE committed approximately US\$5 billion in investment capital. The Ministry of Defense put forward its recommendation for the local partner approved by the prime minister—the Ho Chi Minh City Investment, Service and Trading Company. The project needs approvals from the city, the Ministry of Defense, and the Prime Minister's office. These government bodies approve a local developer to lead the project as well. A foreign investor must meet the demands of all of these actors in the

deal—a difficult task. As of July 2015, the Ministry of Defense has proposed that the City Chief Architect’s plan for the complex include an additional 3,000 resettlement apartments to be distributed to affected residents at market prices.¹³ Under the adjusted plan, the population of the 22-hectare complex will increase from 5,400 to 11,593 residents. The ministry’s proposal for additional apartments means that the development’s structures will require taller buildings, affecting the infrastructure development of the entire site.

The Ba Son Shipyard is an example of state agencies using their control over the supply of land to engage in city making by selling their land use rights to the highest bidder. The state’s control over the supply of land, its intended use and its transfer to private interests, along with decentralization policies create what You-tien Hsing (2010) describes as “socialist land masters” in China’s urbanization. These land masters are a class of entrepreneurs who are either connected to the state or are agents of state, exercising their control over state-owned land and political power, to coordinate development and capital. This coordination does two things: it works to meet national and city economic development goals and benefits respective political agencies, politically and economically. While state-owned companies engage in developing land and real estate in the city, state agencies holding land often seek outside expertise and must therefore coordinate development through multiple local and foreign private interests as well. This establishes relationships foundational to urban development between the state, domestic land developers, and foreign investors. It is the nature of these relationships that set the stage for what I call regulatory and legal opacity.

3.5 Opacity as a mode of reform

I define regulatory opacity as a set of conditions whereby there is a lack of clarity in: 1. The interpretation of a written regulation or law; 2. an abundance of regulations or laws such that there are inconsistencies as well as contradictions between them, what Nam (2014) refers to as “overregulation”; 3. the enforcement of the law—either through selective enforcement, through a particular interpretation, or an over- or under application of the law; and 4. the absence of a critical regulation or law in matters that appear to require one.

Hao explained the conditions for opacity. I was introduced to Hao through Huy, the friend who refers to Saigon as a “city without history.” I met Hao at his office in District 7, otherwise known as Phu My Hung. Hao is a man in his late forties, a practical man who does not care for small talk. He is responsible for planning and executing approvals for new real estate development projects for a large private real estate development firm behind a number of large-scale residential projects. The firm is now engaged in new-town development and land infrastructure projects. He instructed me to ask him all of my questions up front. He listened intently, asked a few clarifying questions and then took me into a conference room. Taking out a marker and drawing on the whiteboard, he

¹³ Quang Chung, “Defense Ministry Wants 3,000 Apartments in Ba Son Area,” *Saigon Times*, Ho Chi Minh City, June 17, 2015 URL: <http://english.thesaigontimes.vn/41474/Defense-ministry-wants-3000-apartments-in-Ba-Son-area.html>, (accessed 6/22/15).

began to visually map out what he called a “very confusing legal situation” to explain developing land and real estate in Vietnam. Hao described a process that required sifting through a myriad of regulations; regulations that conflicted with each other. Adding to the confusion were the vagaries of enforcement. In some cases, regulations were ignored. In others, they flared up and created problems for developers and landholders sometimes ten to fifteen years down the line. Such conflicts and vagaries of enforcement opened up opportunities for negotiation. Hao drew a diagram and pointed to different nodes on the whiteboard explaining it as such:

Each of these [government ministries] has separate circulars, decrees and announcements and management. So if we take the land, the five systems don't match together. Never you can deal with this, because nobody agrees. This decree will be different from this decree will be different to this decree. So it's very confusing. That's why the first thing is western investor from America is they never—they are scared to invest—because this is very difficult to navigate. So when we make a concept, we typically just go directly here [points to the Ho Chi Minh City People's Committee] or here [points to national level ministries and the state executive office]. If we have a large-scale project, we go to the [Ho Chi Minh City] People's Committee or province or we go to the national government to get our project permissions. After that, just one decision is made and we bring that decision down the ladder to the technical agencies.¹⁴

While there are important differences in both perception and practice of regulation, all real estate and land developers agreed that city making at any level was not possible without establishing and fostering what they referred to as “personal relationships” with government officials and regulators. Many approvals must take place at each phase of a project via a number of departments, ministries, and agencies which must cross various levels of government. For example, a Ministry of Construction exists at the city and national level. The prime minister must approve any large project or project involving land belonging to a national entity such as the Ministry of Defense. There are planning agencies at the city and national levels as well such as the Departments of Architecture and Planning, Investment and Planning, Natural Resources and Environment. My informants state that each of these stops along a project's completion path can become an obstacle; waiting times for approval or rejection of a plan threaten firms that do not follow “accepted customs.”

¹⁴ Interview with Hao, 5/13/2013.

This assessment echoes what Kim (2008) describes as a “labyrinth of bureaus” or departments that have the power to issue development approvals. Kim emphasizes the importance of a real estate firm’s social networks and political connections.¹⁵ In the same interview, Hao admitted that he must maintain relationships with practiced knowledge of

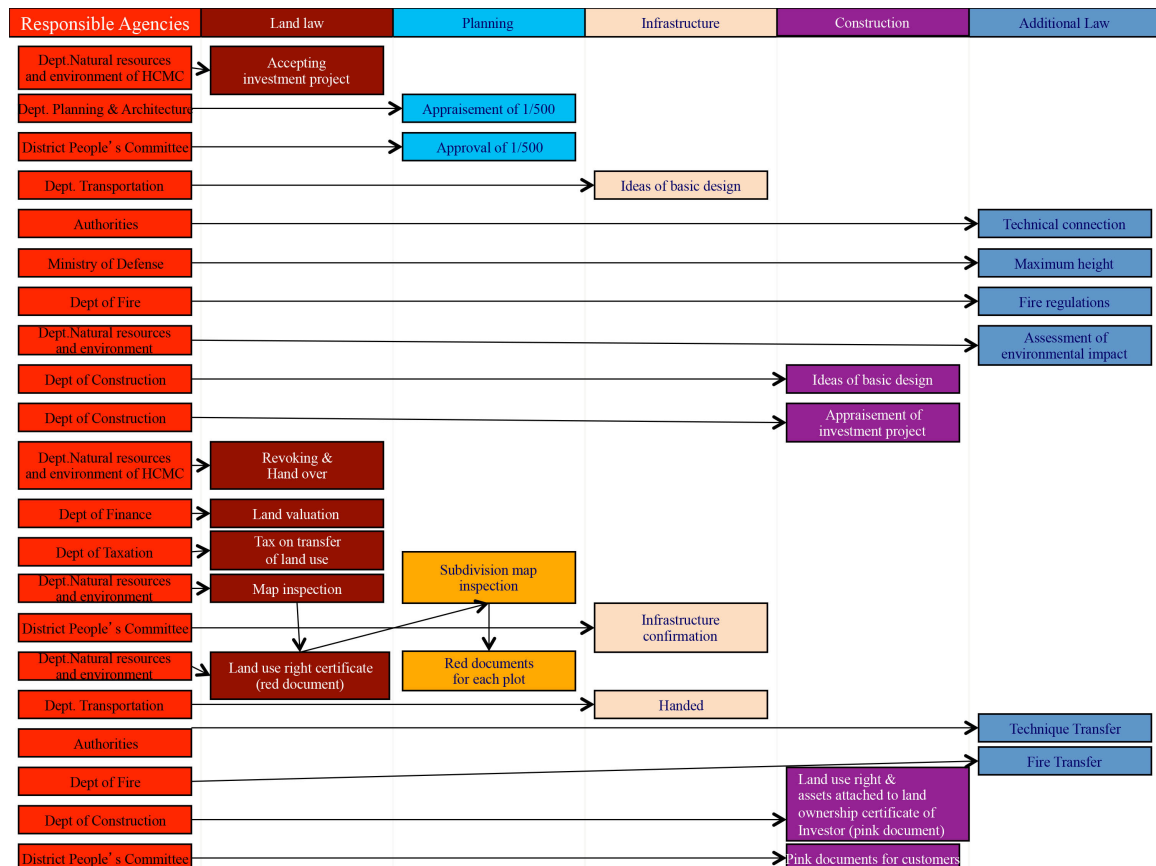


Image 8: A real estate company's internal training slide of approval processes and agencies responsible for new projects, 2013.

hierarchies of authority in sight. Sometimes relationships with people higher up the political food chain allow him to bypass lower-level regulatory bodies and legal frameworks. In other instances, lower level agencies and bodies have enough autonomy to remain unthreatened by higher ups. Thus, the competent developer “cross-fertilizes”¹⁶ his connections across multiple scales of government and across different governing bodies. Sometimes these relationships are maintained through one-way or two-way gift exchanges, or commonly in the form of cash gifts, “fees” or bribes, favors or other mutually beneficial arrangements. In other cases there are informal *li xi* or lucky money, in red gift envelopes with varying amounts of cash given during various holidays or important events. Others have indicated that they maintain friendships by exchanging

¹⁵ While Kim (2008) confirms that social networks and political connections are fundamental to Vietnamese urbanization, particularly with respect to early forms of land development in the post-*đổi mới* era, her research also shows that firms less politically connected could still compete by exhibiting other advantageous behaviors/actions.

¹⁶ Interview with Hao, 5/13/2013.

important information and opportunities with one another, like pre-released master plans or development decisions, to seek out mutually beneficial outcomes and invest in maintaining the friendship beyond the life span of the project itself. Pre-public planning information is a key way for developers to ensure that they can purchase land at a cheap price before others invest and before land use right holders know to hold on to those rights to drive prices up.¹⁷ These relations also ensure that the external conditions influencing their land and infrastructure investments are not subject to change.

3.6 “Problematization” and modes of reform

It is possible to see legal confusion and opacity as corruption or crony capitalism. While a reading of these practices as corruption is certainly justifiable, I argue that corruption forecloses other ways of seeing that better explain the unique capitalist growth patterns in Saigon’s urbanism. The failure of the corruption category as an analytical explanation for Saigon’s spectacular growth, thus, requires the researcher to “problematize” the city. Following Foucault, Paul Rabinow (2002) describes problematization as a way to structure inquiry under conditions where established categories fail or are in crisis, when they are made uncertain or where there are new emergent phenomena that have yet to be named and are yet to be made intelligible. In times where phenomena challenge certainty, problematization “does not mean the representation of a pre-existent object nor the creation through discourse of an object that did not exist. It is the ensemble of discursive and non-discursive practices that make something enter into the play of true and false and constitute it as an object of thought (whether in the form of moral reflection, scientific knowledge, political analysis, etc.)” (Foucault (1994) in Rabinow 2002, 138). In other words, problematization is how situations and things become intelligible and how they are framed and formatted to produce and be produced by the exercise of relations of power. Often phenomena and situations are made legible instrumentally—that is, diagnosed with solutions to problems already at hand. According to Rabinow, this pragmatic approach fails to preserve a sense of possibility—that there are multiple and often contingent renderings of problems to be analyzed. He points out that the task of the analyst in such a situation is “not to proceed directly toward intervention and repair of a situation’s discordancy but, rather, to understand and to put forth a diagnosis of ‘what makes these responses simultaneously possible’” (138).

It is with this notion of problematization that I attempt to depict practices that would otherwise easily fall into the category and framing of corruption. To be clear, I am not arguing that corruption is absent in Vietnam. Corruption certainly exists. But the framing of activities as corrupt analytically forecloses other productive descriptions. In this case, the corruption analytic forecloses a key set of rationales and practices that are generative of important parts of the Saigon and Vietnamese economy, especially when it comes to

¹⁷ See Erik Harms’ recent work for a description of land clearance, compensation and different valuations of land that occur in the process. Erik Harms (2012) “Beauty as control in the new Saigon: Eviction, new urban zones, and atomized dissent in a Southeast Asian city” in *American Ethnologist*, 39(4): 735-750 and (2013) “Eviction time in the new Saigon: Temporalities of displacement in the rubble of development” in *Cultural Anthropology*, 28:2: 344-368.

the built environment. These forms of growth as they exist in their finished form are ironically celebrated by the very institutions that adopt and advance corruption narratives; for example, the World Bank or ADB. The corruption framing produces programs of intervention—solutions based on the diagnostic character of their framings. When read as corrupt, these interventions produce a set of reforms aimed at minimizing the prevalence of corrupt acts occurrence through policy, new legislation, regulations, new enforcements and organizational shakeups. I explore the relationship between a corruption framings and the reforms that grow out of them in the urban development arena in chapter four. This chapter brackets the corruption reading and attempts to describe these practices under a different possibility—what I have termed “opacity.” Opacity offers a reading of the city dependent on different assumptions of value. These *regimes of value*, what Ong (2005, 2011) defines as the intertwining of ethics and intervention, in turn produce distinctly different programs of intervention—what I call “modes of reform” or “reform modalities.”

I observe opacity in the circulating narratives and material practices of urban development schemes. My informants were engaged in an ongoing, sometimes almost incessant, conversation and rumor mill on the details of specific city projects, processes, or players. In these informal conversations, my informants would cross reference what they had heard with each other: who owns what, what connections did they have, how much liquidity did they have available for a project, who fundraised and from what foreign sources, who consolidated land use permits, what officials are unofficially backing a project, which relatives of high ranking officials are working on this or that development and so on.

For example, two of my informants Duc and Thanh, invited me to lunch one day. Once there, the topic of government fees came up. They had a brief conversation comparing notes about how much they have typically gifted local officials for attending groundbreaking ceremonies or holidays. Duc, who travels back and forth between development projects in Hue and Saigon, talked about the amounts of cash gifts given to local officials in Hue for attending his hotel’s groundbreaking ceremony. He reported that he gave one official about USD 200 for showing up. Thanh responded incredulously, “Really? That much?” shocked at what at first glance appeared to too high a price for just a show of face. Duc then explained a longer history with these officials in Hue and his family’s company, explaining that these gifts were part of their yearly budget to maintain relationships and to mitigate against future risks. Duc noted, “Sometimes we just give away the money, but sometimes it comes back to us ten times.” Duc explains that these are “good faith” preemptive gestures that can go a long way when projects hit snags or difficulties.¹⁸

These practices and narrations are not just strategies that benefit the developer. They also reinforce the structural conditions that allow investment capital to flow into the city. Hao, who described the legal situation in Saigon as confusing, refers to unofficial business practices such as “relationship building” as discouraging Western investors from engaging in property development. While the land development economy has players

¹⁸ Fieldnotes, 10/18/2012.

from East and Southeast Asia, it has remained the purview of local developers to navigate the regulatory and legal environment of urban development in Saigon. Hao comments:

Usually, up to this point it is Vietnamese investment—for Vietnamese developers—because only Vietnamese people can understand how to do this—because foreigners are scared to do it. When it comes to handling the paperwork and preparation, we don't pay a lot for paperwork, and not so much for reparation or resettlement for the land...but under the table we pay so much. That is why Western people are not doing things here, they are not accustomed to it. This is why Vietnamese developers are so important, because they can handle it.

What Hao describes here is how relations with city and state regulatory agencies structure the way production occurs in Saigon's land development market. As noted earlier, it is a common sight for a foreign investor paired up with a local developer. The foreign counterpart provides capital or construction and specific development skills and models or both, while the local developer provides land use rights as part of its capital investment into a joint-stock partnership or coordinates land acquisition and negotiates with regulatory and political bodies or both. The local developer-foreign investor coupling is one arrangement available to foreign companies. Dozens of consulting firms in the city for the sole purpose of providing foreign investors with the political know-how and connections to the appropriate officials for a substantial fee.

For example, I met with Youngki and Jinsung, the chairman and project manager for a Korean firm that was exploring a relatively new concept for Saigon: middle-income housing. Most Korean real estate developer-investors coming to Vietnam in the late 1990s and early 2000s made windfall profits because of two factors: the availability of land in the city at an affordable price and a high demand for luxury housing driven by Saigon's newly minted elite capitalist class. A second wave of Koreans came to Saigon, its momentum powered by optimism about the market only to arrive and find that the real estate market began declining after 2011 due to a number of factors, including an oversupply of luxury housing and bad debt in the financial sector caused by real estate speculation. Independent Korean firms, with no real ties to bilateral government deals, had to pivot and find niche markets at razor thin margins to survive. In this case, housing demand was still extremely high at the time, but not only in the luxury market. The problem was that what qualified as "middle income" represented a significant drop off in price from what counted as high-income. This firm used some of its architectural knowledge to try to find cheaper but adequately strong building materials to create housing that could be affordable to a lower class of buyer than what most real estate developers were making profits on—luxury developments. But to date it had lost money on its projects. As a result, Youngki and Jinsung told me that the firm had to cut ties with the consultancy it had been using to provide government connections and ensure regulatory compliance. They had decided to try to build these connections and services in house to cut down on expenses. While they reported that they initially had a difficult time

finding the right staff to do the job, they eventually were able to fill the positions and competently integrate this aspect of their work into their firm.¹⁹

While this Korean firm eventually was able to build in these political consulting services, what stands out here is that there is a specific kind of practice and knowledge that is difficult for foreign firms to build into their own companies. In the case of this Korean firm, it had to work with a consultant for a number of years before it had both the confidence and wherewithal to build these services in house.

Furthermore, practices described as “relationship building” or “greasing” are not necessarily seen as excessively costly or problematic, nor are they necessarily acts of pure corruption. In my interview with Hai and Binh, both described the process as such:

Hai: Navigating the circulars, decrees, different bodies—I am the one on the ground, the one who deals with that every day. I am the one who greases projects—right now in three different places. One in Vung Tau, one in Mekong Delta and one in District 6 Ho Chi Minh City. I am the one who deals with that ... Some of the local level corruption are really done in extortion in a sense that everywhere in the system there are conflicts that create these frictions and unnecessary slow downs, and so you grease the way through and have them expedite it. But the absence of grease money necessary makes it grind to a halt. But even when it is called corruption—it is surprisingly cheap—and the cases I am looking at, often surprise me with how cheap they are.

Binh: It is cheap, and it’s more relationship than anything else. Some of these guys, they don’t need it. It’s about maintaining the relationship. Sometimes it’s not even corruption. Sometimes it’s about helping—let’s say we develop a project in a district and that project is important enough to help the local authority to go up to the next level, let’s say you are working with the general secretary of District 10 and you want to completely change the development plan, they will help you to be successful in the project because if they know you will be successful then they can take credit and it will boost them up to the next level, so sometimes its about people having a bigger picture...to get up to a certain level...²⁰

Hai and Binh offer two slightly different interpretations. Hai partially reiterates Hao’s description of the many departments and regulatory bodies issuing contradictory decrees. For Hai, the presence of overlapping authorities and departments means that those developing property need to find alternative ways to push projects through. Here, grease money is seen as a cost effective means to overcome contradicting legal and regulatory regimes and red tape. Binh comes to the question of greasing from a slightly different perspective: payments and gifts are about strengthening relationships and are not

¹⁹ Fieldnotes, 7/16/2013.

²⁰ Interview with Hai and Binh, 4/30/2013.

necessarily always transactional. Here, both Hai and Binh are talking about the same processes but in different terms. Hai sees gifts and unofficial fees as a way to navigate what many of my other interlocutors have described as an opaque and contradictory regulatory and legal environment. He offers a more transactional view of his interactions with government regulatory agencies. Binh, on the other hand, sees his relationships with officials and heads of regulatory bodies operating from a larger scale. Hai and Binh demonstrate a wide range of situations and interpretations of practices that transcend the narrow definitions of corruption.

Opacity in urban development is not only exercised through explicit relationships between government offices and developers. It is also practiced through both the privileges afforded to the urban developer class and an opaque regulatory body. Lax enforcement can open up just enough wiggle room for an investor-developer to flexibly interpret the law. In other cases, the investor-developer is a privileged class in Saigon, such that its members can be given the benefit of the doubt when dealing with legal grey areas. One real estate developer explained to me that he had wanted to buy land in the periphery of the city from a landholder who had twenty four years left on his land-use-right lease. But the developer wanted to buy the renewal at the current price rather than at the lease's potential future price. He explained it like this:

The reason we are able to exploit it is that Vietnam practices administrative law. So the idea of precedence and what not, doesn't exist. So you actually have to just kind of buy things off, that's number one. Number two is that I learned this one saying, *được làm những gì pháp luật không cấm, người dân được tự do kinh doanh*. Do you know what that means? It means people are free to do business if the law doesn't prohibit it, meaning that the local law book is very good at spelling out what you can do, and some now recently have things you cannot do, but so long as the law does not clearly prohibit you from doing so, then I can. For example, issues I am dealing with now...so lets say a land use right is fifty years. The law says that fifty years later the land lease will have to be renewed. But before that's renewed, they will charge you fifty years land use fee rate. So what I am trying to do is we are leasing a piece of land from the owner, and there's twenty-four years left. And he is leasing from a government agency. So I am trying to convince this guy to say, lets do this, I have twenty four years left, what if I do this, what if you sign and sell me the rights in the future when twenty four years come—you sell me those rights—because he is a government employee, he pays whatever he wants to pay—but in twenty four years he won't be around—I am asking you to sell the renewal lease rights, and it's true, he cannot sell to me what he doesn't have rights to, but the law doesn't prohibit him from giving away his future rights. He says, you are right! It doesn't prohibit me from doing that. That is a live case I am looking at right now. And there are a lot of good local lawyers who are very good at playing this huge grey area, and it's a lot of capable local players who know how to do these things.²¹

²¹ Interview with Chuong, 6/2/2013.

Here, the developer uses ambiguities in the law strategically, knowing that his actions and privileged position come prior to legal development. This is a situation where a developer is not “greasing the wheels” in order to cut through layers of regulatory order, but rather is using legal ambiguity to flexibly interpret the law to his own gain. He notes that navigating these legal grey areas creatively is what local developers bring to the table. Thus opacity is not only about practices of officials, but it also involves developers and other actors who use legal grey areas to engage in a kind of “informal legislation,” flexibly interpreting the law. Informants have told me that the collective sum of actions like these have in fact resulted in retroactive forms of legislation, either through the adoption of new laws that clarify entitlements to developers’ benefit or issue clear restrictions while grandfathering in prior practice. New laws can also go against investor-developers, curbing or punishing some of these creative behaviors as well, through taxation, investment law, new legal definitions, etc.

3.7 Segmented markets

Legal and regulatory opacity serve to segment the real estate market. I make a distinction between investor-developers in real estate and other types of firms that comprise what I refer to as a secondary real estate market. Investor-developers are firms that form partnerships with local developers or state-owned companies. They include those who are venturing into real estate development on their own, acquiring land and taking on the risks involved in planning, fundraising, constructing and selling completed real estate projects in the city. However, there are many other players in the real estate market who provide different kinds of services. There are, for example, construction firms, construction materials buyers and suppliers, architectural, design and planning firms, geotechnical and infrastructural firms. For example firms that provide services like piling would fall in the latter group. These businesses constitute a kind of “secondary” market that either supports or is conditioned by the primary market. This secondary market is also comprised of real estate management and consulting firms who manage already built and sold properties or who manage the advertisement, sales, and rental of properties owned and built by developers or secondary buyers. There are also investors, distinct from investor-developers. These investors are linked to global investment capital flows. They direct globally circulating funds into specific projects in Vietnam. These investment funds exist on many levels. For example there are funds in Vietnam that direct larger real estate indexes or portions of larger investment portfolios into regional funds, like an Asian real estate index, that then direct funds into specific funds in Vietnam—funds that provide capital to real estate projects in the city.

Legal and regulatory opacity segment the real estate market insofar as there are not any investor-developer firms from the west operating in Saigon. In other words, there are few American or European firms buying or acquiring land and building commercial or residential real estate. Almost all firms engaging in these activities are from East and Southeast Asia. Much of this has to do with differences in evaluating risk as well as in perception about barriers to market growth. There are only a few investment funds from

the west investing directly in Vietnam's real estate sector neither on a project level or by investing in particular local real estate firms. These are exceptional cases that go against a more wide perception among western firms that there are significant barriers to investment, most important of which is the barrier of corruption.

I met Mai, a broker working at a large investment firm that had been "selling Saigon" for the past eight years. She worked specifically in the investment division for real estate. Her job was to match investment funds and investors seeking to make money in Vietnam's real estate sector with real estate developers and their projects, that were seeking capital to finance different phases of their projects. When I asked where Saigon's investment money was coming from, she said the following:

There are only a handful of Western investors taking on real estate risk on a project level. There are tons of Asians. Let me give you an example of some of the hurdles [Western investors] have to jump through to invest. One recent investment from a humongous global firm, I don't know how many billions they have—assets in their management—but clearly they have a huge allocation to Asia. They have been in China for over fifteen years, and for the first ten years they did not make any money. This is coming from the guy at the top who makes decisions. He said they didn't make money the first ten years because of corruption and he said, "Yes we got screwed. We were this foreign investor from the US coming in right?" They played a long game and for the past five years, they have made money every year. They made an investment of hundreds of [US] millions and asked us for our opinion on a particular real estate group, and we replied, "No way. Don't do it. Their books aren't clean. There is no way you guys are gonna be able to get the type of documentation you need in order to get through due diligence. Or ICA [Investment Community Approval] for that matter." But they went ahead anyways against our advice because they see 220 million not as a profit maker and more as market research. They are really the only ones I know who can and are willing to do this.²²

Several things stand out here. One is the idea that a Western firm has a steeper learning curve than an Asian firm due to attitudes about corruption and everyday business practices in Vietnam. Another is that a company from the West is seen to have higher aversions to risk and more safeguards in place against volatile investments based on Mai's firm's advice that the US firm stay away from the local developer. Such safeguards include due diligence processes and Investment Community Approvals (ICAs) along with other forms of documentation that constitute the standards developed in the West that global firms use to evaluate risk when investing transnationally. Additionally, it is costly to learn how to make money in new contexts. This is a sentiment repeated to me by a number of Korean firms as well, who all reported that they incurred significant losses in the first few years of doing business in Saigon, but who saw their investment in longer

²² Interview with Mai, 7/8/2013.

arcs of time. The most noteworthy observation is that those who learn to operate under the opaque regulatory environment also know that there is much money to be made.

Despite the presence of western investment funds in Saigon's real estate sector, at the time of my research, there were no investor-developers from the West turning land into real estate in the city. My many drives through the city with real estate developers



Image 9: An Phu in District 2 from the Saigon River. Each building cluster is a project from a different foreign investor. Photo by author, 2013.

pointing out who had built the projects around the city revealed an urban landscape that has been imagined and built by developers who relate to Saigon in reference to other Asian cities. The Thu Thiem New Urban Area in District 2 is just east of downtown and across the Saigon River. It is a massive 657-hectare area that has been imagined on numerous occasions as the site to construct what developers and news agencies have referred to as Saigon's version of Pudong, Shanghai.²³ Many Korean developers have also repeatedly referenced the area of Gangnam, Seoul when speaking of Thu Thiem, or Seoul south of the Han River. Today Gangnam is a luxurious consumer center with the highest land and real estate values in all of Korea.²⁴ Both Pudong and Gangnam were built on undeveloped rural marshland at the edge of a major river. They were both

²³ Many of my informants referred to Pudong, Shanghai when talking about the Thu Thiem project. It is a common narrative in the press and among real estate consultants as well. For example, CBRE Vietnam has produced the report "Thu Thiem: The Pudong of Saigon" under its global research arm (Desmond Sim, Dung Duong and Ngoc Le (2015). "Thu Thiem: The Pudong of Saigon," 9/2015, CB Richard Ellis, Vietnam. <http://www.cbrevietnam.com/?useful=thu-thiem-the-pudong-of-sai-gon>, (accessed 9/20/ 2015).

²⁴ Gangnam's real estate is reported to be worth more than the second largest city in the country, Busan. "Gangnam Real Estate Worth More Than All of Busan," 10/10/2015, *The Chosun Ilbo*. http://english.chosun.com/site/data/html_dir/2011/09/20/2011092000357.html, (accessed 11/1/2015).

centrally planned state projects whose developments spanned twenty-plus years. Like Pudong and Gangnam, the Thu Thiem Investment and Construction Authority envisions the area to be a center of commerce, luxury living, and consumption.

3.8 Dominant Asian investment in Saigon's real estate sector

Many of these references to other Asian cities are rooted in the fact that almost all of the iconic buildings in the city and even entire districts and areas can be traced to foreign investors in the region, each of whom bring their own vision and imagine the city anew by recalling the development of their home cities. The Diamond Plaza tower sits across the street from Saigon's two most iconic historical monuments, the central post office and the Cathedral. The high-rise is adjacent to downtown. It is partially owned by the Korean *chaebol* POSCO who built Diamond Plaza in a joint venture partnership with the state-owned Vietnam Steel Corporation. Completed in 1999, the Diamond Plaza is an early development in the reform era and hosts a department store, an entertainment area with bowling alley and movie theater, office space and serviced apartments. The Korean firm Kumho has developed and owns the Asiana Intercontinental Hotel and Kumho Plaza in the city's high-end consumption and tourist area. The Singaporean firm Keppel Land is one of the most active developers in the city and is, at the time of this writing, building a forty-five story, mixed-use development next to its Saigon Center, one of the first high-rises in the city and built with two local partners, Sowatco or Southern Waterborne Transport Corporation, a state-owned company under the Ministry of Transportation, and Resco or Real Estate Saigon Corporation. Sowatco is a state-owned company run by the Ho Chi Minh City People's Committee. Keppel Land is also responsible for developing the Estella and the Riviera luxury homes along the Saigon River in the luxury enclave known as An Phu, which is located in District 2. An Phu is comprised of luxury living clusters, each of which can be traced to a different foreign investor-developer. The Metro is a membership-based big-box store, similar in concept to Costco. Entrance is free for those with a foreign passport. Vietnamese nationals can be members for a fee. Sun Wah Tower on the iconic Nguyen Hue Boulevard in downtown was another early skyscraper in the city, owned by the Sun Wah Group, a Hong Kong-based firm. These are a few among the many East and Southeast Asian firms engaged in city making in Saigon.

A look at global investment trends shows that while the West invests heavily all over the world in many sectors of the economy, its firms are curiously missing in the transnational real estate investment and development sector in Saigon. At the same time, the top Asian transnational firms have a large presence in real estate investment and development. Following Anne Haila's (2000) method of analyzing transnational corporation trends, almost all of the *World Investment Report's* (2004) top one hundred transnational corporations (TNCs) originate from the developed world.²⁵ Only five on the list are from the developing world, all of which are in the European Union. Looking at these TNCs by sector, none were engaged in the business of transnational property development,

²⁵ United Nations Conference on Trade and Development, "The Universe of the Largest Transnational Corporations," (United Nations, 2007).

investment, or construction with the exception of several Japanese conglomerates with diversified holdings. There is also an absence of property and development companies among the top fifty small and medium sized TNCs. However, the list of top fifty TNCs from the developing world is filled with property magnates and diversified conglomerates from the Asian region. All are known property developers, investors, and landholders. Hutchison Whampoa from Hong Kong occupies the top spot. Other notable TNCs engaging transnational property development, investment or construction on the list are: Jardine Matheson Holdings Ltd. (Hong Kong), Capitaland Limited (Singapore), China State Construction Engineering Corporation (China), Citic Pacific Ltd. (China) and Keppel Corporation Ltd. (Singapore). There are also a number of large Korean conglomerates, like Hyundai Group and LG, on the list who have significant investments in property development projects in Southeast Asia either directly or through subsidiaries (UNCTAD World Investment Report, 2004). Most of these companies have a presence in Saigon's property development sector.

These numbers suggest that the real estate development and investment sector in Southeast Asia is dominated by East Asian and Southeast Asian firms, with companies from China, South Korea, and Singapore leading the way. For Saigon, the large presence of Asian firms in the city is partially a product of historical development and Vietnamese government design. For example, one of the earliest precedents of foreign investor-developers in Saigon involved the production of the Saigon South New Urban Area, a part of which is the well-known Phu My Hung new urban area. Ho Chi Minh City authorities planned the expansion of the city to ease population growth and strains on existing infrastructure (Marshall 2003, 140). The Ho Chi Minh City People's Committee formed and owned the Tan Thuan Industrial Promotion Company (IPC), whose mandate was to expand the city to the south, across the Saigon River into three rural districts: District 7, District 8, and the Binh Chanh District. The Tan Thuan IPC formed a joint stock partnership with Central Trading and Development (CT&D), originally a state-owned investment arm of the ruling Kuomintang party. As Michael Leaf (2009) points out, at the time those in both the central government and in the Ho Chi Minh City People's Committee were searching for ways to attract foreign investment in line with the "reform era" brought on by 1986 mandates to open the economy. At the same time, the Taiwanese government was looking for ways to economically expand and diversify through the globalization of its economy. In the early days of *đổi mới*, the Vietnamese government still had many conservative factions opposed to opening the economy to the West. As a result, the Vietnamese government looked to open up its economy to capitalist practice "in a manner that was ideologically acceptable in the early days of *đổi mới*, with Taiwan seen as neither a western nor a communist partner" (Leaf 2009, 199-200). This approach extended into the mid-1990s to the early 2000s to other Asian countries, whose alignments were perceived to be peripheral to the sphere of influence of the West. Whether this is actually true is subject to debate. What is important here is that Taiwan, Hong Kong prior to the Handover, South Korea, Singapore, and Malaysia represented a perceived alternative to leftover geopolitical tensions from the war period. It was not until 1995 that Vietnam and the US normalized diplomatic relations and 2000 when the two signed a bilateral trade agreement.

There are a number of restrictions on foreign property ownership that serve to structure organizational arrangements in real estate and land development. The first is the land use right described earlier. To restate in brief, in Vietnam, the state separated land into separate categories of ownership and use. While all land belongs to the state, land use rights can be owned and exchanged in an open market. Land use rights are further separated into two categories: 1. land allocated by the state and 2. land leased by the state. Allocated land is treated almost like freehold. There are no imposed term limits to the lease, or leases are guaranteed to be renewable indefinitely. Allocated land is therefore the most desirable and costly to obtain and is exclusively the right of domestic companies. The second type of land can be leased on terms of 50 to 70 years with opportunities for renewal at the discretion of the Department of Natural Resources and Environment.

Foreign owned and partially foreign-owned companies are prohibited from holding allocated land and must therefore deal with term leases. Further, much of the land distribution in the city is controlled by state-owned enterprises. As Kim (2008) points out, most of the land on the urban periphery of the city was controlled by state-owned companies, who had development rights but not enough private capital to undertake development. This is why most large-scale land development and real estate projects take the form of a joint venture.

Most foreign investor-developers I interviewed cited the joint stock partnership as a cornerstone of real estate in Vietnam. The joint partnership helps explain that real estate projects are, from square one, already always a relationship between a foreign investor and a politically connected, if not, government-owned domestic entity. The domestic entity provides access to land and development rights and the cultural know how in issues of government compliance. For example, one of my informants, Quan, worked as a project director for one of the early major foreign land developers in Saigon in the 1990s. Quan told me that his company was able to secure freehold land from the government, even when it was prohibited under the land law and law on investment. In this scenario, he and his company were able to secure freehold land use rights through unofficial means to meet local demand and offset the risk of having to compete with a number of term-lease developments.

3.9 Asian cultural triumphalism

Many of my informants did not refer to structural or historical factors and instead spoke about Asian culture as a productive and segregating force explaining the exclusive presence of Asian investor-developers in the city. While I will provide examples, it is important to contextualize and theorize what these cultural explanations do. First, my informants' statements about Asian cultural norms in urban development almost always stemmed from a discussion about the opaque regulatory environment and an investor's ability and willingness to take on risk. Even if one could agree that Asian firms engaged in higher risk taking behaviors, the reasons given as to why were diverse and in some cases, contradictory.

When I spoke with Hao, I was told to look at his diagram on the whiteboard. He categorized cultural affinities and differences between investors by national origin. He wrote, Chinese, Taiwanese, Korean and divided these into columns. Under the Chinese column he wrote, “family values and associations” along with “same culture” as the Vietnamese. He wrote “same culture” under the Taiwanese column. Under the Korean column, he again wrote “strong family values” and “church networks.” Under all of them he wrote “similar government experience” and qualified this by saying that all had in some way or another developed under authoritarian regimes.²⁶

Framings like these are often based on a circulating set of partial truths meant to deal with difference or bridge distance. For example, Vietnamese and foreign investor-developers alike commonly made reference to shared historical developments, citing commonalities between countries and cities that urbanized under authoritarian regimes, or through centralized planning or socialist governments. In this view, Asian nations are cited as being on a teleological pathway of development outside that of the west. As Nam (2011) argues, cities in Asia are viewed as historical antecedents to each other. In her case, Phnom Penh was viewed “as the Ho Chi Minh City of fifteen years ago, the Bangkok of twenty-five years ago, and the Seoul of forty years ago.” In this same vein, foreign investor-developers would draw these comparisons between their home cities and Saigon, citing their home cities as a historical antecedent.

The numerous times I spoke with Korean investor-developers, Saigon and Seoul were drawn together, characterized as having the same development history. In reality, much of the financing for Seoul’s original infrastructure development came from US aid in exchange for South Korea’s participation in the Vietnam War (Cumings 1997). During the war period, for example, South Vietnam absorbed 94% of Korea’s steel, produced by its newly minted steel industry led by the Korean *chaebol* Pohang Iron and Steel Company, today known as POSCO, the owner of the Diamond Plaza described earlier in this chapter (Cumings 1997). Today, POSCO is one of the leading Korean firms investing in infrastructure and real estate in the Saigon and in Vietnam in general. In contrast, Vietnam did not benefit from the significant role that US Cold War politics had on countries like Japan and the four Asian tigers of South Korea, Hong Kong, Taiwan, and Singapore.

Drawing cities together in a single developmental pathway is a key way that those who make the city can smooth over historical difference and distance. In this way, these are not just narratives. There are material outcomes that are produced, however partially, by framings of the city and its development. I will delve into theorizing these framings more concretely in Chapter 5. But for now, following Aihwa Ong and Donald Nonini (1997) I treat these framings that manage distance and difference as “discursive tropes, each with a genealogy, each having been constantly cast and recast in cultural terms both by Chinese and by Westerners, including academics” (9). These tropes agglomerate into visions of an alternative modernity, or what Foucault, refers to as “regimes of truth.” They write:

²⁶ Interview with Hao, 5/13/2013.

In a similar way, the discourse of “Chinese culture” provides the raw materials for the making of different narrations of modernity. In the case of both Thailand and overseas Chinese, imaginings of what is modern are what Michel Foucault (1978, 1980, 1991) calls “regimes of truth” that seek to objectify, discriminate, and normalize power relations. Such knowledge-power systems are engaged in the work of constructing “imagined communities”—not only ones framed by visions of national territories and borders (Anderson 1991), but also other collectivities—for instance, those created by travel and trade, and those mobilized in dispersion (16).

These forms of Asian cultural triumphalism are produced by and discursively produce forms of expert knowledge and capital in the making of Saigon’s urban fabric.

I asked someone working for a Singaporean property investment firm why Asian developers seemed to have a greater presence in Vietnam’s real estate sector. He responded with the following:

Asians [developers] come from their own experience. So, you know, Koreans, Singaporeans, Malaysians, Chinese they all have experience working in places where the government has a lot of power to do things. And in those situations, as a developer you know, you have to figure things out.²⁷

Here, Asian developers are framed as more amenable, or at least flexible, with respect to the implied vagaries of state regulatory and legal practice. This was a sentiment that was repeated throughout numerous interviews with foreign investors of different national origins. It was a sentiment, I might add, that was worn like a badge of honor where having to negotiate with corrupt state parties was deemed both power-ridden and masculine. Moreover, these flexibilities were seen to come from the common experiential thread of attempting to do real estate development in countries with strong state-led growth or even varying conditions of authoritarianism. More often than not, these developers appealed to essential cultural similarities as key reasons for the presence of Asian developers and investors in real estate. One director of a Korean housing development company, Namgyu, remarked:

One thing I see is that Asians have an idea of trust. It’s because they don’t have a way to operate on a legal framework, because legal frameworks is too shaky and they don’t want to rely on it. Even if they really don’t trust each other, they use this Asian connection as a way to talk to each other and be comfortable with things. Western investors they cannot do this kind of thing. Because of the system, the culture. The Europeans, the Americans, they are very systematic, very scientific. What they do, when they consider an investment, they have to put everything in a risk model

²⁷ Interview with Yi, 7/24/2012.

and they have an expected degree of income. They need guarantees and contracts. Asian investors are more risk taking and like to speculate on property. Also Vietnamese are this way. So this is just personal thinking, but Asians traditionally are more emotional—certain times they feel about investments. But the way westerners look, it's more logical and more rational. So they say, 'show me the number'. This is why you have a lot of [Asian] bosses who have fortunetellers who advise them on relationships. And this is why there is more of a gambling mentality.²⁸

While Namgyu appeals to essentialisms, particularly about the nature of Asian culture as more prone to gambling, there are some productive observations to be made. First, there is an emphasis on different pathways to mitigating risk, whether that be through beliefs in an “Asian style” of informal trust building or through the perception that parties involved share cultural values. While such perceptions may be unfounded, in practice, they are cultural currencies that are widespread and narrated frequently. Namgyu identified differences in perceptions of risk themselves, characterizing western investors as needing to follow a set of established standards as opposed to more informal means of establishing trust. These sentiments were echoed by other informants in slightly different ways, in which a common connection was made between investors' experience developing in their origin countries and what I call opaque practices in Vietnam. Here, the basis for higher risk taking behaviors among Asians is grounded in common experience. Such descriptions advance the idea that trust networks are forged through common culture to bridge difference. The difficult task of forging trust amidst difference and across the gap of contractual and legal uncertainty is mitigated through constructions of shared culture. There is an appeal to irrationality with respect to financial decision-making—something that is attributed to “Asianness” more than the Western practice.

Statements like these provide some insight into how “regimes of truth” are deployed to construct “imagined communities” (Anderson 1991) that rationalize and produce novel arrangements of expertise, capital, government and situated practice. They are also reflective of existing discourse about the Asian developmental state, which depicts Asian capitalism as enchanted either as culturally distinct by invoking it as authoritarian and crony or at its worst, as incapable of reproducing the “spirit of capitalism” through the processes of Weberian rationality. I will argue in Chapter 5 that these appeals to Asian culture must be understood and deconstructed within the spectrum of discourse and scholarship on Asian capital.

3.9 Opacity and reform in the literature

Much of the literature on Ho Chi Minh City associates this southern city as the origin of a reform movement where a group of members in the central party, most of whom were from Saigon, challenged the status quo and pushed Vietnam to open its economy. These reformers are said to have brought about the watershed *đổi mới* reforms in 1986, leading to a series of subsequent laws, policies, and reorganizations that helped pave the way to

²⁸ Interview with Namgyu and Dung, 7/25/2013.

market-oriented socialism. Southern reformers like Nguyen Van Linh, Vo Van Kiet, and Truong Tan Sang are all credited for being “reformers” and key architects of *đổi mới* (Duiker 1989, Porter 1993, Abuza 2001). As Gainsborough points out, reform is also a key concept that academics have used to characterize the South as distinct from the rest of the country—with some arguing that Saigon and the South spent less time under the central planning regime of the communist North, leading to a culture of anti-centralism and anti-regulation (Beresford and McFarlane 1995). In this light, the “reform era” is seen as the acceptance of Southern trends across the entire country brought about by Southern politicians in the wake of the failures of central planning in the North between 1975-1986.

I argue that reform, as it is narrated in the literature, needs to be seen as a problem space rather than a concrete historical artifact. Following Gainsborough (2010), reform is not a clearly defined term in Vietnam studies. Reform generally characterizes the move to private enterprise, often characterized as the brainchild of southern reformers from Saigon ushering in the reform era through *đổi mới* in 1986. This characterization is a simplification. Reform is a much more complicated terrain, involving the interplay of capitalist and socialist values along with the historical inflections those values have taken on through their implementation during different historical regimes. While in theory, it is easy to break apart these values into either/or propositions, in reality, these values are entangled and hard to identify as either wholly capitalist or socialist. So called socialist “hardliners” in the communist party deploy socialist rhetoric to praise capitalist practice in some instances and to critique it in others. Reform does not represent a singular narrative of development, but rather, it expresses multiple “modalities” or rationalities and programs of intervention based on those rationalities.

I identify one mode of reform organized around changes to law, policies, and practices that create a regulatory and legal environment such that actors in the city can utilize ambiguity to address and solve problems. These reforms are closely tied to national decentralization, legal and policy changes in the post-*đổi mới* era of market-oriented socialism. These reforms multiply authority and sovereignty, such that the field of intervention is primed for prolific experimentation and rapid results, given that its actors are equipped with the authority (or at least with the lack of clarity necessary) to intervene. As such, I identify opacity as a field and logic of intervention specific to, but not limited to, late-socialist urbanism in Vietnam.

What I describe here as a multiplication of the sources of authority is not the result of a particular group of agents nor is it a centralized government strategy. Rather, I argue that it is the result of many coping strategies and practices under the late-socialist regime. In total, these coping strategies can be described as a mode of intervention that is, at root, more adaptable to new experiments in ownership, investment and growth. Part of this flexibility is attained through the presence of what Nam (2011) refers to as overregulation—or an abundance of legal and regulatory maxims operating in the city. Overregulation in Vietnam is a product of a hybridization of social orders, as the country attempts to engage with the logics of neoliberal global growth while preserving aspects of the country’s socialist power structure. At the same time, much of the country’s socialist

power structure is built on Sino and Soviet legal principles, as well as some French administrative legal principles that go back to the colonial era. More importantly, these strategies are ways to make the various levels of government responsive to the fluctuating patterns and circuits of capital that a city like Saigon must capture to remain competitive in the region.

I call opacity a reform modality because it represents a specific logic or rationality that is observable in a range of Saigon's urban development practices. This rationality does not explain the full range of practice taking place in Saigon's urban development arena. In this case, I invoke the term opacity to explain how Asian investors, local developers, and government agencies operate under conditions of legal ambiguity by selectively deploying law and regulation to build the city anew, a set of practices that is often read and foreclosed as corruption and the absence of a firm rule of law. Opacity as a reform mode is a rationality and logic that is often illegible to Western capital, which makes its way into urban development schemes through alternative means—mainly through ODA and multilateral donor institutions like the World Bank or ADB or through NGOs. While this chapter deals distinctly with opacity, my intent in the dissertation is to juxtapose it to the reform mode that reads the city through the lens of corruption, or what I organize under the term transparency in Chapter four. The comparison between the two reform modes opens up new ways to approach the question of urban development in Saigon with respect to circuits of global capital, market practices, and economic and cultural rationalities.

Post socialist Opacity and Recombinant Urbanism

I use the term opacity in relation to a few clusters of scholarship. The first cluster is rooted in anthropological and sociological studies focusing on post socialist transition in Eastern Europe and late socialist states in Asia. The second cluster involves the concept of “global assemblages” and exception as a mode of rule. These include studies that employ uncertainty as a governing principle in legal and regulatory practice as well as those studies that examine legal plurality. Finally, my analytic of opacity builds on concepts in urban studies, relating to informality and notions of grey space.

Post socialist studies focusing on transition in Eastern Europe continue to provide key conceptual tools that help advance understandings of property relations in late socialist Vietnam. Crucial to these studies is an analysis of property as produced through embedded social relations. Researching post socialist Transylvania, Verdery uses the term “fuzzy property” to highlight the ambiguous sets of social rights and relations that surround the concept of property. Transitions to private ownership come along with cultural, legal, and bureaucratic shifts in practice, leaving “different social actors hold[ing] different bundles of rights, [where] the definitions of the status of property are blurred and ambiguous” (Verdery 1999, 54). She argues that the end result of transition is not just merely privatization of what was once collectivized land, but rather that it is a project of “cultural engineering” involving resignifications and revaluations of a host of social relations and institutional frameworks involving rights, entitlements, and

obligations. These resignifications and revaluations happen unevenly and in many cases draw out contradictions in property regimes themselves, resulting in ambiguities that make the category of property appear “fuzzy.”

Understanding the interplay between different regimes of value is a key component of postsocialist literature. In her ethnography of the Gerber company’s baby food production in Poland, Elizabeth Dunn demonstrates how neoliberal forms of corporate governance, accounting, and valuation are predicated upon different sets of social norms and relations. Further, she notes that social relations of the old socialist order are often made legible only as corruption, while the capitalist value systems tend to strip away and conceal the social context within which they are made. Capitalist values are thus made objective and comparable across difference (Dunn 2004, 41). When explaining the unlikely sourcing of bananas from Amsterdam to the Poland Gerber plant, Dunn states:

Networks like the one featuring the nice banana man were, of course, an artifact of the socialist economy of shortage. People built networks giving one another gifts and favors of various sorts, then used those networks to obtain access to goods in shortage. The banana importer was therefore only entering into long established socialist practice. But instead of seeing these kinds of personal networks as arising from the socialist economic system, Gerber managers instead chose to label them as “corrupt” and to turn talk about corruption to their own advantage. (41)

While Dunn examines the process of auditing and the valuation of socialist assets for capitalist enterprise, she clearly illustrates the risks when description reduces practice to narratives of corruption. I have identified opacity as a rationality and organizing logic in an attempt to describe practices that otherwise are made illegible under the value regime of corruption. Much like in the post socialist discourse, opacity is born out of the social embeddedness of multiple regimes of value operating simultaneously. Indeed, the “simultaneity” of multiple regimes of value (Stark and Bruszt 1998) requires different ways of seeing and reading both the hybridity of signifiers and signs attached to values and the contradictions that play out between them.

Exception

To speak of opacity in terms of competing regimes of value is to open up a question about sovereignty and authority. Opacity builds upon the idea of exception (Ong 2006) where different logics of rule across territory are applied by the state to achieve maximum economic flexibility. Here, the term exception is not invoked to characterize practices as aberrant or exemplary. “Exception” here is meant to denote practices that are constitutive of a political order where there is a multiplication of sources and logics of authority. While the political exception of Carl Schmitt (1985 [1922]) describes the action of a single sovereign who exists outside of the juridical order, exception here is meant to describe conditions where smaller and more specific claims to authority are made in the name of the state according to varying and different regimes of value. Ong uses exception to draw a distinction between market rationalities that govern exclusive

territories over other territories managed by older regimes of value associated with socialist rule.

In Ong, exception demonstrates how multiple logics of governing can coexist within a single territory through the uneven application of rights, entitlements, and benefits.

Opacity here is built upon the concept of exception, but examines it as a set of strategies that can be multiplied and built into the normative order. Opacity does not clearly delineate between inclusions and exclusions based on market calculation. It observes how actors in the city opportunistically make quick use of the multiplication of authority, created by policies of decentralization and compounded by a convoluted web of contradictory legal and regulatory orders operating in the city. In this way, opacity is not just the purview of state actors in acts of governance (while it most certainly can be at times). Rather, actors make use of a flexible regulatory environment to advance their interests.

Ambiguity

Work in political science and legal studies have been productive sources of dialogue as well. In Vietnam studies, uncertainty has been characterized as a “mode of rule” (Gainsborough 2010). Uncertainty, ambiguity, and exception are all partially attributable to Vietnam’s legal history. Its current legal system can be understood as being comprised of multiple systems and social traditions, going back to the pre-colonial period and maintaining concepts of French administrative law, Russian and Maoist socialist legal principles and a host of contemporary legal ideals from the west, particularly those associated with liberal modes of rule and global international trade. Sally Engle Merry (1988) discusses “new legal pluralism” as multiple forms of legal and regulatory orders operating within the same social field. Applying this to Saigon, for example, French administrative law, Vietnamese pre-colonial norms, imported Soviet and Maoist legal concepts and modern liberal legal principles can interact and coexist within the same social field—not as dialectically opposed wholes, but rather as assembled and constituted into oftentimes inconsistent systems.

Legal scholars of Vietnam have pointed to ambiguities that arise when these numerous legal orders are applied across space. In this case, socialist legislation is characterized as operating through moral concepts like collective mastery, or democratic centralism rather than rule of law (Gillespie 2005). Until very recently, the moral and virtue-based Soviet legal principles have been given predominance over law-based rule, mainly as a way to maintain the communist party as universally in the right—a way to maintain both legal and moral legitimacy. In the case of land, the state’s bureaucratic arms have been shown to treat laws generated with western assistance as inconveniences to more rooted ways of regulating space, land and development. In this way, Vietnam’s bureaucracy is thought to be in need of a great deal of assistance from western development institutions. (Sidel 2008, Gillespie 2011, 2005, 1995).

In urban studies, ambiguities over the legal meanings of land have been noted as the “misrule of law,” detailing the ways that “extra-legal solutions” are deployed to

ultimately usurp land (Holston 1991, 2008). Ambiguity has also been described as a necessary component to the formation of private property markets in Turkey, through administrative arbitrariness in the transformation of informal settlements into formal private property (Kuyucu 2014). I deploy the term “legal opacity” not solely to examine land grabs or usurpation, even though opacity certainly has been used by the state in this way. Rather, I use the term to introduce practices that open up variable modes of connection between the Vietnamese state and a host of global financial interests in land development—each with particular regulatory and legal expectations.

Informality

The concept of legal and regulatory opacity draws upon the rich tradition of scholarship on urban informality. “Informality” is an expansive and changing discourse that spans decades of scholarship, its roots going back to early studies of Everett Stonequist and Robert Park. Some trace it to the progressive movement in Chicago as a way to understand geographic concentrations of poverty in cities—in its earliest iterations described as a kind of “marginality.”²⁹ Since then, informality has evolved into many strands of scholarship. Formality and informality are understood relationally—that is, they are categories designed to distinguish one type from another. Most generally, this distinction has been applied in a few key ways. As Colin McFarlane (2012) points out, the formal-informal distinction has been typically conceptualized as “territorial formations (e.g. the “slum” as informal), categories of particular groups (“informal labour”), or forms of organization (e.g. structured versus unstructured; rule-based versus unruly; predictable versus unpredictable). Against these established framings, McFarlane argues that formality and informality should be viewed as a set of practices rather than as tied to particular groups (i.e. the poor) or geographies (i.e. slums). In so doing, one can “dispense with the idea that informality is a set of practices that belong to the poor and formality to the better off, and the associated idea that informality and formality necessarily belong to different kinds of urban spaces. Thinking of informality and formality as practices rather than as pre-existing geographies allows us to understand the ways in which geography helps us to determine the particular politicization of these practices” (105).

McFarlane draws heavily from Ananya Roy (2009, 2003) who argues that those in power rely on a kind of elite informality by suspending law and regulation in order to remake the city, or informality as an “idiom of planning.” Roy states:

By informality I mean a state of deregulation, one where the ownership, use, and purpose of land cannot be fixed and mapped according to any prescribed set of regulations or the law. Indeed, here the law itself is rendered open-ended and subject to multiple interpretations and interests, the ‘law as social process’ is as idiosyncratic and arbitrary as that which is illegal. (80)

²⁹ For an overview of informality and marginality studies, see Asef Bayat (2004) “Politics of the Informals” in *Urban Informality*, AlSayyad and Roy eds., Lexington Books, (2004) as well as Colin McFarlane (2012) “Rethinking Informality: Politics, Crisis, and the City.”

Roy's positions are echoed in the work of Oren Yiftachel (2009), who examines urban "grey spaces" and "creeping apartheid," or the production of illegal or legally ambiguous settlements by Israeli planning and state authorities.

Under this view, many of the "coping strategies" or practices used by those who would typically be studied under the geographic or group-based categorization of informal can be expanded to analyze elite or governmental forms of informality. For example, Abdoumalig Simone's (2004a, 2004b, 2010) work can be extended beyond a focus on just the urban poor. Simone has looked at "people as infrastructure" examining the ways networks of objects, spaces, persons and practices can serve as provisional and flexible platforms for individual use and benefit. Simone shines light on the forms of social architecture that, while unstable, provisional, and temporary, provide the urban poor with economic security or opportunities. By dissociating these practices of informality from geography or groups, we can examine how elite developers and state officials, for example, can produce the city of Saigon through congruent informal social networks. Kim (2008) in her examination of Saigon's early developers, argues that unofficial networks of urban developers, foreign investors and government officials develop and produce new social behaviors that are lynchpin to the production of an urban real estate market in transitioning Vietnam. Shatkin (2008) describes a similar process as the "privatization of planning," using Metro Manila as an example to discuss the ways private investors and developers and local and national government produced "bypass implant urbanism" through consortiums made out of the patronage politics between government and private interests. In this respect, informality is not only about the suspension of rule but also about the unofficial and illicit social circumstances under which extra-legal or flexible interpretations of the law take place. In other words, informality can also refer to the unofficial everyday cultural practices that are integral to reproducing things like the urban built environment.

3.10 Conclusion

In this chapter, I have defined and demonstrated regulatory and legal opacity. In doing so, I have discussed opacity as a mode of reform, identifying it as a necessary and key component of late-socialist transition and growth under market-oriented socialism. I have attempted to show that opacity, when not foreclosed as corruption, has explanatory power in accounting for Saigon's urban development growth and patterns of Asian investment in the city. In chapter four, I introduce a different mode of reform, transparency, built off of a reading of these phenomena as corrupt. I will then consider both reform modes of opacity and transparency in chapter five, and theorize their relation to global circuits of capital and expertise.

Chapter Four. Transparency

4.1 Signs of a “market bottom”

The Bitexco Tower is one of Saigon’s and Vietnam’s most iconic buildings. Drawing inspiration from the lotus, Vietnam’s national flower, renowned Venezuelan architect Carlos Zapata designed the building in an oblong bud-like shape, resembling the blooming potential of the city and nation. The building is distinguishable by its circular helipad, jutting from one of the top floors. On the building’s website, commercial space is advertised with this amenity in mind, so that jet-setting global entrepreneurs with helicopters never have to set foot on Vietnam’s streets and brave the city’s traffic. During my eighteen months in Saigon, I never once saw a helicopter land on the helipad. The building was constructed by Hyundai Engineering and Construction and owned by the Bitexco Group, a Vietnamese conglomerate with business interests in real estate, mining, power, and manufacturing. After a few months in the city, I had yet to visit the tower or learn about who built it. When Long asked me if I cared to join him for a meeting on the thirty-fourth floor to attend a real estate market report and meeting for commercial tenants’ of the building, I jumped at the invitation.



Image 10: Saigon CBD. From left to right: Saigon One Tower, Bitexco Tower, Sun Wah Tower and Times Square. Photo by author, 2013.

Long’s family has been doing business in Vietnam for many years. A *Việt Kiều* (overseas Vietnamese), he grew up in France and attended university in the US. He returned to Vietnam to learn and oversee the family business in the central Vietnamese cities of Da Nang and Hue. His family owns and operates a large textile production facility employing over 1,000 workers in some of the country’s primary export processing zones, as well as a smaller textile factory on the outskirts of Saigon. A young man in his early thirties, Long came to Vietnam to help his family expand into the real estate market. At the time of my fieldwork, he was overseeing the design, development, and construction of a hotel and service apartment complex in the city of Hue, on Vietnam’s central coast.

Long flies back and forth between Hue, Da Nang and Saigon almost weekly. He makes regular international trips to France and the US to both maintain his green card status in the US and see his friends and family. He also moves internationally within Asia, taking opportunities to go to textile conferences, real estate conferences and other business learning opportunities.

As I was relatively new to the city, Long recognized that he was an important contact for me and had decided to include me in some of the business meetings he attended. Long led me passed security personnel, who verified our names on the attendee list, and up to the 34th floor. The elevator opened up to an empty and cleared office floor ready to be rented out. The walls were bare and not yet painted, still marked with different shades of white from the plaster seams covering the joints of newly installed drywall. Fluorescent lights overhead cast a drab tint on the walls. There were a few plants scattered around the floor with balloons attached in what looked like a poorly devised effort to liven up the space. There was a table of food and to the side of the room and a projector in front of about fifty seats. Long and I found a couple of seats and picked up some information packets and some food before the presentation began. The room was full and there were not enough seats.

Long explained to me that these presentations got crowded when the economy was bad—that people start mingling more looking for connections and opportunities. An American man named John gave the market report hosted by CBRE Vietnam. John's chipper demeanor belied the depressing news. The commercial real estate market was experiencing yet another quarter of decline. Most offices in the central business district had lowered their rental prices by a factor of fifty to seventy-five percent to maintain occupancy. Average office rent for Grade A office space had steadily declined from its peak in 2008 at US \$80/m² to \$33/m². Many new Grade A office complexes in line for completion in 2012 had stalled, causing the supply of new office space to remain flat. If the commercial real estate market was dead, the drab, empty room that could not be rented out due to the paralysis of the market was its corpse. But John indicated cheerily that Bitexco Tower had kept its commercial lease prices higher. He explained that the owners did not want to lock in long-term tenants at low prices during what he believed to be a short economic slump. This resulted in high vacancy rates and dwindling revenues, requiring the company to ride out the economic downturn. John also said that Bitexco Tower was a unique building; it only catered to the elite business class and, therefore, lowering its prices and allowing less worthy tenants in would diminish the building's reputation.

Despite the unpleasant news, John maintained a cheery optimism. He cited a few figures about the Vietnamese economy, including how foreign direct investment had decreased by twenty-seven percent. He then said, "The good news in all this is that we are seeing the signs of the market's bottom." Unfortunately, the market would not truly hit bottom for at least another two years. Towards the end of his presentation, John transitioned to highlight a section of the report detailing regional trends and the business environment in Vietnam. The last slide of the presentation detailed the kinds of policies that needed to be put in place to improve transparency, with corruption diagnosed as a major impediment

to business growth. I would later come to learn, after attending many of these kinds of quarterly reports hosted by different real estate consulting firms from the West, that these presentations always closed with commentaries on the question of corruption and transparency.

Almost exactly a year later, Long and I attended another quarterly CBRE market report, this time at the Park Hyatt Hotel in its conference hall. By this time I had attended about eight reports given by different consulting institutions—CBRE, Savillis, and Jones Lang LaSalle. Another presenter, Michael, like those who presented at other market reports I attended, made similar optimistic prognostications about how the real estate economy showed signs of bouncing back. The report, entitled “The Slow Road Back” opened with photos of the tennis star Andy Murray kissing a Wimbledon trophy and the British and Irish Lions, a rugby team, holding a trophy. Under each respective photo were the captions: “Andy Murray ended Britain’s 77 year wait for a men’s Wimbledon champion. British and Irish Lions ended a barren 16 years with a crushing victory.” The entire slide read, “Could the Long Wait For Success be Over? How much longer for the Vietnamese real estate market?”

After looking at yearly and quarterly trends in the real estate sector, the report concluded that much of the stagnant growth was attributed to the market being unable to attract foreign capital. The last portion of the report diagnosed this problem as an issue of the lack of progress in government reforms and local business practices. One slide read, “Domestic players need to forget 2005. Quite simply, it is called investment, not charity.” The slide had four pictures (Image 9): 1) A picture of coins with the caption, “Valuation”; 2) a picture of record books with a caption, “transparency”; 3) a picture of nodes on a grid with the caption “structuring”; 4) and a picture of a race track with the words “track record.” Two bullet points read: Foreign investors are not here to make you rich!” and “The big four questions still remain—without a realistic and honest approach to these, foreigners will look elsewhere.”

DOMESTIC PLAYERS NEED TO FORGET 2005

Quite simply - It is called Investment, not Charity

- Foreign investors are not here to make you rich!
- The **big four questions** still remain— without a realistic and honest approach to these, foreigners will look elsewhere.



CBRE

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CBRE BIG BREAKFAST 2013 | THE SLOW ROAD BACK

Image 11: CB Richard Ellis Vietnam's Market Report Slide, 2012.

People around me were nodding their heads. These criticisms were aimed at state business interests and private interests connected to the state. The captions that read “transparency” and “valuation” referred to distortions in the market caused by the ways that the state values land and the speculative ways the state holds land and finances it in order to drive up prices. Economists at the time had argued that the poor performing economy was largely caused by collusive behaviors between the state and financial institutions, a typical connection drawn in characterizations of Asian capitalism as “rent-seeking.”

After the market report, Long introduced me to Dan, a member of the American Chamber of Commerce, or AmCham Vietnam. After exchanging information, Dan asked me what I was doing in Vietnam and I gave him a description of my research that I was looking at urban development practices and governance in the real estate sector. I asked Dan what he thought of the presentation and he responded by quipping that he “only comes for the food,” then offered his thoughts on what he saw as the source of problems in the economy. He said, “You know the problem with Vietnam is that the country wasn’t as integrated into the global economy during the 1997 IMF crisis. So it never had to restructure its business practices, especially the banking sector. That’s why there is so much corruption, the country never established safeguards against the government just running wild with the economy.”

Between the CBRE market reports, my informants' comments about VAMC, and Dan's statement, I quickly learned that government corruption and the need for transparency was an all-encompassing topic of discussion. Corruption arose in conversations despite my efforts to avoid discussing it. I have had unprompted discussions about corruption with everyone from my motorbike mechanic to economists advising the central government. In all these interactions, I quickly learned that corruption talk was everywhere and it was most often cited as a foil for growth.³⁰

4.2 Perceptions of corruption

In 2012, Victoria Kwakwa, then the World Bank's country director in Vietnam, addressed a room of high-ranking government officials in a press conference. The World Bank had just released a report based on a comprehensive study of Vietnamese corruption. The study was a survey of people's self-reported perceptions of corruption. Unsurprisingly, the study found that people's perception of corruption was that it was widespread and that corruption was reported at alarming rates at almost every level of government.

In her remarks, Kwakwa said the following,

The system of corruption is fed by both the demand and supply sides, creating a vicious circle of bureaucratic problems and the unofficial payments that are demanded or offered to solve those problems. More often than not, those payments are initiated by the supply side... Firms and citizens need to know that they have alternatives to bribery; and where no alternatives exist, Vietnam's leaders need to create them. The surveys also show that firms that seek out alternatives to bribery actually perform better. What better message to send to Vietnam's business community!

Kwakwa uses a survey of perceptions across sectors to diagnose corruption as a key impediment to growth, citing that people self-report better earnings when they take the "straight and narrow path." Her remarks reflect narrative framings of corruption that tie it to private sector performance. In doing so, agencies like the World Bank open up an avenue of critique that in turn opens up opportunities to take part in steering the reform agenda on marketization. In essence, most of these critiques hinge on the idea that any left over traces of socialism in government institutions lead to market inefficiency.

According to the 2006 US National Trade Estimate on Foreign Trade Barriers, "corruption is identified in all phases of business operations as an obstacle to business activities" (USTR 2006, 711). The report further states:

In 2005, Vietnam scored a 2.6 out of a possible 10 points on Transparency International's Corruption Perception Index. Transparency International considers a score of less than 3 to be an indication of severe corruption. In

³⁰ Fieldnotes, 9/28/2012.

large part due to a lack of transparency, accountability, and media freedom, widespread official corruption and inefficient bureaucracy remain serious problems that even the Government of Vietnam admit they must address on an urgent basis. Competition among government agencies for control over business and investments has created confusing overlapping jurisdictions and bureaucratic procedures and approvals, which in turn create opportunities for corruption.

Corruption is based on the metric established by Transparency International, an organization that evaluates perceptions of corruption. These findings are impactful diagnostic tools that frame the economy in specific ways, that in turn produce policy responses and government intervention. These tools also do the work of tying corruption to private sector performance. Firms and institutions from the US are not alone in engaging in this critique.

The World Bank is one of a multitude of development institutions that have intervened upon Vietnam's governing bodies calling for reform in a few key areas. These reforms aim to achieve a level of transparency such that Vietnam can claim adherence to global standards and further develop its capacity to secure investment and enhance growth. These reforms include but are not limited to: state owned enterprise reform, bureaucratic reforms, judicial and legal reform, establishment of public procurement protocols, anti-corruption initiatives and separating the communist political party from the bureaucratic functions of the state, or what is commonly known in the country as public administrative reform (PAR).

When considered together, these programs constitute a significant effort to make Vietnam's economy legible under western standards of development by implicitly critiquing the socialist aspects of Vietnam's one-party rule. Development institutions provide a significant amount of support for these programs—many programs that were at one point part of internal reform processes of the state but that have been transformed through these new development actors. Further, development institutions and NGOs utilize this language and attach it to real investment and resources in the urban environment. For example, anti-corruption and public procurement protocols are a key way that infrastructure projects funded by development institutions influence government processes for selecting contractors, locations for infrastructure or determining compensation rates for reclaimed land. At the same time, development institutions are not the only ones deploying corruption to influence policy. Party and state officials also use their own versions of corruption in political feuds and shakeups. These accusations of corruption are also connected to governance over resources like land and capital and development in the city. In this chapter, I discuss these different idioms of corruption as a way to explore how different values—values attached to both history and ideology—come to shape different kinds of city making practices in Saigon.

4.3 Transparency as knowledge-power

The World Bank and Asian Development Bank, along with groups like Transparency International, actively produce knowledge about corruption in Vietnam. These organizations, along with other global institutions, regularly produce corruption surveys that are based on different methodologies surveying citizens' perceptions of corruption. This data is assembled into narratives, like in the quotes above, to describe the distorting market effects of the state's interests and practices of collusion and cronyism. The corruption narrative serves to construct and maintain a global framing of the city and its makers. Kwakwa's blanket term "corruption" forecloses a diverse range of activities that regularly generate profit and value for the firms I discussed in the previous chapter. Further, it is a framing that renders Vietnamese government agencies as fraught with not only bribes and cronyism, but with conflicts of interest, particularly in dealings where state owned business interests influence government policy. But state business interests are not inherently and by necessity corrupt. In this case, those who use corruption to critique socialist rule are putting forward specific ethical values about what kinds of government activity are appropriate for capitalist development. It is in this way the corruption narrative is a project of social and political engineering. While the corruption narrative may in fact reference real corrupt acts, the question I ask is not about whether or not corruption exists. Rather, I ask how a framing of urban development as corrupt inform and shape the character and content of the reform agenda. In this way, corruption becomes a diagnosis of the state and solutions produce a language and set of material practices that render key aspects of the late-socialist economy illegible even as it attempts to imagine a more legible and transparent world of capitalist growth.

These critiques come into play when examining how development agencies draw transparency and economic growth together. After Vietnam made changes to its land law in 2013 to address land disputes between government agencies and farmers on the periphery of Vietnam's cities, Kwakwa was quoted as saying, "Failure to resolve land disputes could mean that inequality worsens as some lose access to land without proper compensation and this could, in turn, lead to social unrest. It could also mean missed opportunities for investments that could create jobs and promote Vietnam's rapid growth. Neither outcome is ideal."³¹ Drawing corruption and private sector performance together in Vietnam stands in contrast to Vietnam's growth patterns for the last twenty years. The same socialist institutions in an era often characterized as being even more legally opaque, managed to produce an average GDP growth rate of approximately 7.1% in the twenty year period 1991-2010. Vietnam's intense periods of growth expose the limits of drawing transparency and economic growth together.

³¹ "Vietnam Tightens Land Seizure Law After Farmers Protest," *Bloomberg News*, 12/9/2013. URL: <http://www.bloomberg.com/news/articles/2013-12-08/vietnam-tightens-land-seizure-law-after-protests-southeast-asia>, (accessed on 12/9/2013).

Transparency knowledge also extends to the real estate industry as well. One example is the globally recognized investment consulting firm, Jones Lang LaSalle, which ranked Vietnam last on a list of fifty-six countries in its 2006 “Real Estate and Transparency Index Report” and sixty-eighth out of ninety-seven in 2012 (Jones Lang LaSalle 2006-2012, Kim 2008). The top ten in the real estate transparency index are referred to as the “high liquidity Anglophone markets” and stable European markets, with the United

Asia Pacific Transparency Index

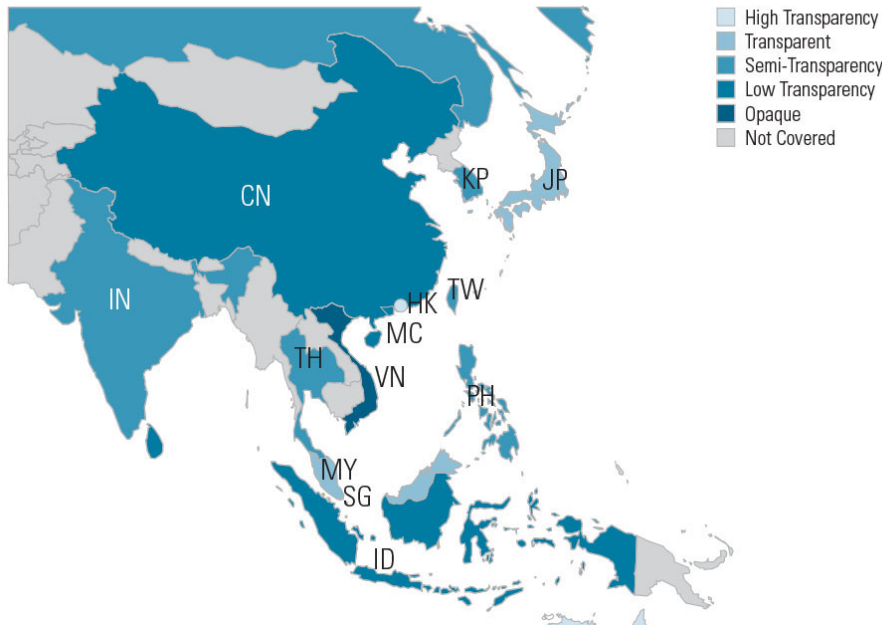


Image 12: Real Estate Transparency Index Map, 2006. Jones Lang LaSalle, 2006.

States in the top position. Though the index takes into account performance and practice of financial institutions in real estate, the US maintained its top position through the credit and housing crisis of 2008, despite unethical practices in credit lending and bond valuation managed to bring the entire world economy to its knees. These indices make the business landscape appear bare, with high risk and little opportunity for growth.

Indices like these are what Mary Poovey (1998) refer to as the production of modern facts; knowledge generated by maintaining a set of fictions based on the act of stripping away social contexts lynchpin to the creation of the fact itself. In the case of the transparency index, the context of the US financial meltdown is curiously missing as is the structural components of Vietnam’s property regime. This transparency index universalizes key tenets and institutions of western liberalism. The criteria that determine a lack of transparency in real estate are built on standards developed in the West. In the realm of development, Timothy Mitchell (2002) refers to this as a kind of “technopolitics” where development practice builds the model for intervention in a lab setting, without regard to particular histories, contexts, and without regard to the fact that in practice, the control settings of the lab can never be reproduced in their totality amidst the infinite number of variables that occur in the world.

Transparency indexes are based on a number of factors that deserve closer examination. For example, Transparency International's Corruption Perceptions Index (CPI) is based on perceptions and therefore has no basis in real evidence of corruption. The Jones Lang LaSalle Real Estate Transparency Index works in much the same way, working with other transparency databases and perceptions of employees and experts connected to their field offices around the globe. The index also works discursively in what Alex Cobham (2013) reports in *Foreign Policy* as a kind of circular logic of cause and effect.³² The corruption index is composed of perceptions of events that have no basis in real evidence of corruption. These compile into a score, which are subsequently picked up by the press, further influencing the perceptions of those select few who are surveyed for their perceptions on corruption. As Stuart Campbell (2013) notes, the three most popular measures on corruption are the Corruption Perceptions Index of Transparency International, the PRS Group's International Country Risk Guide, and the World Bank's Governance Indicators Database. All use a similar methodology by using opinion data to create a corruption perception score. Vietnam in 2014 ranks 119 out of 167 countries on the Transparency International CPI with a score of 31 (a score of 100 indicates a "clean" country). The World Bank's Worldwide Governance Indicators (WGI) use perceptions to provide a percentile ranking on a number of issues. Vietnam is in the 10th percentile in "Voice and Accountability," the 30th percentile in "Regulatory Quality," the 45th percentile in "Rule of Law" and the 38th percentile in "Control of Corruption."

Cobham notes that Transparency International's CPI is made out of the perceptions of a selected global elite since the index cannot go out and produce comprehensive results in every country. The global elite consist of "country economists," "recognized country experts," and "business executives" among the list of elite participants. This results in a statistical bias towards the perceptions of a specific class of people. Cobham argues that correlations between different components of surveys run between 80 to 100 percent, because "overwhelmingly the same kinds of people are being asked for their perceptions."

Further, as Campbell (2013) notes, other indicators of corruption in many cases seem to counter the perception indicator. For example, he argues that looking at surveys of people's self-reported real experience with corruption across sectors presents an alternative view. With Brazil, he points out that while the country was the sixty-ninth most corrupt country among 178 on the CPI index, on a different index, the Global Corruption Barometer which is also published by Transparency International and which measures people's self-reported real experiences with corruption, only four percent of Brazilians in 2010 reported having ever paid a bribe, a lower percentage than found in the US. In Vietnam, thirteen percent of respondents in 2013 reported being asked to pay a bribe compared to ten percent in the US.

³² Alex Cobham, "Corrupting Perceptions: Why Transparency International's Flagship Corruption Index Falls Short," *Foreign Policy Magazine* 7/22/2013. URL: <http://foreignpolicy.com/2013/07/22/corrupting-perceptions/>, (accessed 7/10/15).

The disjuncture between perception and experience does not prove that the CPI is a flawed measurement, but it does question the CPI's explanatory power. Campbell concludes,

Some authors assume that concrete experiences of corruption are a more reliable measure than surveys on how corrupt a group of American experts consider a country to be. These authors suggest that the low correlation between expert assessments and experiential data "might be taken as a sign that experts have a quite coherent set of beliefs about the incidence of corruption that bears little resemblance to realities on the ground." (268)

A transparency index contains elements of scientific rigor. It is a hierarchical ordering of nations based on corruption, a phenomena of value that has been translated into numerical hierarchical form. The movement that abstracts the phenomenal world into truths that bear the stamp of scientific rigor is what Bruno Latour (1999, 24-79) argues constitutes a "circulating reference" where extra-scientific practices are omitted, producing a reduction of the world, but also gaining new categories of understanding. But unlike Latour's circulating reference, in the case of the transparency index, we end up with a rather one-way movement. According to Latour, scientific discovery is a kind of roadmap where one can trace the world to each reference point, allowing for one to "follow the breadcrumbs" from reduced category back to the phenomenal world and vice versa, allowing for both replication and observation. But in this case, what we end up with is an untraceable erasure. A transparency index is constructed to appear as a scientifically rigorous instrument, providing a valuable measurement of corruption, but one cannot trace its conclusions back to the phenomena that created it. In order to do so, one would have to recreate the unrecorded and unspoken assumptions taken by those who produced the index itself. One should be able to trace each reduction back to acts of corruption, or at least the reasons why particular surveyed participants perceived corruption or the conditions that make corruption possible.

Transparency indices like these have specific resonance in Vietnam, where the narrative of corruption has become a naturalized and homogenizing discourse. It is a discourse that strips away the specific context through which property is created and regulated in a place like Saigon. The purpose of the index is reductive comparison. It allows one to flatten social reality into a single comparable number, such that one can sublimate an entire range of economic practice under a unifying rationale to such an extent that one can rank order entire countries, regardless of the specific practices that make up a corrupt or transparent business environment. In this case, all of Asia can be read as opaque, as is the case in image 10.

Tautological science-like tools like transparency indexes exist in large part because there is a pervasive discourse and conversation about corruption, both in Vietnam and globally. In Vietnam, corruption exists. There are a number of high profile cases over the last ten years that have solidified and added to existing narrations of corruption today. Again, my contention is not that Vietnam is corruption free nor extremely corrupt. Rather I look at different framings of corruption to understand how they structure different kinds of

interventions in the city. These interventions are attached to regimes of ethics and values that project specific visions of the urban future of Saigon.

These readings of the real estate environment as inherently corrupt agglomerate into a worldview that circulates widely, becoming a readily available and easy rationality for individuals, firms, and different kinds of agencies to pick up and utilize when convenient. These rationales frame and justify material interventions in the city, through programs of reform. In Saigon, the language of corruption and transparency has become so ubiquitous in the real estate consulting sector that every market report or real estate presentation I attended had a segment dedicated to improving transparency, good governance of institutions, and reducing government corruption in land dealings. Corruption readings are also productive in other ways. For example, donor agencies intervene in the Vietnamese government in many ways to produce more transparent legal or bureaucratic systems. They have also impacted the re-orderings of the city through multi-lateral institutional and donor-initiated projects, like Saigon's new transport systems and other types of urban infrastructure. Such projects demand different forms of regulation in the name of transparency and adequate governance. Institutions like the ADB and World Bank have anti-corruption and governance reform language built into agreements, such that the country must engage in new practices, create new laws, policies and institutions, or shift enforcement priorities to counter corrupt practices as defined by the donor institution. These include new or different kinds of public procurement protocols, land compensation rates for farmers and land holders in the urban periphery, and demands on organizational structure to improve transparency in decision making. I will discuss some of these programs in this chapter, but before I do, I would like to theorize corruption a bit more.

4.4 Talking about corruption

From the moment I arrived in Saigon, I found an all-pervasive talk of corruption. This constituted a running narrative that penetrated all aspects of everyday life. From the market reports described above to conversations with my motorbike repairman, corruption talk was everywhere and everybody seemed to have an opinion about how and where it was happening. But, I also noticed that there were variations in the ways that people discussed corruption. In these differences, I found that much like Caldeira's (2000) "talk of crime," the "talk of corruption" is compiled of the everyday narratives that symbolically simplify, order, and rationalize action in a city where the categories and terms of engagement are rapidly changing. Caldeira states:

The everyday narratives, commentaries, conversations, and jokes that have crime and fear as their subject counter act fear, and the experiences of being a victim of crime, simultaneously make fear circulate and proliferate. The talk of crime promotes a symbolic reorganization of a world disrupted both by the increase in crime and by a series of processes that have profoundly affected Brazilian society in the last few decades. These processes include political democratization and persistent high

inflation, economic recession, and the exhaustion of a model of development based on nationalism, import substitution, protectionism and state-sponsored economic development. Crime offers the imagery with which to express feelings of loss and social decay generated by these other processes and to legitimate the reaction adopted by many residents... (2)

There are similarities between crime, as Caldeira describes it, and corruption as I analyze it here. Crime and corruption are both considered illegal or illicit activities that occur under opaque circumstances. In the case of corruption, they purportedly take place illicitly within the state apparatus, under the nose of regulatory or police powers, making it a phenomena that is difficult to both observe and prove. Like the “talk of crime” in the quote above, the “talk of corruption” is also a symbolic reordering of a world both disrupted by corruption and more importantly, as Caldeira adds, by processes that have profoundly affected the society in question. In other words, they are categories which individuals and communities evaluate and process social change, making it legible. For Vietnam, these processes include two wars and three major ideological shifts in the last half century, each attempting a complete overhaul of the moral, legal, economic, and political order of the city and nation; the most recent of which is the transition from socialism to what is now called “market oriented socialism.” As is the case with most modernist upheavals of state ideology and practice, these attempts did not eradicate their previous eras. Rather, it entangled them into a complex array of inconsistent and contradictory regimes of ideology, law, and regulatory practice. As core ethical values in both economy and society undergo rapid change, become entangled and more confusing, corruption talk becomes an important vehicle for people to make sense of new configurations and relations of power.

As Dunn (2004) points out, despite the fact that corruption talk is everywhere, actual acts of corruption are difficult to prove and rarely bubble up to the visible surface. In Vietnam, cases where there are formal charges brought up for corrupt acts are rare when compared to societal perceptions about just how much corruption takes place on a daily basis. Such perceptions are generated through everyday talk, but are also reinforced by reform apparatuses both internal and external to the state. Yet, the talk of corruption continues to play a significant role in shaping local and national policy about development and reform.

4.5 Corruption in review

Scholarly literature about corruption is vast and varied, spanning multiple disciplines and approaches. The majority of definitions tend to gravitate towards viewing corruption as the use of public authority for private benefit. As Robert Williams (1999) points out, most scholarly definitions have abandoned the original meaning of the word “corruption,” which has a distinctly moral framework (to corrupt is to pervert, debase, ruin) and have advanced a number of definitions that favor more specificity. These include legal definitions of corruption as an illegal or extra-legal institution or as the violations of officials using their public authority for private gain (Leff 1964,

Heidenheimer and Johnston 2002). The legal definition presupposes that there is already a coherent legal and administrative framework in place, one that has already vetted which acts are violations of societal norms apart from those that are not. In other words, they presuppose an existing rational and agreed upon moral-cultural administrative and legal order in place (Williams 1999). Further, such a view presupposes that societal norms and legal code are always in harmony. These conditions are rarely met in practice. In Vietnam, as I will demonstrate in the following sections, there are multiple and conflicting moral-cultural values that intersect with the legal order in unexpected ways. Moreover maintaining consistency between moral, cultural and legal orders are more difficult to meet under circumstances where territories have undergone major historical change. This is particularly true with respect to Vietnam's legal, political and administrative frameworks that have remnants of different moral and legal orders going back to at least the colonial era. Against these assumptions of a unitary moral-legal order, James Holston (1991, 2008, 227-232) has shown that the "misrule of law" and "normative illegalities" are a fundamental component of government rule. Moreover, traditional views on corruption rely on a strict dichotomy between public and private spheres. It is assumed here that private interests debase public life, and that each is afforded its own, independent and uncorrupted realm of intervention.

It is a hallmark of the modern capitalist state, specifically that of liberalism and its more evolved forms, that the public good and private interests are recognized and diagnosed as entangled; as a result, they are part of the problem of modern political economy. This is a key tenet of Hannah Arendt's concept of the 'social' under which principles that separate the private interests of the household and the public interests of the state have been eroded through the advent of liberalism and a modern economy (Arendt 1958, 22-78). Foucault similarly understood this as foundational to the formation of a field of state intervention called "economy" where the very notion of freedom itself came to be redefined as a private enterprise protected and secured by the modern state (Foucault 2007 [1978]). This thread is of course foundational in Marxist thought as well. For example, the conversion of use value to exchange value and the alienation of labor is a key ethical domain through which "interest" is redefined to serve the private interests of those who control the means of production. In Vietnam the field of intervention that deciphers exactly what kinds of "interests" are coded as corrupt or valuable is a highly contested one.

These philosophical and theoretical foundations on corruption's discourse are important to note as they reflect differences in thinking between a socialist hardline and those pushing governance reforms in Vietnam. Vietnamese governmental units see corruption differently depending on who it is, what the political, economic or social climate is and what systems of beliefs they operate with. Party officials can often take a "socialist hardliner" stance, often referred to in the press as part of the old guard or remnants of the "pre-reform era." Recent feuds between President Truong Tan Sang and Prime Minister Nguyen Tan Dung often depict a clash between a socialist hard liner and a reformer, a case I will discuss later in this chapter. In general, socialist hardliners are characterized as apprehensive about the influx of western capitalist norms, seeing behaviors associated with private property and private enterprise as corrupting the moral duties and character

of public political and administrative units and individuals. I use the term “socialist hardliner” not necessarily to divide values according to agents, but rather, to make the point that different values are used depending on the situation. For example, the President of Vietnam has been described as a socialist hardliner, a conservative, and a reformer at various times. Rather than see individuals as totally hardliner or reformist, I see these positions as in flux and used advantageously. These framings allude to pre-transition eras which critiqued the unethical capitalist behaviors of those living in the country’s southern regions, which engaged in usufruct practices that resembled private property rights and market exchange despite northern efforts to collectivize land, agriculture, and industry. Market practice was seen to corrupt the public good under Marxist-Leninist principles of development. These values did not simply disappear when the era of market socialism arose, but rather, were taken up by conservatives and reformers alike to address particular issues.

Inversely, the reform mandate of good governance associates corruption with the remnants of old socialist values that linger and produce market inefficiencies and barriers to global investment. Good governance is a triumphalist take on liberal capitalism, aiming its sights on some of the fundamental tenets of late socialism. In this way, good governance reforms seek convergence through the application of global standards based on development patterns of the West. This is how Transparency International or the World Bank can render an entire continent opaque and in need of government reform.

These institutions see corruption as a natural outcropping of self-interested behavior that needs to be minimized through a host of institutional and legal mechanisms. Corruption, according to development institutions, is defined according to the state’s ability to “control”³³ corruption through liberal technologies of intervention. This is an economic view, a cynical admission that the project of transparency is to manage corruption, not to eradicate. In this way, economists have partially moved away from the public-private distinction in favor of privileging the private. They take a corporatist view, stressing the monopoly behaviors of state authorities engaged in rent-seeking behaviors (Rose-Ackerman 1999). As Williams (1999) points out, rent seeking is predicated on assumptions about the individual as driven by the notion of maximizing self-interest, a key tenet of western liberal theory.

In this view, corruption is more of an everyday immutable reality whose consequences should be minimized rather than eradicated. The calculus of optimizing some behaviors and minimizing others through interventions within rational choice are prominent. In the west, this calculus is highly dependent upon what Foucault describes as the logic of liberal states and their ability to delimit the field of possibilities available to self-defining subjects (Foucault 2004 [1978]). Projects of development institutions encouraging transparency do not target the enforcement capabilities of the state to fight corruption head on. Rather, organizations like the World Bank and ADB take an institutional view, diagnosing architectures of government organization that they think maximize the potential for corruption. So, for example, both institutions have identified the

³³ For example, the World Bank Governance Indicators measure perceptions on a government’s ability to control corruption.

entanglement of party and state in administrative functions as an arrangement that leads to corruption. Both actively fund government reform programs that aim to separate out the functions of the bureaucratic state from the party, in what is called, bureaucratic reform under the larger project of public administrative reform.

With respect to urban development and transnational property investment, Haila (2000) has referred to Singapore and Hong Kong as “property states,” noting that transnational property plays a much more significant role in these countries’ economies when compared to those of the west. She suggests that the term can be extended to Southeast Asian states as well. Haila argues that Hong Kong and Singapore’s economic reliance on transnational property markets, challenging the idea that Asian capitalism is driven by “rent-seeking” economic behaviors. Here, following Kwame Jomo (2000), Haila argues that the characterization of Asian capitalism as rent-seeking is based on a simplistic division of state and market, one where non-market relations and trust networks are considered crony, corrupt and inefficient. She argues that looking at these practices from the perspective of “property states” demonstrates “rent seeking and government interventions using non-market institutions (arrangements, relations, and networks based on trust) can have desirable outcomes for development, creating socially value-enhancing rents (Haila 2000, 2250).

Rather than add to corruption’s rich tapestry of definitions, causes and consequences, I focus on corruption as an epistemological object that rationalizes a set of interventions. These interventions give life and form through citation, whether they be through development institutions or through socialist idealism. Following Akhil Gupta (2012), by examining discourses of corruption we are afforded a lens into the “arena through which the state, citizens and other organizations and aggregations come to be imagined” (Gupta 2012, 78). Corruption narratives and discourses are put forward in the form of diagnoses for social and political intervention. In contexts where sovereignty has been multiplied such that there are increasing ambiguities about the sources, directions, and legitimacies of rule, corruption narratives are deployed by various agents and institutions to imagine alternative futures and produce and consolidate agendas for intervention. But, they also expose cracks and fissures in state discourse, through conflicts that occur when different systems of values are applied to the same objects. According to Gupta, by examining the deployment of corruption narratives in a given conflict or controversy, one can begin to deconstruct underlying assumptions about moral orders and organizing logics at work in state agencies. Gupta explains:

Corruption may also be such a fecund signifier because it serves as a site for debates prompted by conflicting systems of moral and ethical behavior. Any discussion of corruption necessarily assumes a standard of morally appropriate behavior against which corrupt actions are measured. However, what scale does one employ to determine what is morally right?
(80)

Gupta’s provocation unsettles concrete definitions of corruption by observing that discourses of corruption are always being underpinned by specific assumptions about the

moral order at work. These moral orders are neither stable nor are they made up of singular or consistent logics. Following Ong (2005, 2006) I argue that they are articulated and territorialized in the “space of assemblage” where the contingent, contradictory, unstable and multiple “ethical regimes,” are put forth and staked. For Ong, an ethical regime is one where sets of values that interact “in shaping an “imagined community,”³⁴ are a shared vision of the common good” (2006, 22). In Vietnam, there is more than just one shared vision for the common good, internal and external to the state. Nation building itself is a process fraught with conflicting ethical values. In spite of the discourse on transparency, for the researcher, conflicts are therefore not a matter of determining who is and is not corrupt and then finding the appropriate intervention. Nor is the over or under application of law the question at hand. Most cases in Vietnam, as I will demonstrate, leave one with more questions about internal state conflicts than clarity about who and what has been corrupted. Corruption cases in Vietnam tend to reveal how ethical regimes come into conflict with one another—regimes that underlie what I identify as two modes of reform in Vietnam. These conflicts demonstrate how values themselves come to be invoked, argued and reproduced.

Scholars of post-socialism in Eastern Europe and late-socialism in Asia have pointed to conflicting value regimes when attempting to understand the politics of states under transition to capitalist practice. They have employed Marilyn Strathern’s (2001) notion of “audit cultures” to understand how evolving socialist forms of determining value come into conflict with, and transform under other value regimes that fall generally under the category of neoliberalism. David Stark (1996), for example, looks at how actors under conditions of uncertainty in Hungary’s transition, produce “recombinant property” or diversifications of assets and redefinitions of organizational relationships in order to hold a variety of resources and justifications, such that property can be valued and held “according to more than just one legitimizing principle” (Stark 1996). Stark shows that recombinant property is a coping mechanism under conditions where multiple value regimes are operationalized under a reforming and changing political economy. Katherine Verdery and Michael Burowoy (1999) have looked at how the conflicting forms of evaluating property have created uncertainty about rights and claims to land, making property and property relations appear “fuzzy.” Dunn (2004) identifies the value regimes of socialism and neoliberalism at work when attempting to audit assets in a factory—a clash that reveals that the valuation of assets are deeply embedded in everyday cultural practice and are attached to regimes of government.

4.6 Vietnamese corruption

In Vietnam, *tham nhũng* is the most commonly used word for corruption. As Kevin MacLean (2012) points out, it is the combination of the words avarice and harassment. Colloquially corrupt acts are seen as a form of consumption, where “corrupt officials are said to eat bribes (*ăn hối lộ*) or, more bluntly, to eat money (*ăn tiền*) (595). While these words don’t appear on official definitions, they equate corruption with greed and

³⁴ Benedict Anderson (1983), *Imagined Communities*, London and New York, Verso.

overconsumption. Under Article 1(2) of the 2006 Anti-Corruption law,³⁵ corruption is defined as “acts committed by persons with positions and/or powers which abuse such positions and/or powers for self-seeking interests.” Article 3 specifies twelve corrupt acts: embezzling property, taking a bribe, abusing a position or powers to appropriate property, taking advantage of a position and/or powers during performance of a task or official duties for self-seeking purposes, abusing powers during performance of a task or official duties for self-seeking purposes, taking advantage of positions or powers to influence other persons for self-seeking interests, committing forgeries in work for self-seeking interests, offering bribes or bribe brokerage by persons with positions and/or powers to settle affairs of agencies, organizations, units or localities for self-seeking interests, taking advantage of positions or powers to illegally use state properties for self-seeking interests, harassment for self-seeking interests, failure to perform tasks or official duties for self-seeking interests, and taking advantage of positions or powers to cover up law violators for self-seeking interests; illegally hindering, intervening in examinations, inspections, audits, investigations, prosecutions, adjudications or judgment executions for self-seeking interests.

Beyond these prohibitions, the 2006 Anti-Corruption Law requires members of the government to disclose their assets and encourages public institutions to create codes of conduct. There are also supplementary laws addressing issues of corruption not covered by the 2006 law. For example, the Prime Minister’s Directive No. 26/2006/CT-TTg prohibits the use of public funds for gifts and hospitality and a party resolution stating the “19 things that Members of the Party cannot do.”³⁶

The 2006 corruption law stands in a legacy of interventions initiated by the state in response to particular landmark cases that came to encapsulate national consciousness on the issue. Following MacLean (2012), in 1997 thousands of farmers from Thái Bình province clashed with approximately 1200 special police. The farmers were attempting to get national attention over grievances they had about their local government cadres engaging in land seizures and other abuses of power. The central government was very concerned that the events of Thái Bình could spread, particularly because many of the protesters were war veterans and Thái Bình province was considered one of the loyal strongholds of the Communist Party throughout the war period. MacLean notes,

... the protests were a response to the very forms of socioeconomic exploitation the party/state claimed to have eradicated decades earlier. For these reasons, many observers interpreted the protest and the official reaction to them as a direct indictment of the forms of corruption that have accompanied Renovation [*đổi mới*]. (606)

It is perhaps ironic that the socialist state fears the challenge of farmers who wield an old and incorruptible socialist, anti-capitalist and revolutionary ethic. But it is particularly

³⁵ This law was passed by the National Assembly of the Socialist Republic of Vietnam, XI Legislature, at its 8th session on November 29, 2005.

³⁶ Do Thi Phuong (Judicial Inspector of the Supreme People’s Court of Vietnam), “Anti-Corruption in Vietnam,” The 13th International Training Course on the Criminal Justice Response to Corruption,” (2010).

notable because it demonstrates that the values associated with reforming corruption do not solely originate through Western assistance, a topic I will discuss at length through a few case examples later in this chapter. The central government responded by enacting a series of anti-corruption laws in 1998. These were the Ordinance on Anti-Corruption, the Law on Complaints and Denunciations “to protect whistleblowers,” the Ordinance on Public Employees, “to require civil servants to declare conflicts of interest where they existed,” and the Criminal Code (1999) which “identified specific forms of misconduct as “corruption crimes”” and the Grassroots Democracy Decree, which encouraged popular participation in local government’s administrative dealings.

The 2006 law comes in response to a watershed moment in corruption cases, the PMU-18 scandal. I rely on the account given by MacLean (2012) in his article “Enacting Anti-Corruption: The Reconfiguration of Audit Regimes in Contemporary Vietnam.” The scandal broke in 2005 and involved the Project Management Unit 18, a work unit under the Ministry of Transportation that managed around USD 2 billion in overseas direct assistance (ODA) from donor countries and multilateral development institutions for transportation infrastructure projects across the country. The PMU-18 was estimated to have embezzled over US \$7 million from various ODA construction projects it managed. Bui Tien Dung, the general director of PMU-18 had been found to have placed bets valued at US \$2.6 million on international soccer matches and was only caught when an illegal sports book had been brought down by the police (MacLean 2012). The Deputy Transport Minister, Nguyen Viet Tien was detained and later arrested for embezzlement and the Transport Minister, Dao Dinh Binh was forced to resign.

The state’s responses were multiple and divergent. Over one hundred members within PMU-18 were instructed to “count the points”, a form of criticism/self-criticism that was part of the “politico-moral auditing framework initially developed in the Soviet Union,” a practice considered outdated by contemporary standards. Dung was sentenced to twenty-two to twenty-five years in prison and had to forfeit his three homes along with undeclared cash. Dao’s case was settled in closed door sessions culminating in his resignation. Shortly afterwards, Hanoi’s People’s Court reduced all nine of the defendants’ sentences. Dung’s sentence was cut in half, and it was noted that his cooperation and his service record were considered when reducing his sentence (MacLean 2006).

The policy responses were many. In addition to the enactment of the 2006 anti-corruption law, over the course of the next six months after the passing of the law, MacLean reports that:

Eleven ministries promulgated forty-seven secondary legal documents regarding their anti-corruption activities. The Prime Minister’s office also issued four instructions, which ranged from new guidelines for managing state budgets, assets, and personnel to the explicit prohibition against using public funds for gifts or parties. Twenty-three provinces and cities across the country also announced new procedures for disclosing how state funds were annually budgeted within administrative units under their

control ... By August of 2007, on the eve of the PMU-18 trial, the government and the prime minister's office had issued fifty two further regulatory documents regarding financial practices as well as cost norms and standards. During this same period, ministries and local government agencies reviewed 9,511 regulatory documents, issued 1,037 new ones, amended 782, and abolished 598 outdated or redundant ones. (615)

MacLean provides a rich account of different "audit regimes" in the enactment of anti-corruption policies in Vietnam. It is notable that old socialist forms of moral auditing and punishment were deployed. These came along with closed-door sessions for both assessing punishments as well as producing an overabundance of new laws, many of which probably overlap and conflict. MacLean notes that out of these efforts, a unified anti-corruption policy did not emerge. Instead, he indicates that, "Provinces, cities and cross-sectoral bodies carry out their own anti-corruption initiatives in addition to participating in nationally sponsored ones. Some of these initiatives are clearly self-interested and self-serving" (619).

In this way I am not arguing that corruption is a figment of imagination. Acts of corruption certainly happen. There are a number of prominent cases in Vietnam illustrating this,³⁷ a few of which I will explore in depth later in this chapter. I argue instead that the way corruption is framed has profound effects on the types of value that are deployed and the kinds of policy and intervention that follows. In many cases, reform programs based on different readings of corruption become entangled, creating hybrid and recombinant forms that cannot necessarily be identified as either wholly neoliberal or socialist.

4.7 Contemporary corruption cases in Vietnam

In Vietnam, accusations and charges of corruption are often levied though vague and multiple definitions, stretched to the point of contradiction when conflicts arise between

³⁷ In 2008, Huynh Ngoc Sy was arrested for corruption. He was the director of a Project Management Unit (PMU) overseeing the East-West Highway Project, an 18.4km road that ran through eight urban districts in Ho Chi Minh City and funded by the Japanese International Cooperation Agency (JICA), Japan's ODA organization. Huynh was sentenced to life imprisonment for accepting bribes amounting to \$262,000 from officials of the Japanese firm, Pacific Consultants International (PCI). His sentence was later reduced to twenty years by the Supreme People's Court of Ho Chi Minh City. In December of 2013, Mai Van Phuc, the ex-CEO and Duong Chi Dung, the ex-Chairman of Vietnam National Shipping Lines, were sentenced to death for falsifying documents and overcharging the state for the purchase of a floating dock. They each embezzled approximately US \$1.6 million and caused reported state losses of approximately US \$17.2 million. In 2015, two corruption investigations have surfaced. One where the company Japanese Transportation Consultants are said to have bribed Vietnamese officials at Vietnam Railways, a state owned railway operator, to win contracts funded by JICA. In the same month, Korea launched an investigation into two former directors of POSCO Vietnam branch's construction and infrastructure firm, POSCO E&C for creating a US \$10 million slush fund between 2009-2012 that they later claimed was for bribing Vietnamese officials. The court revealed that the two, identified only as Park and Kim, had created the fund by inflating infrastructure costs and then embezzled over 4 billion won (US \$3.35 million) from it. As of September 24, Park was handed down a sentence of thirty months in prison.

government agencies and individuals. They are narratives deployed in specific configurations of power and relation. These configurations are sometimes temporary and assembled for the purpose of addressing specific challenges or problems. In other instances, they involve long-standing personal or institutional relationships and rely on many threads of logic rooted in historical development.

Actual cases of corruption are difficult to unearth, as the one party state historically has not publically aired its individual grievances or internal power struggles. State information is tightly controlled, as all media is censored and any attempts to produce independent sources of media are often met with severe punishment.³⁸ But these conditions have been rapidly changing. Decentralization policies and subsequent intergovernmental competition for urban resources have created inevitable conflicts that have been curiously public and have shed light on state political processes at both the national and local levels. These policies have pit governmental units who have been incentivized to reclassify and seize peri-urban land in order to seek investment for urban projects. In recent cases, the state was thought to have exhibited censorship restraint by withholding “official guidance,”³⁹ to media outlets on controversial events surrounding government land grabs and corruption in infrastructure projects and real estate. Others have observed that the state has relaxed its iron grip on some forms of public debate, particularly in state owned media outlets, civic associations (Kim 2010) and in some rare cases, political blogs (MacLean 2012). At times, political blogs have been allowed to run and detail internal strife and conflicts in the party between top national officials. More often than not, these involve accusations about corruption involving real estate and finance. In this section, I provide examples to illustrate my argument and discuss the different regimes of value in each. Not all these examples are about Saigon, but they help to illustrate how corruption narratives are deployed in different ways in Vietnam. The first is the case of Tran Ngoc Suong and the Song Hau Fish Farm Collective.

Tran Ngoc Suong and the Song Hau Fish Farm Collective

The Song Hau Fish Farm is well known in Vietnam. In 1978, Tran Ngoc Hoang was commissioned by the central government to turn a vast area of swampland in the Mekong Delta into a collective fish farm. He and his daughter, Tran Ngoc Suong, quickly built the collective into one of the few successful collective farming enterprises in the period, providing stable income and social services to over 3000 farm families. Tran Ngoc Suong would later take over the collective after her father’s death, converting the farm into a joint stock company in 1991. Despite its conversion, the farm continues to be celebrated as an institution that succeeded through the maintenance of socialist organizational principles—some of which have continued to this day. One of these practices was the creation of a fund to be utilized for social services to families in the collective, a fund that

³⁸ According to Reporters Without Borders, Vietnam is second only to China in the number of bloggers and netizens it is currently detaining (35) as of July 2013.

³⁹ David Brown. “Vietnam’s Contentious Land Law, part 4” in the *Asia Sentinel*, 2/13/2012. URL: <http://www.asiasentinel.com/society/vietnams-contentious-land-law-part-4/> (accessed 2/15/2012). For more on land seizure and the role of the media, see: Kim, Annette. 2011. "Talking Back: The Role of Narrative in Vietnam's Recent Land Compensation Changes." *Urban Studies* no. 48 (3):493-508.

was later the subject of embezzlement accusations launched at Tran by the Can Tho City police.

In 2005, the Can Tho City People's Committee and the nearby Co Do District proposed to take over the Song Hau farm. They secured Korean and US investment to build a new town industrial zone that was to be built next to the city's planned airport (which was to be built on 4000 hectares of land previously owned by the fish farm). Thus began a political battle between Tran and Can Tho City's government elite, which culminated in embezzlement charges raised against Tran by the Co Do district court and her eventual conviction and eight year sentence issued in 2009. Suong was convicted of embezzling and diverting VND 9 billion, approximately \$430,000 USD at the time, from the Song Hau Farm into a private slush fund.

The case garnered national attention and some party elites on the national level rushed to Tran's defense, most notably Vo Van Kiet, a national hero, former Prime Minister and one of the key architects of the 1986 *đổi mới* reforms that opened up Vietnam's economy. In a letter to the Can Tho Party Committee he stated, "I understand that it was your idea, not the public prosecutor's, to bring criminal charges against Suong. She's made great contributions to the agricultural progress of the region, and if there was wrongdoing, it should be dealt with in a reasonable way." He added, "I cannot support your plan to take the collective's land to set up an industrial zone."⁴⁰

The verdict was thrown out in May of 2010 on procedural grounds. However, new charges were brought in February of 2011 based on Can Tho Police's claim that they found new evidence for an additional embezzlement charge. Tran, though, had many allies at the national level. Heads of Vietnam's Fatherland Front, the state's mass-base organization and centralized voice of all of Vietnam's civic associations came to her defense, accusing the Can Tho authorities of abusing their police and legal power to seize land. The Can Tho authorities subsequently dropped all new charges and justified their position, saying in a press release that they dropped the charges "not because they believe she is innocent, but because of the contributions made by Tran and her family to the state." Here, the implicit reasoning is that they misjudged the importance of her farm's heroic narrative to the central government and underestimated her ties to high-ranking officials.

The scandal demonstrates how corruption is deployed on both sides of the conflict to justify very different claims to land and development. It also shows some of the configurations of power, relation and connection that come into conflict with one another. On one side of the issue, corruption is leveraged as a way to narrate a national-local divide, where local wards and districts are portrayed as "greedy" (Kim 2011; Harms, 2012) and are exposed through their seizure of agricultural land for urban development and to secure foreign direct investment. In this particular case, the accusations of corruption come from parts of the central government, although it is also a central concern of foreign news sources and bloggers. This accusation comes despite the fact that

⁴⁰ David Brown. "Vietnam's Contentious Land Law – Part 2," *Asia Sentinel*, 2/2/2012. URL: <http://www.asiasentinel.com/society/vietnams-contentious-land-law-part-2/> (accessed 3/2/2012).

there are other prominent cases where central government officials are implicated for similar, if not identical, activities, yet have not come to farmers' defense.⁴¹ These inconsistencies show that accusations of corruption given by the center to provincial or local officials is not a unitary policy, but rather, one that can surface when there are deep historical connections coupled with ideological values. On the other side of the issue, local government officials imply that Tran was too well connected to central party leadership for their claims to be legitimated. This too is a kind of corruption claim. It is the one where old socialist relationships remain intact despite the fact that under the reform era, cities and provinces have been empowered to repurpose land for development in order to attract investment. Here, old socialist ethics about collective mastery and the welfare functions of state-owned enterprises come into direct conflict with new modes of growth, predicated on land seizure and foreign investment.

ACB Banking Scandal

The second case I illustrate is the Asia Commercial Bank (ACB) scandal. The ACB is a joint stock bank that was founded in 1997 and quickly became the primary real estate lending bank in the city. In August 2012, Nguyen Duc Kien was arrested and charged by the Supreme People's Procuracy for "deliberately violating state regulations resulting in serious consequences." Nguyen was the co-founder and former director of the ACB, one of Vietnam's largest. At the time, he was also a well known tycoon with multiple business interests, including a Vietnamese premiere league soccer team, large holdings in ACB and a number of other banks. The Supreme People's Procuracy charged and convicted Nguyen, along with seven other bank heads and high-ranking employees for diverting funds from an ACB subsidiary to two companies wholly owned by Nguyen, funds that were then used to purchase over 52 million shares in ACB. Investigators contended that this violated Vietnamese laws on stock business activities and caused losses of over VND 688 billion (USD 32.6 million) to the bank. Nguyen was subsequently accused of illegally approving ACB's deposit of nearly VND 719 billion (USD 34 million) at Vietinbank's Saigon branch in 2011, deposits which yielded 14 percent interest. These activities violated laws prohibiting banks from depositing money into other banks to earn interest. Huynh Thi Huyen Nhu, the former deputy chief of the risk management office at Vietinbank's Saigon branch, later stole these deposits.

The arrests sent shockwaves throughout the financial and political community. ACB, which is 15 percent owned by the British Standard Chartered Bank and 7.3 percent owned by the Hong Kong based conglomerate Jardine Matheson Holdings, suffered a 22 percent decline in stock prices as depositors rapidly withdrew funds from the bank. Moody's cut the bank's credit rating and Fitch ratings wrote, "The arrest could trigger renewed investor concerns about corporate governance, transparency and liquidity issues

⁴¹ For example, in Van Giang province just outside of Hanoi, approximately 600 farmers were forcibly removed by province authorities in a land seizure for the Eco Park project, a luxury township of apartment and gated communities developed by the Viet Hung Urban Development and Investment Joint-Stock Company, which erupted in violent clashes between police and farmers. Although a significant amount of press reported on the issue both in Vietnam and internationally, Government officials from the center did not respond directly to the issue.

in Vietnam's banking sector."⁴² Kien was sentenced to thirty years in prison for fraud and tax evasion, a light sentence when compared to death sentences issued just months earlier to two of Vinalines' CEOs for embezzlement charges causing state losses of VND 366.9 billion (USD 17.2 million).

In the months that followed the arrest, several political blogs and foreign news sources indicated that Kien and the ACB became targets of corruption, not necessarily because of fraudulent or corrupt behavior (in these assessments, the entire country rested on a bedrock of corruption—not just this one banker), but rather as collateral damage in a political feud between Prime Minister Nguyen Tan Dung and the President of Vietnam Truong Tan Sang. Kien is believed to have close business ties to the Prime Minister's daughter, Nguyen Thanh Phuong, who runs Viet Capital Asset Management and a brokerage firm, Viet Capital Securities. This was a sentiment echoed by some of my informants who occupied prominent roles in the country's financial services sector. Many of them echoed these claims, saying things like, "In a country run by thieves, how can you lock one banker up and hope to fix the problem? You would have to shut [the entire system] down to catch them all."⁴³ In-country bloggers, foreign press and my informants pointed to philosophical differences between President Sang and P.M. Dung, the former being more of a hardliner uneasy with the rapid shifts away from socialist ideological principles and the latter one of the most powerful Prime Ministers in the country's history and a key architect in the country's transition strategy developing state owned enterprises engaging in public-private partnerships.

Bloggers, business analysts in the region and informants speculated that the ACB bank scandal (along with the Vinalines fraud case earlier that year) were orchestrated by Sang in an attempt to reign in what he saw as the corruption of state-owned and state-backed enterprises. Sang and his allies here are believed to represent state concerns for maintaining the political stability of single-party rule, stability that is being threatened by the rapid growth models in place. In an opinion article published in August 2012 immediately after the scandal broke, Sang wrote that, "Vietnam was now under pressure from broken state-owned enterprises." According to the news source, *Atlantic Sentinel*, he went on to lament the "degradation of political ideology and the morals and lifestyle" of public officials, indicating a "not so subtle shot at [Prime Minister] Dung."⁴⁴ Others, like the dissident lawyer Le Quoc Quan, surmised that Kien was just a scapegoat for protecting the interests of one-party rule in the midst of an economic recession. He was quoted as saying, "They need a scapegoat for the economic failure, and what is more convenient than budding capitalists?"⁴⁵

42 Richard Colapinto (2012) "Banking Scandal Exposes Split in Vietnam Leadership," *The Atlantic Sentinel*, 8/29/2012. URL: <http://atlanticsentinel.com/2012/08/banking-scandal-exposes-split-in-vietnam-leadership/> (accessed 8/30/2012).

43 Fieldnotes, 8/30/2012.

44 Atlantic Sentinel: Banking Scandal Exposes Split in Vietnam Leadership, 8/29/2012. URL: <http://atlanticsentinel.com/2012/08/banking-scandal-exposes-split-in-vietnam-leadership/> (accessed 8/30/2012).

45 BBC Asia, "Power Struggle behind Vietnam tycoon's arrest?," 8/27/2012. URL: <http://www.bbc.com/news/world-asia-19388877> (accessed 8/30/2012).

Later the following year, President Sang and his allies motioned for an unprecedented vote of no confidence in Prime Minister Dung, which he narrowly passed. The no confidence vote was interpreted in the press as an attempt, among party hardliners, to hold party officials accountable for what they see as economic mismanagement. Some of my informants were awestruck by Dung's political resiliency, interpreting his lasting power as a sign that while reform and accountability seemed to figure more prominently in the foreground, business could still continue as usual. Quan, a real estate head who claimed to know the Prime Minister personally said, "It's a slap on the wrist. He is punished for making too much speculation. But everyone knows we can't do it any other way, so he gets to keep going."

The ACB scandal and the subsequent feud between Sang and Dung is another example of how corruption narratives are deployed in efforts to pursue or push agendas associated with very different value regimes. In this case, the contradictions of socialist-oriented market rule are brought to the forefront, where the co-constitution of economic liberalization and communist single-party rule are pressed to the limit of contradiction. In both the cases, the Song Hau Fish Farm and the ACB scandal, corruption is deployed as a tool in highly politicized conflicts over the nation's future. They are connected to value regimes of late socialism that pull at the social fabric in different directions, the most obvious and general of which are the conflicts brought about by the economic goals of market capitalism while attempting to maintain a grip on one party rule through socialist institutions and power relations. Accusations of corruption can be thrown both ways.

On the one hand, corruption is attached to market-oriented transition and the unethical behaviors that result from unregulated capitalism. Here, socialist ideology remains a prominent factor in debates over the imagined future of the state. As MacLean (2012) points out, the official discourse provided by the Vietnamese state on economic transition represents new orientations to the market as one stage on the path to a stronger and more equitable socialist state. While most scoff at such lofty statements of state discourse as unrealistic, it is important to understand that socialist ideology factors prominently in corruption cases like the two outlined above. Capitalist practice is thought to have a corrupting influence on those in power, with socialist ideology being solely capable of pulling back the reins and instituting a moral corrective to wild and runaway capital.

On the other hand, corruption is deployed as a critique of socialist modes of governance—the informal ways that opportunity and benefit are exchanged under socialist rule. MacLean further points out that, in Vietnam, as in other socialist states, "Redirecting material goods and granting bureaucratic favors that could be recalled in the future became a common way to manage uncertainty in the face of chronic shortages produced by the centrally planned economy—even though these informal quid pro quo arrangements exacerbated the very problem they were meant to mitigate." Corruption narratives, in this respect, are attached to critiques of monopoly rule, aimed at the one-party state for its inability to govern through rational bureaucracy. The communist party is seen to be entangled with the administrative functions of the state and is perceived to

transform even the most mundane of bureaucratic and legal processes into politically motivated acts and systems.

The lines that separate these two understandings of corruption are porous. For one, it is problematic to understand these corrupt acts through one or the other lens. It is impossible to define a corrupt act as either the result of capitalist decay or as a result of socialist organization. Rather, they represent two ideological poles in what are in actuality, hybrid practices. These hybrid acts of governance are what Li Zhang and Aihwa Ong (2008) have referred to as “socialism from afar,” where the question of governing capitalist practice through socialist institutions lays bare the tensions between maintaining socialist one party rule while introducing a whole new set of freedoms necessary to enact economic liberalization. In this case, market reforms have empowered state agencies to utilize their ownership and control over urban resources to create state business interests and partnerships with private interests to urbanize cities. The Vietnamese state makes efforts to minimize the occurrence of certain kinds of bald-faced corruption. For example, the 2006 anti-corruption laws were, in large part, responses to large corruption cases that were impossible to censor in the press. However, these efforts do not address the primary critiques leveraged at the state by development institutions. Thus, tensions about corruption and transparency play out in reform movements that attempt to mitigate and address corruption, reforms that I have argued fall under the corresponding themes of opacity and transparency. Here, the transparency agenda is recognized and implemented through the language of “governance.”

4.8 Good governance as reform

Good governance is a key part of the reform lexicon in Vietnam. Good governance is a key phrase that describes the work of the state in concert with groups like foreign NGOs and multilateral institutions like the ADB. This work advocates for stronger institutions of liberalism, including individual private property rights, greater citizen participation in urban planning, and the rule of law.

Good governance also represents a more complex set of ideas about global civil society and democracy; ideas based on the assumption that normative notions of civic life and duty can provide the basis for a cosmopolitan world. As such, governance reform is a practiced language of rights advocated by outside agencies and touted by government bodies, local developers, foreign and local (to a degree) press, and foreign investors. It is a particularly popular script in the quest for development investment, as Saigon agencies and national level ministries purport, to engage in sweeping reforms to their governing structures with aid from multilateral institutions.

Perhaps the largest and most significant of these reforms fall under the category of public administrative reform (PAR). PAR began as an internal movement to the party-state, with southern reformers calling for greater administrative and bureaucratic capabilities apart from the political functions of the communist party and party-state. In 1995, the then prime minister, Vo Van Kiet, called for a nation of laws that needed to take the place of

organizations that had originated from the war and called for agencies to cease engaging in commercial activities (Riedel and Turley 1999, in Painter, 2003). PAR was established in 1995 at the eighth plenum of the seventh Party Congress. This program took on the task of producing an internal review of government institutions and in 2001, produced a set of recommendations that were endorsed by the party. A “Master Programme on Public Administration Reform for the Period of 2001-2010” put forward a set of reform directives. From its widest scope and most idealistic perspective, these reforms are seen by the state to transform Vietnam into a “democratic, clean, strong, professionalized, modernized, effective and efficient public administration system which operates in line with the principle of the socialist State ruled-of-law under the leadership of the Party; public cadres and civil servants will have appropriate capacities and ethical qualities able to respond to the requirements of the cause of national building and development.”⁴⁶ Broadly, these directives aim to clarify the processes of lawmaking and adjudication, clarifying roles and organizational structures of administrative agencies, modernizing the administrative system, reforming salaries in a bid to reduce public sector corruption, and to renovate financial management systems.

However, PAR has become a key concern in the multilateral development and donor community as Vietnam began re-establishing trade relations with the US and West in the mid 1990s, along with its accession to the World Trade Organization in 2008. The donor community has taken on a significant part of the PAR agenda, attempting to hold the state accountable to the goals it set out for itself in the mid 1990s through aid and technical assistance.

As Martin Painter points out, there are multiple approaches and interpretations offered towards understanding PAR in transition states. They range from teleological arguments about the historical need to modernize (Riggs 1997, Tsao and Worthley 1995) to arguments about global governance under a new cosmopolitan age. Still, others look at the political implications of the reforms, as well as at corruption and tensions between local governments and national entities or between competing reform agendas (Burns 1993, Koh 2001). Painter offers us a view in which internal political struggles over the reform agenda in Vietnam determine why the reform programs take the shape that they do. He argues that the effect and extent of PAR is proportional to how much political will the communist party-state has to decouple itself from administrative and state-led economic functions. In this respect, the party sees some reforms as challenges to the regime’s ability to manage and maintain its particular brand of social order.

Internally, the state sees PAR in two views. One as necessary changes for the continued growth of the country’s economy through capitalist market-oriented practices, and therefore an important outcropping of national development through global economic integration. The other view is that some aspects of PAR, particularly those reforms addressing administrative reorganization and salary reform, are seen to present challenges to the party-state’s interests and single-party rule. As Painter (2003) states:

⁴⁶ Socialist Republic of Vietnam, “Master Programme on Public Administrative Reform for the Period 2001-2010.”

The reform momentum is provided in part by the coincidence of interests between those seeking to assert central control for different reasons—one group being intent on maintaining political control, the other seeking technical-rational administrative control. This alliance in favour of centralized control is fragile because the second group offers a challenge to the party's traditional role. The rhetoric and instruments of PAR reflect the conflicting aims of those seeking to centralize and regularize, while the pace of change is affected by the resistance of those who would lose materially. (262)

Like corruption, PAR is another entangled battleground where contradictions of different regimes of value under late socialism come into conflict. Here, reorganizing administrative functions such that the party has less ability to interfere, is a concern for hardliners preoccupied with how the temptations of market-orientation morally erodes ideal socialist character of its officials. At the same time, maintaining the status quo is also a concern for reformers who see party hardliners as impeding the movement to transparent and rational forms of bureaucracy.

While PAR began as an internal reform movement, originating from an era when Vietnam was still relatively isolated from the West, it has become increasingly conditioned by western development institutions. They now play a pivotal role in the direction and pace of PAR and other reforms that have come under the term “governance reform.” Organizations like the World Bank, IMF, and ADB play evolving roles in Vietnam. In the wake of the 1997 Asian financial crisis, these global institutions engaged in conditional lending in Vietnam and other East Asian and Southeast Asian nations in an attempt to impact and refocus the reform agenda of Vietnam according to its perceived global standards. As global critiques of multilateral conditionality came to surface, the World Bank and other institutions shifted strategy, opting for government partnership and cooperation, “With a view to encouraging and strengthening the hand of reform advocates within the Vietnamese government” (Painter 2003, UNDP 2001, World Bank 2001).

There are additional reform projects that fall under the general rubric of “good governance.” There are attempts to reform and transition Vietnam's legal system from the legally plural⁴⁷ system of administrative law (a hybrid combination of French, Soviet and Vietnamese legal concepts) to precedent-based rule of law (Sidel 2008, Gillespie 2011, 2005, 2006). In the case of urbanization, land disputes have taken up the bulk of casework in recent years in the judiciary, with key questions being raised by reformers about what principles should be applied in cases where there are multiple claims to land based on recombinant claims to ownership (Gillespie 2011).

⁴⁷ Sally Engle Merry (1988) discusses “new legal pluralism” as multiple forms of order operating within the same social field. Applying this to Saigon, for example, French administrative legal reforms, Vietnamese pre-colonial norms, imported Soviet legal concepts and modern liberal legal concepts can interact and coexist within the same social field—not as dialectically opposed wholes, but rather as assembled and constituted within multiple orders of rules and practices.

On a more local scale, foreign organizations are engaged in a diverse range of strategies and practices to standardize land-use patterns and institute a level of transparency in the urban management of Vietnam's cities. There are a host of NGOs that work with city-level government as well as at the national level, providing training and consultation on a number of issues ranging from land compensation, to teaching best practices in master planning. PADDI, for example, is a partnership between the Rhones Alpes region of France and Ho Chi Minh City. PADDI provides trainings and technical assistance to city staff on new concepts, technologies and methodologies for urban management and planning based on global standards. Elsewhere, NGOs have urged the state to recognize the rights of those who have been evicted from their land, calling for democratic engagement, participatory resettlement, and activism—all activities that various government agencies have readily collaborated with (with varying results) in an effort towards reform. For example, the German organization KAS, or Konrad Stiftung Adenauer, provides technical assistance to provinces, cities and towns throughout Vietnam. Its recent project, "Promoting People's Participation and Governance in Vietnamese Cities through the Association of Cities of Vietnam (PPPG) provided technical assistance training to leadership in over 30 provinces, towns and cities throughout Vietnam, trainings that promoted greater citizen participation in planning.

KAS is an interesting case because they see their work as supplementing that of PAR reforms as they are understood by international development institutions. Their project, PPPG, provided training to officials in government agencies who make decisions on urban planning processes. The goal of the program was to create more lines of communication and transparency between the citizenry and government agencies, such that citizens could participate democratically in urban development processes.

Governance reform is a discourse and framework taken up by those who critique regulatory and legal opacity. But the direction and content of such critiques are surprisingly ambiguous as well. Much of this is rooted in my earlier contention that people have used different rationalities and regimes of value when making sense of corruption cases. Reformers criticize the socialist ideologues for their failures in creating a system that operates through socialist cronyism and relations of power. Hardliners critique reformers for blindly putting their faith in a capitalist system that they believe, when unchecked by the party, corrupts officials and political units as they leverage their authority to convert land and assets into commodity form.

Within this gap, the ghosts of advanced liberalism circulate and plan their emergence. Specifically, it provides an opening for what are arguably equally ambiguous calls for stability and transparency with respect to the law, democratization, and individual rights. Governance reform represents a globally recognized mode of intervention. Multilateral agencies consistently identify the need for Vietnam to better separate the political and administrative functions of the state, its needs for judicial reform (specifically around property and development), and remedies for what it deems as an environment that fosters corruption.⁴⁸

⁴⁸ See "Asian Development Bank Country Strategy and Program Midterm Review, 2007-2010." Asian Development Bank, Manila, 2009.

NGOs and foundations work in the domains of judicial and anti-corruption reforms, support pro-democracy groups and rights-based struggles, and participate in public administrative reform and state-owned-enterprise reform (in coordination with the World Bank and ADB). Governance reform therefore attempts to deal with the question of ambiguity by advocating for the solidification of rule of law and procedural consistency—the very ambiguities that are mobilized by the state in its quest for flexible economic optimization. Nevertheless, the Vietnamese state is also an active participant in governance reform initiatives.

Good governance reforms throughout the developing world are a set of loosely defined standards. They are social engineering projects addressing the problem of translation under globalization, dramatically altering and shifting the referents of value in places like Vietnam. A corollary can be found in the work of Dunn (2004), who argues that socialist value systems come into conflict as globally recognized systems of corporate management from the west attempt to reshape and reform production. Dunn shows with a high degree of clarity that there are significant historical and ideologically grounded cultural differences that make the translation of value between Western and Eastern European firms a difficult process. Processes like the financial audit, thought to be rationalized in the West as objective, expose fundamental differences in the production of value across historically specific regimes, particularly those that have had limited exposure to western forms of political-economy.

In urban planning, this critique is launched at the political arms of the state, which are said to have too much influence over the planning process, a process that itself should be left to the technical agencies. For example, I spoke with Thu, the director of one of the few urban planning NGOs in Saigon, about what master planning looks like in the city. She explains that:

The problem is not that we have bad plans. The problem is that we do planning the wrong way. Even though the master plans and city plans are very good, we have to keep going back and change them to the reality. Nobody follows the plan because there are different rules for different types of people.⁴⁹

Thu explains that her organization's mission is to educate government agencies about modern rational planning. She laments the fact that there is a great deal of effort being expended in urban planning, when the existing city clearly is built in defiance of these plans. She notes in interviews that decentralization policies have fostered competition between political units in such a way that most developments happen "backwards." She states that:

In planning, you should have a feasibility study, based on the needs of the population, and how many buildings and how many apartments you can sell, and a reasonable price that can meet the demand, based on market

⁴⁹ Interview with Thu, 7/4/2012.

principles, and so on and so on, and then you have your cost basis and you go down the line and then you can get the price of the development and therefore estimate the cost of the land. In Saigon, you start with the opposite. You start with the land. You start with an opportunity, and afterwards you are looking for some clients or investors. And if you can't sell it right away, it's not a problem, because the price is so high—you have your margin met before you even sold the first unit.

Thu narrates a lament common among planners, one bemoaning that technical planning is laid to waste by the irrationality of political power and self-interest. The distinction drawn here is between the technical and the political, where the technical activity of planning is understood as separate from the messiness of an interest-driven politics, even while there is an admission that these technical plans are never fully realized due to their compartmentalization.⁵⁰ This distinction enables an immediate critique of socialist rule, one condemning socialism for its inherent messiness politically and, at its worst, its mutation into self-interest and corruption. A counterpoint to this is a justification of market rationality, which is assumed to be self-explanatory where property development is coherent, legible, and, most importantly, accessible. Yet, state agencies work closely with organizations like Thu's, receiving funding, training, and advice on urban schemes, master plans and implementation.

A host of high-ranking state agencies are complicit in good governance reform. The state and its respective ministries and agencies, participate in reforms that I label under the rubric of “transparency” largely because transparency efforts can align with reform movements within the communist party-state, but also because they open the way to forms of assistance which are crucial to the city's and country's growth. For example, two of the five proposed subway lines that will run across Saigon are financed and built by international development institutions—the ADB⁵¹ and the Japan International Cooperation Agency (JICA). The East West Highway, an 18.4 kilometer road connecting eight districts in the city was also built using Japanese ODA.⁵² The World Bank, at the time of my fieldwork, was working on a bus rapid transit line in Ho Chi Minh City.

The ADB is a vocal critic of what it deems structural problems in Vietnam's government—a euphemism for corruption and socialist/communist organizational structures. It dedicates a significant amount of resources to public administrative reform, judicial reform, and to state-owned enterprise reform. Furthermore, while the real estate sector might not have very many Western developers engaging in the risky business of property and urban development, other sectors of the economy, particularly the production sectors, are highly dependent upon Western firms who have set up shop and

⁵⁰ There is a rich body of scholarly work which addresses the politics of the “rule of experts” (Mitchell 2002, Roy 2011, Goldman 2005), or the ways in which the international development apparatus applies high modernist principles of rule, based on technical reason, to the project of development.

⁵¹ The Asian Development Bank line is also being financed by the German Bank of Reconstruction and the European Investment Bank (Thanh Nien News, “HCMC Subway Route #2 Announced,” December 11, 2008 accessed March 20, 2012). While there are six proposed lines, only the two mentioned here have necessary approvals and investment capital in place to begin construction.

⁵² See footnote 36 in this chapter for details on the corruption case involving this project.

utilize Vietnam's competitive labor market. Accordingly, this has fostered the need for the country to engage in reforms on these fronts as well. In 2009, the Asian Development Bank committed US \$630 million to its program reforming state-owned enterprises due to perceived inefficiencies, lack of transparency and poor financial accounting and risk assessment practices. The goal of these funds is to foster greater foreign investment into the country's production base.⁵³

4.9 Conclusion

Transparency reforms are in part, a productive force in making the city of Saigon legible to Western capital. While there are prominent cases where embezzlement or bribes take place, transparency reforms do not advocate police enforcement strategies or focus solely on creating anti-corruption laws. Rather, transparency reforms focus on diagnosing structural problems inherent to organizational frameworks. For example, one key element of PAR is that it recognizes the temptations of government officials to accept bribes, given that government worker pay is low. Rather than target the crime—to solicit a bribe—PAR seeks to raise pay for workers in state bureaucracy, under the tacit understanding that higher wages will produce more honest (or less tempted) workers. These diagnoses are often many steps removed from actual corruption and are identified as potential and probable structural causes to corrupt behavior. These diagnoses carry an implicit critique of socialist organizational structures. By intervening in them, transparency reform programs attempt to recode the moral and political landscape.

In this chapter, I have provided an overview of how corruption is framed in Vietnam's urban development arena with a particular emphasis on Saigon's urban development schemes. I have identified how these framings have been produced by both the Vietnamese state and western development institutions. These framings have informed a myriad of reforms, interventions aimed at recoding the ethical terms and practices of the state such that economic life in Vietnam becomes legible to western capital. In chapter five, I return to opacity, and compare and relate it to transparency reforms to theorize how Saigon produces the city amidst the multiple circuits of capital and expertise flowing into the city.

⁵³ Asian Development Bank (<http://www.adb.org/countries/viet-nam/projects>), (accessed 8/12/2013).

Chapter Five. Hedging Saigon's Urban Future

5.1 The backhand

Café Câu Lạc Bộ 30/4 (Club April 30) sits on the grounds of the Reunification Palace, the former presidential palace of South Vietnam. The site is iconic. North Vietnamese tanks stormed its gates, marking the beginnings of reunification under the same state and what the South Vietnamese in the diaspora continue to call the fall of Saigon, April 30th, 1975. While tourists meander around the front of the grounds and the palace interior, perusing objects of history from the French and American wars, Vietnamese locals recreate in its backyard area, socializing in the café and making use of the palace's six tennis courts. In front of the café, local car enthusiasts park and display their antiques: 1960s French Citroëns and candy painted Volkswagon beetles. Others park their expensive imports out front: Audi's and an occasional Ferrari or other luxury sports car, displaying the new forms of wealth and power in the city.



Image 13: Reunification Palace. Photo by author, 2013.

The tennis courts are some of the nicest in the city. Tall voluminous landscaped trees of the presidential palace grounds cast shade over the sidelines, providing brief moments of respite from the relentless Saigon sun. The café staff bring out large plastic buckets of communal *trà đá* or iced tea, the drink of choice for playing sports in Vietnam. One cannot just sign up to play on these courts. They are managed by the Presidential Palace and time slots on the courts are limited. On most Saturday afternoons, Saigon's elite fill these courts; many of them being high-ranking officials at the city or national level. I was asked to join in on a bi-weekly tennis gathering at these courts, composed of Saigon's top businessmen and property developers; some of them being Vietnamese nationals and others being *Việt Kiều* (overseas Vietnamese from the diaspora) from the US, Singapore, Australia, France, and Canada.

Quan extended the invitation and agreed to meet me early at the café on a frequent basis before tennis. Quan is a *Việt Kiều* educated in the US, having lived in Saigon since the mid 1990s. He is the director of a large property development firm, as well as being a former fundraiser for the Phu My Hung Corporation with many connections. He is calm

and confident in his ability to negotiate in and out of circles with ease. Quan knows prominent local developers as well as powerful figures in the local and national government. He is part of an integrated network of *Việt Kiều* professionals, a small but important group of entrepreneurs operating in the city.

Over the course of many months, I would talk to Quan and his peers in a series of conversations about Vietnam's development, urbanization, reform, government officials, corruption, and the news and scandals of the day. While the topics of discussion were interesting in and of themselves, I was taken aback by how information about Saigon's business environment traveled. In Vietnam, the state monitors and censors all media. In addition, there are few avenues for obtaining "public" information. While most information is purportedly available to everyone, most access requires special letters of invitation or official avenues of entry, creating major gaps in information to the public. I had been to the Department of Architecture and Planning on one occasion to be shown official master plan documents, but was not allowed to take photos or have copies to bring home. Moreover, critical insider information about who controls what parcels of land and what kinds of regulations were avoided to build this or that development were rarely available; public information often failed to provide key involvement of specific individuals or companies. Ties between government officials and private enterprise were often difficult to ascertain, unless one had private knowledge of either political or family connections. Government offices were less forthcoming about intended projects, given that a handful of cases were too public to hold back; media outlets often detailed protests against land grabs by specific government bodies and representatives. These cases fomented public distrust in city officials, who were often regarded as corrupt, secretive, and greedy; this resulted in city departments being weary of researchers asking questions. The central cadaster and records of land-use certificate holders and transfers are not easily accessible to the public. Those engaging in land development deals are not always forthcoming about the details of their dealings, particularly in the early stages of developments. As I have argued earlier, Saigon's urban development scheme functions through different opaque layers of connection.

As a result, information about who owns which parcels of land and who has political control over different kinds of development circulates through a kind of elite rumor mill. My interlocutors were constantly engaged in a kind of social business gossip, triangulating information about the dealings of one or a number of government officials, their husbands or wives or their children's or their children's spouses' businesses and connections to other individuals on the political food chain, what parcels of land they controlled or held and which businesses had risen or fallen by changes or suspensions of regulations or through political connection or consequence. My conversations and interactions with Quan and this group are where I would learn about urban development schemes, spearheaded by figures like the children of some of the country's highest political officials.

Quan would sometimes write down a name and tell me to Google them. I would go home after tennis and find the name was a National Assembly member or Ho Chi Minh City People's Committee member, or even sometimes, people at the highest level of national

government. I would come back and ask why he asked me to look that person up. On condition of names and identifiers being altered, he would tell me their family members names and how each was integrated into politics and business. When I brought up one name, a high ranking official in the National Assembly, he told me the following (company names and individual names have been changed or omitted):

Saigon Dragon, they are the local partner for the Hong Kong Real Estate Development Corporation. They have a giant development in District [X] called the Dragon. The owner is the sister of this guy [Quan points to a name he previously wrote on my notepad]. They are a family, like all these groups. You get down a bit and you kind of know who is behind them. Forgive me if I am repeating myself, but they said that the average millionaire in China is a 41 year old male living in Shanghai, the average billionaire in China is a 51 year old male living in Beijing. So you can make the million being an entrepreneur, but you wanna get to the big B—you need access to government power—those are the two things in China and Vietnam, access to land and access to credit right? And the difference is very stark when it comes to it. That's why credit and land are all tied up.

This guy [pointing to another name on my notepad], I talked to another guy and he is like from Vietnam but he went to Stanford undergrad, he worked at some big financial firm, you know Goldman Sachs or something, then went to business school and he comes back to Vietnam and I am like, where are you going to work? And he said, I am gonna go work for my mother in law—I am like, “what company?” And he is being recruited by all these companies—and basically, his mother in law is the sister of this guy [points to the first name referenced above] who is the former minister of [x], I think now he is [x] in the National Assembly. And his son, works for them also.⁵⁴

Quan's knowledge of linkages between the real estate scene and government officials was crucial in my efforts to map out the specific connections that generated what I call the reform mode of opacity; it is understood as corruption under what I refer to as the transparency mode. These linkages have their history in the making of the real estate market in the 1990s, as new avenues of land ownership were being opened up for the first time with the passing of the first land law during the reform period.

5.2 The social

Examining an earlier moment of transition in Saigon, Kim (2008) employs social cognition theory to explain how new economic behaviors arise and create social change—such that one can have a functioning real estate market after a protracted period

⁵⁴ Fieldnotes and interview with Quan, 1/26/2013.

of Marxist-Leninist property relations. Her findings establish key historical precedents to the current real estate environment in Saigon. She writes:

In the case of HCMC, political connections and social networks permeated all of the activities of entrepreneurs. This is necessarily so because the state still retains considerable oversight of the economy and controls land use, so much so that most experts have assessed Vietnam as an impossible place to invest. It would be impossible if one were to follow a textbook model of business decision making (33).

Kim adapts social cognition theory, a way of understanding the role of psychological cognition in behavioral models of institutional change, to explain how a new class of real estate ‘entrepreneurs’ created a land and real estate market. Kim notes that such a model has some beneficial explanatory powers, but remains a limited tool for describing processes of change under late socialism. This is partially because social cognition as a behavioral model, as Kim rightly notes (2008, 128), tends to universalize behaviors through a process of testing isolated variables. Kim’s solution to this problem is to incorporate greater historical and cultural data, in addition to a recognition of power dynamics into social cognition behavioral models, a kind of psychological and cultural upgrade to existing stories of institutional change. In the end, Kim encourages us to think about the ways that collective forms of cognition, culture and power agglomerate into “constructs,” or shared understandings. These constructs explain how social change happens--how new behaviors become established.

Kim’s empirical findings have been foundational to this study. Her book, *Learning to be Capitalists*, traces the establishment the real estate market by examining the first generation of real estate developers, who she calls “entrepreneurs” in Ho Chi Minh City. During this critical period in the 1990s, Ho Chi Minh City authorities created the first state-owned land holding companies and established the loose terms of engagement for developers and foreign investors. She details the organizational and social environments for development firms operating in the city during that time, focusing on how this entrepreneurial class of local real estate developers exists at the nexus of a number of interest groups: government, investors, land holders and land users, households and end consumers. Kim argues that developers have had to construct and learn with a certain amount of collaboration and coordination, sharing information and paying attention to both the business environment and the social connections that produce it. To this end, Kim’s social cognition theory is a novel way to understand firm behavior under a transitional economy by combining cognitive theories in economics with the cultural and political structure of Vietnam. In other words, it is a good economic understanding of behavioral change among real estate developers in Saigon.

While social cognition has explanatory power for firms’ new behaviors under Vietnam’s transition, it does not apply to this study since Kim’s social cognition does not provide for the existence of multiple and conflicting social forms. Kim’s intervention in social cognition theory is productive towards understanding how a multitude of behaviors and forms of knowledge can coalesce into common understandings. But the theory

generalizes into a singular explanation of change and therefore does not distinguish or interpret adjacent or competing agglomerations of social understanding. The “social” in social cognition becomes a broad singular category that encapsulates a kind of sum total of firm behavior and environmental constraints while accounting for the broad categories of power and culture. Thus we are left with the implication that “culture” is a placeholder for local or native rationality, suggesting that culture runs counter to established economic understandings of social behavior established in the West. This is why for Kim, dominant economic theories fail to explain how the land market in Vietnam developed. Here, western patterns and forms are established and defined apart from Vietnamese ones. This is why Kim asserts that it would be impossible for someone to “follow a textbook” to learn how to do real estate in Vietnam.

But much has changed since Kim’s first study. The number of domestic players and foreign investors has grown exponentially, as a new generation of land developers are making their mark on the city. There is a greater engagement with the West in Vietnam than in the 1990s through development institutions as well as through certain sectors of the global economy. Hindsight gives us the ability to consider the form of modernity in Vietnamese urbanism, which lies not just in an opposition between Vietnamese and western economic models, but in partnership with a host of foreign investment entities, largely from the Asian region, each who model variant behaviors and practices. Some of these practices mirror what one might be able to argue are originally western or Vietnamese assumptions about market formations while others do not.

The other, perhaps more important divergence, is that this study is not seeking to generalize firm behavior through an economic model of change. It is not looking at the coalescence of rational cognitive behaviors. Firms in present-day Saigon indeed learn from one another, but they also display tremendous diversity and difference. This study points its lens at these differences in value and rationality that constitute what one might call a social field. Kim does an adequate job of comparing different outcomes of transitional nations’ property markets (like China, Poland) but culture and history here, within each context, operates as a kind of already existing artifact, that we can attach descriptions to. For example, according to Kim, a primary reason why entrepreneurs in Warsaw did not socially learn from one another is because historical patterns created a social understanding of the world in “stark terms of winners and losers” (159). These “social cognitions” lead to institutional limits that shape real estate behavior among firms. While this is productive in Kim’s study of economic behavior, it can limit the scope of understanding how different values and contradictions can construct, or assemble a social field.

Following Latour (2005), the social is not a fixed reality that has material attributes whereby actions are deemed either “fitting” or “unfitting” into a schematic of disciplines or with reference to a fixed set of relations. The social (and in this case culture and power), in the case of Kim, has been defined as either a limitation or an artifact omitted from theory. In this case Kim states that the psychological aspect or inner rationality of the social, of culture, and power are left out of traditional behavioral models of change. These traditional models were seen to be limited because they lacked a social cognitive

component much like one would say a type of scientific inquiry was limited by a social bias or how an economic model failed to account for social factors. In Kim's paradigm, the social field is an already formed artifact distinct from other fields with the ability to behave upon theory itself.

5.3 Being at odds with oneself

It is more productive in this study to say that the social or more specifically in this case, cultural difference, is assembled through people, things, concepts and rationalities. In this way, they are not conclusive or generalizable towards one set of behaviors or one rationality over another. I cannot, for example, say with any certainty that all real estate developers express and define their practices as opaque, much less stick with that narrative across all scenarios. Rather, in my weekly sessions with this group of businessmen, what I found most interesting was how they would contradict themselves. These contradictions would emerge through subscriptions to antipodal logics that are used in producing and governing the city. In this way, I was challenged to understand how multiple accounts and logics of the city and city making are drawn upon at various moments.

On one hand, developers like Quan, whose firms on a daily basis would benefit from activities I categorize under the logic of opacity—or the vagaries of regulation and personal relationships with government officials—would oftentimes lecture me that what they do is *not* corruption. Quan would narrate stories of bending the rules, using grey spaces of legality to his advantage, even defying state mandates, explaining that these opaque practices are the result of a myriad of political and logistical challenges presented by a state that did not have a clear land development framework. These forms of opacity are much like what Hai and Binh, who I discuss in chapter three, would report as the practices that cut through conflicting and overlapping legal, regulatory and state systems of governance to move projects along. In these accounts, Quan explains it as an uncertain environment, where, especially in the early period of land development in the mid 1990s, developers and government agents were flexibly interpreting the terms of regulation and development. For Quan, this created an environment where everybody who was successful in real estate had some experience with opaque practices. This explains Quan's cynicism towards corruption cases, where he has said on numerous occasions in slightly different ways: "in corruption cases, when you see some big boys get brought down, its usually the result of bigger boys up top jockeying for position." When considering a few prominent cases where companies were accused by the state for tax evasion, Quan said the following:

You know what? If they [state agencies] ever want to crack down, if somebody gets pissed off at an [name of company], they can throw those guys in jail or take away their license whenever they want, because the pattern in VN is you see high profile cases where, when people [in the state] get pissed off somehow along the way and they wanna get those guys, they always get thrown in jail not for cheating somebody in a deal,

but for tax evasion and sometimes for embezzlement. But you look at how these agreements were made way back when and I guarantee you, these taxes weren't part of the conversation.⁵⁵

In this version of Saigon that Quan gives, everybody, including himself, must operate with a keen sense of the opaque environment and an awareness of how to operate within it. Developers holding tacit agreements with state officials must develop and maintain strong relationships with those in power. This kind of language bears distinct difference to the kind of talk I associate with the transparency logic.

On the other hand, Quan, along with many of the other informants I talked to, who portray their role in the real estate world as one of flexible regulation and opaque practices, would turn around and employ the language of transparency to launch critiques at other developers or at government officials or agencies. On occasion, Quan has expressed his disapproval when describing how other developers worked their family connections with the National Executive office for a piece of prime real estate—proclaiming things like, “This is what is wrong with Vietnam! Everybody acts out of self interest.” In another conversation, Hai, the real estate developer who I quote in chapter three, chided international development institutions like the World Bank for misdiagnosing the complexities of Vietnam's finance schemes as corrupt, only to later lament the fact that Vietnam's banking system never underwent enough corrective measures in the form of an IMF structural adjustment period such as the one after the 1997 Asian economic crisis.⁵⁶

I recall participating in a well attended “Real Estate Market Report” hosted by the French firm Savillis in the Duxton Hotel's lavish conference room.⁵⁷ Like with many other market reports hosted by real estate consulting firms, I would encounter many of my informants who would nod in agreement at statements critiquing the government for corruption or at calls for greater transparency in real estate processes. In statements such as these, Saigon's urban development schemes were either mired in socialist bureaucratic inefficiencies and corruption or were fast-paced unregulated frontiers governed by negotiation. In these contradictions it became apparent that my informants were not a unified bundle of consistent beliefs and knowledge. Rather it was in prolonged exposure and conversation that I came to know my informants as complex, with much of that complexity coming from the fact that they had to navigate a number of different kinds of environments, requiring the deployment of different kinds of reasons and rationalities. These inconsistencies and contradictions led me to understand that there are different regimes of value at work in Saigon, producing two very different kinds of reform in the city; reform I have discussed in the previous two chapters as opacity and transparency. Pertinent to a discussion about these reform modes is not the presence of contradiction per se, where one statement negates the other through some kind of truth claim, dominant characteristic or by temporal sequence. Rather it is the idea of simultaneity. Here, two

⁵⁵ Interview with Quan, 7/8/2013.

⁵⁶ Fieldnotes, 12/10/2012.

⁵⁷ Fieldnotes, 7/25/2012.

phenomena associated with contrasting and conflicting values and modes of reform could be held and animated simultaneously in the city.

5.4 Simultaneity and bricolage

Chapters three and four detail the reform modes of opacity and transparency. In drawing a distinction between two modes of reform that operate in Saigon's urban redevelopment, I have demonstrated the ways that opacity (the productive ambiguities in law, regulation and enforcement in land development) can be understood as a mode of governing that is adaptable and responsive to the vicissitudes of foreign investment capital and urban expertise. On the other, activities under the mode of reform that are part of the rubric of what I call "transparency" likewise play a key role in capturing forms of investment, circuits of development expertise and international aid. In the previous two chapters, I have argued that each of these modes of reform are predicated on the entanglement of different regimes of value, regimes associated with Vietnam's historical roots in socialist modes of rule and its transition to late-socialist market-oriented principles. These values sometimes come into conflict, laying bare the contradictions of late-socialism, but more importantly, exposing how these values can manifest themselves simultaneously in vastly different orders of regulation, law and government intervention.

Opacity and transparency are modes of urban governance because they represent two very distinct rationalities and value regimes in the production and regulation of space in Saigon. These rationalities are ways that economic and political practices in Vietnam are made into objects of understanding. In other words, they are two very different worldviews used to make sense of the economy and the real estate market in Vietnam. Despite their conceptual opposition, however, agents in the city do not necessarily subscribe to one rationality over another, even as they contradict. Those who participate in making and remaking the city call upon and deploy both logics and rationales for the processes and projects that finance, produce and govern space. In this sense, they relate to and address specific projects and problems with the array of rationalities and tools available to them. Like Claude Levi-Strauss' (1966, 1-33) *bricoleur*, those who make and remake the city do not invent and design rational schematics for the projects they perform. In Levi-Strauss' formulation the bricoleur stands in contradistinction to the idea of an engineer. The engineer's focus is on designing the tools, rationalities and systems that are specifically invented or devised to address projects and meet ends. The engineer invents by way of designing forms that make way for material. The bricoleur, on the other hand, collects existing tools and materials, each which carry with them a history and a contextual logic of their own because they were not made specifically for the type of project at hand. The bricoleur, in this way, cobbles together and finds inspiration through available materials to construct a form to solve problems. This assemblage of cobbled materials can have conflicting or inconsistent rationales and logics at work. Those who engage in city making in Saigon deploy these tools at hand to address projects and problems.

These tools carry different rationales and justifications—“regimes of value” (Ong 2005) that can be attributed to the space of assemblage—where socialist and capitalist forms of governing and management are articulated in time and territorialized. These governing practices are therefore hybrid practices that I organize around the reform modes of transparency and opacity. In this way, those that make and regulate the city are not beholden to one logically consistent worldview. The real estate developer and government official in Saigon can deploy and believe the values and policy interventions of the transparency mode of governing as they apply to specific problems or challenges as much as they believe and deploy the rationale of opacity to address other projects or problems.

Analyzing Saigon’s urban development through the concept of simultaneity and bricolage is related to a number of other contemporary theories that I draw upon to understand how different rationalities unravel simultaneously in the city. Ong and Collier’s (2005) concept of global forms, for example, examines how universalized and mobile solutions, like global standards, interact with and co-constitute the space of assemblage, understood as the contingent, heterogeneous relationships that make up the shared field of reality. By examining the interaction of global forms in the space of assemblage, one is afforded a view into different regimes of value at work in producing solutions to global problems. Ong and Collier write:

The chapters that follow focus equally on how global forms interact with other elements, occupying a common field in contingent, uneasy, unstable interrelationships. The product of these interactions might be called the *actual* global, or the global in the space of assemblage. In relationship to “the global,” the assemblage is not a “locality” to which broader forces are counterposed. Nor is it the structural effect of such forces. An assemblage is the product of multiple determinations that are not reducible to a single logic. The temporality of an assemblage is emergent. It does not always involve new forms, but forms that are shifting, in formation, or at stake. As a composite concept, the term “global assemblage” suggests inherent tensions: global implies broadly encompassing, seamless, and mobile; assemblage implies heterogeneous, contingent, unstable, partial, and situated.

A key aspect of global forms is that they are existing ‘tools’ that “have a distinctive capacity for decontextualization, recontextualization, abstractability and movement, across diverse social and cultural situations and spheres of life” (Ong and Collier 2005). Like bricolage, global forms do not innovate new solutions specifically designed for the problem at hand. Rather, existing formations, each formulated within a situated context, are decontextualized, made mobile and recontextualized to address problems. It is with global forms in mind that I use the term bricolage. Bricolage is a kind of experimentation that operates effectively in environments where there is ambiguity and a sense of incompleteness about which processes, people, things, and laws are properly suited for specific projects. The bricoleur embraces those forms and processes amidst an environment that has yet to be concretely defined and regulated consistently.

5.5 Asymmetrical bricolage

In this sense, the opacity and transparency rationalities do not *necessarily* segregate city making into western and eastern forms nor are they exclusively rationalities belonging to western and eastern agents. But despite this, opacity and transparency are rationalities that are taken up and deployed asymmetrically. As I have discussed in the previous two chapters, there are western investment firms from the EU, Australia and the US that invest capital in property development projects in Saigon. In addition, there are a number of firms that provide a support role in the real estate development market, conducting market research, property management services and brokerage. These western investments are often managed by intermediary brokerage firms in Vietnam selling portfolios of Saigon's property development and real estate market, largely dominated by high profile real estate firms. These firms are brokers that have been described to me on numerous occasions as able to provide the kinds of documentation and corporate governance that are legible to western investors. There are, of course, a handful of exceptions. Other western firms provide consulting services and property management services; organizations like CB Richard Ellis and Savillis also provide market research, using metrics standard in the west to adjudicate and assess values, rents and projections.

There are, however, few firms from the West acquiring land and developing urban real estate in Saigon. When pressed as to why there are many firms from the west associated with real estate but few engaged in the act of producing real estate, most informants from western firms cited state corruption and a lack of transparency around land and legal and regulatory processes as a major impediment. Several cite the Foreign Corrupt Practices Act (FCPA) as a deterrent, indicating that the inherent corrupt nature of land development deals in Vietnam made it difficult to escape scrutiny and penalties. While this may in fact be a deterrent, it does not explain why there are western firms present in other growth markets that have equally been cast as mired in corruption—such as in the manufacturing sector, where US and European firms have a more significant presence. There are also documented cases of US firms being caught through the FCPA in other industries.

At the same time, there are a myriad of firms acquiring land and developing it into real estate from all over Asia. Notable representation comes from Singapore, South Korea, Hong Kong, Malaysia and Indonesia in addition to local development firms and state-owned companies. Most of my interlocutors from the cohort of developers from Asian countries expressed that they had intimate firsthand experience producing urban space by taking advantage of an opaque regulatory and legal environment. Yet many of these same developers benefit from performing the logic of transparency—whether it is through fundraising (by tapping into western sources of investment capital) or through interaction with development institutions. For example, Hao's company, a large development firm doing infrastructure and real estate, was mentioned in my interview with Mai, the investment broker "selling Saigon's" real estate sector to global investors, in chapter three. Hao's firm came up a number of times in that interview as an example of a "sellable" company for global investors, particularly for western capital. She states:

Mai: And you are getting a lot more good quality local developers that have transformed themselves from the non-transparent type of developer to something that is a little bit more approachable from an international investor's point of view, especially investors from the West. So their corporate governance has gone up through the roof. And then a couple of them have also even gone public with their company, and it just requires a whole other level of corporate governance, its really brought a lot more attention from the international investment community, so people are seeing things move in the right direction, but it is still very few groups that have done that.

Hun (author): Can you name any of them?

Mai: Yeah, [Hao's company's name] is one.

Hun: I just interviewed someone there.

Mai: Was it their COO?

Hun: No, it was Hao, one of their chief planners and managers. He was on their planning and construction side. It was about four months ago.

Mai: So they just went public a few months ago, their strategy would have been the same, and they would have planned to be going public and hitting X amount of goals, but a great person to meet is their COO, he has really taken the company to another level. I mean, prior to him, they really had the attention of the international community, like Goldman Sachs type players. But since he arrived a lot of others have come on board. Their level of criteria that any investment group would have to meet is really high. So the fact that they met all those is quite something.⁵⁸

Mai indicates that Hao's firm, although it must remain connected to its opaque roots, has been able to master the language of transparency to attract and capture global investment from the West. Here, the creation of more transparent systems of corporate governance makes the company more legible to global capital, despite the fact that Hao himself has told me that he and his company are constantly engaged in practices that are often interpreted as corrupt. Hao notes he must do this out of necessity. It is in this way that there are asymmetries in the 'bricoleur's toolkit' for Saigon's array of firms and individuals working in the real estate and land development arena. Asian firms and individuals seemed to be able to deploy both logics with a degree of simultaneity while firms from the west were for the most part, firmly rooted in reading the city through a transparency logic. Moreover, Mai gives a description of a different set of requirements for the economy to become legible to global investors, requirements like corporate governance which details the system of rules, practices and processes by which

⁵⁸ Interview with Mai, 7/8/2013.

companies are directed. Under the transparency logic, corporate governance is often cited as a key area in need of reform for Saigon's state owned companies and joint-stock banks.

5.6 Asian capitalism

When asked to explain the lack of western firms investing in and developing real estate in Saigon, Asian investor-developers reported that they operated on different risk and time horizons than those in the West. These contributed to an overall reading of the city as either a profitable environment or an unprofitable one. For example, Jongsook, a project manager for a Korean housing firm whom I mentioned in chapter four, said the following:

Koreans are already familiar to risks with construction, because in Korea we have studied the lessons of high risk, high return for the last thirty years ... We are learning. Actually the first Korean companies rushed into the Vietnam market but there was little information. They saw the land price in Ho Chi Minh City was jumping so they thought it would be the same as Korea. But by that time it was too late, but they saw some companies make a lot of money very quickly ... Vietnam always looks slow, but it changes quickly. Like loan construction [inaudible]. Whenever I pass by some places, I see nothing changes. Half a year goes by and no construction is happening. But then, suddenly everything goes up. So when it's slow, it's very slow, but when it picks up, it is super fast. The market gets hot really fast. So whenever Koreans come after the market is hot, it's too late. So you have to stay and wait and be ready.⁵⁹

Here, Jongsook indicates that he, along with other Koreans, is waiting for the next boom period. Later in the interview he shared that his company was operating on a loss that year and that many other companies that were part of his church had also told him they were struggling. Jongsook believes that Koreans have a different attitude towards risk and alternative time horizons for evaluating success. Quan made similar statements when speaking of his work in the early 1990s setting up the Saigon South and highly successful Phu My Hung project. When discussing the difficulties associated with building the Phu My Hung power plant he remarked:

Our power plant was designed so that we could convert gas power from heavy oil fairly easy. But it was basically ten years delayed, because petro-Vietnam and BP and all those guys, they couldn't get together on gas prices, and so the plant wasn't built. And BP had over 300 expat families here in the mid 90s to do that pipeline, but they couldn't do it so most of them left and so we were delayed for probably about six years. They were supposed to bring it up to Phu My complex between Vung Tau and HCMC and then it was supposed to be brought up to where we are, and so

⁵⁹ Interview with Jongsook, 5/22/2013.

that was another four years. So we got 10 years. In the meantime, we were expecting it and we had already bought the conversion turbine, the conversion feature, it was sitting there for 3 years doing nothing. And the only way this could have happened was because there were three investors, it wasn't a public company that was listed in New York. And I think that was part of the reason the early days it was Asian—it was Asian, closely held family money. Our chairman used to joke that “had we been a public company, we would have been fired or the project would have been withdrawn a long time ago.”⁶⁰

As I have mentioned in previous chapters, the Saigon South New Urban Area is a new town development spanning three districts and includes the Phu My Hung New Urban Area, the first planned new town peri-urban development in Vietnam. It is cited as one of the most successful land development projects in the country and has served as a model for many other “new urban areas.” Quan speaks of distinctly different kinds of risk and time horizons involved in its creation—ones that would not have worked within the formal corporate structures of a publically traded company or a company with board governance. He refers to his chairman, Taiwanese real estate magnate Lawrence Ting, who headed CT&D from its inception when it was a state owned corporate arm of the Koumingtang (KMT) party in Taiwan. Quan offers another popular narrative of Asian business culture—that of wealthy and powerful Chinese family businesses operating through the leadership of their visionary patriarchs. Here, family values are part of a triumphalist narrative about how Chinese culture is an alternative foundational cornerstone to successful capitalist behavior.

The flexibility amongst Asian firms and the individuals working for them comes from consolidations of perceived experience. When asked, Asian property developers often cited that they have experience working in contexts of centralized state power, being therefore more amenable to different approaches and configurations of power over land and development. Developers' stated experience with either authoritarian or centralized government arrangements and power may very well be why Asian developers are represented in property development over western firms, but it is an outcome comprised of more fundamental differences in how risk is made legible and productive. In the case of western firms, the perception of a corrupt state that does not legislate nor regulate the property market consistently leads to the conclusion that there are too many unknown market factors that make investments volatile and therefore higher risk. Asian developers reported themselves to be more amenable, or at least flexible, with respect to the implied vagaries of state regulatory and legal practice and more importantly, the risks involved. This is a sentiment that was repeated throughout numerous interviews with Asian foreign investors of different national origin, a sentiment, I might add, that was often times worn like a badge of honor—where having to negotiate what are deemed “non-contractual” relations with state parties is seen as high risk, illicit and masculine. One Korean housing developer in Saigon, Bongjoon, framed it as such:

⁶⁰ Interview with Quan, 1/26/2013.

This is the difficulty for foreign investors, because the law is so loose and ambiguous and general, so whether my concept [for a real estate project], will it be approved or not? So I must prepare and submit first, then related party of government will organize a committee, then they invite all peoples and discuss publically and say “one foreign investor wants to do this concept.” But the law is not clear, so every department raises their opinions and they enforce one decree or another. So before we submit, we have to arrange before hand—without preparation for things like permits, mostly it will be rejected. But the law never says yes or no. In this case we have to pre-arrange everything. So we have to hire a local consultant, either a legal or architectural consultant and they will discuss with all the relevant parties. Each discussion costs money. Because of this kind of procedures, to get final license or permit for business, takes two to three years for one project before we can even start. That is the difficulty of real estate here. That is why US funds never come and do this work. Yeah, doing real estate business here is like crazy. So Koreans, Singaporean, Malaysians, only crazy people here. Or they have experienced already. Korea is the same as twenty years ago, so we know.⁶¹

Bongjoon makes the case that Koreans share identical development pathways, indicating that Saigon is the same as the Seoul of twenty years ago (where he worked as a housing developer in the 1980s-1990s). By drawing Saigon and Seoul together on separate rungs of the development ladder, Bongjoon articulates a common teleological modernization argument akin to Rostow’s (1960) *Stages of Economic Growth*. To reiterate a previous citation, in her study of contemporary Phnom Penh, Nam (2012) has articulated how developers draw cities together, portraying them at different stages of a teleological development pathway. This is a persistent narrative in Vietnam as well, given by foreign investor-developers from Asia as well as by local developers. It is also a dubious claim. As I mention in Chapter three, Korea’s postwar development was predicated on US cold war investments that came in exchange for its participation in the Vietnam war. Many of the leading Korean firms doing real estate have either directly or indirectly benefitted from Korea’s relationship with South Vietnam and the US during the war. Vietnam, on the other hand, does not have the kind of cold war assistance that Korea had, and therefore its real estate and land development markets are much more dependent on foreign investment.

Following Ong and Nonini (1997) I view these narratives as “discursive tropes” (9) that are taken up to bridge difference and create “imagined communities” (Anderson 1982). Here, triumphalist narratives about culture, Chinese family values, Asian gambling attitudes and Asian business style circulate and have real impact on the subject formation of businessmen in Saigon. More importantly, they become key parts of the rationalities of risk that produce Saigon’s real estate market. These are also forms of male identity formation. Opaque practice, risk taking and gambling mentalities have been portrayed as masculine and illicit. Chinese family values are distilled through the acts of visionary

⁶¹ Interview with Bongjoon, 4/9/2013.

patriarchs who don't play by the rules and succeed by making so-called irrational, gambling decisions with vast amounts of wealth.

In her book *Dealing in Desire*, Kimberly Hoang (2015) argues that specialized sex industries consisting of hostess lounges and karaoke clubs designed for clientele of particular Asian regions and language groups are part of an illicit repertoire of establishing trust in contractually uncertain environments.

For local Vietnamese and other Asian businessmen, hostess bars are masculine spaces of leisure and consumption, where they can engage in deal-making practices crucial for organizing business ventures... In a highly speculative market driven by emotional calculations of risk and potential rewards, businessmen must establish informal relations of social trust to secure investment in speculative real estate markets and urban renewal land-development projects.

Hostess bars in Vietnam's sex industry have enabled local Vietnamese clients to secure business deals in an informal, non-bureaucratic, and culturally Asian setting, where they can build personal ties to mitigate financial risks through private and off-the-record knowledge of the economy. (12)

Hoang argues that the cultural differences in a segmented sex market are reflective of global shifts, where Asian capital flows are ascendant and western capital flows are in state of stagnation or decline. Here, industries trading in culturally specific intimacy are part of the logic and fabric of global capital flows. This is an important work because it brings to light some of the alternative ways that Asian men in the real estate game conceptualize and consolidate their subjective roles in the economy. It also shows how particular markets can be segmented through these different rationales. However, while Asia may be ascendant in Vietnam, western forms of capital are not necessarily in decline. Rather, I argue that the urban development market in Vietnam is segmented as well.

This segmentation has to do with how the real estate economy is made into a legible object. Western investors stress transparency because it is a set of instrumental rationalities that justify interventions which they believe will make the economy appear more legible, rational and less risky. On the other hand, Asian investors straddle the line between the transparency rationality and what they see as an already productive economy. But while Asian investors make the "economy" legible in alternative ways, these are not alternatives in the form of a resistance or a more accurate read of the economy than their western counterparts. Rather, Asian investors, as is seen in the quotes above, employ a series of cultural essentialisms and half-truths about historical developments in various Asian countries, constructing a kind of "imagined community." These rationalities most importantly are predicated on different perceptions of risk and time, which in turn, open up different kinds of intervention in the economy.

5.7 Hedging governance, hedging the world-class city

Like developers, the Vietnamese state can be analyzed through the concept of simultaneity and bricolage. Simultaneity, is conditioned by what Abdoumalig Simone (2016) calls a “general wariness of pinning things down too much.” While Simone is specifically speaking about the urban poor who use uncertainty to maintain a sense of possibility, I extend the concept to talk about the state. Vietnam is a country that people commonly understand as a nation undergoing transition to market-oriented socialism, a turn to capitalist practice. This transition, if considered in its smallest time scale, is approaching the thirty-year mark. The notion of transition allows for a number of political, social and economic rationalities to be drawn together but also left without comparison. In other words, as long as Vietnam is still under transition, it can ostensibly continue to employ either hybrid rationalities and practices or distinctly socialist or capitalist behaviors.

Reform is the henchman of transition. I make the distinction between opacity and transparency to draw upon their simultaneous deployment as rationalities that advance state hedging practices, a term I use to describe how conflicting modes of reform are allowed to coexist in the city. These divergent modes of governance hold multiple logics of law, regulation and techniques of governing in the balance in order to deal with the ever shifting realities of global capital. This concept builds upon what Michael Goldman (2011) calls “speculative urbanism.” Goldman refers to a new “architecture of capital relations” where people must adapt to the new realities of a government speculating on the world class city through interactions over land—whether they be evictions, regulations or allocations. Goldman writes that:

World-city projects not only represent large-scale place-altering capital infusions (i.e. billions of dollars from Dubai, Singapore and the IFIs), they do more than merely facilitate the restructuring of governance institutions for improved access to public goods and services for international capital (i.e. privatization of township governance, special citizenship rights and privileged rules for SEZs). They also trigger new political rationalities of government and technologies of rule that emerge in situ as bureaucrats and political officials, brokering jackpot deals for external clients, generate their own rent-seeking mechanisms of world-city wealth redistribution. These politicians also have to manage the desires of the IFIs that are, paradoxically, pushing for national legislation to repeal the archaic land-acquisition laws which allow for this eminent domain strategy, and for government agencies to possibly produce massive ‘land banks’ for these world-city projects. (21)

Goldman’s account argues that state agents broker large-scale dispossession of rural land, seeking the capital from international financial institutions (IFIs) to construct the world class city. He also notes that there are specific ways of doing business according to the sources of investment coming into the city: “The ‘Singapore model’ of governance, the ‘Shanghai model’ of infrastructure development and the ‘Bangalore model’ of IT growth

flow across major Asian cities as swiftly as do large amounts of finance capital and pools of ill-paid labor, most of which is driven by one form of speculation or another.” (3)

Goldman’s account of speculative urbanism is an important story about how coordinated movements of international capital drastically shape the governance of urban land in the developing world through state exceptionalism around issues of land confiscation and dispossession. But in Goldman’s picture, these forms of exceptionalism exist to attract capital into already existing and coherent world city projects. In other words, in Goldman’s view, cities compete with other cities in world-class city making by developing large scale urban megaprojects that then seek infusions of capital from major global players like CITI or Goldman Sachs. In this picture, Goldman’s view is not unlike Harvey’s depiction of the “urbanization of capital” where surplus capital finds productive value in the making and remaking of cities through real estate development. In this way, Goldman’s account describes the establishment of a single, coherent vision for the world class city being put forward through government bodies, who then manage to coordinate a host of international financial institutions, including the international donor development institutions—a vision that rubs up against the interests of the rural poor who have fewer resources to object.

Perhaps further instructive is Colin McFarlane’s (2012) intervention, following Goldman’s piece cited above, who finds the concept of speculation productive as a thematic bridge to talk about the suspension of rule and state informality. “Speculation, as Goldman (2011) describes it, is one example of a practice shared but expressed in different ways by state actors as well as residents. Similarly, we can trace particular instances of bricolage-type relationships between the informal and formal domains across a range of institutions, from community groups to state bodies.”

By discussing government hedging practices, I break apart these large groupings of both government and finance in order to understand the different modal practices and rationalities that produce very different, competing views of the Asian modern city, understood as the ‘world class city.’ Thus, international financial institutions as different as the ADB and Singaporean real estate development firms cannot be grouped together under a singular rationality. Nor can different government agencies or political units under conditions of decentralization be said to subscribe to a singular coherent plan for a world class Saigon. Rather, what we observe is a multitude of different kinds of urban development capital coming into the city and establishing different vectors of intersection with government, ultimately resulting in variant combinations of capital, government access, values and legal/regulatory regimes. In this way, governments speculate on the “world class city” not only to “out-*Shanghai* Shanghai” as Goldman describes it but to hold Shanghai, Seoul, Taipei, Hong Kong as potential models of urbanism, investment, and capital construction together simultaneously in the city. In doing so, the city must not only be adaptive to global trends in capital flows, but it must also be capable of holding multiple logics of governing in the balance. Here, exceptions to rule are granted on a case-by-case basis and often on the heels of mutual assumptions made by the foreign developer about the government and by the government about the investor. These flexible governing strategies include a wide range of practices such as granting allocated land to

foreign companies, the relaxation of architectural regulations for a development project, reclassifying or ignoring zoning regulations, relaxation of effective tax rates for a foreign investor/developer, among many other types of arrangements. It can also include logics of transparency, through the implementation of anti-corruption laws, decades long reforms to state owned enterprises, banks or public administration, compliance to public procurement protocols, and other methods.

It is important to note that these practices are not a coordinated and centralized strategy of hedging different forms of government. Governmental units and the individuals who work in them operate with different rationalities depending on projects at hand. In this way, the source of investment capital and circumstances they find themselves working in bear heavily on the kind of rationalities and programs of reform are tapped. Extending the metaphor of the “bricoleur’s toolkit” from earlier in this chapter, agents and institutions of the state are not bound to one mode of reform over another, although some have specific leanings towards one or the other. I have attempted to differentiate some of these according to “modes” of urbanism that fall under transparency or opacity logics. Opacity and transparency are categories that show key contradictions in rationale for urban development schemes. But there is greater detail to be drawn out when considering the kinds of speculative governance that occurs between different assemblages of particular government agencies and urban investors of varying national origin. And as I argued about the actions of developer-investors, they are not mutually exclusive rationalities. Both can appear simultaneously in a person, a project or a governmental unit side by side or as a kind of hybrid. While I have engaged in some cursory research on this matter, it remains an area for further ethnographic examination.

5.8 Speculation, hedging, governance

Building on Goldman’s term of “speculative government,” I define state hedging practices as the selective deployment of different modes of governance in order to speculate on the success of urban futures. Governance is an increasingly difficult term to understand, mainly because it is used in a myriad of ways without much clarification about, firstly, how ‘governance’ differs from ‘government,’ and once that is established, exactly how the term can be delimited. Before governance became a global term, it was first used in the public administration and business fields to describe the management behavior of firms, as in the term “corporate governance” (Weiss 2000). The political scientist, Rod Rhodes (1996), was one of the first to notice this problem in the article, “The New Governance: Governing Without Government.” Rhodes argues that the term has been used in multiple ways, and identifies six key permutations as the minimal state, corporate governance, the new public management, “good governance,” socio-cybernetic systems, and self organizing networks. Rhodes advances his own definition to analyze British government, saying “governance refers to self-organizing, inter-organizational networks.” (Rhodes 1996, 660) This account constitutes the beginnings of what is called the “Anglo-Governance School” in political science. This school of thought argued that both informal and formal networks of policy actors, who are both government actors and private ones, bargain and battle with each other to advance their own policy agendas.

This type of ‘governance’ leads to the hollowing out of the state due to 1980s privatization trends and the eventual shift from government rule to governance based rule, that is—from bureaucratic forms of state institutional organization to more fragmented, decentralized and networked systems.

Rhodes’ ideas have expanded into a larger debate over the role of networks of non-governmental and governmental forces producing state-based policy. Here, the state, once seen as the coordinator of the public sector and its policies, is seen to be subject to greater influence by supranational forces, like international capital markets and organizations like the European Union (Peters and Pierre 1998). This school of thought also advanced ideas about the “hollowing out” of the state, by citing the greater influence that private enterprise has over processes of public administration and government (Peters 1998, Rhodes 1994). Here, state government is characterized as compromised and unable to direct the organization and trajectory of political, economic and social growth.

As Thomas Weiss (2000) notes, the erosion of absolute sovereign rule in matters of policy was opened up by a number of factors, including the illegitimacy of “pariah states,” the onset of “third wave democratization,” the proliferation of “third wave” sectors such as the NGO and philanthropic sectors in the global south, and the historical growth and intervention of international organizations like the UN, World Bank, IMF, etc. This opened a space of critique, particularly for international organizations to direct at socialist bloc countries and the developing world around two key areas, “the unrepresentative character of states and the inefficiency of non-market systems.” (Weiss 2000). It is under these conditions that public administration and policy circles along with multilateral financial/development institutions have put forth optimistic views about ‘good governance,’ public-private partnerships and the growing role of the “third sector” in matters of global policy. An idealized notion of “global civil society” is put forward as an alternative and counterbalance to inefficient and unaccountable forms of state management. Global-level institutions, philanthropy and NGOs are cast as non-state actors influencing policy along a few key areas: promotion of western forms of democracy, rule of law, private property rights along with larger goals that fall under the axis of the World Bank’s anti-poverty and climate/sustainability initiatives.

Governance has to do with what Foucault refers to as the ‘art of governing,’ pointing specifically to the rise of liberal ideology in political economy. In Vietnam, the question of governance is entangled in the selective and hybridized ways the late-socialist state employs liberal and illiberal technologies of rule across its territory, what Ong and Zhang have termed “socialism from afar” (2008). Under this notion of governance, the state must contend with the problem of producing the necessary freedoms associated with neoliberal forms of market growth while at the same time maintaining socialist institutions and single party rule. In this way, the state adheres to and accepts the work of outside institutions under programs of government reform to enhance its ability to direct its transition to capitalism, while at the same time ensuring the continued practiced power of the state. These goals not necessarily mutually exclusive, but they do conflict at times, creating forms of simultaneity and hedging practices described above.

As for speculation and hedging, there are many ways to understand the term. While not exhaustive, I explore some of them here. The Oxford English Dictionary defines speculation as the “action or practice of buying and selling goods, land, stocks and shares, etc., in order to profit by the rise or fall in the market value, as distinct from regular trading or investment; engagement in any business enterprise or transaction of a venturesome or risky nature, but offering the chance of great or unusual gain.” At its core, financial speculation is a synonym for investment, although it can draw both negative and positive moral judgments. For example, determining whether something should be called a sound investment versus a speculative investment depends on one’s assessment of risk, the concomitant assessment of potential gain, the amount of time the investment is held, among many other variables. One could therefore argue that all investments are speculative in nature, and that to call something speculative is to characterize a degree of intensity rather than a separate typology of phenomena. Speculation can also mean arbitrage, or the simultaneous purchase and sale of an asset in order to profit from a difference in price across different markets, financial instruments or forms. In this formulation, speculation is built upon a confidence in the market’s ability to unify price. The higher the costs associated with determining price, the more volatile and “speculative” that market becomes (Malpezzi and Wachter 2005, 145).

Speculation is operationalized through the combination of value, risk and time. For example, a speculative bubble is defined as “the deviation of a price from its fundamental value” though the value itself is “inherently subject to a great deal of uncertainty” (Xiao and Park 2009, 621). Bubbles emerge when expectations of the future price appreciation prove incorrect (Malpezzi and Wachter 2005, 146). Thus speculation involves making calculated decisions about whether or not to hold on to assets as well as decisions about for how long, based on one’s knowledge of the market in the present moment and one’s purported knowledge over the future. Holding, waiting and divesting are key aspects of speculation as well. In moments of loss, there are situations where holding assets becomes an appropriate response, given one’s belief in that asset’s capacity to rebound in value. In other cases, an investor may cut losses and divest. In the most general sense, to speculate is to be oriented towards the future. It is to make a guess or a knowledge claim upon what is otherwise an uncertain future. Speculation describes a kind of rationality related to risk and time.

To enter into a calculation of risk and time is to be modern. Modernity is predicated on our ability to plan and have impact on the future. As Caitlin Zaloom (2004), invoking Luhmann (1993, 1997) and Giddens (1990), so eloquently puts it, “the attempt to ‘colonize the future,’ to limit dangerous exposure by bringing the future under the influence of the present, is a hallmark of modernity.” In this sense, to speculate is to make claim upon the future in the present—that is, speculation operates in outcomes and probabilities.

Following Foucault, these musings into possibility involve a different kind of knowledge production, one where phenomena can be understood as having a quality of regularity or of patterns and cycles—of repetition—that can then be entered into a calculus of likely outcomes, percentages of risk and failure or as rates of growth, decline, birth, death,

crime, etc. One can “colonize the future”—that is, speculate and plan with the perception of less risk—because our capacities to predict probable futures improve with our technologies of surveillance and enumeration. The future remains a space of possibility, and as such, to make a claim on the future against all others forces one to enter into a kind of game of probabilities, in one sense improving and testing one’s predictive capabilities, but on the other, managing the risk of loss through what Rose (1999), Ewald (1991) and O’Malley (1996) refer to as technologies of collective insurance and hedging risk. These studies focus on the north Atlantic, emphasizing historical developments in the West such as collective social insurance (welfare) and its eventual turn towards privatized social insurance, generally phenomena we associate with neoliberalism. While Southeast Asia, and more particularly Vietnam, does not exhibit the same forms of state based welfare, nor a neoliberal turn that resembles that of the West, there are important aspects of these studies that bear some reflection in the Vietnam case.

These technologies of speculation and risk reduction are important to note because they are rationalities that play out in speculative governance and government hedging practices. In financial terms, hedging is a subset of speculative activity aimed at reducing risk, particularly in situations where the future is uncertain due to market fluctuations and volatile market conditions. An investor is typically said to hedge a position when s/he takes an offsetting position, for example a futures contract. Hedging is also understood within the context of diversification. One diversifies one’s investments under conditions of change and volatility—when there are uncertainties about the direction and flow of events and outcomes. Diversification is also related to postsocialist theory. David Stark (1996) among other postsocialist theorists has argued that individuals and institutions in postsocialist regimes maintain and produce “recombinant property” or diversifications of organizational rationales and legal claims to ownership such that property can be valued and held “according to more than just one legitimizing principle.” Recombinant property is therefore seen as a hedging mechanism against the risk of an uncertain future. It is the recognition that under socialist transition to capitalism, the future holds multiple possibilities for rationalizing both property development and property ownership. While related to the other definitions of speculation, it is the diversification of assets that I wish to highlight when discussing governance. I suggest that the postsocialist scholarship on recombinant property can be extended to discuss a kind of *recombinant urbanism*, where the state diversifies its strategies of governance and programs of reform in the midst of an uncertain global urban future, particularly in a moment when the contemporary reference points of the global city are rapidly shifting.

5.9 Hedging the global future with financial reform

I will illustrate this point through the economic crisis that hit Vietnam in the latter part of 2012. In October, a few months after the ACB bank scandal broke, news sources began reporting on problems in Vietnam’s banking sector. The State Bank of Vietnam and its four subsidiaries had controlling interest in most of the largest joint-stock banks that were lending in the real estate market. With a weak financial regulatory system, banks were approved to take on more risk, many re-categorizing “parent” bank capital as forms of

collateral. This, combined with inflated land prices and freewheeling lending practices resulted in overleveraged real estate development projects across the city and a lot of bad debt in the form of non-performing loans (NPLs). When I asked Mai, the investment broker, what caused the banking crisis, she said:

A lot of it is real estate loans. That has been reported as bad debt. And a lot of it was caused by construction loans on projects that were never completed. If they aren't completed then they can't sell and they can't repay the loan of course. And then there's people, lets just say on that level, individuals that took loans to buy those units in these uncompleted buildings and then the developers took their money or deposits and they don't want to pay for something that's incomplete, so they further invest it in future projects. So that makes it worse, money on top of money that never gets paid back.⁶²



Image 14: Informal community and orphanage (behind foreground structures) with Happy City's phase one development in the distance, threatening land clearance. Photo by author, 2012.

According to informants in the real estate sector, “money on top of money” was common practice. It could be observed by driving around the city's periphery, where there were numerous half finished residential projects that had been suspended for at least half a year if not longer. One of my informants, a Korean pastor named Mr. Che had introduced me to an informal village that had an orphanage serving about thirty children in Binh Chanh district. The orphanage had been served eviction papers, by the development “Happy City” a gated luxury township complex that stood with its phase one buildings half built, the steel and rebar skeletons of development looming over the orphanage. When they ran

⁶² Interview with Mai, 7/8/2013.

out of money, construction stopped and the orphanage continued its precarious existence. Mr. Yu credited it as a blessing, but also said that the company ran out of money and went bankrupt due to being overleveraged with another project and bad debt.⁶³ Developments like Happy City were peppered all along major roads in peripheral districts. Developments in the city center were not immune either.

State and private banks ceased lending, but were also unwilling to sell the debt at a fraction of its cost, with many projects “too big to fail.” Private banks were reporting that NPLs were at around four percent of total loaned capital, while the State Bank of Vietnam had estimated that it was more likely around six to eight percent. Reuters, assuming the bad debt to be at 8.82 percent of all loans calculated the bad debts to be at VND 250 trillion or approximately USD 12 billion, of which 73 percent of the loans were mortgage or real estate based. By mid November of 2012, Prime Minister Dung stated that Vietnam would create a “debt trading company” to buy the NPLs from the banks and reform all banks in 2013.⁶⁴ In January, of 2013, speaking to my informant, Quan, I asked him what he thought about the bad debt situation. He replied with the following,

You know that old line, ‘you owe the bank a million dollars and they own you, but if you owe them a billion, you own them. Because if these guys were to mark to market some of their portfolio, the NPLs—that’s non performing loans—are not gonna be two percent or four percent or eight percent like they are saying. Its gonna be in the high teens, even up to the twenties. There was one bank where even the Governor of the State Bank got into trouble during a Q&A session, he said that there were some banks where NPLs were up to sixty percent! And then he had to back pedal a bit. So the thing is, so you got these banks where the minimum capital requirement is like 3 trillion đồng [about US \$14 million], so you assume that half their loans is to real estate, so 1.5 billion đồng. And now from 2007 to now, average land value has gone down thirty to forty percent, so you collateralize it at seventy percent and its scary. You have to deal with the fact that a lot of these banks, you have negative equity value. So basically the last time, the whole economic crisis happened, in Vietnam, we were really outside the developed world, so they were affected in the sense that all these people weren’t investing anymore, but they weren’t affected in the sense where they had to change structurally, they didn’t have to go through the ugly process of reforming the banking system. So basically, whatever, they had some NPLs then too, but the banks were not willing to write them down, so basically they hung on and within five years the market recovered and they never had to readjust the numbers.⁶⁵

Quan questions the validity of bank claims to holding four percent bad debt. This was a

⁶³ Fieldnotes, 4/10/2012.

⁶⁴ *Reuters*, “Vietnam says it aims to cut level of bad debt to 3-4 pct by 2015,” 11/14/2012. URL: <http://reuters.com/article/2012/11/14/vietnam-economy-bad-loans-idUSL3E8ME1FO20121114>, (accessed 11/15/2012).

⁶⁵ Interview with Quan, 1/26/2013.

sentiment that circulated widely in the investor and finance community, members of which were watching the issue closely. These doubts arose largely because of wide discrepancies between figures given by joint-stock banks, the State Banks, and financial analysts. Originally, the State Bank reported an NPL ratio of 8.6 percent in June 2012. The State Bank lowered this estimate to 7.8 percent in December 2012 and then further to 6 percent in February 2013. Most commercial joint stock banks (all of which had a majority stake owned by the state bank) reported an NPL ratio of 2 to 4 percent. Fitch and Moody's each came out with different estimates, saying they believed the debt to be closer to 18 percent and as high as 20 percent, given factors similar to what Quan articulated above. Quan also makes an important point by recalling the state response in a previous moment of crisis. In that prior moment, the banks refused to write debt down, effectively gambling on the fact that the economy would recover in a short period of time allowing for banks to recover liquidity.

Moreover, Quan points to the effects of a state dominated banking system, or what Robert Wade (1998) has referred to as "alliance capitalism." Here, like other East Asian nations, the banking sector is thought to have high debt to equity ratios based on state relations with the banking sector—whether it be through relations of ownership or coordination. While Wade (1998) distinguishes between "alliance capitalism" and corruption, Melanie Beresford (2008) argues that the two are inseparable, reading forms of collusion between the state and banks as a kind of crony capitalism.

It was not until March of 2013 that the Governor of the Central Bank of Vietnam Nguyen Van Binh is quoted in *Thời Báo Kinh Tế Sài Gòn* (Saigon Economic Times) saying that the government is very likely to approve a decree to establish a debt management company to start buying bad debt from banks.⁶⁶ By the end of March, the Prime Minister announced that the asset management company would be delayed another month. The press, along with some of my informants, speculated that many of these delays were due to the Central Bank not having enough information, particularly about how to define and classify bad debt, exactly how much bad debt was out there and whether that debt could hold up to international standards in the event they needed to sell it. Officials were believed to be testing their ideas against financial policy experts and going back to the drawing board.⁶⁷

In May, after a year of debate in the National Assembly, the government passed Decree 53, creating the Vietnam Asset Management Company (VAMC), a state-owned nonprofit institution to buy bad debt from banks. However, the state started the VAMC with US VND 500 billion (about USD 25 million), a small fraction of what the State Bank of Vietnam estimated was the total of NPLs. By this point, the State Bank was insisting the debt level to be around six percent or USD 7.8 billion out of a total USD 130 billion

⁶⁶ *Bloomberg News*, "Vietnam Bank Revamp Faces Test as Dung Plans Debt Manager," 3/21/2013. URL: <http://www.bloomberg.com/news/articles/2013-03-20/vietnam-to-form-asset-management-firm-this-month-to-resolve-debt>, (accessed 4/17/2013).

⁶⁷ *Bloomberg News*, "Vietnam Asset Management Company Establishment Delayed," 3/29/13. URL: <http://bloomberg.com/news/articles/2013-03-29/vietnam-asset-management-company-establishment-delayed->, (accessed 4/1/2013).

worth of outstanding loans.⁶⁸ The VAMC, without enough capital to recapitalize commercial banks, planned to swap the debts for zero-interest special government bonds that would mature after five years, essentially giving the banks a five-year period to re-capitalize. But banks were still technically accountable to the debt. At the end of the five years, banks could not cash out mature bonds into liquid form, but rather, had to swap out bonds with the NPLs held by VAMC provided that any or all of the debt had not been sold.

GOVERNMENT POLICIES

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8

CBRE BIG BREAKFAST 2013 | THE SLOW ROAD BACK

Image 15: Slide at the CBRE "big breakfast" financial report, 2013.

This strategy was tantamount to creating a state owned company handing out “I owe you” notes to banks, notes that could not be exchanged for anything except bad debt. When bonds matured, banks were required to exchange the matured bonds for their original NPLs. In the meantime, the State Bank would attempt to find investors to buy up the bad debt and promised to drastically restructure and reform the entire banking sector. Along these lines, the State Bank of Vietnam had been working with the ADB on Banking Sector Reforms through a series of technical assistance loans since the early 1990s. The most recent of these came in the form of a US \$45 million dollar loan for their Financial Sector Deepening Program aimed at providing technical assistance to the State Bank, largely to help it create better policy and legal instruments to instill more transparent ownership and accounting structures throughout its financial lending sector. The ADB

⁶⁸ 1) “Vietnam’s NPL attractive to foreign investors,” *Vietnamnet Bridge*, 10/08/13. URL: <http://english.vietnamnet.vn/fms/business/81344/vietnam-s-npl-attractive-to-foreign-investors.html>, accessed 10/8/2013). 2) “Insight: As economy flounders, Vietnam banks on debt cleanup,” *Reuters U.S. Edition*, 5/2/2013. URL: <http://www.reuters.com/article/2013/05/02/us-vietnam-banks-insight-idUSBRE94116D20130502>, (accessed 5/15/2013).

has coordinated with the World Bank and IMF on many of these efforts, particularly on programs providing debt sustainability training in 2013.

The VAMC refused to lower the price on debt to figures that would be attractive to foreign investors. The policy was largely considered a delaying and waiting strategy. One informant, a real estate fundraiser, responding to the VAMC strategy said, “Failure is not total failure because with the national bank it’s about nation building.” He believed the the government would ever let joint stock commercial banks fail due to their majority ownership by state banks. Bonhae Kim, the CEO of a large Korean investment firm who had recently invested USD 1.5 billion into the Vietnamese economy and who was watching the situation closely, commented over coffee one day, “culturally, Vietnam waits for the economy to bounce back, they are delaying. In Vietnam, they try to have a psychological effect, not a real market effect, so they will wait for the market to come back through other ways.”⁶⁹ Kim further noted that while the real estate sector was in a slump, other areas of the economy were attracting large investments, noting recent agreements between the Vietnamese government, Samsung, and LG . The Samsung deal alone was so large, that the company was reported to account for 10 percent of all exports out of Vietnam.⁷⁰ He implied that the waiting strategy was also about allowing other forms of liquid to materialize in state bank and commercial bank coffers.

At the time of writing this in 2015, the bad debt was still looming over the economy, but as Kim predicted, the economy experienced its largest growth (10% corporate earnings growth) since the recession and has skyrocketed to the top of Asian stock markets. This boom is attributed to foreign direct investment in the manufacturing sector, through the investment of large Japanese, Korean and Taiwanese companies being fueled by Vietnamese labor competitiveness with China.⁷¹ Despite the persistence of these bad loans, the real estate sector also experienced a bounce back, through foreign investment, signaling a new boom period as well.

The creation of the VAMC and the events that transpired between 2012 and 2015 are exemplary of the state’s waiting and hedging strategies. In this case, the international development community had been calling for state banking reform since the 1990s, a primary issue at stake that contributed to delays in Vietnam’s accession to the WTO, which eventually occurred in 2008. Many of the same critiques launched at Vietnam then by the international development community persist today, despite a large amount of technical assistance loans and training provided by the ADB, World Bank and WTO, along with other foreign development funds like Japan International Cooperation Agency (JICA), International Finance Corporation, Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ), Canadian International Development Agency, to name a few.⁷²

⁶⁹ Interview with Bonhae Kim, 7/7/2013.

⁷⁰ James Hookway, “Tech Firms Flock to Vietnam” *Wall Street Journal*, 9/27/2013. URL: <http://www.wsj.com/articles/SB10001424052702303796404579100200896926512>, (accessed 9/27/2013).

⁷¹ *Barrons Magazine*, “Vietnam Surges to Top of Asian Stock Markets,” Assif Shameen, 9/26/2015. URL: <http://www.barrons.com/articles/vietnam-surges-to-top-of-asian-stock-markets-1443248116>, (accessed 9/30/2015).

⁷² Asian Development Bank, “Viet Nam: Financial Sector Assessment, Strategy and Road Map,” Mandaluyong City,

The NPL crisis and VAMC creation represented a significant opportunity to advance these reform programs. But the state bank along with the National government have pursued a course that keeps both the reform agenda and the debt suspended in time. Waiting and holding are key strategies in hedging practices. Here, reform operates on multiple temporalities. According to Erik Harms (2011) the state tends to narrate history in official doctrine through “linear” and “teleological” narratives, emphasizing that the theme of “socialism driving history emerged as the fundamental explanation for urban history and development” (104-105). Harms’ descriptions of “party time” are then used to discuss how residents of Hóc Môn, a district on the periphery of Saigon, internalize or challenge or provide alternate readings of speed, direction and visions of urban development. Harms offers the notion of “temporal oscillation” and “simultaneous oscillation” between competing models of temporal hierarchy to discuss the ways that residents in the periphery shift their relationship to time and history depending on particular challenges or opportunities.

But just as the residents of Hóc Môn apprehend temporalities of urban development in multiple and sometimes simultaneous ways, the state also operates on multiple logics and temporalities of time. While state narratives of the past may be unified, state agencies and individuals working for the state are not a singular entity. In that way, the state does not follow its own declarations of linear and unified time in the present. Harms uses the state as a way to talk about resident’s reactions to solidified state narratives, but at any given present moment, I argue that the state is equally engaged in practices that oscillate time and hold regimes of time management simultaneously. The VAMC response is an example of how different notions of time and risk as they relate to reform are implemented. On one hand, the state must begin reform processes that fix problems, as the economy continues to freeze due to bad loans. Here, reforms making loan values transparent and structurally revamping the banking sector are interventions that play an active role in formulating consensus about the time horizons of recovery. The creation of the VAMC is in part, a strategy that begins the process of removing bad debt from banks and holds future reform possibilities. The VAMC in form is a somewhat typical response—the government created an institution that takes bad debt off the books of banks. Yet, the VAMC is also part of a strategy of waiting and drawing time out. In this sense of time, the VAMC hedges the growth of other sectors of the economy to resuscitate the flailing real estate economy and re-capitalize banks.

With hindsight on our side, we can say that the strategy has, for the most part, worked. The economy has rebounded and is experiencing what economists are predicting will be another real estate boom cycle. Time will tell if the State Bank and the national government will fulfill its pledges to reform the banking sector, its most recent pledge for 2015. Many of the banks, at the time of this writing this, have been consolidated in a series of mergers brought on by the state. These mergers are said to also come with reforms and restructurings to banking laws. But regardless, the hedging practices of the

Philippines: Asian Development Bank, 2014. URL: <http://www.adb.org/documents/viet-nam-financial-sector-assessment-strategy-and-road-map>, (accessed 10/19/2015).

state are a form of speculative governance. They are forms of hedging and a kind of reluctance to draw things together, such that the state can maintain different avenues of possibility. In this case, the state avoided having to draw together the reform agenda of the state banking sector which was crippled by real estate lending practices and urban development finance schemes that have continued under the most recent economic boom period. In this way, two modes and rationalities of governance that are in principle contradictory have been simultaneously held together through speculative and hedging technologies of government.

5.10 Conclusion: A futures market for governance

These hedging practices in Vietnam come at a time when references to the world-class, global city are shifting from west to east, causing some to note that the “citational structure” (Ong and Roy 2011) of city making is increasingly regional with Asian cities as “ascendant” (Hoang 2015). As global aspirations and standards of urban development are a shifting terrain, so must the art of governing urban space be open and flexible to these changes. Hedging governance, thus, is the form through which cities and states manage the simultaneity of multiple possible futures, futures that carry with them different regimes of value and modes of law, regulation and reform and the narrated specters of their individual development pathways—each of which are often contested conceptual terrains.

Practices that hedge governance illustrate the multiple urban futures being posited through practices that fall under rubrics and rationalities of transparency and opacity. While the state is not a monolithic entity, its ability to uphold both rationalities simultaneously, even as they conflict, is a kind of recombinant urbanism that hedges multiple futures at once. The state does this through what I have illustrated above as practices of informality, legal suspension, through governing technologies that suspend time and debt, and compartmentalize reform agendas (Roy 2009, McFarlane 2012, Ong 2006).

Part of the way the state is able to maintain its flexibility to multiple futures has been through the insistence that Vietnam is perpetually undergoing a transition, even as transition approaches its thirty-year mark. Transition is operationalized through reform. Reform and speculation bear family resemblances. Like speculation, reform utilizes a multi-temporal character using the rationales of possible futures to inform action in the present. Its future orientation allows it to exist in the realm of possibility, a realm that is not held to the standards of consistency and logic necessary in the present tense, where it is harder to apply multiple regimes of governing to something as concrete as a parcel of urban space. Reform transposes the future onto the present, and frees the present from the chains of consistency and logic. This is how these two logics of reform can coexist in the minds and actions of those who produce the city, or more egregiously, how two separate developments can stand side by side with vastly different (and conflicting) pathways to finance, due diligence, taxation, regulation land clearance, and ownership.



Images 16 and 17. Top: A lot slated for development but repurposed in the meantime as a field for flying and selling kites. Phone numbers on the wall are for land sellers. Bottom: a retaining wall for the construction site of LaAvenue Crown, a luxury housing development in the heart of District 1 that went bankrupt. Photos by author, 2013.

Reform opens a milieu of state intervention, a conceptual but very real bridge to a multitude of possibilities. Conflicting possibilities can be speculated upon and acted upon by appealing to two different kinds of reality. While reform posits visions of a future, it truly only intervenes on the present. And in this way, reform is never completely bound

to actualize its future visions. This is why, for example, in Saigon, temporary walls pasted with luxury living advertisements become permanent fixtures, as projects lose political backing and accordingly lose access to credit, become mired in debt and bankruptcy from volatile lending practices, or become the site of a more connected developer or simply run out of money. In Saigon these advertised visions of East Asian luxury fade, with spray painted phone numbers of land sellers peppering the once luxurious images of poolside cabanas shaded by luxury towers and kite-fliers occupying its now overgrown fields of land.

I had many opportunities to witness the “wish images” of a future world fading amidst the backdrop of rebar and steel shells of luxury apartment complexes, half finished and suspended, looking like postmodern ruins. Susan Buck-Morss (1989), in her book on Walter Benjamin, states:

But in the process of commodification, wish image congeals into fetish; the mythic lays claim to eternity. “Petrified Nature” (erstarrte Natur) characterizes those commodities that comprise the modern phantasmagoria which in turn freezes the history of humanity as if enchanted under a magic spell. But this fetishized nature, too, is transitory. The other side of mass culture’s hellish repetition of “the new” is the mortification of matter which is fashionable no longer. The gods grow out of date, their idols disintegrate, their cult places—the arcades themselves—decay. (159)

Walter Benjamin’s concepts of “wish image and ur history” are a poetic way to describe what the scene of a suspended luxury condo looks like against the rural peri-urban backdrop. As Vietnam literally transmutes its land holdings into commodity form, we see how the commodity becomes fetish and is converted into a “wish image” of a utopian future. Yet the presence of ruins—the fading and peeling temporary-yet-permanent walls of development remind us that not all possible futures become actualized. In this way, ruin is the sober and petrified artifact of a government that speculates on development.

As reform opens up multiple avenues of governance, it also represents a kind of global wish image—a geopolitical phantasmagoria where seemingly contradictory forms of legal and social orders can co-exist. Here, reform becomes a type of fetish as well, a kind of wish image, where a number of political, social, economic and legal orders can be called upon in simplified and universalized form, claimed and promised. Here, not only are the cities of Seoul and Singapore, Shanghai and Shenzhen put on the pedestal of the future, the image of their social order, aesthetics, governance, values and ways of doing business are also put forward in a seemingly unified, harmonious, and flattened surface.

Chapter Six. Conclusion. Hedging Alternative Modernities

6.1 The so-called “strange case” of Asian capitalism

In *All That is Solid Melts into Air*, Marshall Berman provokes us to compare the experience of Western modernity to that of the East. Drawing upon the great works of Baudelaire and Dostoyevsky, he compares modernity in nineteenth century Paris to St. Petersburg and concludes that while Paris maintains an “authentic” modernity, the modernity of the East is a “borrowed” one, a “modernity of underdevelopment” (Berman 1988, 173). For Berman, Paris represents authentic modernity largely because of what he sees as the presence of a baseline recognition of the other—the poor, the dispossessed—that permeates throughout Paris life, making possible a later recognition of class struggle and the Marxist contradictions of capital. This modernity was also spatial in nature. More specifically, in Berman’s treatment of Paris, Haussmann’s attempt to open up the city through the construction of the boulevards also laid bare the contradiction of modernity. The very act of showcasing the perfection and unity of the modern city exposed what was dialectically not modern—poverty, despair—rendering the city unequal, disjointed and most importantly, not universal. Parisian modernity’s universality is simultaneously brought to its knees by the newfound recognition of not only the presence of the poor, but also an awareness of burgeoning class difference. This recognition sets Paris apart from other cities, and lays the liberal foundations for eventual class recognition and conflict.

St. Petersburg, on the other hand, fails to establish a cultural and political recognition of the other, expressed through Dostoyevsky’s protagonist the “underground man”. The underground man fails to obtain even the most meager forms of recognition—just to be seen in the newly minted public space, the Nevsky Prospect, is impossible. St. Petersburg comes to represent a place where class recognition is made impossible. So while St. Petersburg maintains the superficial materials of a modern city, through the Nevsky Prospect and the Crystal Palace, it is a borrowed modernity, because it does not provide the *experience* of a public sphere where a baseline recognition of the other can occur. It is, for Berman, an inauthentic modernity, or a “modernity of underdevelopment.” (Berman 1988, 173).

Berman’s bifurcation of modernity and capitalism into West and East, authentic and inauthentic, is one of many attempts to render the East as illegible, derivative or underdeveloped. Many of these attempts are part of an overall Marxist project to deal with problems presented by global studies, especially when considering the particular development trajectories of cities and nations in the global south that did not follow the so-called ‘traditional’ and crucial stages of capitalist development under Marxist theory. I discuss it here to identify clusters of theory that treat Asian capitalism and modernity as either fundamentally different from the West on the one hand, or as completely subsumed under global capitalist development and thus, indistinguishable from western processes. For example, Chinese capitalism has been treated as “strange,” or as “neoliberalism with Chinese characteristics” (Harvey 2005, Ch. 5), noting some key problems with applying a neo-Marxist critique on a socialist state which is heavily engaged in producing neoliberal

market conditions and population dynamics that cannot be fully described under a project to establish and solidify class power. Such problems are later expressed by describing China as on the verge of complete convergence with global capital, where China is depicted as a hotbed for a new emerging global proletariat (Harvey 2010). Under these views, Asian modernity and Asian capitalism are either seen as part of a singular global process or as an alternative instantiation.

Contained within Hoang's (2015) assertion that Asia is "ascendant" is an implicit optimism about Asian capital, developmentalism and urban growth. This optimism is built upon the idea that circuits of inter-Asian capital represent novel "south-south" collaborations that reorient traditional theories of globalization. While this continues to be a productive area of study, optimism about Asian capitalism and Asian cities in the contemporary moment has roots in earlier trajectories. Throughout the 1990s and 2000s, Asian capitalism was part of a larger debate about Asian developmentalism, with the growth of tiger economies like Japan, Singapore, South Korea, Thailand and Taiwan. These nations became part of a debate over the cause and consequence of rapid growth. On the one hand, free market thinkers under the "Washington Consensus" cited the failure of import substitution industrialization in the region and heralded the emergence of Asian economies that were germinated within the substrate of new policies of export-oriented growth. While Bretton Woods institutions solidified their position, a cadre of new thinkers came to challenge this perspective and drew attention to the important 'developmental' role that Asian states played in their respective economic growth. They placed particular emphasis on Asian states' ability to create institutional relationships with private industry (Amsden 1989, 1994, Wade 1990, Evans 1995, Stiglitz 2002, Woo-Cumings 1994).

Wade (1990, 1998) provides the term "alliance capitalism" to describe the close relationship that East Asian states have with private enterprise, with an emphasis on states' respective relationships with banking and financial sectors, resulting in higher debt to equity ratios. Wade distinguishes between "alliance capitalism" and crony capitalism, distinguishing between the institutional frameworks of state led growth and a depiction of it as corrupt. Moreover, Wade argues that cronyism is often misread, as is in the case of the IMF or those in charge of US trade policy, as a detriment to growth (Wade 1990, 1998). Others, like Beresford (2008) take issue with this claim by asserting that the institutional arrangements of alliance capitalism, an economic description, must also include crony capitalism, what she argues is the "political" perspective (223). Regardless, under this cluster of literature, states are thought to act entrepreneurially, asserting a significant degree of control over their economic growth, in what has been described as "authoritarian capitalism" (Woo Cumings 1994).

Economic control was exercised through state disciplinary mechanisms and institutions over firms and labor. The state had the ability to selectively control, grow and divest in sectors of economic growth through subsidies, protectionism, controls over financial flows through state-led banks and legal punishments (Amsden 1989). Under this view, there is a strong correlation between the authoritarian character of these state regimes and their periods of unprecedented growth. This authoritarianism allowed many of these tiger

nations to experience autonomy—autonomy defined as having the ability to avoid pressures from industry while also having control over industry through key mechanisms like a state controlled financial sector. While many of these nations experienced a great deal of autonomy from industry control over their economies in their early periods, they evolved and eventually became subject to traditional restrictions. Much of this is credited to the privatization of banks, one of the key disciplinary mechanisms these states held over industry in their respective economies.

6.2 An alternative modernity

Fredric Jameson (2002) has vehemently opposed the notion of ‘alternative modernities,’ arguing that an artificial wedge has been driven into the concept of modernity by those in the academy who globalized their respective fields, advancing postcolonial theory, postmodernism and poststructuralism, to name a few under the author’s crosshairs. This wedge, he argues, is created by a false break:

Never mind the fact that all the viable nation-states in the world today have long since been ‘modern’ in every conceivable sense, from the technological onwards: what is encouraged is the illusion that the West has something no one else possesses—but which they ought to desire for themselves. That mysterious something can then be baptized ‘modernity’ and described at great length by those who are called upon to sell the product in question. (8)

Jameson’s larger project bemoans newer depictions of modernity by arguing instead for a singular modernity. This singular modernity, for Jameson, can be expressed by the title of his other book, *The Cultural Logic of Late Capitalism*. For Jameson, multiple modernities water down the analytical field to the point where almost every divergent pattern is entitled to its own version of modernity. He also rejects the division of modernity into an East-West binary. He writes,

How then can ideologues of ‘modernity’ in its current sense manage to distinguish their product—the information revolution, and globalized, free-market modernity—from the detestable older kind, without getting themselves involved in asking the kinds of serious political and economic, systemic questions that the concept of a postmodernity makes unavoidable? The answer is simple: you talk about ‘alternate’ or ‘alternative modernities.’ Everyone knows the formula by now: this means that there can be a modernity for everybody, which is different from the standard or hegemonic Anglo-Saxon model. Whatever you dislike about the latter, including the subaltern position it leaves you in, can be effaced by the reassuring and ‘cultural’ notion that you can fashion your own modernity differently, so that there can be a Latin-American kind, or an Indian kind or an African kind, and so forth. Or you can follow Samuel Huntington’s lead and recast all this in terms of essentially religious

varieties of culture: A Greek or Russian Orthodox modernity, a Confucian modernity, and so on... (12)

While I argue that alternative modernities as a theoretical concept can be productive, there are some useful aspects to Jameson's argument. For example, particularity is not enough of a requirement to warrant a declaration of an alternative or a separate modernity. Asian capitalism as an alternative modernity has been understood in these terms in different ways. In its most extreme depiction, it has been cast as a post-colonial modernity whose existence is a form of resistance to Western norms and capitalist forms. These theories have provided treatments of Asian capitalism as resurgent moral economies through the study of *guanxi* or by looking at Asian culture as a foundational force in a compatible form of capitalism. In anthropology, Asian capitalism has been conceptually mined on cultural grounds, whether it be topics that address superstition, extreme fetishization of forms of money and exchange, gambling cultures and irrational forms of investment. Others looking at China have attempted to understand *Guangxi* as it relates to symbolic capital and gift exchange, with an eye to the ways in which cultural practice produces capitalist behavior (Smart 1993). Still others have conceptually mined history, looking to pre-modern rationalities and practices in the search for analogous stages of capitalist development. Most notable are those studies that argue Confucianism as a congruent 'protestant-like' ethic embedded in Chinese cultural transition to capitalism (Berger and Hsiao 1988, Redding 1990).

Within these different poles of modernity are implicit arguments about processes of "disenchantment" that occur through Weberian rationalization or through cultural forms, even in spite of Weber's other writings that dismiss Asian cities and nations (along with most of the global south) as incapable of modern government. On one end of the spectrum are those studies that posit culture as an "enchanted" field, as part of an overall project to resuscitate resistance to "millennial capitalism" (Comaroff and Comaroff 2000). In these depictions, culture is posited as distinct and completely illegible from rationalities of capital. Culture, here, becomes a specter. On the other hand, are those studies that take seriously Weber's maxim, offering instead a disenchanted world of bureaucratic "Red Tape" (Gupta 2014), an iron cage incapable of providing any semblance of salvation fueled by the "somatic violence" of the state.

Gaoknar (2001) has similarly argued that modernity has been split into the "aesthetic" modernity of Baudelaire and the "iron cage" modernity of Weber. Invoking Foucault and Kant, he concludes, however, that modernity is best understood as an attitude towards the present, with this attitude now globalized. In this way, modernity is not a split between the West and the rest, but rather a hybrid terrain of Western norms that have been appropriated, creatively mutated and recast. Gaoknar, following Appadurai (1996) sees modernity unfolding on culture, the interplay of which produces "creative adaptations" which explain divergence from the western narrative.

While I agree with Gaoknar that modernity cannot be a movement of Western forms to the rest of the world, I take issue with Gaoknar's reading of alternative modernities as a

cultural phenomenon. Gaoknar's treatment is one where original cultures and contexts interact with western forms, producing a kind of adaptive hybrid. He writes:

A cultural theory, in contrast, holds that modernity always unfolds within a specific cultural or civilizational context and that different starting points for the transition to modernity lead to different outcomes. Under the impact of modernity, all societies will undergo certain changes in both outlook and institutional arrangements. Some of those changes may be similar, but that does not amount to convergence. Different starting points ensure that new differences will emerge in response to relatively similar changes. A cultural theory directs one to examine how "the pull of sameness and the forces making for difference" interact in specific ways under the exigencies of history and politics to produce alternative modernities at different national and cultural sites. In short, modernity is not one, but many. (17)

In Gaoknar's reading, the "alternative" in alternative modernities is produced through the interaction between original cultures and the onslaught of the West. Here, culture remains an unproblematized category of analysis, one that has an "original" moment prior to the West, and whose traditional life interacts with Western culture to produce alternative attitudes towards the present. Further, culture here is a limited field. It remains unclear how globalization and capital factor into the construction of an alternative modernity. In Gaoknar's framing, alternative modernities are the purview of the cultural analyst over those that address the globalization of capital or technology.

Against this reading, I argue that speculative governance is the field of possibility upon which multiple pathways to colonizing the future are held, considered and tested. It is a concept that captures the ways that those that govern realize multiple possibilities for the future city in the present moment. Speculative governance involves practices that hedge between different rationalities of the modern city. These differences are assembled out of variant regimes of value and narratives of culture and history that are productive to the formation of "imagined communities." Thus, Vietnamese culture or Asian culture are not original forms that come into contact with Western modernity. Rather, both are constantly being constructed and used to produce vastly different reform agendas in Vietnam, reform agendas that structure how different kinds of global capital circulate into the city.

Much of what I have argued hinges upon how the real estate economy in Saigon is framed through rationalities of reform that I categorize under the terms opacity and transparency. On the one hand, because Vietnam does not look like what the market *should* look like to Western investors, the transparency reform logic becomes an instrument to not only diagnose the economy as broken, but also to light a way for a series of interventions. Individuals and institutions aim these interventions at what they believe to be an illegible object, the goal to render it legible for global capital. Here transparency reforms default to western standards of practice. Much like the arguments in postsocialist contexts put forward by Dunn (2004), Verdery (2004), and Stark (1996),

global standards in practices of capital accumulation map values onto economic growth, values that conform to liberal and neoliberal ethics. Here, the question of how to live, govern and be governed are invoked and produced. Those who deploy a transparency logic interpret the illegibility of practices of accumulation in the real estate sector as failure. Here, the ‘economy’ is an incomplete object. Following Timothy Mitchell (2002), the transparency logic “enframes” the economy by delimiting a range of rational behaviors, achieved through the exclusion of specific kinds of social practice. These exclusions are often framed as irrational or external to the internal workings of the object form of economy. While its “objectness” is constantly being constructed and narrated through enframing practices, this does not mean that the economy is a fiction. Rather, it is constantly being constituted as an ontological object through different configurations of materials, people and ideas.

On the other hand, those working through the lens of opacity read the economy not as failure, but rather as an opening. Here the economy is read as a possible productive site. Asian developers and investors along with state actors engage in a set of economic practice by rendering a different enframing of the economy. Here, the economy is also assembled, but it is done in hybrid and recombinant ways. The practices that fall under the category of opacity do not represent a more capable or more fundamental or more ‘real’ economy. Rather, they are grounded in equally essentialist narrations of Asian culture and values. Following Ong and Nonini (1997):

... these imaginings are what Michel Foucault (1978, 1980, 1991) calls “regimes of truth” that seek to objectify, discriminate, and normalize power relations. Such knowledge-power systems are engaged in the work of constructing “imagined communities”—not only ones framed by visions of national territories and borders (Anderson 1991), but also other collectivities—for instance, those created by travel and trade, and those mobilized by dispersion. (16)

As I have tried to show in previous chapters, opacity is a reading of the economy based on the constructed identities, politics and practices of an elite group of real estate players, Vietnamese developers, Asian investors and state actors. These constructions simplify history and conflate norms and practice into Eastern and Western binaries.

On a macro level, hedging practices as I have defined them above encapsulate the forms of governing that speculate on different circuits of capital. I argue that these types of strategies proliferate as the conditions of global capitalism have been shifting into new novel shapes and vectors of growth. Thus, speculative forms of governance come at a time when capitalism in Asia is producing unprecedented growth and asserting models of development that bear resemblances to the west, but differ in significant ways. At the same time, I read the West as not in decline, but rather as a dominant producer of the ‘economy’ as it is enframed under global standards. Thus the presence of Western forms, iterated as ‘global standards’ and the quest for transparency, remains a key mode of production and accumulation in Saigon. These forms propose a different future for Saigon and Vietnam. In this way, hedging practices can be read as coping strategies

amidst contemporary global trends, a way to use recombinant forms of governance to take advantage of different vectors of growth amidst the uncertainty of a shifting geography of global capitalism.

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