

The Government Plans, the People Act

Research >
Vietnam

Changing lifestyles and increased needs have led to remarkable urban changes in Hanoi. The Doi Moi reformation, changing a socialist system to a market-oriented one, led to social stratification, to thinking in prestige terms, and towards social segregation in the city. As land developers and construction companies have success at changing people's lifestyles, housing has increasingly become a status symbol. Politics of equality, as reflected in the old cityscape, has clearly had its day.

By Harald Leisch

Urban planning, or the shaping of the city, is not a transparent process in Hanoi. Not even the planners themselves seem to know what is going on and changes in the city are often far from what the authorities planned. Although most higher government officials are graduates of foreign universities or have attended training courses abroad, their ideas for urban development seem very limited. Most of them seem stuck in the old system, which intended to provide equal and simple housing for all and was conservative rather than innovative. Other constraints are that '[...] urban planning and development in Vietnam is still at the stage of trial-and-error', as the director of the National Institute of Urban and Rural Planning puts it (Chinh 2001: 9), and that government's wishes differ remarkably from the realistic starting points. Some examples serve to illustrate this.

Land speculation and urban housing

All land in Vietnam belongs to the state. However, it can be allocated to organizations, households, or individ-

uals. The revised Land Law of 1998 grants land users five rights: of conversion, transfer, inheritance, mortgage, and lease. Although at present the system of land registration is still not complete with about 85 per cent of the country's urban households lacking some or all required legal documents, land speculation is very high in urban areas. Between 1995 and 2001, land prices tripled in some districts of Hanoi, with a market price five to seven times the regulated price in the centre and about three times that price in the urban fringes (Toan 2001: 83).

Local individuals and investors are not the only ones active in land speculation. The Chinese-led Ciputra-Group from Indonesia, for example, already cheaply acquired about 360 ha of land close to the West Lake, one of the most attractive residential areas, many years ago and could later reap high profits from selling developed land and houses. As the Hanoi People's Committee was less patient, the Ciputra-Group has been forced to develop at least 200 ha before the year 2006, and to finish the project by 2010. State-owned construction companies like Vinaconex and the Hanoi Construction Corporation, both belonging to the Ministry of Construc-

tion, develop their own plans for big projects in Hanoi.

Arguably, the private sector is most important in housing development. As private land tenure, construction, and investment was made possible in the Doi Moi era, individuals and real estate developers exploited their opportunities more rapidly than for any administration to be able to follow or control. Already in the late 1980s, more than half of new housing was in the private sector. Collective housing units are being replaced by private houses, which allow a higher quality of life and change the monotonous architectural style (photo 1). 'On the other hand', Luan and Vinh (2001, p.63) state, 'newly built houses along main traffic lines, though modern and diversified, look like "vertical tube-houses" or "pole-like houses" as these houses are commonly built on a 50–60 square metres or even 20–30 square metres land area and hold four or five stories (photo 2). Their facades, normally three or four metres wide, are a mélange of different architectural styles which break up the city's architectural space and planning and reflect the social and physical disorder in the current transformation of Ha Noi.'

Housing development is outpacing

1 Public housing complexes from the socialist times often provide limited space.



2 Private housing offers convenient but expensive living conditions.



Both photos by Harald Leisch, 2003

the city's infrastructure. In many private developments roads have not been built, and drainage and other basic services are inadequate (Forbes and Ke 1996: 91f.). Most private constructors care little about the master plan or other regulations. Experts estimate that 80 per cent of all private construction in Hanoi is illegal. So far, the government has remained aloof, since it was evident that the government could neither provide the necessary houses nor effectively curtail illegal construction. However, the housing problems of the poor remain unsolved. They cannot afford to build their own houses and prohibitively high rents render rental houses affordable only for foreigners.

Planning vs market forces

Urban planners have clearly been overtaken by the dynamic development that started with Doi Moi and is characterized by a growing significance of market forces. 'Moving away from a socio-economic management system that was actually based on the principle of "equal distribution of poverty", associated with the taboos and prejudices against wealth which lead to wealth concealment, people are now striving toward new "values" characterized by mottos of "self-help first", "getting rich by legitimate means", "prosperous people and a strong country"' (Luan and Vinh 2001: 27).

Meanwhile, private individuals and investors, both local and foreign, are thrusting a modern (housing) lifestyle upon the population. As the influence of the middle class burgeons at the expense of the old bureaucratic state class '...different social impacts have brought about a "transitional" urban life style in which a chaotic mixture of norms and values of urban social-cultural life have been imported and spread' (Luan and Vinh 2001: 25).

Ideas for urban development, mostly from foreign consultants, are few and far between and lead to ubiquitous confusion. Social demands and market

forces are stronger than planning policies. In fact, Hanoi is not developed by urban planners. Instead, the authorities mainly administer urban development, adjusting their plans according to whatever changes occur. Individuals, real estate developers, and even state-owned construction companies, whose work is now fully market-oriented, seem to be the real directors of urban change. They became active immediately after the introduction of Doi Moi, while the authorities were still thinking about how to become active. <

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