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Land governance of suburban areas of Vietnam: Dynamics and contestations of planning, housing and the environment

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Abstract

After the Doi Moi ('renovation') reforms in Vietnam from 1986, land ownership rules were adjusted, effectively terminating former land collectivisation efforts. While land ownership remained fully under the control of the state, a 1993 land law conferred 20-year leaseholds to most farmers. They could now utilize farm land individually, and sell, swap and mortgage the land in a situation similar to private ownership. These leaseholds are now expiring and a new 2013 land law is in the making. This paper was initially written for UNDP Vietnam which supports Vietnam to help formulate a strong new land law, and brings out the complexities of land governance in the suburban areas of fast expanding Vietnamese cities. It first considers the present and changing land use of suburban areas and the key stakeholders involved here – powerful State Owned Enterprises, farmers, bureaucrats and communist party leaders. Planning practices are then assessed – and seen to be both rigid and complex, with different departments at various levels working at cross purposes under conditions of conflicting rules, laws and weak capacities. This is one reason for the dominance of informal arrangements and widespread corruption, where powerful actors benefit hugely and illegally from conditions of opacity and informal networks. Overall outcomes are that cities expand in a haphazard ('leapfrog') and inefficient manner, with insufficient attention for timely and adequate infrastructure, the environment and for people's welfare as in social amenities and parks. As a result of lopsided incentive systems, it is the state which foregoes huge incomes and faces more costly investments, while many suburban farmers are affected through (arbitrary) land acquisition and inadequate compensation.

Keywords

Land governance, suburban land, planning, environment, urban housing, Vietnam

Land governance of suburban areas of Vietnam

Dynamics and contestations of planning, housing and the environment

1 Introduction

Since 1975, and following the establishment of a Communist state in Vietnam, the state, or rather ‘the people’, became the sole owner of all land, and in large parts of the country collective farms were established. After the *Doi Moi* (‘renovation’) reforms in 1986, which paved the way for opening up Vietnam’s economy and for market-based reforms, land ownership rules were adjusted, which was no doubt related to a dramatic decline in agricultural production on collective farms. Even while the authority the Communist Party and the state remained unchallenged, private enterprise, deregulation and foreign investment were now encouraged. Land ownership remained fully under the control of the state, but a law enacted in 1993 (and amended in 2003) conferred 20-year leaseholds to farmer households most of whom obtained Land Use Rights Certificates. They could now utilize farm land individually, and sell, swap and mortgage the land in a situation which looks like private ownership – but the state retains privileged powers over land and private land-use rights.

These 20 year leaseholds are to expire in 2013, so that there is an urgency in Vietnam to adopt a new land law this year. In anticipation of such new legislation, a relatively lively debate started on the matter for some years now (heating up considerably from late 2012), partly fuelled by incidents where agitated farmers were protesting fiercely or even with arms against forced evictions, perceived corruption, or against what they saw as insufficient compensation for land claimed by ‘the state’. Various think tanks and academic institutions engaged in assessing the dynamics of land ownerships, land transactions and the role of the state at the various levels of Vietnamese administration – the ministries in Hanoi, the provinces, districts and communes – and related impacts on farmers and farmer households.

The UNDP Office in Vietnam supported the process of moving towards the new land legislation, and commissioned a series of studies in the format of policy briefs which production was coordinated and supported by the Hanoi based Centre for Agricultural Policy CAP of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), under a contract agreement with the United Nations Development Programme (UNDP)¹. I was requested to study and provide recommendations as to the topic ‘*Evaluating the Efficient Use of Suburban Land and Proposing a Model for Urban Agriculture*’, for which I carried out fieldwork in Vietnam in 2011 with generous support by

¹ This text is based on primary data collection in several Vietnam provinces, Hanoi and HCMC including interviews, surveys and focus group discussions, as well as on collecting and using a variety of secondary sources including policy and legal documents, newspapers, websites and general and academic material. The support of CAP staff – Dr. Nguyen Do Anh Tuan, Mr. Kim Van Chinh, Ms. Ha Luong Ngoc and Ms. Thu Trang was very important and is gratefully acknowledged.

CAP and IPSARD². UNDP has kindly consented that the findings of the study can be published as an ISS Working Paper, so as to make the research findings available for a wider audience. This UNDP support is gratefully acknowledged.

Background

Vietnam is urbanising relatively rapidly, by approximately 1 million annually since 1996. 'The country is now over a quarter urbanised compared to around 20% in the mid-1970s. Between 1994 and 1999 net migration contributed to around one third of population growth of urban areas. The urban population of Vietnam is likely to almost double to around 36 million' (World Bank, 2006, Sharpe and Quang, 2004; Berg et al. 2003). Vietnam News (8-7-2006) reports that the total number of people living in Viet Nam's urban areas is projected to reach 30 million by 2010 and that it is estimated that there will be 46 million urban dwellers by 2020. The urbanisation rate is expected to increase to 33 per cent by 2010 and 45 per cent by 2020. In 2000, 19 million of the country's 80 million people lived in urban areas, with an urbanisation rate of 22 per cent. In that year, urban land accounted for 63,300 ha, or about 0.2 per cent of the country's total area. The figure is expected to rise to 243,000 ha or 0.74 per cent by 2010 and to 460,000 ha, or 1.4 per cent, by 2020.

The relatively fast urban growth is related to a general fast economic development of Vietnam, undergoing a transformation from a state led to a market driven economic model, and where the state actively promotes industrialisation and modernization. Large investments projects, including industrial and special economic zones have developed throughout the country, supported by the growth in foreign investment (FDI). And while the country is becoming richer, there is increased demand for (good quality) housing, as well as for infrastructure and facilities (roads, airports) to make possible both industrial and housing developments. And while cities all over the world may promote the densification of existing inner city areas, it is in the urban fringe where cities mostly expand to accommodate urban growth. Vietnam is no exception to this.

The major driver for suburban development is the availability of land, in combination with low(er) land costs. The suburban areas so become a natural location for new housing projects and industrial zones, a model of

² This publication is then the outcome of cooperation between Dr. de Wit of ISS and the Centre for Agricultural Policy CAP of the Institute of Policy and Strategy for Agriculture and Rural Development (IPSARD), under a contract agreement between ISS and the United Nations Development Programme (UNDP). It does not necessarily reflect the views of the Centre for Agricultural Policy.

industrial development with which Vietnam is rather pre-occupied³. The question arises as to how land in the suburban areas around Vietnamese cities is being used and how this land use evolves over time. Do the urban authorities have sufficient control over such land use in terms of planning, zoning and regulating development and what are the impacts and implications for the citizens living there? And since growing cities need more food to feed ever larger populations, is there (still) scope for agriculture in and around these cities, in various modalities captured under the concept of urban agriculture?

The policy problem

There has been a remarkably quick change in urban development in Vietnam since the *Doi Moi* (renovation reforms) were initiated in 1986, and developments have been most marked in what is called ‘the urban fringe’, the city suburbs, or peri-urban areas. All these concepts refer to the ‘the areas of expansion and land conversion at the edge of urban settlements, and areas within the urban settlement that are not suitable for urban uses. As such much of the urban fringe is characterised by competition between rural and urban land uses, with urban land uses typically on the ascendance’ (World Bank/Halcrow, 2006:5). Dynamics at the urban fringe, from an economic perspective, relate to differential rents for rural and urban uses, where urban land use may push out rural/agricultural land uses. However, even while there is a relation between distance from a city and land use change, this is rarely uniform and some areas change faster than others – as a result of geographical, market and governmental variations and interactions (ibid:6).

There is a clear change of land use going on in Vietnam’s suburban areas, as a result of the actions (and non-actions) of various stakeholders which are listed in the next section. Key players are the Government and State Owned Enterprises (SOEs) which have been engaged in locating manufacturing and industry at or beyond the urban fringe of a wide range of cities, so providing wage-based employment within reach of formerly agricultural villages (cf. Policy Brief on Farmer Welfare: de Wit, 2011). Residents of such villages themselves have become agents of change by seizing on ample new opportunities for work and income. Migrants to cities as well as people seeking other or better housing have also settled or bought in these areas. Socially and economically, there is simultaneously integration of urban and rural areas in the more populous regions that transcend the administrative designations and boundaries. For example, Sharpe and Quang (2004: 3-12, 16) indicate that the pressures of development in the urban fringe of Hanoi are immense, and that

³ Vietnam News quotes the Minister of MONRE: 8-1-2008: ‘In the past nearly 20 years, about 3 per cent of agricultural land was lost to industry. It is predicted that by 2020-25, another 10-15 per cent of agricultural land and other types of land will be lost to the industry and service sectors. If we want to develop industry, we have to allocate land for it. But what type of land should be used for industrial development is still an open question. In my opinion, land for industrial development should be the hilly land or low- productivity land. It is important to keep highly productive land so that we can ensure food security. This is the top priority’.

one can speak of an incremental urbanization of villages. They believe suburban development tends to disperse new economic activity – often haphazardly across large areas leading to urban sprawl. Even the announcement of a change in plans may have large impacts: rural land values in the peri-urban Cu Chi district of HCMC dramatically increased in anticipation of being re-zoned as urban land. The areas of urban zoned land closest to the centre of the city have increased by more than 100% between January 2000 and January 2004 (ibid: 3-5).

Generally then one can speak of what can be called “Stealth” urbanization: ‘Settlement areas of rural communes are rapidly becoming more densely settled through population growth and housing construction ... taking on many of the characteristics of urban areas’. This phenomenon does not appear to be recognized in the Government of Vietnam’s urban strategy. It is taking place without government support or mitigation of impacts (DiGregorio and Vogler, 2003).

This paper then aims to contribute to a better understanding of dynamics of change at the urban-fringe of Vietnamese cities, considering issues of (non) planning, patterns and changes of land use, and the presence of and future prospects for urban agriculture. It will deal with the following issues in specific:

- Changes and development of suburban land through the time, and the functions of suburban land;
- An assessment of the efficiency, effectiveness, inclusiveness of management and policies for suburban land in Vietnam, in terms of land use planning and zoning, and environmental issues of suburban land use;
- Related to this, the nature of contestations around suburban land and the differential powers and opportunities of different stakeholders such as farmers, officials, middle class house owners and investors;
- Perceptions and opportunities as regards alternative use of suburban land by local communities;
- Alternative options and policy orientation/recommendations to improve the efficiency, equitability, inclusiveness and sustainability of suburban land use and land governance;
- Assess the feasibility of urban agriculture and its development in suburban areas leading to the formulation of proposals to develop models for urban agriculture in Vietnam;
- Provide suggestions for an analytical framework to understand and analyse the above issues.

Analytical framework

Governance and the multi stakeholder policy process

This paper applies a set of governance perspectives to help understand dynamics at the urban fringe, notably a '*multi-stakeholder governance*' perspective located in political economy, starting from a focus on both strong(er) and weak(er) stakeholders who operate together in governance and policy arenas (the work of Hyden and Court, 200.). Government is not alone any longer in governing; there are many other stakeholders in formal and informal configurations who co-govern, and who have smaller or larger influence on government and government outcomes. Hence, power dimensions are critical, e.g. the relative vulnerability of farmers vis-à-vis government officials – where the latter interpret the laws and may have a top-down attitude as regards the farmers which affects land recovery and land compensation. At a more concrete level of analysis, applied are political/ power oriented perspectives on the interactive policy process. This includes top-down versus bottom-up perspectives on the policy process, which, for Vietnam incorporates both the ideals and the realities of grass-roots democracy, and the widely advocated proposals to engage farmers, land owners, citizens in land use planning and monitoring. Generally, specific perspectives and ideas/ideology of public administration which apply to Vietnam will have to be given due attention.

Attention is needed for *institutional dimensions*, including not only the rules of the game (North), but also the structure and culture of organisations, the role of norms, values and culture in society, for example gender norms, and the role of ideology. This also entails looking at the nature and force of the incentives which influence the (non)actions of stakeholders. Another dimension of institutions is capacity: the ability of organisations to achieve their objectives, but also the capacity of its leadership and staff to contribute to these- as in human resources.

Perspectives on land, legal pluralism

Perspectives on land are applied, for example considering (suburban) land as production factor for (urban) agriculture and perspectives on land as commodity, with different practices in a range of development and transition countries and changing perspectives on property rights and their enforcement in the urban contexts of Vietnam. More concretely, perspectives of suburban land use including operational and verifiable indicators for efficiency, effectiveness, equitability, inclusiveness and sustainability are used.

Land governance concepts and analytical issues have been taken on board, including issues of managing land use at the local level through a variety of stakeholders both local, provincial, national and private sector. An important dimension here concerns the incidence of corruption 'the private use of public funds' even while this definition does not cover all corruption in land related transactions, where money can be made by misusing information of upcoming land price changes. Hence, the perspectives relating to 'Good Governance' which include curbing corruption, enhancing accountability and transparency, and strengthening capacity are extremely relevant (cf. World Bank et al. 2011).

An interesting discourse on *legal pluralism* at the juxtaposition of law, land and culture is represented by authors like Gillespie (2004, 2011) and Sikor (2004). They critically question the effectiveness of formalising property rights and are concerned about the lack of attention for cultural and historical variations which differ from place to place, and in different epistemic communities – such as party officials, officials dealing with land matters, courts and judges and what Gillespie calls ‘self-regulating communities’ which are often successful on solving land disputes by appealing to traditions and cultural norms of a village or clan. Such perspectives may be useful not only to assess actual outcomes of land disputes, but also explain perhaps the overwhelming tendency of the Vietnamese to seek informal solutions to housing and land practices.

The text of this working paper is based on a variety of primary (interviews, survey, focus group discussions, observation) and a range of secondary sources, and an effort was made to bring together as much relevant literature as possible as reflected in the references list. However, it was noted by others that the study of urban planning and suburban land use and land developments is hampered by a relative lack of studies already done (No Author, 2006). ‘Very few land use planning studies have been performed in rural areas and even fewer in urban areas. Not many land use planning studies in rural and very less study in urban areas could be found’.

This text has been set up to deal with the following topics in seven sections: 1. Land use changes; 2. Stakeholders; 3) planning and zoning; 4) corruption and informality; 5) Benefits and impacts of alternative uses of suburban land for local communities; 6) Urban agriculture; and 7) Conclusions.

2 Land use changes

This table is an indication of land use change in the case of HCMC (from Tran Thi Van, 2006)

TABLE 1

Land use / Year	1995 (%)	2000 (%)	2005 (%)
Built-up land	14.90	18.41	24.21
Agricultural land	47.94	46.42	42.79
Forest	16.55	15.98	16.16
Water	16.31	16.23	15.76
Unused land	4.30	2.96	1.08

A table on Hanoi depicts developments in the city and surrounding areas (Sharpe and Quang, 2004: 3-17):

TABLE 2
Spatial Distribution of Residential Projects in 1986-1999⁴

Distance	Housing Project		Land Allocated	
	Number	Percentage	Area (m ²)	Percentage
0--2 km	39	4.66	150,962	4.03
2--5 km	506	60.46	1,844,646	49.30
5--8 km	220	26.28	1,126,288	30.10
>8 km	72	8.60	620,060	16.57
Total	837	100.00	3,741,956	100.00

Several sources, as well as our own fieldwork data indicate that agricultural land is being changed at a high rate into use for residential and other purposes (see also Policy Brief by De Wit, 2011 on Farmer Welfare). One source states that, in the whole of Vietnam, 10,000 hectares of agricultural land is transformed for non-agricultural use in peri-urban areas each year. Hanoi lost an average of 268 ha of rural land annually between 1988 and 2000, (Sharpe and Quang, 2004: 3-2). In many areas wet rice agriculture has been superseded by more intense vegetable market gardens and domestic or local industries, trade, services or remittances⁵ (DiGregorio and Vogler, 2003). A case study of one suburban commune near Hanoi indicates land use changes as follows: agricultural land reduced from 43.7 to 16.7 %; paddy land from 23.8 to 11.2%, and build up areas increased from 32.6 to 72.1% (Sharpe & Quang, 2004:3-25). And even if some farmland remains in between new industrial or housing developments, this is often no longer suitable for farming: plots are too small; the former irrigation works have been undermined or are no longer effective, or there is pollution.

Tran Thi Van (2006) argues that, due to uncontrolled rapid urban expansion, there is considerable loss of agricultural land around HCMC. This has led to ecological unbalance and a disappearance of traditional agricultural trade villages. Low-lying land areas cultivating wet rice (in district 2) were replaced for balancing the drainage, but construction and what he calls 'concretization' processes have again changed these into actual urban areas causing water flows into lower old urban areas and regular flooding. He argues that, when agricultural land is changed into land for non-agricultural purposes, only a few groups of rich people have good living level, whereas in contract nearly all farmers who used to live on their land for generations, become poor and face a difficult life. However, evidence from other sources and our own fieldwork indicate that this does not always have to be the case – and that

⁴ According to statistics covering 837 housing projects undertaken during the 1986-1999 period, 60.5% of these representing half of the total developed land was located in the zone 2-5 km from the city centre where many old villages are situated. The fringe zone 5-8 km from the centre attracted about 26.3 percent of the projects and 30.1 percent of the total land area.

⁵ Such developments contrast with a professed national interest to safeguard food security e.g. in terms of making sure there remains enough land for growing rice.

some farmers are also benefiting from urbanisation – and the employment and income opportunities it brings along.

Industry and industrial parks

The urban fringe is the preferred location for new industries, either in the form of separate factories, or in the form of industrial parks. Observations in the urban fringe of HCMV indicates that the landscape is scattered with smaller and larger factories, most of which in operation, others not in use. The suburbs are most known however for industrial parks or industrial zones, where local authorities have reserved large areas of land for industry, often relocating previous land owners/farmers. By 2005, land had been recovered from more than 100,000 households for the development of 190 industrial zones (ADB, 2005 in Phuc, 2009:4). More than 400,000 hectares of agricultural land were converted for other uses from 1995-2000 (ibid.). For example, in Greater Hanoi there are more than 50 industrial parks, which constitute 71% of all parks in North Vietnam and 23% of all parks in the country. It is beyond the scope of this text to go into detail here but it is generally felt that there are too many parks in the country, a result of inter-provincial competition, as well as unhelpful incentives as regards officials (see later). Many parks are not fully used. The ones around Hanoi and HCMC are amongst the most successful ones, with more than half occupancy. On the other hand, there are many industrial parks which are almost empty (cf. De Wit, 2011, and <http://www.grijs.ac.jp/module/vietnam/indparks.html>).

Housing

The suburbs are also the location for different types of housing developments, and this can be illustrated by the case of the Ha Dinh commune, located at 6 kms south of Hanoi, where the following house construction/ land conversion modalities occurred (Quang and Sharpe, 2004:3-24):

- Development of housing projects by state organizations,
- Direct construction by government for rent or sale,
- Informal housing and expansion of squatter settlements
- Conversion or profiteering by farmers, and
- Infill of built up areas inside the old village.

For a general view of developments, taking place in the period following *Doi Moi*:

Small manufacturing enterprises were attracted by the original nature of Thuong Dinh industrial zone. Small residential development accompanied the relaxation of restrictions and economic growth. Ha Dinh ward experienced accelerated urbanization with unorganized conversion of agricultural land to urban uses. Private self-built housing and manufacturing operations filled the vacant cultivated land and water bodies. Infill and expansion preceded any planning or construction of the necessary infrastructure (water supply, sanitation, roads, drainage and electricity). There were no realistic plans in place and no management willingness to control and guide the village's land use and housing development or to provide infrastructure.

In a study of a suburban Hanoi ward, Tran Mai Ahn (2005: 10) indicates that more than 50% of housing construction was carried out without building permission, as people did not consider it necessary, complicated and time consuming (60%) or were refused by authority when applying for permission (40%). 'People go on constructing their house because they are ready to pay penalty, which is so small compared to construction cost'. The study indicates that people come from the inner city of Hanoi to buy land and build houses⁶ (20% in the survey carried out), while speculators buy large plots at low rates for re-selling (50% of these plots are idle for years). 42% of all residents said that they had sold part of their land (ibid:12). The Ward office cannot keep track of the land use changes which includes land subdivision (where plots may be too small) but also land conversion, including residential land, garden land and filling up ponds. Infrastructure is problematic in that the inner area roads developed spontaneously, and are in a bad condition. Similar developments are reported for a suburban commune near Hue by Nguyen Phuc (2009:10). The CECODES/UNDP PAPI (2011) study found that only 7% of the interviewed had applied for construction permits when building or renovating their houses.

It may be noted that investment in land and housing in the urban fringe remains a popular aim of using money, as both banks and the stock exchange are not trusted (completely). Some are worried about a housing bubble as so much housing stock is created, and not all created housing is actually being used, but it seen an investment: anticipated gains in capital makes it less urgent that the house is actually occupied. As will be elaborated later, most housing in Vietnam is owner build, mostly informally without formal approval. According to Sharpe and Quang (2004: 3-2) 'informal development is preferred by most people as cheaper, more expedient and not subject to taxation'. They believe that the combined efforts of such builders have gone beyond the capacity of existing systems for drainage, flood management and solid waste.

Infrastructure, parks and green spaces

While Vietnamese cities expand, the need for urban infrastructure raises accordingly in terms of roads, water supply systems, sewerage and drainage, electricity supply and transportation modalities. It appears that, by and large, there are shortfalls as regards timely supply of such infrastructure. Vietnam News (3-12-2010) reports that:

⁶ Vietnam News, 3-4-11: "City dwellers move to suburbs to escape crowds in HCMC: 'HCM CITY — Experts said there was a new trend in the country's continuing urbanisation process – a move away from city centres to the suburbs to enjoy the fresher surroundings there. Speakers at a recent seminar in HCM City on urban development said with rapid urbanisation, cities like Ha Noi, Da Nang and HCM City are facing serious housing and employment shortages, pollution, creaking infrastructure, and social insecurity. To escape, many urban residents, mainly middle-class people, are moving to greener areas in the suburbs which are yet to be defiled by urbanisation.

The Construction Ministry report showed that although the infrastructure for urban transport had improved, the area of land set aside for this purpose was less than 10 per cent of the urban building area, much lower than the international standard of 16-25 per cent. ... Transport Minister Ho Nghia Dung said the investment in transport infrastructure had been inadequate and predicted that it would continue to decrease next year. Meanwhile, the number of cars in 2010 increased by 12.1 per cent over 2009 and the number of motorbikes rose by 10.3 per cent.

As will be elaborated in detail when discussing urban planning, there are severe problems as regards urban infrastructure in the urban fringe, which partly relate to the chosen (or actual) model of suburban growth where housing and industry often come first, infrastructure to follow (and at a higher cost than when provided initially). But evidence is mixed; against the large new road from Haiphong to Do Son, are plenty new housing estates that lack electricity and access roads. The Vietnam News newspaper ⁷ reports that 'the lack of transportation and social infrastructure in Hanoi's new urban areas has been detrimental to the quality of life for the residents, raising concerns about the quality of planning and development in the city'. A deputy minister is quoted to say that many investors only focus on selling houses, instead on investing in wider facilities. A survey of 18 urban area projects showed that only 4 areas were well populated thanks due their relatively sufficient infrastructure. Shape and Quang (2004: 31) note that 'Virtually all small scale land conversion and self-built housing has occurred without any official infrastructure. Electricity and water are acquired from adjacent existing establishments. Drainage is compromised by conversion and loss of canals and ditches. Sanitation is equally compromised by the increased need and the decrease in natural systems and potential for aeration'.

So by and large, suburban land may be used for infrastructure, but this then often is of a basic nature, created spontaneously or late, meeting the basic requirements of citizens.

Cities in Vietnam are not known for large parks or green spaces and one might expect that spaces for that are being realised in the suburban areas. In general, the present area of tree-covered urban land remained small – 5.3 square metres per head in Ha Noi, and 3.5 square metres in HCM City⁸. However, this research has not found evidence that there is planning in the suburban areas for more greenery. This is confirmed in a study by Uy et al. 2008, which analyses the 2020 master plan for Hanoi. They believe that the green spaces as earmarked would be 'somewhat fragmented and isolated, which would lead to a reduction not only of green space, but also the quality of ecosystem services. They also find that plan lacks a framework for organizing

⁷ Vietnam News July 1, 2011 'Hanoi in need of urban planning'

⁸. The same Vietnam News reports that Deputy Prime Minister Hai said urban development in Viet Nam had failed to meet requirements for environment protection, water drainage, solid waste treatment and housing. Deputy Minister Nam said more efforts were needed to improve infrastructure in rural areas to induce people to remain there, reducing the burden on cities. VNS/31/12/2010.

green structures at different scales. This is an example where there is an evident and important need both for the population and for the urban environment, but which need is not articulated by any strong interest. This study perceived dynamics at the urban fringe from a power oriented stakeholder perspective, with weaker and stronger stakeholders all trying to articulate their individual or group interest, using various strategies in often very competitive contexts, which includes not sharing /withholding information, bribing, putting pressure etc. Stakeholders are listed in the next section.

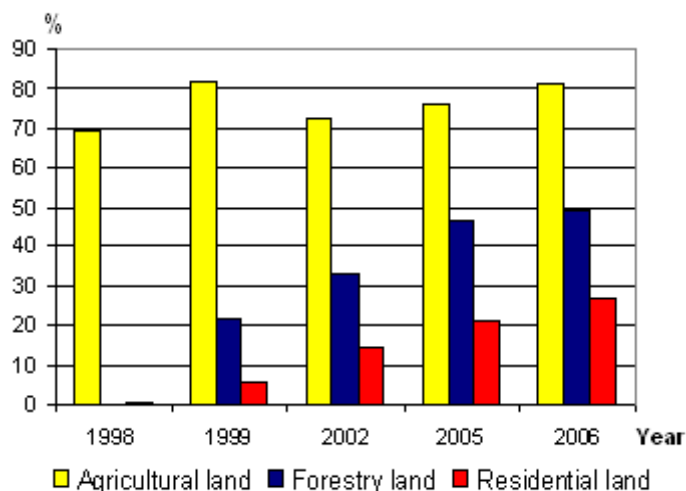
3 Stakeholders in suburban land dynamics

The World Bank/Malcrow (2006), provide a useful overview of some winners and losers in the processes of land change in the suburban areas.

Amongst the winners are middle/ upper income groups who have access to high quality housing and to new lifestyle opportunities. Winners are also the construction industry, which develop and build housing, and winners are the labourers who find work here- and this could possibly mean jobs to displaced farmers. Finally, stakeholders who also stand to gain are the (people who develop as) land brokers and who gain new opportunities and capital, and become important local players. Positive in suburban development is that it is here that there is potential space for national, but especially foreign investment- FDI – which is often (too much?) encouraged through access to planned industrial estates (compare data on idle industrial parks etc in de Wit, 2011). Generally, cities benefit from an increased tax base. The urban fringe supports industrialisation by providing access to one critical means of production, which is relatively cheap and accessible.

On the negative side are the losers, including the Farmers losing land and receiving inadequate compensation leading to impoverishment, and they suffer losses of livelihood if they cannot enter the urban labour market (see also de Wit, 2011). Possible losers may be city dwellers without Land Use Rights LUR (ibid.). The table below indicates that it is especially (urban) residents who may not always have the LUR (No Author, 2006). However, it must be noted that some citizens themselves are not interested to obtain such LUR certificates as they have to pay when issued and they will have to pay tax subsequently (Sharpe and Quang 2004:3-5, see also WB-Denmark, 2011).

FIGURE 1
Percentages of land with LURC for three kinds of land use from 1998-2006
(for all kinds of land users)



Special attention is required for the role and position of State Owned Enterprises (SOEs):

To some extent, limited access to industrial land simply reflects the overwhelming population density and the ensuing shortage of idle space within urban boundaries. Most of the existing industrial land is already occupied by SOEs, whereas the conversion of agricultural land into industrial land at the fringes of the cities is a slow and often controversial process. Thus, the supply of available land coming on to the market is too small to meet the demand. But in addition, SOEs often get priority in the allocation of whichever land is available. The case of Hanoi illustrates the point. In the period from 1994 to 2002, only 428 new rental contracts covering about 3 million square meters were issued. More than half of these contracts were to SOEs. By now, an overwhelming 95% of land under lease to organizations in Hanoi is in the hands of SOEs, leaving less than 5% to private firms, cooperatives and other production groups. (World Bank, 2006: Vietnam Development report, p. 81)

The importance of SOEs is confirmed by WB/Halcrow (2006: 4-7): ‘According to the Dept of Construction in Danang, at the end of 2005, there were 380 housing projects in Danang City of which 374 belonged to Government and SOEs’ (Sharpe & Quang, 2004:1-1): ‘Informal development is augmented by large scale construction projects by SOEs for housing and industrial zones (see also Han et al, 2008: 1102).

Perhaps the role of SOEs cannot be separated easily from those of the People’s Committees at various levels of administration (province/city; district and commune).

According to AusAid (2000:12) ‘more than any other state organ, People’s Committees are the major players in the land management system, with the most to lose from a shift from the present situation where officials work in a context of discretionary (self-regulated and corruption prone) regulation towards universal land tenure rights’. Indeed, Han et al (2008: 1103) indicates that ‘Local Governments, in the form of People’s Committees, often act as

developers with their own budget and administrative resources (for example, issuing building permits). In a later section we will look more closely at relations between these groups and organisations.

4 Land use planning and zoning

Many reports and articles indicate severe problems with land (use) planning, which was confirmed during our field work. Officials, both at DONRE, but also at the Provincial, District and Commune level admitted that the planning process suffered from too many rules/decrees, and that it was complicated. Other sources confirm this, some going so far as to say that there is not actually any urban land use planning. One source said ‘it is too late to make plans for the urban fringe as the key stakeholders have already put a large mark on the land and it will be hard to change things now... urban planning does not work at all’⁹. A study by DiGregorio and Vogler (2003) concludes that the Government of Vietnam strategy of diverting urban growth through a spatially balanced urban system that reflects the traditional typology of urban centres as nodes on (principally radial) transportation links may be ineffective or incomplete in the face of the dynamic urbanization generated within the villages in countryside. After discussing the matter with experts and laymen and reading the literature, (sub)urban planning in terms using the available land seems to be ineffective and inefficient (hence belying the title of the assignment). The main problems are listed here:

Planning systems are too rigid and coordination is weak

Gillespie captures the problems of planning and development control well in this statement (2004: 11-12):

By controlling the supply and use of land, planning profoundly affects private sector development. Soviet-inspired hierarchical, territorial planning requires local authorities to base detailed plans on policy solutions pre-determined by higher level authorities. Attempts to rigidly apply unrealistic socioeconomic plans to a ‘third-world’ built environment, raises land and housing prices beyond the means of most private sector players and the cost of peri-urban land clearance and development schemes beyond the resources of local authorities.

Compounding these problems, detailed plans are only prepared for specific new developments. As a consequence, there are no mechanisms to allow the State to slowly convert non-conforming land use to comply with detailed plans. This all-or-nothing approach to planning inhibits market forces from determining land use.

There are vast coordination problems. On the one hand planning is taken very seriously, and lots of energy may be invested by separate agencies to develop plans. On the other hand this leads to many plans (including regular Master plans) which can hardly be implemented. One informant said that there was quite an interest and dedication to make plans and to develop visions for urban development – but that implementation often was non-existent, which is

⁹ Personal communication during ALMEC interview.

partly a coordination matter. Most organisations involved in urban governance have a dual reporting responsibility and a dual upward accountability (if the downward accountability to the public is not counted for now). On the one hand they report to the central line ministry (e.g. DOC to MOC), on the other there is a horizontal relation to the appropriate People Committee at the various levels and in the various local areas (and policy arenas). Finally, organisations, departments and ministries have to comply to the overall guidance provided (and expected by) the Party.

However, this is again not the full story as there may be formal lines of authority and accountability, there are plenty cases where, for example, local government are going ahead with actions and decisions, without (waiting for) higher level approval. In a survey by Malesky (2004), 50% of Local Governments were experimenting in the policy field without permission, showing two sets of intergovernmental relations: formal and informal ones (in Han & Kim, 2010:504). Gillespie (2004: 12) provides the following useful table of agencies involved in land management—but only at the national level of Hanoi in the below Table 3:

<i>Institution</i>	<i>Function</i>
MONRE (Ministry of Natural Resources and the Environment)	<ul style="list-style-type: none"> • Nation-wide land use planning • Land legislation
DONRE (Department of Natural Resources and the Environment at the level of the Province)	<ul style="list-style-type: none"> • Land disputes • Environmental protection
MoC (Ministry of Construction)	<ul style="list-style-type: none"> • Nation-wide urban planning • Urban land use planning • Housing construction • Housing disputes
State Bank	<ul style="list-style-type: none"> • Regulates bank interest rates • Determines lending and debt security policies for banks.
MPI (Ministry of Planning and Investment)	<ul style="list-style-type: none"> • Approval of plans for capital investment • Preparation of industrial parks • Economic planning
MARD (Ministry of Agriculture and Rural Development)	<ul style="list-style-type: none"> • Management of Agricultural land and unused land
MoF (Ministry of Finance)	<ul style="list-style-type: none"> • Land taxation and fee collection • Land valuation • Managing State land • Financing State land management
MoJ (Ministry of Justice)	<ul style="list-style-type: none"> • Land legislation • Drafting real estate industry decree

Many more agencies are involved at Province, District and even Ward levels. These agencies include the City/provincial agencies of Department of

Natural Resources and Environment DONRE (for land use), Department of Construction DOC (urban development) Department of Transport (transportation) whereas the Department of Planning and Investment DPI makes an umbrella Social Development Plan. However all these plans are by and large unrelated, resulting in severe implementation problems, as at the ground level things *are* obviously related – the environment to transport, social development to planning parks and playgrounds. So generally, the problems are not with planning as such, but with plan implementation. Observers say that the recent 2010 Urban Planning Law does not entirely deal with these issues and that it still has the ideology of the past.

Several studies indicate land planning problems (Gillespie, 2004, World Bank, 2006, No Author, 2006). Local agencies, including large cities, are seen to be in confusion about the linkages between Land Use Plans, construction plan, and rural residential areas plan. Land Use Plans, especially at the provincial and district level, do not meet social-economic development demands and the feasibility of implementation of Land Use Plans is limited, as there may be a lack of inputs from other sectors. These observations are confirmed in our interviews e.g. with DONRE in HCMC. Sharpe and Quang, 2004: 1-1) confirm this: ‘planning of all types tends to be centrally driven and top down but remains uncoordinated with each entity pursuing its own mission’ and ‘Urban planning is unprepared for the emerging market oriented economy’. One issue is of course that planning is a state task, and that implementation is almost always in private sector hands—and there are normally (considerable) differences between what is planned and agreed upon by the State and what the developer/contractor does (quote VN news).

Plans and policies are not implemented or enforced

There is a marked contract between all the activity that is being undertaken to make plans from higher to lower levels of administration, and to collect data and report these diligently to higher levels of government – and the lack of actually enforcing the rules and regulations and legal provisions. It appears that there is some kind of collective unwillingness by most stakeholders – both state, not state, private parties and households- o abide by the rules or to enforce them. Sharpe and Quang (2004: 3-16) have put the problems well¹⁰:

There have been many violations of land use regulations by both household construction and state projects in the city, particularly in peripheral areas. Very limited sanctions have been imposed against such violations. Enforcement has been weak while the pressure of development is immense. In addition, many local authorities lack the human resources and a sufficient development control framework to implement the construction regulations. The absence of planned affordable new housing is leading to further growth of illegal settlements.

¹⁰ Vietnam News reports 7-7-2011 ‘Can Tho admits land use ‘errors’. The Can Tho PC earmarked places and approved investments without adhering to the land use plan approved by the Prime Minister. Inspectors also found irregularities with the DONRE like not carefully assessing investor plans.

Encroachment occurs on all types of public and private lands with the use of road and footpath space by vendors and the filling of drainage ditches and lakes as the most conspicuous. Clearly the local official's willingness to enforce setbacks for rights-of-way is virtually non-existent. One explanation is that "rent-seeking" behaviour trumps exercise of responsibility and management. Another is that short-term benefit to the population for use of the land area is considered more important by local officials than and long-term cost savings if and when the infrastructure is actually provided (ibid: 3-31).

Planning follows actual developments

There has been a very fast change in Vietnam where everything was planned, controlled and provided by the state, to a situation (following *Doi Moi*, and changing ever more quickly) where developments driven by the market and the collective actions of citizens – as well as the informal/illegal actions of officials – have created dynamics that are out of control of the government. While the state is still trying to plan and control (sub) urban land use, it is too slow to do that properly. Citizens who require permits and building licenses have to wait too long if they follow normal legal channels, so they take a shortcut and pay some bribes. Also, by the time a Master or General Socio-development plan is completed and ready for being translated into detailed planning at lower levels of administration, things have already changed so much that such planning is often rather meaningless.

It is important to establish that more than 75-85% of the housing is constructed in the informal sector; which already goes to show that the formal (state) sector fails to meet housing needs (Sharpe Quang, 2004: 3-33). MONRE estimated that 40% of houses in Hanoi lack registered land titles, and that even houses with titles are routinely traded outside the state system (in Gillespie, 2011: 254). He quotes an IFC survey indicating that the level of land transactions taking place outside the state land tenure system at 75%. In such circumstances where housing and land affairs are largely beyond the control and probably (?) knowledge of the state, planning becomes ever so more difficult or should one say irrelevant. Communes develop into small towns and people themselves slowly delineate and improve roads, was shown for the Ha Dinh commune by Sharpe & Quang. More generally, housing complexes, residential housing expansions evolve without state approval and outside the plans.

There are three major problems here: The state so firstly loses out on selling land itself at proper rates to people who want to buy or develop housing or to start industries in suburban land; the state is confronted with spontaneous realities of planning and layouts which may not at all be as per plans, and may even be contrary to accepted norms of human habitation, environmental concerns, regular plot size or floor-space-index etc. And finally, the state will some time have to provide infrastructure and facilities but now at a much higher cost in much more complex conditions as people are living there already and which also means higher prices to compensate those who are to lose land, houses or farms. The State foregoes massive amounts of receipts, it loses all the way in such urban fringe dynamics, whereas all other parties gain—but they may have to wait long for acceptable living conditions. To the

extent that the state has provided infrastructure before construction or occupancy, it generally lacks a mechanism to recoup those costs (Sharpe and Quang, 2004).

Capacity in terms of human resources is lacking

One element of urban planning problems is a capacity problem, where officials in the various national and lower level planning agencies are quite good at the technical work of making concrete maps, but there appears to be a lack of skills of creatively coming up with novel ideas or innovative designs, or to develop a new vision or new ideas. This is no doubt related to the Vietnamese education system where there is perhaps less attention for promoting creative, individual, critical thinking, as well as to existing intra-organisational realities which are relatively hierarchical (in terms of organisational theorist G. Morgan organisations more as bureaucracies and ‘machines’, rather than as ‘brains’, which are organisations geared to organisational learning, learning from past mistakes, and adapting to changing environments). This links to remarks made by Gillipsy, 2004:11-12, who correctly argues that the lack of evidence-based policy analysis leads to a general unawareness of the economic, social and environmental costs associated with overlapping, contradictory and overly managerial land management practices.

Capacity is also needed in urban management skills: urban management must be strengthened before planning can be effective: skills in planning, architecture, cost benefit analysis, GIS techniques etc. Besides, there is a lack of data and transparency vis-à-vis citizens. The World Bank et al. (2010: 10) has published a report on the availability of data on land management, and there are generally severe problems in data available to the Vietnamese citizens. However, the larger cities perform better than some provinces, but it is often the most sensitive and important information that is lacking also there. All this leads to a high degree of ‘administrative mist’; and insufficient transparency (cf. de Wit, 2007).

No zone planning

Vietnam has not really adopted urban planning methods which are common in many developed countries where there is less emphasis on detailed overall master plans but where urban development often on a case by case basis is guided by general guidelines of urban development zones¹¹. This means rough rules for areas, but a detailed framework of indicators for houses, height, Floor Space Indexes FSI etc. In fact the Land Law of 2003 has an article 23 relating to ‘Principles for Making of Land Use Zoning and Land Use Plans’, but all

¹¹ Land-use Zoning: ‘The introduction of a land-use zoning system and the application of use class tables to guide future land-use development are proposed. The types of building activities that are permitted in each of the land-use zones are usually guided by the use class tables. There are various formats of use class tables. Principally, however, they contain a demarcation of the land-use zone on the map, the main development objectives of the zones, permitted building uses, conditional building uses, and building uses not permitted in the zones’, (HAIDEP, 2007:159)

evidence indicates that this clause is not (yet) being implemented in the spirit of the law. And is zoning has been marked in the plans, zoning changes are frequent and unpredictable, possibly the result of local discretion, or different ground realities as compared to the land data/cadastré.

Planning as clearance—leap frog urbanisation and urban sprawl

There appears to be a preference for high rise urban development in the fringe of Vietnamese cities, which is presently perhaps most visible in Hanoi where one finds a scattering of high rise apartment blocks all over the urban fringe. These may have been constructed in land where there were settlements before but which were cleared. This leads to a specific type of city, one characteristic of which is that it is normally has to rely on individual transport; it leads to a 'high rise' city, with 'urban sprawl' and not to a compact city. A model would be possible of starting from the existing urban village and start planning city expansion around that village, taking over elements of style and architecture, preserving unique buildings and urban heritage¹².

Environmental issues

One severe and apparently increasing problem is pollution, which has several reasons including the rapid expansion of personal and public transport, which has raised levels of urban smog and 'fine dust'. The World Bank/ Malcrow 2006 argue that 'Inadequate enforcement of environmental regulations can lead to pollution while poor planning can result in the proximate development of residential and industrial areas'. This is then again related to the fact that there are often delays in the installation of waste treatment plants in industrial parks, so that untreated solid waste and effluents are dumped into local waterways and landfills¹³. McPhearson et al (2010) indicate a serious issue of the wrong incentives here: 'Our discussions with provincial authorities in Vinh Phuc and Binh Dinh indicate that some of these delays are strategic. The fines for improperly treated discharges and waste are significantly less than the costs of installing and operating waste treatment plants'.

5 Informality and corruption

It was already mentioned that much of land and housing in Vietnamese cities and their suburbs is informal: 75-85% of the housing is constructed in the informal sector; 40% of houses in Hanoi lack registered land titles, the level of land transactions taking place outside the state land tenure system at 75%. This is no doubt the major issue as regards the scope for an efficient use of and for planning for suburban land. Partly this relates to a certain slackness of officials at various levels to enforce existing rules and regulations- perhaps, as one

¹² Personal communication ALMEC representative.

¹³ Vietnam News 9-7-2011 'Pollution threatens city water supply'- reporting that the pollution in the Saigon river has become worse over the years as increasing industrialisation along the river bank threatens the main source of HCMC'.

source states (...) they simply cannot cope with all the action taking place at once. Partly it is the result of rent seeking of these officials who rather take some money than to serve state/the common interest. Finally it may be partly related to traditions and cultural norms where views on land and how to use it may not always be consistent with the de facto private property regime of the land laws. Sharpe and Quang (2004: 3-12) argue that, besides the government, nobody wants regulation and formality which would mean control and taxes. In their case study of a Hanoi suburban commune make the following observation which helps explain the reasons for large scale informality (3-28):

State control over the use, transfer, pricing and tariffs, and the land titling and registration system has limited official land development because the system is too cumbersome. The delays and subterfuge reported by developers and (FDI) investors for large scale projects is indicative of the vagaries of state management. Delay and inadequacy of state projects have promoted informal land development and transfer on household basis. Constraints on land availability through formal channels probably serves to inflate housing prices to the ultimate consumer. Current prices of formal dwellings (built with official permit) are very high and inaccessible for most low and middle-income households. Pricing and sheer availability differentials between state allocation and market value are an encouragement to individuals to operate in the functional system outside the formal system.

Corruption is pervasive

There is corruption in all land transactions in Vietnam, including land use planning, land conversion and land allocation to investors after land recovery-with serious risks in land price determination (World Bank, Denmark Embassy et al 2011; IPSARD, 2010). Perhaps surprisingly, during our fieldwork we could not establish evidence as to the incidence of corruption or land speculation¹⁴. Respondents in our interviews, focus group discussions and surveys do not often openly refer to corruption – which could indicate that it is less omnipresent as is indicated in many reports, or – what is more likely - that there is a feeling that it may be risky to openly discuss this. This may even apply to interviewers (or my translators) being reluctant to ask, or ‘you can ask it but you will get no answer’.

Some sources state that the main determinant of urban land use planning is the tendency of people in positions of decision making and power to make money for themselves. Sharpe and Quang (2004:3-10) argue that ‘Planning done by officials may be designed to obtain private profits and rent seeking behaviour, which undermines planning for the public good and to externalise costs’. The example they provide is of a allowing a developer client to build a housing block at some distance and then the area in between becomes ripe for de facto less intense but more informal development based on the ‘precedent’ of existing development and the wishes for benefits of local officials. Another

¹⁴ In contrast, various sources agree there is plenty speculation, e.g. that speculators from Hanoi and HCMC buy plots in resettlement areas in the urban fringe of Danang. Land prices in the former cities are high; speculation is driven by the lack of asset substitutes to land (World Bank/ALMEC, 2007a: 30).

example that was mentioned during our fieldwork was the very real problems in Vietnamese cities to relocate people for roads and, bridges and the like. The costs of compensation nowadays often exceed the actual construction costs - but then part (some say half) of the latter funds may again be lost due to corruption. Corruption is related to ineffective planning systems operating at different levels, which are confusing and opaque, so that the public is unaware of actual plans and implementation implications (World Bank & UN Aid 2010). This lopsided access to critical information offers discretion to officials to anticipate on changes in land use and planned conversion. Corruption is also made easier through a lack of solid land data as in a comprehensive, constantly updated cadastre and in making public all plans and licenses.

Han and Kim (2008: 502) have carried out a content analysis of a Vietnamese newspaper from 1999-2006 and show that a majority of articles about land issues and controversies were editorials critical of the government, portraying government officials as 'greedy and corrupt individuals who took advantage of their position and did not follow the official regulations'. For all the mostly negative reports and pessimism, one source (The World Bank/Halcrow 2006:78) indicates that 'in Hanoi the State has tried to address the problem of speculation, by increasing taxation charged on land transfers, making buying and selling over a short period of time more expensive. Secondly, developers who are allocated land for residential development purposes are no longer allowed to divide the land into plots and sell it on without developing the site. These measures curbing land speculation seem to have been effective in that land prices have fallen'. However, these findings need to be further checked.

Legal pluralism and 'hanging plans'

The fact that corruption is generally perceived as a key problem in land management, and that much activity in land management occurs outside state contexts raises the question how relevant the formal planning rules and norms are to regulate all this informal activity (Sharpe et al 2004: 3-31):

There is considerable scepticism that planned improvements will actually occur and reasonable expectation that if they do, they will be beyond the term of office or tenure of the officials. In fact, the term *quy hoạch* for land use plans and also applied to utility plans implies scepticism about when and whether they will be implemented (in comparison to socio-economic plans that are *ke hoạch* and considered "real" plans. Land use plans are also referred to as "hanging plans," - *quy hoạch treo* -- good only for hanging on walls. In that environment, it is no wonder that officials do not place a high priority on the preservation of utility corridors.

The same question has been asked about the law, in interesting perspectives which argue that laws such as the land laws may not be the best or only way to deal with land ownership and access to land. It can be argued that land laws based on Western notions of exclusive property rights and which regulate and enforce a rigid private property ownership of the land may miss out on key traditions and community cultural norms and practices relating to land (Gillespie, 2011; Sikor, 2004). There has been a global trend to

increasingly establish the legal formalisation and clarification of property rights, which may be at the detriment of those not formally owning or having claims to property. This same trend also underlies the land legislation which has been introduced in Vietnam since 1993 and which is evolving rapidly in the context of fast transformation, as well as the demands of local and global capital and investors.

However, in the past people may have had property rights or claims traditionally as per community, clan or tribal custom, based on other values of land – not only as a commodity, but perhaps forming a mythical and legitimizing basis for family or community ties (ibid: 254). Gillespie shows that courts do take notions of what he calls ‘self-regulatory communities’ into account. Such communities are constituted by people who interact much, being from the same local area, and include land brokers, ward (Phuong) level officials and urban residents (ibid: 257). He shows that judges may take (informal, traditional) notions that are held by the communities into account, and that they play a large role on the Local Government Conciliation Councils. These are for a where urban land conflicts are discussed between the two contestants, the Phuong head, officials from construction departments and representatives of the Mass Organisations. The question arises as to whether and how this discourse is relevant to the development of new land legislation. Should there be more attention for the difference between ‘theoretical land use planning’ and the actual, practical, real, and ‘likely to be implemented’ land use planning? Sharpe and Quang (2004:3-9; also 2-12) note: ‘with a lack of jurisprudence, each case is resolved on its own merits. The “rights model” that governs land use and ownership under Western Law is not readily transferable and would create chaos in Vietnam”.

5 Benefits and impacts of alternative uses of suburban land for local communities

Some evidence is presented here on the impacts of fast suburban change on the residents in these suburbs and urban fringe areas. Two case studies are quoted to throw light on the matter: the Study of Ha Dinh (Sharpe & Quang: 2004: 3-25), a village 6 km south of Hanoi, where developments were traced following *Doi Moi*, and where residents by and large benefited much from changes. ‘Small manufacturing enterprises were attracted by the original nature of Thuong Dinh industrial zone. Small residential development accompanied the relaxation of restrictions and economic growth. Private self-built housing and manufacturing operations filled the vacant cultivated land and water bodies”. Infill and expansion preceded any planning or construction of the necessary infrastructure (water supply, sanitation, roads, drainage and electricity). It appears then as if the villagers seized and benefited from the new opportunities, both in terms of land (subdivision and selling of land and gardens), in terms of housing (reconstruct and enlarge existing housing and give out for renting) and employment (starting small family based enterprises, not state trading and manufacturing). However, adverse consequences are reported in terms of the environment and infrastructure.

In another case study, Phuc (2009) notes an increased social differentiation in the suburban Hue commune that he studied. He finds that a majority of people have managed to find new work in Hue or surrounding areas and in industrial zones. He makes the important point that in the past, village wealth could be best measured by the amount of land a household possessed; this is no longer the case. Indeed, it is often middle and rich household who converted all their land and are doing very well. It is rather the small farmers (2-3 *sao*) who have kept the land and practise agriculture. While before the period of large scale agricultural land conversion 60% of the Household heads were farmers, by 2007 the average of non-farm income is very high at 91,3% , while the ratio of farming to household income declined from 22 to 9%. The biggest change was for the poor households, where the non-farm income is 89% compared to 69% before land conversion (ibid:10-12). Phuc (2009:15) indicates that ‘It is mostly the poor farmers and the people of above age 50 and who do not meet the requirements to work in factories, industrial zones and other non-farm occupations because of a lack of skills, education, health, and discipline that cause them to face many difficulties in their lives’. There are many industrial zones as well as factories in the suburban areas, some of which provide employee housing, either temporary or even quite durable, often for unmarried occupants.

6 Urban agriculture

Urban agriculture can be defined as “the growing of plants and the raising of animals within and around cities” (RUAF, 2011). It is different from rural agriculture in that it is integrated into the urban economic and ecological system, for example the use of urban residents as labourers, use of typical urban resources (like organic waste as compost and urban wastewater for irrigation), direct links with urban consumers, direct impacts on urban ecology (positive and negative), being part of the urban food system. Besides, urban agriculture is marked by the fact that land use faces competition with other urban functions, and that it is influenced by urban policies and plans- especially of course land in the peri-urban fringe areas. This is why the study of urban agriculture can be part if a study of suburban land use.

A few characteristics of urban agriculture are listed here (taken from RUAF, 2011; and Moustier, et al. 2010). These include that women constitute an important part of urban farmers, since agriculture and related processing and selling activities, among others, can often be more easily combined with their other tasks in the household; that it may take place in locations inside the cities (intra-urban) or in the peri-urban areas. Urban agriculture includes food products, (grains, root crops, vegetables, mushrooms, fruits) and animals as well as non-food products (like aromatic and medicinal herbs, ornamental plants, tree products, etc.) or combinations of these. It includes agricultural production activities as well as related processing and marketing activities, even while the produce may be for self-consumption, with surpluses being trade.

Relevant issues around urban agriculture that need to be studied include food security, its economic and income impacts, the social impacts and impacts on urban ecology. Where Vietnam is concerned, there is evidence that in

Hanoi, 80% of fresh vegetables, 50% of pork, poultry and fresh water fish, as well as 40% of eggs, originate from urban and peri-urban areas (Nguyen Tien Dinh, 2000, in RUAFA, 2011). This is confirmed by Moustier and Loc (2010), who indicate that about 30% of the population around Hanoi and HCMC is engaged in agriculture.

Various issues to be noted as a result of our investigation into Urban Agriculture are now listed here. A key one is the need to further define what is precisely urban agriculture in a context which is often changing very fast. For example, the city of Hanoi has just been expanded to now include a vast rural hinterland, all of which is now suddenly categorized as nominally urban. At the same time there are still many smaller scale 'traditional' farms here (see Moustier, 2010), which keep on farming pretty much as they always have done. Seen this way, there is plenty urban agriculture – including the Cu Chi area north of HCMC. However, it needs emphasizing that the city is always near, and that our fieldwork data indicate that many farmers are only part time farmers now, and that many household members now work in or near the city, for example in industries or trade (cf. de Wit, 2011).

But most people agree that the small scale farmer is losing ground (and land) steadily as has been amply documented in the above. Indeed, some sources say that there is actually an overall vision that Vietnam needs to urbanise and modernize. Farmers face very strong competition for their land from industry, and developers and private residents seeking more or better housing ('urban villas with a garden'). One obvious key reason is the price of the key production factor land: as soon as demand for land increases in the urban fringe, the relative land/income ratio changes and the farmer may be inclined to sell or seek employment alternatives.

Most officials and other well informed persons did not see much scope for urban agriculture, or to promote that deliberately. This especially seems to apply to the idea to create large intensive agricultural parks near cities. One argument for this might be lower transaction costs. In discussions with an Agro-Park entrepreneur near HCMC, he rather felt that it made more sense to move agriculture away from the cities – and to create large(r) and intensive agri-businesses at suitable locations in the provinces – given of course that these are connected through proper roads or railways. Indeed, there is a Decree which aims at promoting industrialisation of rural areas (so why ruralise the city? he asked).

At the same time, there are initiatives around the cities (both near HCMC as well as Hanoi) where farmers join forces in (loose) collectives; so that they for example can agree with a supermarket to reliably provide fresh and clean vegetables. There may be scope here for farmers to maintain or even increase incomes this way, and such voluntary forms of collective farming/marketing may offer a useful model to emulate.

One might conclude that forms of urban agriculture will always exist and remain – but rather more like a niche market - where a number of factors coincide to make it viable, if only temporarily: the availability of cultivable land in or near a city (including roof tops, vacant land waiting for construction or legally contested), labour to work the land (often women), and a market for the agricultural produce – the more near, the lower the transaction costs.

7 Conclusions

This final section contains some recommendations, where three remarks are in order. First, this is not the first text about land use planning and zoning and (sub) urban management (even while it proved hard to find much (recent) evidence at all as regards urban agriculture. Indeed there is a whole range of (donor agency) papers which have thoughtful and appropriate recommendations, and they have informed the suggestions mentioned here, sometimes added if seen as important (e.g. Sharpe and Quang, 2004).

Secondly, recommendations need to be feasible within a specific context, a specific political economy. This text has indicated lots of informal if not illegal and corrupt action surrounding land planning and urban management generally- and this occurs in informal arenas where information and money are shared amongst the powerful for private purposes. The main recommendation must then be that this larger and more structural matter needs addressing first, and this is something the Government of Vietnam, its numerous powerful public sector and party officials need to do - in a way that fits national and local institutional realities- and with an eye to equity, general people's welfare and sustainability.

Vietnam itself has to make a choice as to what type of cities it wants, whether it wants to stop the long term adverse consequences of lopsided planning which fosters inequality, and whether it can afford to lose so much capital in terms of informal and/or illegal land transactions in what in fact is state land. Presently, the private sector and (richer, educated) citizens benefit unduly in an uncontrolled urbanisation process, while state later has to pay the bill to add infrastructure at higher cost. This refers to the need to agree on a clear urban development strategy, based on an evidence based analysis of present realities and forces operating on cities and a frank and honest assessment of what goes wrong.

It would basically mean that existing laws are enforced (forcefully, if only to set examples), to enhance accountability, to refrain from illegal action. The laws as they are do not form the main problem: they are relatively good, give or take an amendment or clause, and they can be implemented in the right spirit. There is however a clear need for better rules and tools for urban management¹⁵. This confirms with the main recommendation of the World Bank/Denmark land corruption reference book (2011:xiii): all that is needed is to actually implement the existing laws 'the most obvious step is to thoroughly enforce the transparency provisions already in VN law'. It is of course only when Vietnam itself moves – as it has done admirably and remarkably already so far, that well-meaning recommendations from consultants or donor agencies have a chance to catch on. There are many very thoughtful people,

¹⁵ Do Tu Lan, deputy head of the Urban Development Department (Ministry of Construction) said many cities lacked control over investment. "The management capacity in cities for urban development is still poor," she said. Most cities and urban areas now have common planning for infrastructure development. Local authorities have the right to approve planning projects but it is hard to identify where investment sources should come from. This is a big problem in urban development. (Vietnam News, (02-12-2008)

including officials and politicians who know which way to proceed. And many of such recommendations will then be in the field of institutional strengthening and of building capacities at all levels¹⁶.

Thirdly, this text does not include assessing or advising on legal matters, which is therefore left to others. However, some critical matters are listed, mostly needing more research or further work.

The key recommendations relate then to suggestions in the field of governance (transparency, accountability, fighting corruption) and institutions (as in the rules of the game, norms and values, but especially addressing lopsided or perverse incentives which fundamentally determine urban governance and (suburban) land management). As indicated by some people interviewed, problems of suburban land use and management are not technical, but institutional. However, as indicated, the leadership of Vietnam have to take the lead, and subsequently such recommendations only become potentially successful, and the same applies to the remaining suggestions.

In agreement with a recommendation of AusAid (2000:7), there is a clear need for further clarification of the powers and responsibilities of land management agencies. Land management is complicated by unclear divisions of responsibility at the central level between the Ministry of Construction, MONRE, MPI, the General Department of Land Administration. There is poor communication (and mostly top-down) between the central agencies and local governments. There appear to be many land management conflicts, and there is evidence of 'unlawful' land allocation by People's Committees.

One key issue includes assessing and adjusting *incentives*, and any change needs to consider this (e.g. government salaries). For example, expanding urban boundaries appears to be in the personal interest of urban officials as this may add to their performance status, as the data on production increase, and whereas larger areas receive more central government support. Local Government has an incentive to recover land to comply with the Central Government and other directives relating to industrialisation, commercial or other development and to support the expansion of non-agricultural activity. As local government tax revenue is very low, provinces and districts have an incentive to gain funds for infrastructure and other expenses (even apart from rent seeking monies). Provinces have an incentive to promote urbanisation and industrialisation so that they can claim to be part of the national efforts to modernize and grow economically (IPSARD, 2010).

Suggestions as regards land use

Even while this cannot always be avoided, it needs to be explored to see whether it is viable not to build high rise housing blocks after clearing of peri-urban land – which leads to private transport based enclaves and urban sprawl. Better to promote the 'compact city' and start from existing (sub)urban villages and towns and create in circles high density urban areas or clusters, reachable

¹⁶ ALMEC is supporting the Capacity Development of the Vietnamese Institute for Architecture and Planning VIAP, as part of its urban development program for Hanoi.

by public transport and where people walk and use cycles and motorbikes as in present inner cities. This of course requires the state to take a much more proactive planning role: first provide infrastructure, then subdivide plots and parcels, ideally mixing housing, shops and entertainment, green spaces and employment. Then closely monitor developments. Planning (as in industrial zones) must take into account employment much more. Planning must be for the long term: invest for the future: tax rather than short term gains through the creating Industrial Zones where (local) government incomes are large but one time.

This study did not find much evidence of viable and expandable urban agriculture, and there is little (recent) information available. Active promotion does not seem viable; it will occur when possible and economically viable- which is the situation today. As is already happening in the suburbs of Hanoi and HCMC there may be scope for farmers to work more together in collectives to jointly work towards reliable production for nearby urban markets. One interesting combination may be for farmers to target city tourists to help/visit/collect products. Problems that may be experienced by suburban farmers are listed by Mai Thi Phuong Anh et al. (2004) and may be addressed: farmers indicate that they face a lack of market information; they lack contacts with new partners for the marketing of products; there may be a lack of customers' trust in the products' quality; and there is the factor of the seasonality of production.

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