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Planning Hanoi's Urban Future

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EXECUTIVE SUMMARY

- Vietnam is in the midst of one of the world's most rapid and intensive rural-to-urban transitions as seen through intensive socio-spatial transformations, demand for new infrastructure and services, and challenges posed by urban population growth.

- Heritage preservation in Hanoi has begun to be taken seriously but remains focused on the Old City to the exclusion of other areas (notably collective housing complexes and former village areas) and the natural environment.

- Parks and public spaces are urgently needed for such a dense city facing issues of overcrowding, but provision of these spaces has not kept up with the growth of the city.

- The needed growth in transportation has been focused on motor vehicles. There is a recent push to roll out a mass transit system, but even if all goes according to plan, this will take many years to develop. More attention should be paid to making the existing system cleaner and safer in the immediate term.

- Investments into new housing estates have fuelled a speculative real estate market but failed to adequately address the needs of the vulnerable segments of the population.

- Regional integration is a challenge as the city expands and swallows the peri-urban areas surrounding the city.

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INTRODUCTION

Vietnam's urban population doubled over the last 30 years (UN 2018) and since 2010, it has been growing at about 3 per cent per year, higher than the regional average of 2.5 per cent and close to China's rate of 3.1 per cent (OECD 2018). The UN projects Vietnam to be 50 per cent urban by 2039 and 60 per cent by 2050 (UN 2018). Urbanization has been driven by socio-economic reforms launched in the mid-1980s known as *doi moi* (literally "new change"), which have progressively liberalized the economy, personal mobility and employment. These reforms encouraged the subsequent physical expansion of existing urban areas and the creation of new urban-industrial areas in densely settled rural zones (World Bank 2011).

Hanoi, Vietnam's capital and second largest city is the focus of this paper. Political leaders in Vietnam had resisted urbanization at least until the period of reform, but have since come to acknowledge that urban growth, industrialization and a shift away from agriculture will lead to increased wealth and opportunities for the Vietnamese people. This process presents challenges for the people, and institutions that must deal with these changes. Local authorities, for instance, need to meet rising demands for infrastructure, social services, housing, environmental controls and public amenities.

The last two decades have seen the emergence of urban development initiatives that aim to mitigate the negative impacts of urbanization. Each of the following sections describes existing conditions and proposed solutions in five areas of concern: heritage protection, parks and public space, transportation, housing and peri-urban and regional integration.

HERITAGE PROTECTION

Architectural heritage protection in central Hanoi can be traced back to efforts made by the French colonial government at the beginning of the twentieth century. While concerns for the built heritage faded during periods of war and throughout the subsidy era,[1] they were revived in the early 1990s. When Vietnam opened to foreign visitors, it became obvious that Hanoi was one of the region's best-preserved cities (Logan 1995), with exceptional monuments, compounds of pagodas and temples and the remains of the imperial citadel. Dating back to feudal times as a merchant district, the Old Quarter consists of an organic network of narrow streets lined with traditional shophouses, while to the south of this, the Colonial or French Quarter planned by the French colonial government as their administrative and commercial capital is characterized by a regular street grid of broad tree-lined avenues flanked by luxurious villas. Beyond these historic districts, as the city grew, it has absorbed a number of rural villages which are now part of the urban fabric along with a natural environment of rivers and lakes.

War damage, poor maintenance and inappropriate demolitions have all contributed to challenges for heritage protection. By the 1990s the situation had become dire (e.g. Logan 1995; Thanh Nguyen Nguyen 1997), but heeding the warning signs, a spate of over 20 preservation-oriented development projects were funded by 10 different international organizations in efforts to protect the built heritage of the Old City. Originally narrowly

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focused on architectural preservation, these projects came to embrace wider goals such as concerns about traditional economic activities and lifestyles. That said, a narrow focus on monuments, the Old City and the French Quarter still dominate while other areas of the city and the natural landscape are being neglected.

This neglect has deleterious effects. Nearly half of the 224 urban lakes and ponds that once characterized the city were filled between 2000 and 2010 (Pham Thi Thanh Hiên and Labbé 2018). The rivers and canals that used to characterize the city have been progressively buried underground (often justified as a way of mitigating pollution). And, as villages get integrated into the city many have lost their ancient gates, central ponds, ancient houses and other cultural and architectural landmarks (Thi Nhu Dao 2018). More broad-based preservation efforts of the built and natural environments will prevent the Old City and Colonial Quarter of Hanoi from becoming a gem without a setting.

PARKS AND PUBLIC SPACE – PROVISION AND IMPROVEMENT

Hanoi is one of the most overcrowded cities in the world, with average urban density of 270 persons/hectare and up to 403 persons/hectare in the inner core (HSO 2016). Accessible outdoor green space and recreational areas are essential given this reality, which the Vietnamese authorities began to recognize at the turn of the century. Hanoi created over 20 new public squares (*vuon hoa*) and parks from 2000 to 2010 (Pham Thi Thanh Hiên and Labbé 2018, p. 178), but rapid population growth during this same period has meant that per capita public space has actually declined to less than 1.5 m^2/person (Boudreau et al. 2015, p. 52), far below the regional average.

Small parks and squares are concentrated in the old core of the city while large public parks are more prevalent on the newly urbanized periphery. Access via public transit is generally poor and even in the core of the city, over 80 per cent of people do not have a park within walking distance (Pham Thi Thanh Hiên and Labbé 2018). Many public spaces have a political function and so offer little recreational value (Boudreau et al. 2015, p. 22). Other spaces focus on decorative flowerbeds and geometrically patterned alleyways rather than space for sports or socializing. The people of Hanoi compensate for this lack of public parks by using streets and sidewalks for recreation and socializing. Sidewalks are also frequently commandeered for commercial and domestic uses such as cooking and eating, not to mention the parking of motorbikes. In recent years there have been efforts to control the private appropriation of public space by shop owners and a "sidewalk clean-up campaign" (VNS 2017).

Well-regulated sidewalks are however no substitute for accessible public parks. Vietnamese authorities have recognized this in recent planning policy changes which emphasize the need for a sustainable and people-friendly city (Boudreau et al. 2015, pp. 25-33), which provides 3 to 4 m^2 per capita of parks in the new neighbourhoods built at the city's periphery. Despite policy goals of greater provision of parks and clear and safe sidewalks, actual implementation and enforcement continue to lag.

TRANSPORTATION: FROM MOTORBIKES TO MASS TRANSIT

Starting in the subsidy era, residents of Hanoi rapidly adopted motorbikes as their preferred mode of travel. By the 2000s, there were 4 million motorized two-wheelers in the city, comprising 80 per cent of road traffic (ABD 2012). Starting around 2005, car registrations rose rapidly reaching 700,000 by 2019 (Van Duan and Huy Thanh 2019), and this rapid growth is expected to continue. At the same time, walking and cycling are in decline.

Hanoi, with a population density of 100 persons/hectare has less than 20 per cent of its area dedicated to road space, a proportion that would be inadequate even at a third of this density. Extremely high resettlement costs restrict road expansion in existing urban areas, but this has been the primary focus of transportation policy. Even where road expansion has been possible, it is a losing battle as ever more vehicles overwhelm the road network (OECD 2018).

In the early 1980s, tramways and bus trolleys accounted for a 25 per cent modal share, but the *doi moi* reforms curtailed budgets leading to a near collapse of this sector (HAIDEP 2007, pp. 8–7). The national government revived the moribund system in 2002, but the die had been cast and its modal share plateaued at around 10 percent (ABD 2006). Current plans call for the construction of eight metro lines, three monorail lines and nine express bus routes, with the goal of raising modal share from 10 to roughly 70 per cent over the next 15 years, but both of the metro lines that have actually broken ground are years behind schedule, while there is only one express bus route up and running.

Transit megaprojects take years or decades to plan and develop, but there is much that could be done in the near term. While the Ministry of Planning proposed banning motorbikes from the city centre by 2025, more realistically, policies could focus on increasing the efficiency and safety of the road network with careful adjustments to basic design elements and improved traffic law enforcement. A move away from fossil fuels by promoting electric scooters and requiring motor vehicle users to shoulder a fairer cost to society of their transportation choices through increased fuel taxes and/or licensing fees would help clear the air (ABD 2006; OECD 2018, pp. 81–2). There also needs to be integration between land-use development and transportation planning. As transit projects move forward, there may come a time for measures that fall under the rubric of a road diet or traffic calming.

HOUSING

Nearly four decades of wartime economy, meagre state investment and policies prohibiting private investment in housing have resulted in a housing shortage and overcrowding especially in the historic core (Trịnh Duy Luân and Nguyen Quang Vinh 1997). Though there was an official “right to shelter”, not much changed until the 1990s *doi moi* reforms encouraged private investment allowed public housing residents to gain ownership of their units and encouraged the creation of a housing development industry. By 2000, over 70 per cent of residential square footage built in Hanoi was the product of small-scale private investment (Koh 2006). While the housing supply was growing, planners and architects were concerned by the lack of basic services such as schools and parks, and found the disorderliness unsuited to a modern capital (Labbé and Boudreau 2011).

In the late 1990s, planning authorities developed a model they called "new urban areas" *(khu do thi moi* – hereafter NUAs) which are housing estates from just a few hectares up to several hundred that function as self-contained new towns with commercial space and amenities (schools, parks, etc.). In the early 2000s, these NUAs built by corporations and geared towards the rising middle and upper classes began to supplant self-help housing (Tran Hoai Anh 2015).

Hanoi approved the construction of about 240 NUAs between 1996 and 2015. Until the recent arrival of a few foreign developed projects, these had been wholly domestically produced (Musil and Labbé 2019). Even more than an experiment in structuring urban space, NUAs are an experiment in attracting investment, which has been successful in some ways, but unfortunately, demand for housing continues to outstrip supply, which in turn fosters speculation. The realities of speculation, in which most housing units through the 2000s were sold "off-plan" and then re-sold many times prior to completion, driving up prices (Musil and Labbé 2019), has meant the goals of supplanting informal development and reshaping the city have not been achieved and have kept NUAs inaccessible to those most in need.

But the failures produced by financial speculation are driven in no small measure by the basic fact that the production of housing has failed to keep up with need, and the law of supply and demand tells us what will result. As a consequence, there has been a succession of so-called land and housing fever periods. From 1991 to 1992, prices increased tenfold, and from 2001 to 2004, shot up 500 per cent (Hoang Thanh 2007). Hanoi's land and housing prices are still among the highest in the region.

While the policy around NUAs was intended to attract investment to create modern and affordable housing, the system has been abused through back channel sales and self-dealing, providing the best vehicle for speculative investing in Vietnam. Government authorities sought to curtail speculation, but until the early 2010s, these efforts were neither backed by direct state investment in housing, nor by clear mechanisms to entice developers to supply affordable housing. Following the great recession, in 2012 the central government launched a US$1.3 billion stimulus package that incentivized developers and lenders to move downmarket towards the affordable housing sector. Nonetheless, residential housing produced by private developers remain out of reach for a sizeable proportion of the population (World Bank 2015).

PERI-URBAN AND REGIONAL INTEGRATION

From 1950 to 1990, under the influence of a planned economy, a lack of foreign investment and somewhat moderate population growth, Hanoi remained confined within its four central administrative districts. It began to expand beyond these confines in the early 1990s, with this growth rapidly accelerating at the turn of the century due to a relaxation of state control over rural-to-urban land conversions. Since then, the city has swallowed much of the surrounding region. Even though this largely informal process presents great challenges for planners and inhabitants alike, the latter were predisposed towards this transformation in virtue of the economic history of the area. While for hundreds of years, rice cultivation and

market gardening have been central to the economy of the region, they were always done alongside crafts and semi-industrial activities such as basket weaving, metal working and textile production which required a large workforce and fostered very high population densities (Fanchette 2016).

In the early 1990s, the opening of the economy, the demise of collective agriculture and the redistribution of agricultural land provided the impetus for rapid local transformations, intensifying agriculture, expanding industrial and craft work and driving people to commute to city jobs (ibid.). All of this created new wealth, changing expectations, and caused a housing boom that only intensified when, in the face of facts on the ground, the state first relaxed regulations around 2000, and in 2007 gave provincial and municipal governments the power to approve land use conversions (Labbé and Musil 2014). What the state first acquiesced to soon became policy as it engaged in efforts to move the inner-city population to newly created suburbs.

The development of the peri-urban areas has various deleterious effects: increased industrial activities create pollution and health problems, a sharp rise in land values makes it difficult for locals to remain in the area to live and work and large influx of new inhabitants creates social stresses on rural communities. Even more than these issues, forced land expropriation creates social conflict. During the 2000s, Hanoi converted about 11,000 hectares of agricultural land to urban uses, affecting some 150,000 farming households (Nguyen Van Suu 2009). As in China (Guo 2001), forced land appropriation has become a major source of conflict. "Periodically, hundreds, even thousands of people from various localities, angry about being forced to give up their land, have joined together to demonstrate in provincial towns and ... [they] have many other grievances, most notably about abusive and corrupt officials, lack of consultation and little or no forewarning that they have to move. But the central issue for most is the loss or threatened loss of their farm land without adequate justification and compensation" (Kerkvliet 2006, pp. 297-8).

The legal rules and framework have continued to evolve in response to social unrest, with improving compensation packages from the state and developers, as well as efforts to better protect highly productive farmland and to ensure earlier notifications for affected populations. As in other areas, legal changes face challenges in implementation.

CONCLUSION

After years of resistance, the Vietnamese government has come to embrace urban growth and its positive potential for the people of Vietnam. On the whole, the urban transition of the Vietnamese capital is a positive process. However, the problems associated with this epochal shift are multi-faceted and call for innovative solutions that are appropriate to the specific context and resources of this region.

Over the last decades, some urban planning issues have received considerable attention from researchers, government agencies, and development funding institutions. The most salient among these are transportation and infrastructure development, heritage preservation and, to an extent, green and open public space provision.

Much more remains to be done in the fields of housing and rural-urban regional integration. This paper has explored possible ways of addressing these issues as Hanoi's urbanisation process inexorably moves forward.

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[1]The period from 1975 to 1986 during which the state subsidized a large part of socio-economic activities.

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