TRENDS IN SOUTHEAST ASIA

URBAN TRANSITION IN HANOI

Huge Challenges Ahead

Danielle Labbé

ISSUE 2
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FOREWORD

The economic, political, strategic and cultural dynamism in Southeast Asia has gained added relevance in recent years with the spectacular rise of giant economies in East and South Asia. This has drawn greater attention to the region and to the enhanced role it now plays in international relations and global economics.

The sustained effort made by Southeast Asian nations since 1967 towards a peaceful and gradual integration of their economies has had indubitable success, and perhaps as a consequence of this, most of these countries are undergoing deep political and social changes domestically and are constructing innovative solutions to meet new international challenges. Big Power tensions continue to be played out in the neighbourhood despite the tradition of neutrality exercised by the Association of Southeast Asian Nations (ASEAN).

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Urban Transition in Hanoi: Huge Challenges Ahead

By Danielle Labbé

EXECUTIVE SUMMARY

- Vietnam is in the midst of one of the world's most rapid and intensive rural-to-urban transitions.
- In Hanoi, heritage preservation has gained significant policy attention over the last decades, but efforts continue to focus on the Old Quarter and Colonial City to the exclusion of collective socialist housing complexes and former village areas, and natural features such as canals and urban lakes.
- Parks and public spaces are urgently needed to offset the high residential densities and to improve the quality of life of residents.
- Motor vehicles continue to fuel the growth in transportation. Significant efforts were recently made to establish a mass transit system, but progress there is slow. More attention should be paid to improving the existing transportation system and to reduce dependence on fossil fuels.
- Investments in new housing estates have fuelled a speculative real estate market but failed to address adequately the needs of the vulnerable segments of the population.
- Regional integration is a challenge as the city expands and swallows the peri-urban areas around the city.

Urban Transition in Hanoi: Huge Challenges Ahead

By Danielle Labbé[1]

1. INTRODUCTION

Vietnam is currently experiencing one of the most intensive urban transitions in the world. Its urban population doubled over the last thirty years (UN 2018). Since 2010, it has been growing at about 3 per cent per year, placing Vietnam' urbanization rate above the Southeast Asian annual average (2.5 per cent) and very close to China's rate of 3.1 per cent (OECD 2018). According to latest UN projections, half of Vietnam's population will be urban by 2039 and that figure will reach 60 per cent by 2050 (UN 2018).

This shift from rural to urban society is closely associated with socio-economic reforms launched in the mid-1980s which progressively liberalized the economy and relaxed the grip of the state on population movements and activities. Known as *Doi Moi* (literally "new change"), these reforms removed constraints on the movement of people from rural to urban places and allowed occupational shifts away from agriculture. These policies later encouraged the physical expansion of existing urban areas and the creation of new urban-industrial space in densely settled rural communes[2] (World Bank 2011).

As the nation's capital city and second largest agglomeration after Ho Chi Minh City, Hanoi is one of the key sites of this urban transition.

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[1] Danielle Labbé is Professor of Urban Planning at the Université de Montréal where she also holds the Canada Research Chair in Sustainable Urbanization in the Global South.

[2] The term commune (*xã* In Vietnamese) comes from the French colonial period. It refers to the smallest rural administrative-territorial unit.

Vietnamese leaders acknowledge that the growth of Hanoi and other cities is crucial to the growth of manufacturing and higher-order services, as well as to the material well-being of the national population. At the same time, the rapid increase in populations and activities in and around cities placed intense pressure on local authorities to keep pace with the rising demand for infrastructure, social services, housing, environmental controls and public amenities. While there is consensus about the potential benefits of urbanization, concerns have also been raised by local and foreign academics, professionals and decision-makers about the importance of anticipating and addressing problems that flow from the urbanization process.

The mechanisms by which Hanoi authorities plan to ensure the sustainable growth and development of the city's territory, society and space are still in the making. While many problems remain to be addressed, the last two decades have seen the emergence of initiatives aimed at mitigating the negative impact of urbanization. An assessment of these initiatives is the focus of this paper, which is organized as follows: The first section provides a contextual background on Hanoi that sketches a portrait of its territory, population and economy. The subsequent sections describe problems in five urban planning areas as well as the initiatives introduced to solve them: heritage preservation, public space, transportation, housing production and peri-urban integration. Each section presents the evolution of conditions, along with the mechanisms proposed by planning authorities and other stakeholders to cope with emerging issues in these five areas. The report concludes by identifying aspects of Hanoi's ongoing urban transition in need of further research and policy attention.

2. HISTORY, TERRITORY, POPULATION AND ECONOMY

Hanoi is located at the apex of Vietnam's Red River delta. Most of this city-province[3] territory is located within the floodplain of the Red River,

[3] Like several other large Vietnamese cities, Hanoi has a double territorial administrative status. It is both a province (*tinh*) and a city (*thanh pho*). Similar to

historically a site of intensive wet rice agriculture. Human populations have occupied Hanoi's territory for over 2,000 years. The city's origins are nevertheless officially dated to 1010, the year in which, according to legend, Emperor Ly Thai To chose this site to establish the capital of his empire.

In its early years, the city consisted of a small trade area situated next to the imperial city. For the next eight centuries, state control of trade and a succession of tumultuous wars between competing dynasties limited its development. When the French settled in Hanoi in 1874, it had fewer than 100,000 people (Logan 2000). The city's urban growth remained fairly slow under the French who nevertheless transformed its appearance and functions through the construction of "modern" urban neighbourhoods and infrastructure (bridge, railway, etc.) (Wright 1991). The early post-independence period and the wars against the French (1945–54) and the Americans (1962–75) in particular, further limited the development of the city. Nevertheless, by 1965, Hanoi's total population had reached 1 million (Thrift and Forbes 1986). The city was not to exceed this figure for several decades, for two main reasons: continued control of rural to urban migration and the economic hardship of the 1980s. The urban population only started to increase substantially after the *Doi Moi* reforms, growing at about 3 per cent annually from the 1990s onward.

The administrative boundaries of the city-province of Hanoi were redrawn several times throughout the twentieth century. Such a change most recently occurred in 2008. The administrative boundaries of the capital were enlarged to include the neighbouring province of Ha Tay, additionally transferring a handful of districts and communes that formerly belonged to the provinces of Vinh Phuc and Hoa Binh to Hanoi (see Figure 1). This more than tripled Hanoi's land area (from 900 to 3,300 km²). In doing so, the capital city-province absorbed vast agricultural zones that now constitute two-thirds of its territory. This expansion also doubled the official population. To this day, a significant

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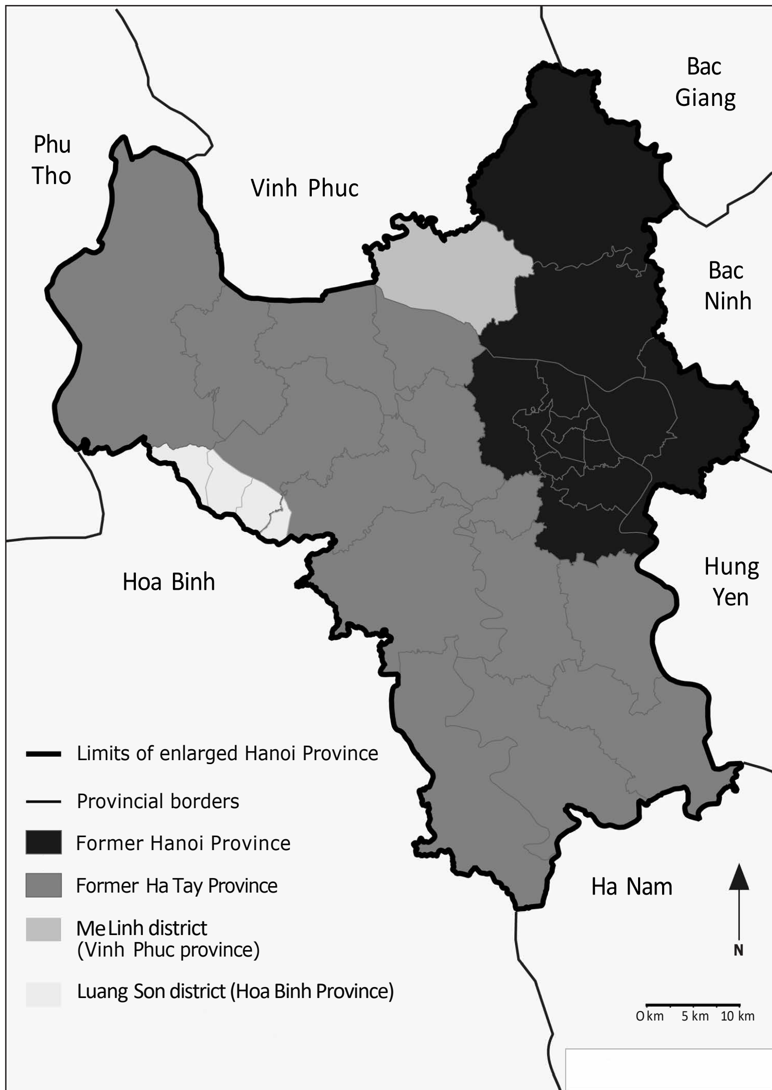
the situation in China, this double status implies that Hanoi includes both urban (*quận*) and rural (*huyện*) districts, and both rural and urban administratively designated populations.

Figure 1: Hanoi's Territory Following the 2008 Extension



Source: C. Musil.

part of this new population is administratively classified as "rural" (2.6 million people, with 4.8 million considered "urban" in 2018). As of 2018, Hanoi's total population (7.5 million) is still only slightly greater than that of Ho Chi Minh City (8.6 million) but remains far ahead of the country's next largest city-provinces (GSO 2018).

Hanoi's economy is growing steadily. The city-province's GDP expanded nearly fourfold between 2004 and 2018.[4] Nevertheless, Hanoi's contribution to the national GDP during that period (between 6 to 9 per cent) has remained less than half of that of Ho Chi Minh City (between 14 to 18 per cent). This is explained, in large part, by Hanoi's lower level of industrialization. As can be expected from a capital city, the proportion of the population working in the government sector is relatively high (HSO 2009).

The current intentions of the national and municipal authorities regarding Hanoi's development are geared towards developing a knowledge-based urban economy. This was already manifest in the late 1990s when the national government decided to build a large high-technology district called the "Hoa Lac High-tech Park" 30 kilometres to the west of the city. Projects such as this are part of a larger regional development approach that fosters the creation of a polycentric urban region consisting of autonomous satellite cities dispersed around the existing agglomeration.

3. URBAN AND ARCHITECTURAL HERITAGE PROTECTION

The protection of architectural heritage in central Hanoi has a long history. The roots of this movement can be traced back to the beginning of the twentieth century when the French started to identify and catalogue historical monuments on the Indochinese peninsula. While concerns for the built heritage faded during the periods of war and throughout the

[4] This section builds on data retrieved from the Canback Global Income Distribution Database (C-GIDD). https://www.cgidd.com/

subsidy era,[5] things changed in the early 1990s. Following the reopening of Vietnam's borders to foreign visitors, Hanoi revealed to the rest of the world one of the best-preserved cities of Southeast Asia (Logan 1995).

The city's architectural and urban heritage combines exceptional monuments and compounds such as pagodas, temples, the remains of the imperial citadel, and government buildings scattered through the urban fabric. Hanoi also displays exceptional urban ensembles. The core of the city consists of a traditional merchant quarter dating back to feudal times. This area is characterized by an organic network of narrow streets lined with traditional shophouses. South of the Old Quarter is the Colonial Quarter, an area planned under the French that functioned as the administrative and commercial centre of colonial Indochina. This area is characterized by a regular street grid of broad avenues, lined with trees and flanked by luxurious villas. Hanoi's urban fabric further includes a myriad of erstwhile rural villages now enmeshed into the urban fabric. The city is also characterized by a unique natural environment with numerous rivers, canals, lakes, ponds and tree-lined streets.

This built and natural heritage experienced considerable transformations over time, either due to war destruction, poor maintenance during less affluent periods, transformations by users due to changes in needs and tastes and to demolition to make way for larger and more profitable buildings. During the 1990s, experts warned that Hanoi's built heritage was at risk of disappearing if nothing was done to curb degradation, inappropriate renovations and rapid demolitions (e.g., Logan 1995; Fujimori et al. 1997). This prognosis catalysed an onslaught of preservation-oriented development projects. During the 1990s and 2000s, over twenty development projects, funded by ten different organizations, addressed the issue of preserving the built heritage of the Old Quarter and the Colonial Quarter.

[5] The expression "thoi bao cap" (literally "subsidy era") refers to the period from 1975 to 1986 during which the state subsidized a large part of socio-economic activities.

These preservation projects began with a relatively narrow focus on architectural preservation but progressively embraced wider concerns about tradition, including the preservation of non-material heritage such as traditional economic activities and lifestyles. On the whole, architectural and urban heritage preservation in Hanoi still tends to focus on a small number of symbolic monuments and on the preservation of the Citadel, Old Quarter and Colonial Quarter to the detriment of other components of the city's built and natural landscape. Hence, nearly half of the 224 urban lakes and ponds that once characterized the city were filled in between 2000 and 2010 (Pham Thi Thanh Hiên and Labbé 2018). Many of the rivers and canals that were once a part of what gave the city a unique character, have also been buried underground (a decision often justified by high pollution levels). At the same time, dozens of former villages that once surrounded the capital are being integrated into the city's urban fabric. In the process, many of these villages are witnessing the disappearance of their ancient gates, central ponds, ancient houses and other cultural and architectural landmarks (Thi Nhu Dao 2018).

4. PUBLIC SPACE UPGRADE AND PROVISION

Hanoi is one of the most overcrowded cities in the world. In 2016, human densities in urban administrative districts averaged around 270 persons per hectare, reaching up to 403 persons per hectare in the inner core (HSO 2016). Such densities put enormous pressure on the city to provide common spaces for people to engage in social interactions, exercise, get away from the traffic and pollution, and enjoy environments other than the exceptionally cramped quarters of their homes.

Since the early 2000s, Vietnamese authorities have acknowledged the importance of public spaces in the development of a sustainable and people-friendly city (Söderström and Geertman 2013). This is reflected in efforts to create new public spaces. From 2000 to 2010, the city created over twenty new public squares (*vuon hoa*) and parks across its urban administrative territory (Pham Thi Thanh Hiên and Labbé 2018, p. 178). And yet, given the rapid increase of the urban population, the per capita area of open recreational green spaces in Hanoi declined throughout the

2000s. By 2010, the city had less than 1.5 m^2 of park space per person (Boudreau et al. 2015, p. 52). These figures are far below the urban park area offered by other cities in the region. Compared to other Asian cities with similar high-density urban fabrics, Hanoi is also one of the poorest cities in terms of square metres of green space per habitant: 11.2 m^2 per capita, compared to an Asian average of 39 m^2 (Economist Intelligence Unit 2011).

Public spaces are unevenly distributed across the city. Smaller public spaces are concentrated in the urban core, while large public parks—especially new ones—are mainly located on the newly urbanized periphery. Most of these spaces are poorly connected to the public transit system and thus hardly accessible to the less mobile segment of the urban population (children, elderly people, etc.). Even in the more central urban districts, over four-fifths of the population do not have access to public space within reasonable walking or cycling distance of their home (Pham Thi Thanh Hiên and Labbé 2018). Further limiting usage, existing public spaces offer few recreational options to users. This problem is partly due to adherence to the political function of public spaces in the inner city. To preserve the reverential character of these spaces, city authorities restrict recreational activities in them (Boudreau et al. 2015, p. 22). Moreover, most of Hanoi's public spaces are designed with an emphasis on ornamental flowerbeds and geometrically patterned alleyways. Such areas can hardly foster socializing and participation in recreational activities.

Throughout Hanoi, the lack of formally designated and easily accessible public parks has long been informally compensated for by the extensive use of sidewalk and street spaces. These spaces are the site of an eclectic array of activities spanning domestic, social, recreational and commercial uses. Sidewalks throughout the city are commonly taken over by shop owners for private use (cooking and eating) and by children using streets as their public playground, even to the extent of competing with busy traffic in narrow lanes. This is compounded by motorcycles, invariably parked on sidewalks that force pedestrians to walk in the streets among vehicles.

In recent years, municipal authorities have attempted to regulate sidewalk use more strictly, prohibiting mobile vending and controlling

private appropriation of public space by shop owners (Koh 2008; Eidse, Turner, and Oswin 2016). The last couple of years in particular, witnessed a “sidewalk clean-up campaign” aimed at ridding Hanoi’s sidewalks of clutter, from flower boxes and street food stalls to front steps and illegally parked vehicles (VNS 2017). But even the most regulated sidewalks of Hanoi cannot replace safe and accessible public parks where residents can get away from traffic and air pollution, enjoy larger playgrounds and quality meeting spaces.

In response to these problems, planning policy changes have recently started to give more importance to the role of public spaces as a positive contribution to cities, and have sought to enhance their design quality and curb degradation and encroachment (Boudreau et al. 2015, pp. 25–33). Planning standards have incorporated aims to ensure better green area provision in the new neighbourhoods built at the city’s periphery. According to existing regulations, developers must design new residential areas with approximately 3 to 4 m^2 per capita of parks and gardens in order to obtain development approvals and buildings permits. In reality, however, the criteria on minimum park areas are not fully enforced and authorities do not impose fines on developers who fail to meet the prescribed standards. As a result, many older public parks in the inner city require improvement, with sidewalks in the new residential areas at the periphery often serving—just as in the inner-city—as the only accessible public space.

5. URBAN TRANSPORTATION: FROM PRIVATE MOTORBIKES TO RAPID MASS TRANSIT

Hanoi’s urbanization has been accompanied by the rapid adoption of motor vehicles, much of which can be attributed to wealth accumulation during the liberalization of the private economic sector. While there has also been a sharp rise in the number of cars, this ongoing process can also be observed in the growing number of motorbikes. Public and active forms of transportation play a limited role.

Since its first introduction during the subsidy era, small four-stroke, two-wheel motorbikes have become a symbol of personal mobility, an

asset value and one of the most convenient means of transportation in a city in which the urban fabric is dominated by narrow alleys (Hansen 2017). In Hanoi, motorbike ownership rapidly reached high rates compared to income levels despite high import taxes and registration fees. Throughout the 2000s, the number of motorbikes registered in the province rose by over 100 per cent, bringing the total number of units in the city to an estimated 4 million. These vehicles now comprise between 80–85 per cent of Hanoi's total road traffic, one of the highest shares across the region (ABD 2012).

In recent years, rates of car ownership also increased. Until the mid-2000s, less than 2 per cent of households owned cars (JBIC 1999), but around 2005, car registrations began to grow at a double-digit annual rate. There are now over 700,000 cars in circulation in Hanoi, a figure expected to rise at a steady pace in coming years (Van Duan and Huy Thanh 2019). Vietnam's first domestic automaker, Vinfast, has announced its intention to sell 250,000 cars annually for the next five years (Pearson 2018). At the same time, the number of non-motorized vehicles—especially bicycles—has plummeted on the city's streets.

The already overloaded and weak traffic infrastructure of Hanoi can hardly bear the increasing pressure. Transportation planning experts generally agree that a city with a moderate density of 30 persons per hectare needs about 25 per cent of its surface devoted to road space to support car traffic. Hanoi not only has three times that density (about 100 persons per hectare), but its roads represent less than 20 per cent of its surface. In view of this discrepancy, Vietnam's transportation policies have tended to focus heavily on enlarging existing roads and building new ones.

The last three decades have, however, demonstrated the limits of this approach. On the one hand, extremely high resettlement costs restrict road expansion in existing urban areas. On the other hand, and reflecting the experience of metropolitan areas worldwide, the construction of large thoroughfares at the periphery of Hanoi has been accompanied by an increase in traffic (OECD 2018, p. 50). As often pointed out by international experts, given the difficulty of raising the percentage of roads and/or of lowering human densities in Hanoi, "it is clear that it is

the mode of transport that has to adapt to the city structure and not the opposite" (Bertaud 2011, p. 6).

Public transport once played a significant role in the capital's urban transportation system. In the early 1980s, the modal share of tramways and bus trolleys was around 25 to 30 per cent. However, during that decade, *Doi Moi* reforms severely curtailed the budget of the state-owned enterprises operating public transit in the capital, leading to a near collapse of this sector (HAIDEP 2007, pp. 9–11). The national government later repositioned public transportation as a priority, leading Hanoi to revive its nearly extinct bus system in 2002. While the renewed public bus service was an immediate success with users, its modal share rapidly plateaued at around 10 per cent—well below the ambitious 25 to 30 per cent often targeted by governments (ABD 2006).

Despite the fact that transportation policies in Vietnam continue to push for road expansion and to rely on public buses, they also recently started to focus on mass transit to offset daily motorbike and car usage in cities. Approved in 2011, the "Capital City Master Plan to 2030 and Vision to 2050", for instance, calls for the construction of eight metro lines, three monorail lines and nine express bus routes. The city's 2016 "Transportation Plan" reiterates these infrastructural ambitions, seeking to raise the share of public transit from 10 to approximately 65 to 70 per cent in the Vietnamese capital over the next fifteen years. Such ambitious targets overlook a yawning implementation gap. So far, only two of the eight planned metro lines have broken ground and both are several years behind schedule. The situation is not much better with the express bus routes where only one line is currently running.

International experience shows that megaprojects, such as mass transit systems, take a long time to put in place. In the meantime, much can be done to improve Hanoi's transportation system. A somewhat unrealistic proposal put forth by the Ministry of Planning in 2017 sought to ban motorbikes entirely from Hanoi's downtown area by 2025. More realistically, policies could focus on increasing the efficiency and safety of the current stream of traffic, promote electrically-powered bicycles and scooters and use fiscal measures to transfer a greater proportion of the real cost of car usage to vehicle owners (ABD 2006; OECD 2018,

pp. 81–82). Continued engagement is also needed to build capacity and to prioritize safety and order on the city's roads over unfettered mobility. Furthermore, there has long been a need to integrate the mission of the institutions responsible for land-use development with other transport and infrastructure plans.

6. HOUSING PROVISION

Urban housing is a perennial problem in Hanoi. The issue can be traced back to the early years of independence. Nearly four decades of wartime economy, meagre state investment and policies limiting households' investment in urban housing construction have left the city with an acute lack of residential space. By the late 1980s, this manifested in residential overcrowding, especially in the historic core (Trịnh Duy Luân and Nguyen Quang Vinh 1997). Inevitably, this under-investment in housing by a centralized state that kept promising a rapidly growing urban population the "right to shelter" became a source of popular discontent.

Policies adopted in the wake of *Doi Moi* have greatly influenced housing production in Hanoi. Major changes included the transfer of ownership rights over state housing to their occupants and encouragement of an emerging private housing development sector along with traditional self-help housing production. Throughout the 1990s, the progressive removal of state controls over the housing and construction market conflated with newly formed private capital to foster a construction boom, driven mainly by informal self-help housing practices (Koh 2006).

By 2000, over 70 per cent of the residential square footage built in Hanoi was the product of private investment by households and built by small-scale developers and micro-builders, generally without construction permits (Koh 2006). This self-help housing production contributed to a decrease in unsustainable housing densities in the inner city. Yet, local urban planners and architects deemed this urban space production process to be a sub-optimal answer to the city's housing shortage. According to these experts, self-help housing failed to provide basic urban services (schools, parks, etc.) and hindered the expansion

of infrastructure. Moreover, the physical landscape that resulted from this informal urbanization was—and still is—considered to be disorderly and unsuitable for the capital city of a modern, developed and civilized Vietnamese nation (Labbé and Boudreau 2011).

The proportion of housing space produced by individual households started to decrease in the early 2000s, reflecting important changes in the housing production dynamic. In the late 1990s, central and municipal authorities developed an urban development model locally known as "new urban areas" *(khu do thi moi*, hereafter NUAs). NUAs are large-scale land redevelopments dominated by the residential function, but which can also include commercial and office space, private amenities (e.g., schools and medical clinics) and recreational spaces (e.g., parks, fitness centres). In Hanoi, as in the rest of the country, these projects are commercially built by corporate actors who tend to gear them towards attracting the rising middle- and upper-classes (Labbé and Boudreau 2011; Tran Hoai Anh 2015) (see Figure 2).

Between 1996 and 2015, the province of Hanoi approved the construction of about 240 NUAs on its territory, some covering only a few hectares and others planned as self-contained new towns of a few hundred hectares. These projects were mainly developed by domestic enterprises, including a large number of former state-owned construction companies. In recent years, a small number of projects has begun to involve foreign investors and developers, especially from Korea (Musil and Labbé 2019).

Underpinning the original NUA initiative is the idea that, by supplying good quality housing affordable for all economic levels of the urban population and located in planned "modern" environments, informal urbanization practices would be progressively marginalized and eventually superseded by a state-guided vision of urban space (Labbé and Boudreau 2011). Unfortunately, since its implementation, this initiative has not managed to meet the need for dwellings of the ever-growing number of households in the capital city. Demand continues to outstrip the supply of housing in NUAs, which in turn fosters speculation. Throughout the 2000s, most housing units in these projects were sold off-plan and then re-sold many times prior to completion (Musil and Labbé 2019).

Figure 2: A New Urban Area on the Outskirts of Hanoi

Source: C. Musil.

Shortage in housing supply has pushed prices up in a succession of so-called land and housing fever periods. From 1991 to 1992, prices increased tenfold and from 2001 to 2004, shot up by 500 per cent (Hoang Thanh 2007). Hanoi's land and housing prices are still among the highest in the region. In 2017, the domestic press reported that properties in the city's historic district were trading at about US$15,000–US$24,500 per square metre, an apartment in a mid-range high-rise building at the periphery for about US$1,000–US$1,500 per square metre and an apartment in a lower-range building for about US$800 per square metre (Thanh Hai 2017).

In the current housing market, households with enough capital or good connections to the state are seizing opportunities to improve their lives, constructing many buildings themselves and taking advantage of regulatory loopholes to speculate in the urban property market. But others, looking for affordable housing, are finding that the cost of even modest housing has become much steeper. The poor, in particular, encounter great difficulty accessing housing.

The central and municipal authorities have announced various measures over the years to address these issues. These include

regulations requiring that NUAs include a proportion of affordable housing and calls for state-owned companies to disinvest from real estate sector and refocus on their core business. Up to the early 2010s, these measures were neither backed by direct state investment in housing, nor by clear mechanisms to entice developers to supply affordable housing. Unsurprisingly, these policies had little to no effect on affordable housing production in Hanoi. The situation changed in the wake of a major real estate slowdown that hit the entire national economy around 2009. 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. While this measure extended housing affordability to more income groups, recent analyses indicate that standard, developer-built commercial units remain out of the reach of a sizeable proportion of the population, especially lower and informal income groups (World Bank 2015).

7. PERI-URBAN INTEGRATION

Throughout the second half of the twentieth century, Hanoi's urban development remained mostly confined in space. Under the influence of a planned economy, the city was restricted to its four central administrative districts due to a lack of foreign investment and moderate population growth. The city's built fabric only started to overflow into suburban districts in the early 1990s. And, at the turn of the century, urban expansion began to accelerate with the relaxation of state control over the conversion of rural land uses to urban functions. Since then, thousands of hectares of agricultural land and hundreds of erstwhile rural communities have been swallowed up by the city's physical and functional space. The scope and speed of these changes pose enormous challenges for local populations who face intensive socio-spatial transformations, as well as for planning authorities struggling to cope with new demands for urban infrastructure, services, land uses and environmental controls.

Between the 1990s and the early 2000s, the urban expansion of the city into its rural hinterland took place mostly informally. Reflecting the inner-city's urbanization dynamic discussed above, the

process was largely driven by the *in-situ* urbanization of pre-existing settlements on the outskirts of the city. Peri-urban populations and territories were predisposed to such change. For hundreds of years, these people's livelihoods had been based on rice cultivation and market gardening with crafts and semi-industrial activities such as basket weaving, metalworking, textile production and food processing. This combination of activities required a large workforce and fostered very high population densities: 1,200 inhabitants per km^2 on average, up to as much as 15,000 inhabitants per km^2 in village built-up areas (Fanchette 2016).

The potential dynamism of peri-urban populations was relatively contained throughout the subsidy era. However, 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 towards more urban land-uses and employment structures. This created opportunities as well as needs for additional income in rural areas. Individual households and whole villages started to intensify agriculture, to expand and develop local handicraft and industrial occupations and to diversify their livelihood strategies by sending household members to work in factories or to jobs in the city (ibid.).

By the mid-1990s, redundant rural workers and labour, idled during the low season, began to commute to urban and suburban areas to work as traders or as industrial or casual workers on a permanent or semi-permanent basis. New wealth from the intensification of agricultural and from craft activities and urban remittances impacted the physical space of villages, where families began replacing traditional rural homes with multi-storey urban houses. Altogether, rising population densities, intensified agriculture, small craft industry, new local services, new rural incomes from remittances and a housing construction boom converged to spur an endogenous process of urbanization at the village level (Labbé 2016).

Throughout the 1990s, conversion of agricultural land to urban uses took place informally at a very small scale. The formal rural-to-urban conversion of large tracts of agricultural land was tightly restricted by the state, requiring approval from the Ministry of Natural Resources. At the

beginning of the 2000s, the state relaxed its grasp on the management of these spaces and in 2007, decentralized the power to approve and convert land uses down to provincial and municipal governments. This fuelled a real estate market boom all over Hanoi's peri-urban territories (Labbé and Musil 2014). The physical and functional expansion of the city further accelerated under state-backed plans to move the inner-city population to newly created suburbs and to provide the metropolitan region with new and improved infrastructure.

Resulting from these various urbanization processes, peri-urban communes surrounding Hanoi now display a variety of demographic, economic and socio-cultural situations. The combination of *in-situ* urbanization and urban growth into such a diverse territory has a wide range of impacts on local populations. These include environmental and health problems associated with higher levels of water, land and air pollution due to new or intensified industrial activities; a sharp rise in land values, limiting the possibility that peri-urban populations can afford spaces for residential purposes, or for the development of economic activities; social stresses on rural communities suddenly receiving large numbers of rural migrants and suburbanizing dwellers; and a rise in social problems or what the Vietnamese people refer to as "social evils", such as drugs and prostitution, crime and gambling.

One of the core issues associated with urban growth relates to the forced appropriation and conversion of agricultural land-use rights into urban uses. The appropriation of agricultural areas for the purposes of industrialization and urbanization has accelerated rapidly in recent years. During the 2000s, Hanoi converted about 11,000 hectares of mostly annual cropland in rural areas to industrial and urban land-uses. These conversions have affected some 150,000 farming households (Nguyen Van Suu 2009). As in China (Guo 2001), forced land appropriation has become a major source of conflict between different parts of Vietnamese society including villagers, public and private land developers, local governments as well as the central state. As Kerkvliet (2006, pp. 297–98) writes,

> 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 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.

Popular discontent is partly responsible for the successive revisions of the legislative framework surrounding the process of revoking land-use rights. Compensation rules and the methods for calculating compensation are evolving rapidly and the packages offered by the state and by developers are getting more diverse and generous. Recent legislative changes seek to better protect highly productive cropland from development, ensure earlier forewarnings for affected populations in case of land recovery and diversify the compensation packages offered to displaced populations. However, to what extent this new legislation will mitigate land clearance issues around Hanoi remains to be seen.

8. CONCLUSION

A historical shift from an agrarian to an urban society is now well underway in Vietnam in general and in the region of Hanoi in particular. This transition engenders transformations of society, the economy and political institutions as well as the built and natural environment in both rural regions and urban centres. Past policies limiting urbanization through attempts to control population mobility have now given way to an understanding of urbanization as an irreversible process that can contribute positively to development through increases in material and economic welfare, industrialization, and economic efficiency linked to the agglomeration economies of cities.

Yet benefits from urbanization come at a price. As shown in this paper, the problems associated with urbanization in Hanoi are multi-faceted and call for innovative solutions that are appropriate to this region's specific context and resources. Over the last three 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 telecommunication infrastructure development, public transit and heritage preservation (as discussed in sections 3 and 5). Yet, many issues associated with the urban transition in Vietnam still call for more research and concerted action. By way of conclusion, the following briefly outlines five areas which deserve to be put on future research agendas.

Integrating Rural and Urban Regional Planning

Even with the fast pace of urbanization, the region of Hanoi will continue to have a very large rural population for some time. Currently, the population of Vietnam's rural regions are still increasing, though at about half the rate as in cities. A key question in this regard is how to overcome the traditional dichotomy between rural and urban planning, making it possible to take advantage of rural-urban linkages so as to benefit both rural and urban areas. This entails exploring how the national space-economy—including agriculture and craft activities—can best be integrated into the international economy. It also requires improving the regional distribution of the benefits of urbanization. Particularly important, in this regard, are the peri-urban areas (discussed in section 7), which absorb most of the urban population increase but which are poorly prepared to cope with the high urban management demands arising in them.

Updating Urban Management Mechanisms

Effective urban planning for the city-province of Hanoi is currently at a crossroads and must take into account the considerable changes brought about by two decades of transitioning towards a market economy. These include: heightened integration into more volatile regional and global economic systems; unrestrained investment in real estate; the need for major cities to be competitive in an international context; and loosened control on private economic activities and population movements.

The current planning mechanisms, inherited from the command-and-control era, are obsolete. As it stands, the Ministry of Construction in charge of planning for the region of Hanoi formulates master plans, the ideal or final outcome of which is intended to be achieved two

decades later. This top-down process places a strong emphasis on the spatial arrangement of functions and buildings in a very prescriptive way without providing for mechanisms that can ensure that such investment is in the public interest. Construction master plans have a number of other weaknesses: They give little consideration to the social or economic suitability of proposed developments, in addition to being poorly aligned with national or regional development goals.[6] In all, the master plan approach is rather static, i.e., it can hardly adjust to changing conditions or guide the market forces that increasingly dictate the shape, form and intensity of urban development in the capital city region.

What is required is a fresh look at different planning mechanisms with the aim of crafting an approach that will best help Hanoi authorities manage the development of the city-region, ensuring that it can harness opportunities and mitigate emerging problems in timely and context-sensitive manners. This includes thinking about what kind of institutional engineering is needed to implement a new planning approach, what financial and human resources are required and how professionals in the built environment and urban administration fields must be trained in order to ensure the ongoing implementation of such an approach.

Improving Urban Land Development Planning and Coordination

At the city scale, there is a need to explore ways to improve the coordination of investments across sectors in the urban space to ensure appropriate land development patterns, including the conservation of open and public spaces as well as historically important sites and elements of the built environment (as discussed in sections 3 and 4).

It might be fruitful to explore ways to improve coordination, not only among government agencies but also with communities, in order to ensure

[6] This is partly due to compartmentalization into various poorly coordinated sectors. For instance, construction planning does not include land-use planning or management as this is the responsibility of the Ministry of Natural Resources and Environment.

an appropriate fit with their varied situations. In the current context of steep increases in urban land values, providing serviced residential land and/or decent housing units for the low-income family is a challenge that needs to be tackled in the short term. Beyond the issue of coordination, it is also necessary to think about how to involve society and private enterprises in scaling up the capacity to supply enough housing for the urban population of tomorrow.

Understanding and Dealing with Urban Poverty

Poverty is increasingly present in Vietnamese cities, and this shift is putting new issues on the agendas of urban planners. This raises several questions in particular: How can we improve the situation of unregistered migrants living in low-income urban areas, often in substandard housing? How can households with members lacking formal education and marketable skills be supported in their efforts to integrate into the urban economy? How is the degradation of the environment associated with the urbanization impacting the health of the poor? What are the current (and potential) roles of rural-urban linkages in the management of poverty by internal migrants? How can community efforts be better linked with state programmes in environmental management, housing, education and training and social services to improve the lives of the urban poor?

Facing Climate Change

Both scientific studies and interviews with local populations indicate that Vietnam experienced important weather changes in the last forty years (Zink 2013). These are accompanied by an increase in natural disasters and extreme weather events that may well be a prelude to what Vietnam will face in the near future. Vietnam is regularly listed as one of the countries that will be most adversely affected by climate change. A 2007 report by the World Bank ranked it first in terms of the potential impact of climate change on population, GDP, urban and wetland areas (Dasgupta et al. 2007).

So far, climate policy in Vietnam is designed mainly for national scale application and for vulnerable populations in rural areas, with research by and large neglecting the effects and challenges of climate

change in urbanized and urbanizing areas. Local media regularly cover problems caused by storms and floods in Vietnamese cities (e.g., health and sanitation issues, interruption of schooling, damage to buildings and infrastructure). At the same time, existing research provides little information on coping mechanisms developed by the authorities and by local people. As discussed earlier, urban and peri-urban areas present unique characteristics and therefore call for more research in order to identify specific mitigation and adaptation strategies adapted to their population distributions and densities, economic activities, buildings and infrastructure.

Throughout the developing world, the most adverse impacts of climate change are likely to be in urban areas where people, resources and infrastructure are concentrated (Prasad et al. 2009, p. xiv). Hanoi is particularly at risk in this regard as it is situated in a low-lying area near the mouth of a major and unpredictable river (the Red River). This places the city at greater risk from current and projected climate hazards such as typhoons, high winds and flooding.

At the technical level, much remains to be done in Hanoi in terms of identifying flood safe areas and formulating policies to restrict the urban expansion of these zones. There is also a need to explore how buildings, physical protection and design standards can be applied to ensure that floods and extreme events do not impair populations and strategic functions. This is particularly problematic in the case of spontaneous human settlements that often expand beyond state control in flood-prone zones surrounding cities.

Another issue in need of more research is that of “climate refugees”. Climate change may well accelerate rural-to-urban migration in Vietnam, with rural households affected by natural hazards likely to migrate to urban agglomerations. In that case, how would Hanoi cope with a larger flow of rural migrants? There is also the need to more carefully assess the role played by natural systems within urban areas in providing protection and mitigation of flood events.

These are only a few of the challenges that merit further research in order to help Vietnamese authorities and urban populations prepare for climate change.

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