

## PERIURBANIZATION AND GOVERNANCE OF LARGE METROPOLISES IN VIETNAM

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Facing its paces and challenges, the periurban area of large metropolises in developing countries appears to be a changing place and a complex process that reflects the making of the city: it is - not the unique - but privileged and especially active and extended place of urban living. If a biological metaphor is used, this area is genetically similar to the city which generates it. It is a city landscape production process, but also a reflection of urban governance and the way in which the city makes decisions.

In emerging Southeast Asian nations and more particularly in Vietnam, we consider periurbanization an excellent prism to decipher and understand the relation between globalization, metropolization and urban extension. But we will go beyond it, questioning ourselves on the function of the urban decision process, its presuppositions, its limits on periurbanization and its features.

### 1. Periurbanization: a general and descriptive concept?

From Europe to Asia

The following quotation will indicate the first orientations - more descriptive than analytical - referred to by the concept of periurbanization during the industrialization period of the 19th century until the “Trente Glorieuses” (Glorious Thirties):

*After the development of the faubourg (inner suburbs), a traditional form of urban space until around 1870, and the afterwards expansion of suburbs characterizing the 1870-1970 century, periurbanization has been playing an important role in France since then. [...]. Unlike suburbs which belong structurally to the city and which contribute to forming an area as a whole referred to by the term of agglomeration (metropolitan area), periurbanism is an introduction of urban elements into rural environment.*

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*“Periurbanization thus indicates the phenomenon of sprawl and absorption of surrounding rural areas by cities. [...] In large urban agglomerations, the downtown population decreases while flat blocks or individual houses are spread out further away. The neologism “rurbanization”, combining the term “rural” with “urban”, has been proposed to reflect this particular periurbanization phenomenon. In that way, a population growth occurs in towns 20 or 30 km away from a city which has experienced a depopulation, sometimes for a century [...]”<sup>1</sup>.*

This approach refers more to developed countries. However, regarding urban expansion and development, it is necessary to distinguish developed and developing countries. The latter should be clearly identified both in terms of growth (pace and nature) and periurbanization (cadence, contents and landscapes): capitals and big cities of the least developed countries (LDCs particularly in Africa) also undergo a periurbanization but their issues and their morphology are completely different from those encountered by emerging nations and their metropolises. Governance of these urban territories in expansion is another issue in addition to the rhythm and the landscape. These territories, not only put into practice specific coordination patterns among stakeholders, projects, and territories, but they also constitute a prism reflecting the cluster of multiple powers and forces which together make *urban decision* in emerging economies.

In developed countries, it appears that periurbanization was and still relates primarily to the question of urban sprawl on two principal aspects: on one hand, it relates to rural areas and, on the other hand, it brings a social, architectural and finally qualitative re-formation in between urban centre and urban periphery. It is obviously the urbanization process causing these evolutions but it is not this single specific issue that will dictate growth pattern (for example, at first Fordist, and then post-Fordist with gradually lower growth rates) and urban forms. As Remi Prud’homme<sup>2</sup> puts it, the evolutions can be spotted, they are of a qualitative nature and it is observed that their relationship with macroeconomic re-formation, growth, pace and contents is hardly explicit. On the contrary, as for emerging nations, there exists a strong correlation between *metropolization* (economic growth + urban growth), integration into *globalization* and extension of *periurbanization*<sup>3</sup>, together with other factors contributing to this process<sup>4</sup>.

*In developing countries, (...) city population rises rapidly. Today, demographic analyses carried out by most of international organizations suggest that the number*

<sup>1</sup>The periurbanization in France by Bernard Dézert, Alain Metton, Jean Steinberg (<http://www.guichetdusavoir.org/ipb/index.php?showtopic=12548>).

<sup>2</sup>Les contraintes économiques et financières du développement urbain. (Economic and financial constraints of urban development) Institut Véolia Environnement. Développement urbain: nouvelles contraintes. N°1 Les rapports de l’Institut Véolia Environnement. <http://www.institut.veolia.org/fr/cahiers/developpement-urbain/> unavailable date.

<sup>3</sup>This is not the case in the least developed countries where large cities extend under the effect of demographic centripetal migration and of land speculation.

<sup>4</sup>The multiplication of nuclear families, increase of housing area per inhabitant, etc.

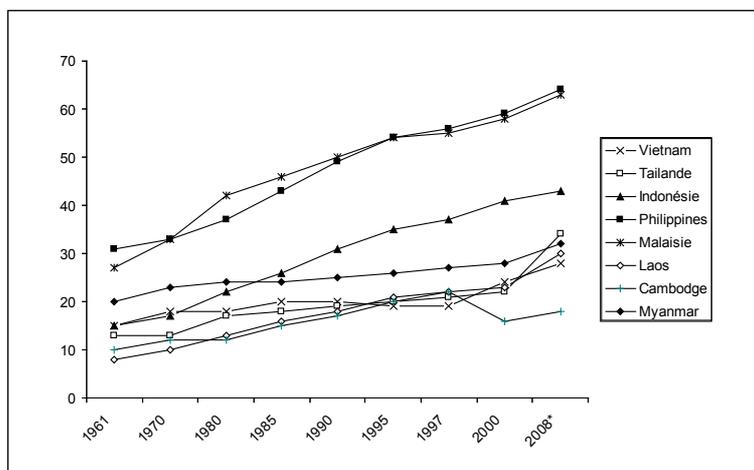
of new urban dweller increases by 70 million per year, including a very strong proportion in the developing countries. Currently, more than half of the world population lives in cities, and it is forecast that two thirds the population will live in cities in 2025. At this stage, it is necessary to come to three observations on the growth of cities in developing countries.

First of all, it should not be forgotten that there are large disparities from one country to another. It is thus impossible to draw common features on the population growth rate (China, with a relatively stabilized population, has nothing to do with Africa) and on the pool of rural population (enormous differences exist between India, where urban population accounts for only 30% of the total population, and Africa; or China, on one hand, and Latin America, which is already strongly urbanized, on the other).

Then, it should be noted that fast urbanization of developing countries is a transitory and non-exponential phenomenon. The urbanization curve certainly has a logistic shape with a fast urban growth period which varies between 10 and 30 years. Lastly, it is observed that henceforth, very large cities are no longer those which develop the most rapidly. Most of the urban growth is seen today in the cities of one hundred thousand to a million inhabitants.

The specific character of the Asian periurbanization relates to the size of the cities, growth pace (fast urban extension over a few decades) and on the level of development (often related to a two-digit growth). But beyond that, the new development models also influence the issues of periurbanization.

**Figure 1: Developments of urbanization in Southeast Asia between 1961 and 2000 (%)**



Source: FAO (1961-1997) World Bank (2000)

Source: ADB - Key Indicator 2009 May 2009

*“Of the 25 biggest cities of the world, 14 are Asian (Forrest and Al, 2000). Urbanization of Asia in the 21st century is marked by the urbanization rate (33%), by the growing weight of the large metropolitan areas and by the spread of the metropolization process, absorbing an increasing rural population”.*

**Table 1: General data in East Asia**

	Area (thousand km <sup>2</sup> )	Population (million inhabitants) 2008	Urban population 2008	Density (inhabitants/ km <sup>2</sup> )	Population of the biggest city (million inhabitants) 2008	Population of the second biggest city (million inhabitants) 2008	GDP per capita (USD/ inhabitant)
Singapore	0.7	4.84	100.00	6,844			50,456
Hong Kong	1.1	6.98	100.00	6,319			43,954
South Korea	99.3	48.61	81.2 (2007)	490	Seoul: 22.6	Pusan: 4.7	27,620
Malaysia	329.7	27.73	63.5	84	Kuala Lumpur	Pinang: 1.8	13,816
Thailand	513.1	66.29	33.8	129	Bangkok: 10.6		8,216
China	9,598.1	1,328.65	45.7	130	Shanghai: 17.8	Beijing: 12.2	5,958
Indonesia	1,904.6	227.65	43.1(2005)	120	Jakarta: 18.6	Bandung: 6.2	3,975
Philippines	300.0	90.46	64.2(2007)	302	Manila: 20.0*	Cebu: 1.7*	3,507
India	3,287.3	1,150.20	29.4	350	Bombay: 21.3*	Delhi: 18.6*	2,923
Vietnam	329.3	86.25	28.1	262	Ho Chi Minh City:	Hanoi: 2.6	2,788
Laos	236.8	5.99	29.7(2007)	25	Vientiane: 0.9	Savannakhet:	2,387
Cambodia	181.0	14.63	17.9	81	Phnom Penh	Sihanoukville	2,030
Myanmar	676.6	58.82	31.9(2007)	87	Rangoon: 4.9	Mandalay: 1.3	2,030

*Sources :*

- ADB - Key Indicator 2009, May 2009
- Asian Development Bank - Key Indicators for Asia and the Pacific 2009 - 40th Edition, August 2009
- PopulationData.net (UN-WHO, university maps of the University of Texas at Austin, database of U.S. Census, World Bank, UNICEF, UNESCO, books, works, maps, various websites, local newspapers, etc)

*The reflection on large metropolises of Southeast Asia rests on their economic growth “model” and the opening to the world market [...] as well as the changes which occur there...” (Goldblum, 2002). As for us, the urban dynamics of Southeast Asia helps set the situation in Vietnam, which we describe as urban catching-up, in search of economic and spatial development model. To us, it is interesting to analyse this regional reference, as Vietnam and more particularly Hanoi are located at the crossroads of urban transition aimed at catching up with the urbanization pace of neighbouring countries (cf. tables 1) in order to obtain the status of attractive.*

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*“These metropolises are the result of economic growth and the high-speed rural-urban transition, since the 1970s. Also, Asian cities (...) are urban laboratories for French and European researchers and stakeholders of urbanism. They are at the heart of fast and at times uncontrolled, economic, urban and spatial processes which model their development and which are rich lessons for the future of the urban policies to be implemented in metropolises of Northern countries. Government pull-out from urban programming, for budgetary reasons, led to a special attention to collaboration with the private sector. It is also needed to take into account a new approach known as public management in metropolization”<sup>2</sup>.*

Public management is all the more necessary as the economic function of urbanization has been the focus worldwide for a decade. Urban productivity, agglomeration effects, positive externalities generated by urban proximity and competition between urban territories are now regarded as growth potentials. The urban bias supposition therefore no longer exists; neither does the city withdraw its primitive accumulation from the rural area.

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<sup>1</sup>Quertamp F., Hanoi, a paradoxical periurbanization. Transition and Metropolization, Cartographic analysis. Doctoral thesis in Geography, under the direction of Mr. Georges ROSSI, Talence: Michel de Montaigne Bordeaux 3 University (2 volumes), 2003, 604 p.

<sup>2</sup>Mariéu (Jean), Small (Olivier), the role of the State in decentralization, Paris, Urbanism documentation centre, 2003, 24 p.

The urban growth issue has been gradually addressed in Vietnam since its opening to the world in early 1990s, by many studies in social and human sciences relating implicitly or explicitly to “the transformation of the city in Vietnam”<sup>1</sup>.

This can be explained by the important role played by large urban centres in the socio-economic transition of the country: the Vietnamese cities, particularly Hanoi and Ho Chi Minh City, the two most important agglomerations of the country, are the engines of strong economic growth enjoyed by Vietnam for about fifteen years<sup>2</sup>, the sites of all the innovations and experimentations, but also and foremost the territories where political, socio-economic, spatial and cultural developments inspired by the implementation of Doi Moi are the most visible. Just paying attention to the on-going great human and environmental challenges here would be enough to understand why the Vietnamese city as a scientific topic arouses such a strong interest from the researchers working on this country.

Following a geographical approach, and looking at the issue of Vietnamese city at different angles while paying attention to the spatial and territorial dynamics, three points can be developed here and serve as benchmarks for understanding the issue and the transformation of cities in Vietnam:

- The Vietnamese cities have seen for two decades a fast urbanization which is based on the revival of urban economies (in particular on a strong growth of tertiary sector) and on an increase of migration into major urban centres of the country-made possible by the easing of the licensing of residence. Regarding spatial aspect, this dynamics of strong urban growth is far from being uniform in time and space. Indeed, urbanization has spread in large agglomerations of the country-led by Hanoi and Ho Chi Minh City - from the late 1980s until the middle of the 1990s. This phase was characterized by population concentration in central areas and spontaneous settlement of populations coming mainly from rural areas in the inner peripheral areas, i.e. in the inner suburbs. However, for approximately ten years a whole different dynamic has been observed. The urban growth of the Vietnamese major cities and of first peripheral ring already densely populated is no longer driven by central areas, but is rather led by an urbanization and fast industrial development in more remote peripheral areas. These periurban zones, which were made up of rice fields, vegetable gardens and small village just about twenty years ago, have witnessed considerable socio-economic transformations. In the last decade, these territories have seen the establishment of industrial parks

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<sup>1</sup>Regarding Ho Chi Minh City, the noteworthy works include studies by Gubry on environmental and migratory dynamics (Gubry, 1996, 2000, 2003), by Bassand and Boley on metropolization and sustainable development (Bassand and al, 2002), by Burlat on urban planning (Burlat, 2001) or by Nguyen on urbanism (Nguyen, 1998). As for Hanoi, there are works by historians (Papin, 1997) geographer (Quertamp, 2003) and urbanist (Pandolfi, 2001), (Ipraus, 2001) on environmental issues (Parenteau, 1997).

<sup>2</sup>Since the late 1990s, Vietnam has recorded one of Asia's strongest economic growths. The country's annual economic growth rate since 1988 has exceeded 4.5% . During the 2000-2005 period, Vietnam enjoyed an average economic growth rate of 7%.

and businesses, which are affiliated by small units working as sub-contractors or those in trading and services activities. This economic and industrial development is accompanied by important spatial and territorial changes: a residential dilation of old villages, a linear extension of the built-up along the road arteries and a progressive disappearance of arable land which leaves little room to a new periurban landscape. From a general point of view, if some aspects of this fast urbanization show a certain success – such as gentrification of central space, urban restoration and renovation operations, and a overall rise in living standards of populations, the problems encountered by the Vietnamese authorities and the inhabitants in this context of urban strong growth are many: concentration of population in a number of districts with more storeys added to the existing Chinese-style houses (terrace houses running deep with narrow frontages), the degraded and dilapidated built-up area, the insufficient road network, which is badly adapted to the increasing traffic intensity, lack of housing, insufficiencies in terms of connection to the water supply and waste water drainage, insufficient access to public services in education and health, pollution, the widening gap of income exacerbated by persistent under-employment and rising insecurity, etc.

- This strong urban growth, which initially dilates the large agglomerations under development in Hanoi and especially in Ho Chi Minh City, but also, to a lesser extent, in Hai Phong, Da Nang and Can Tho, is characterized by a rise in economic activities and adjacent industrial spaces under periurbanization. At the regional scale, this dynamic forms part of a process which sees large metropolized areas established. This metropolization, based on the development of transportation and telecommunications facilities, tends to make these extended and populated territorial systems the new setting of inhabitants' and enterprises' everyday life. This new geographical dimension due to the city character largely exceeds the urban framework in a sense that these metropolized areas include morphologically heterogeneous territories: periurban spaces, rural areas, also known as “natural” spaces, etc. This raises challenges of urban and rural planning and territorial development which are found on the regional scale rather than municipal one: management of infrastructure and intra-regional transportation, waste collection and treatment, identification of polluting activities, development of territories in socio-economic troubles and application of national income redistribution system. Such a change of scale will be undoubtedly necessary to address many problems in the coming years; it will represent a major challenge for Vietnam, first because in this country, the commune still remains an administrative division strongly anchored in the society both from the point of view of the usage and from the representation system. The second reason is that in Vietnam, the old city-countryside confrontation, replaced then by the urban space-rural space dichotomy, remains in many aspects of its relevance, preserving consequently a strong symbolic value for all inhabitants.
- At the national level, the reorganization of the Vietnamese urban network results in a reinforcement of the bipolarization of the country around Hanoi and Ho Chi Minh City. This phenomenon is based on the flow of foreign investment into the two cities and their deltaic subspaces and is explained by obvious reasons:

concentration of functions and political powers, transport infrastructure, hosting capacity, workforce availability, etc., all this supporting the concentration and deployment of economic and industrial activities within the Northern and Southern development centres. Hanoi and Ho Chi Minh City ensure today nearly 70% of the gross domestic product in the service and manufacturing sectors. Between 1988 and 1998, four-fifths of foreign investments were poured into these two “key regions” which concentrate capital, industrial parks (25 out of 29), export processing zones, and hotel and real estate projects (Weissberg Daniel, 2001). In a context of Vietnam’s open-door policy of international exchanges, this reinforcement of bipolarization of the country around Hanoi and Ho Chi Minh City is emphasized by the need to have metropolises which serve as main gateways to the world. This phenomenon heightens the domination of the two Northern and Southern agglomerations on the national space and contributes to a deepening of regional disparity in terms of development level nationwide. Particularly, one will wonder about the position of the large central region in such a territorial organization. It will be very interesting to see how the position, the role and the functions of Da Nang city will develop in the forthcoming decades, as the largest urban centre of the central Vietnam has ascertained itself for about fifteen years as an industrial and harbour centre, opened to the very dynamic world.

## **2. Periurbanization: theoretical approaches**

The concept of periurbanization is paradoxical- one which refers initially to a varied and polymorphic vocabulary: urban spread, urban sprawl, spatial extension of the city, periurban concentric zone (INSEE, France), suburbs, rurbanization, suburbanization, proto-urbanization, etc.

But in the second place, it refers to a diversity of urban landscapes, extremely different according to the considered countries and cities.

The difficulty comes from this kaleidoscope, created by the periurbanized areas. They combine among others, depending on the national and urban contexts, detached houses, residential areas or working class collective dwellings, space-consuming export-gearred industrial parks, or areas of informal craft activities, traces of former rural activities but also intensive agricultural activities of truck farming or horticulture and collective infrastructure (airports, highways, water treatment stations, urban waste landfills, etc.).

Towards this empirical expansion, which theoretical frameworks can apply?

*“Parallel to the increase in the weight of the cities, periurbanization asserts itself as a new spatial form transforming the cities and their peripheries. This urbanization pattern appearing in Asia in the 1980s is regarded, by certain authors (Yeung, 2000), as an answer to the process of globalization. For MacGee (1991; 1996), the*

*periurbanization, named Desakota, makes it possible to develop the urban area while integrating and stabilizing the surrounding rural areas. The rural populations are sustained, without being automatically engulfed by the cities. This helps create new employment opportunities in rural environment while increasing substantially the rural households' income. It seems that for this reason, there exists a strong degree of similarity between Jabotabek (Jakarta and its neighbourhoods), the metropolitan zone of Bangkok and the zone of Manila (Yeung, 2000) (...).*

*(...) To understand the emerging urban forms, parallel to the metropolization process, we will base on work by MacGee (1991; 1992) who was one of the first to reconsider traditional urban spaces. He has therefore identified the metropolization spatial process, developing an "Asian spatial model" and the role of the desakota, a term derived from Des which means village and Kota which means city in Indonesian language, in the spatial organization of Asian metropolises. Later, Macleod and MacGee (1996) have analysed the development of the "Extended metropolitan areas (EMRs)" within the ASEAN. The five key metropolises of the region were classified in three types: 1) Expanding city state illustrated by the case of Singapore; 2) Metropolises with peripheral areas having medium demographic densities as seen in Kuala Lumpur in Malaysia (or Seoul in South Korea), which helps ensure a relative control of the urban growth; 3) EMR densely populated by rice-growing populations like Jakarta, Manila, Bangkok, capable of absorbing the surplus agricultural labour (...).*

*(...) For a long time, in Southeast Asia, the agglomerations were fed with rural migrations creating precarious dwelling zones in the urban margins. More recently, in the 1980s, industrial and residential projects, or new cities have been multiplied in the urban periphery. These two urbanization vectors have caused a change in the city scale. Two-tier effects can be seen. Firstly, needed areas are larger and secondly, the effective investments, mostly foreign investments, are increasingly important. It is what Charmes (2001) describes as the megaprojects in the case of Bangkok" (Quertamp, 2003).*

Observer realizes that this diversity is not contingent and that, in accordance with the economic growth engine and demographic and migration dynamics, the appearance of periurbanization will not be identical. These are undoubtedly two determining factors of periurbanization because it suggests a double demographic and economic dynamics. Moreover, the urban frame (spread around a series of medium-sized cities and rural townships, or on the contrary, monocephalic and schematically centred on a single megalopolis) will dilute or, conversely, concentrate periurbanization. But it is necessary to also focus on the geographical constraints and local natural morphology (landscape, slopes, coastal features, lakeside areas, etc.) which govern, constrain and finally shape the forms and contours of periurbanization.

At this stage, it appears that "macro" factors (economic growth pace and pattern, natural and migration demographic evolution, history and national dynamic of urbanization, and natural morphological constraints), will emerge spatially and locally through multiple possible combinations of "periurbanized landscapes".

If the scale is shifted from macro to local level, then the issue of spatial district<sup>1</sup> of these periurbanization areas will arise. People would wonder - geographically - where these periurbanization territories start and finish. But then, is there a risk of definition for delineated areas now being multiplied at every possibility?

Beside this periurbanization diversity, its mechanisms, forms, rhythms and landscapes, it is necessary to take into account the dynamic process which characterizes it.

- Periurbanization can be approached in a given place, and landscape evolutions take place from rural and peripheral. This place will become gradually urban (in terms of demographic density, distance between buildings, administrative functions, and economic profile) to be a new central area.
- Or periurbanization can be conceived as a specific landscape, a contact area between the rural and the urban, like an urbanization occurring on a peripheral and mobile front on the rural area: then this centrifugal urban ring, typical of urbanization dynamic, is on the external limits of the urban area.

Periurbanization is therefore located at the intersection of spatial and diachronic approaches. It fits very clearly in a combination of space and time.

If the spatial approach is preferred, it is needed to study how urbanization front moves at the same time as the urban area widens with external limits moving away from the city centre.

If the diachronic approach is preferred, it is needed to look at the “rural-urban” interface area by imagining how a territory will gradually integrate into the city and become an integral part of it in the future.

In this perspective, it could be said that periurbanization occurs at the same time as the countryside disappears and the city is built on its external limits. Periurbanization is neither a permanent state nor a given place, not an intangible urban landscape; but it is a double process: it is a rural retreat if the location is exactly at the edge of the urban front; at the same time, this concept covers an urbanization in the making, observing how this urban front evolves and how this territory is urbanized (land rent, functions, architecture, density, etc.). The periurbanization has certainly a spatial aspect but could be basically a dynamic inclusion process of places and people to create new landscapes in urban logics. This exceeds geographical dimension and also refers to economic, sociological, institutional and cultural components.

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<sup>1</sup>L'au-delà des villes contre l'entre-deux des villes. Un espace suburbain français occulté. Marc Dumont et Anne Bossé. *Espaces Temps*. net <http://www.espacestems.net/document2003.html>.

The unstable character of this periurbanization concept comes not only from this great diversity of the considered proto-urban landscapes, but also from more fundamental uncertainty as for the process taken into account: is it a question of a narrow rural fringe being transformed into urban one at a given moment, or is it a question of considering a larger temporary and spatial zone which makes up a space-time interface, in which new territories and new players will integrate the city while contributing to the making of it?

The periurbanization issue becomes a little more complex if this process is put in the context of globalization and metropolization while considering its impacts on urban socio-spatial reformations.

In fact, according to Michel Bassand<sup>1</sup>, metropolization refers to two parallel but distinct phenomena: the first relates to urban sprawl. It is decided by the departure of working class who is pushed towards the periphery under the land rent hike effect and at the same time its impact on the intra-urban rents hike. Zones of collective habitats were developed at the same time as industrial areas. Bassand names this phenomenon suburbanization, which is made possible and replicable by technological progress (individual and public transport and telephony).

In parallel, a phenomenon of gentrification and restoration of the city centres, invested by the affluent urban people at the same time as they settle in urban periphery's protected and safe habitats. They thus contribute to periurbanization. However, does metropolization weakens the periurbanization? It is noted that globalization process is at the origin of periurbanization, undoubtedly characterized by unprecedented pace and scale. But it is not the globalization which essentially explains periurbanization but it prompted a new form of periurbanization.

The subsequent issue to consider is the governance of these peripheral territorial units and their dynamic. The question, just like the one raised by Bassand, is on the governance of these areas and to which extent these territories will be involved in a sustained development path?

This requires bypassing the local level: how to facilitate positive connections and regulation processes between periurban territories with scales<sup>2</sup> being extremely different?

This reflection calls for researching on methods and stages of periurbanization. There arises a question not about what is generically the periurbanization but rather

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<sup>1</sup>Under the direction of Bassand (Michel), Thai Ti (Ngoc Du), Tarradellas (Joseph), Cunha (Antonio), Bolay (Jean-Claude) *Metropolization, ecological crisis and sustainable development: water and precarious habitat in Ho Chi Minh City*. Lausanne, Presses Universitaires Romandes, 2000, 300 p.

<sup>2</sup>From Commune to Région while passing by Intercommunalité and Territoires de projets (synergy among local administrations in accordance with association status).

about the differential characterization of the periurbanizations induced by the great specific economic phases which carry them. This reflection is on the question of the indicators or at criteria to be considered and built to establish the methods and stages of periurbanization.

Is there a correlation between metropolization and extension of the urban area; in other words, are national growth rates in Asia the good discriminating indicators to circumscribe and approach the territories of periurbanization of the large metropolises?

It is perceived that the issue of city governance and sustainability (regarding economic, social and environmental aspects) of this exponential process is relevant to the analysis of city concentric and peripheral growth process. It is therefore supposed that globalization, with its spatial and demo-economic implications on urban peripheral areas of countries in transition, has modified the issue of periurbanization by focusing, on their governance and their sustainability, not on the extent and description of the phenomena. As Olivier Petit refers to it<sup>2</sup> with regard to globalization, “There would be, then, a shift from description to prescription in the study of metropolization”. Unless the vision of an immediately with regard to globalization, “*There would be, then, a shift from description to prescription in the study of metropolization*”. Unless the vision of an immediately prescriptive governance is exceeded, it is the dismantle of the matrix where urban decision is made to understand the overlap of powers and forces which will sustain it. Amid the complexity of factors which determine and which depend on the urban decision, governance becomes the indispensable analyser.

### **3. Urban governance and periurbanization**

Amid its rhythms and challenges, particularly in Asia, periurbanization could be addressed from the perspective of relevant public policies, except that periurbanization is not a specific field of public action, for instance in maritime coastal forests, industrial parks, historical natural parks or urban centres. On the contrary, periurbanization is an excellent prism to decipher and understand the function of urban decision, its presuppositions and its limits.

We will initially observe the practices of public administration in urban peripheral areas of Vietnam’s large metropolises. We then suggest an overall issue of urban and periurban governance in the context of countries in transition to rapid growth.

#### Urban development put to the test of practice and into the lines of players

*“On the Vietnamese authorities’ side, true reflection on the dynamics of these spaces does not exist. It turns out that the economic development goals of this zone, in particular*

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<sup>2</sup>Summary note on metropolisation. Documentation Centre on Town Planning. DGUHC. Paris la Défense. September 2003. p.6.

*the development of a “clean” agriculture, often contradict urban development projects (such as new city projects). In this area, different ministries and research institutes are still deeply marked by a monolithic, linear and technical vision of urban development. The concepts confrontation issue is fundamental, because Western researchers’ reflection is often opposed to a urban technical vision. The social representations have here their full sense and beyond the vocabulary it is the different trends of thought that influence the territory development policies. At various administrative levels, the concepts, when they exist, are handled in very diverse ways which do not take into account the current reality” (Quertamp, 2003).*

The administrative vision of territory makes it possible to plan and refers to a technical vision of this territory while helping keep a balance in population settlement. This vision is the reflection of Vietnamese extremely centralized urban planning, and aimed at integrating rural areas into urban administrative limits in order to set aside land for urban growth. But today, market forces and new mobilities have changed what is at stake and the new dynamics non longer fit in the pre-established framework. As a result, a complete inconsistency is seen between urban categories and urban realities, prompting mismatches and irrelevant choices in development.

Amid the increasing problems of urban development (construction, planning, land management, environmental problems, employment, social cohesion and so on), sustainable development is a real challenge. To support economic development in the new economic context (joining WTO, industrialization policy, etc.), urban development enhances pressure on both urban and rural periurban areas in terms of administration. The move can be seen with regard to such areas as economic (access to employment), social (access to collective services) and environmental (conservation of resources and the life environment) aspects, questioning the city’s capacity to absorb this increasing population while maintaining social cohesion and minimizing environmental impacts.

Land laws especially focus on abusive land speculation because many provinces, in particular those peripheral areas of the two large metropolises, such as Hung Yen and Bac Giang, freeze arable lands without giving them an exact solution. Thus, thousands of farmers lose their land capital and their job, without prospect for professional shift. They need to be content themselves with a volatile improvement of their living conditions from quickly spent compensations (purchases of motor bikes, housing, etc.). Each hectare of lost land affects between 10 and 13 farming jobs (to which it is necessary to add indirect jobs in services and trade). As many as 20% of the relocated farmers become unemployed or have precarious employment; they appear to be insufficiently trained and qualified to be able to land an industrial job.

Diminished agricultural land is a problem on several aspects since it relates to productive arable land and therefore employment. No support and professional reintegration facility has been available with relevance to provincial situation and working-age population. This deficiency has brutal and contrasted effects in socio-spatial terms in various aspects: the first aspect relates to the amount and the distribution

of expropriations; they function according to mechanisms at several speeds. The second aspect is related to the issue of career shift of expropriated people in the short run and medium term, prompting widening social inequalities. Overall, this has questioned the transformation and social cohesion between the population groups.

Behind this process of government-imposed eviction, an urban management has been set up. In the case of Ho Chi Minh City, it appears chaotic in multiple aspects. Planning seems to have little effect on this urban and architectural landscape; traffic arteries are increasingly congested and old heritages are degraded amid construction of increasingly imposing towers. Under these conditions, people wonder about the effectiveness of the management style of Vietnamese cities, twenty years after the beginning of economic transition.

However, since the mid-1990s, the city has become without doubt the heart of trading and economic growth (80% of the growth come from manufacturing and services located essentially in the cities); the urban area of Ho Chi Minh City attracts nearly 75% of total investments in Vietnam and accounts for approximately 25% of national GDP<sup>1</sup>. The urban transition results in a urbanization rate of almost 30% in 2009 (19% in 1984) and evolving by 3% in the case of Ho Chi Minh City whose population is more than 7 million. As many as 50% of the urban population reside in the three major urban centres of Vietnam, Hanoi, Ho Chi Minh City and Hai Phong and 70% in these three metropolitan areas<sup>2</sup>. This transition seems to enter in a new stage today, while reaching what looks like a saturation (or more exactly a negative balance due to urban area effects) by imposing a new reflection on the city planning.

This reflection appears at several levels. The first question relates to the logic of the rules which until the years 1990 governed the planning of Vietnamese cities under the command economy. The second question concerns land acquisition modality and the last raises the issue of the civil society's role and on a larger scale the establishment of a new urban governance.

It is increasingly proved that besides tools, services organization and definition of their mandate, it is the very approach of planning which is questioned internally. Contradictions are increasing regarding urban development and it is recognizable with the regulation started at the beginning of the 1990s. This led to an alarming irrelevance between urban planning documents and the market dynamic, making local authorities increasingly inefficient as compared to their ambition of putting urban growth under control. The Prime Minister's approval of Ho Chi Minh City master plan towards 2025<sup>3</sup> shows the extent to which this document works and its difficult application.

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<sup>1</sup>Globally, about 75 % of economic production are made in cities. Developing countries are in a rush to increase the share of city in their GDP with a majority of them already exceeding the cap of 60 %.

<sup>2</sup>According to the Ministry of Construction, Vietnam has seen a new city created every month on average, over recent years (*Saigon Giaiphong*, December 15, 2009).

<sup>3</sup>On a global scale, approximately 75% of economic production occur in cities. Developing countries are in a rush to increase the city share in GDP, a majority of them already have exceeded the cap of 60%.

### Urban governance in strong growth context

Globalization, metropolization and a fast demo-economic growth lead to an urban economic expansion, based on a considerable land rent hike, among other factors. In this respect, it is advisable to insist on the wealth self-generating economic mechanism, that cannot be attributed to any productive economic activity: in the context of metropolization, the adjacent arable land quickly becomes urban land and then land capital. Its value increases according to the following mechanism:

Considerable capital gain is made in two manners :

- on one hand, a long chain of agents is set up to ensure this transformation of land into capital sold by farmers or more often, land expropriated from farmers to the final property developer, via all the intermediate developers. It should be noted that this process occurs in the periphery of metropolized cities, but also within the city with a *intra muros* (inner city) restructuring. Through renovation projects at the neighbourhood level, these operations come back with the clearance of shanty towns and precarious habitat, or resettling non-structured quarters, prompting a gentrification phenomenon. In all cases, on these intra-urban territories, land rent rises and contributes identically to the process of creating new values fully or partly injected in the urban economy.
- on the other hand, a continuous income is generated through land rent deriving from property investment made on this capital; moreover, these land and real estate property will support the granting of mortgage credit.

This urban land capital valorization process is still on the rise as economic agents who have it or who wish it, all believe that this mechanism will sustain. If they anticipate that this enrichment will sustain or even consolidate, the level of land rent will continue to surge even if it means entering the unstable zone of speculation. There, no rational factor will explain the peaks reached by land selling prices or buying prices.

Urban land is thus a stake and a powerful funding engine of urban economy, but it is not only one. Foreign currencies income from exports and massive inflow of external resources through FDI are the two other funding sources of urban economy.

The metropolized city is a tremendous living matrix where new economic values are continuously created; they generate, through the banking network as a counterpart, monetary liquidities; the latter will then enter the circulation sphere and will irrigate all the petty trading and informal small commodity production sector.

It is the **“real city”** because of its founding economic commercial mechanism.

Conversely, there is the **“dream city”**, that only pays attention to retaining the design, the esthetic and the form but not covering this broad and powerful mechanism which is the urban economy.

A third is suggested to the city, located at the interface of the “real city” and the “dream city”, it would be the “**thought city**” which would try to be compatible with the first two representations of the city through, if possible, *sustainable urban development strategy*.

It should be noted that these three city-related views can be the fact of identical actors the authorities trying to juxtapose which are market forces in a metropolized urban context, the model of a harmonious city and a public action of coordinating, regulating and making balance.

The sustained economic, social, environmental and cultural transformations question the model of city and beyond it that of society which is being forged by political openness, fast creation of an infrastructural network, more intra-urban than inter-urban, and mobilization of rural labour. Which sustainability and which contradictions are contained in this exogenous economic dynamic and this endogenous political dynamic?

There arises a question of this model control. The authorities try to put in place the conditions for economic expansion. However, after more than one decade, it is high time to ponder on the regulation of this model, and after diagnosis, its insufficiencies or its excesses.

It is clear that the sustained rhythm in terms of urbanized areas, created employment and added-value of used natural resources require to be studied to be controlled and assessed.

The extremely fast urbanization rhythm prompts a certain discrepancy with the planning and the comprehension of periurbanization process. Despite availability of tools and standards for control and sanctioning, there is the increasing difference between urban development in reality and knowledge of its mechanism, its contradictions and its control.

One can put forth the assumption that the approach of “projects” (industrial, land, real estate, infrastructure, etc.), and their poorly coordinated implementation, through concessions or delegation to public or private operators, would spark a number of consequences: the general coherence of the *urban project* is hardly ensured. The negative externalities (effluents, harmful effects, mobilities, etc.) generated by each project are not taken into account duly.

Under these conditions, social and environmental tensions can accumulate without being taken into account.

Moreover, the “projects” logic appears to generate a specific economy which goes beyond the apparent perimeter of the aforesaid industrial or infrastructural projects.

There are various reasons for project replication. Could commission payment in multiple forms or vested interests, etc. constitute a reason?

If industrial infrastructural project is a social and objective necessity amid urbanization needs, can it be individual? If the implementation of these projects is outsourced, the amount outsourced requires to be subjected to a higher supervision.

The sustained urban growth, a limited national and local administrative capacity, a project approach, non or little compulsory master planning, the absence or the difficulty enforcement of regulation, the non-responsive and top-down character of the decision, the financial amounts at stake are all the factors which cause the existing form of periurbanization.

There is a logic of - automatic maintenance of this logic of projects by land valorization for with the generalized enthusiasm.

## **Conclusion**

Periurbanization is above all a specific landscape. Its morphology is different according to considered national and urban contexts. If this landscape is a genuine prism or analyser of the urban development, it indicates their symptoms and consequences as a set of indicators.

At first sight, periurbanization is a process of absorption of an adjacent agricultural territory or a close rural village in their transformation into a city. Periurbanization resets, in a centrifugal way, geographical borders. It is a dynamic, visible and territorialized scene where the material consequences of an urban socio-system and its growth are projected.

However, periurbanization is not problematic. It is a geographical container with certainly specific contents. But in itself, periurbanization does not exhaust the territory and provides even the key of knowledge on this territory development. It is a photograph which does not provide by itself an explanatory reading of the challenges and contradictions, it is about vision and description. It does not give the key to the territory issue, its tensions, its internal contradictions, and its bonds with the regional or international dynamics. Periurbanization is a geographical melting pot which potentially has a structural significance to the urban development model and even at national level where the territory in question has a strong balancing power in the national economic dynamic.

But how to read these indices is not granted. This requires that ways are found to understand them. It is no longer about geography, observation but about systemic and theoretical analysis.

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# TRENDS OF URBANIZATION AND SUBURBANIZATION IN SOUTHEAST ASIA



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*Cover photos:*

*Photo 1 (above): Trương Hoàng Trương, industrial area, Vinh Loc A, Binh Chanh district, Ho Chi Minh city, May 2006.*

*Photo 2 (below): Patrick Gubry, new urban area, district 2, Ho Chi Minh city, November 2008.*