

Access to land, new actors and peri-urban activities called into question

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Over two decades, Vietnamese regional development, and that of urban and peri-urban territories in particular, has experienced a significant diversification of its actors and of its means of governance. Centralised planning, orchestrated by the government and established by state companies, has been gradually replaced by decentralised planning, involving new actors, entirely from the private sector, or semi-private.

Unlike other Southeast Asian metropolises of the capitalist world, which embarked on a process of metropolisation back in the 1970s and have transformed large fringes of farmland into land for construction, Vietnam has only lately created a real land market. Land belongs to the state, the only authority capable of changing its status, and the usufruct of land is allocated to farmers according to fixed-term contracts.

On the other hand, in Thailand and especially in Indonesia, the conversion of land on urban outskirts has been mostly uncontrolled and the subject of land speculation over large areas, to a degree where much land has long been acquired by developers without being used (FIRMAN, 2000). Paddy fields once farmed intensively have been abandoned awaiting buyers; irrigation systems have been left to deteriorate, representing an enormous waste of infrastructure and loss of earnings for farmers. Strong-arm interventions to expropriate them, some-

times with the help of the public authorities, have put large expanses of peri-urban land on the real estate market and contributed to the rapid expansion of big cities such as Jakarta. From 1987 to 1997, half of investments in industry, finance, trade and services have been in the metropolitan region of this capital.

In the environs of Hà Nội, real estate transactions leading to changes in status of large areas of paddy fields began to increase from the beginning of the 2000s onwards. Between 2000 and 2010, 11,000 hectares of farmland in the province of Hà Nội have apparently been allocated to residential, industrial and highway projects, affecting 150,000 agricultural workers.

Undeniably, since 2003, land reforms have relaxed the terms and conditions of transferring farmland use rights. Previously under the jurisdiction of the state, management of change of land status and expropriations is henceforth delegated to provincial people's committees to promote an improved adaptation to economic liberalisation and a more rapid establishment of projects. These changes have very significant implications on land inasmuch as they determine the price of plots, subsequently deemed suitable for construction.

The announcement of an ambitious master plan for the new enlarged province of Hà Nội has created a bubble in land prices since about 2008. Speculation linked to growing

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demand for land intended for large-scale projects affects villagers deeply, since they, too, seek land for their non-agricultural activities or to build housing. But most of them have neither the financial means, nor the political connections to participate in this increasingly lucrative market. Hà Nội is one of the most expensive Asian cities, not far behind Tokyo, owing to the lack of supply and the scale of demand.

Five groups of actors interact over land dynamics:

- villagers who sell their private land or their agricultural land use rights illegally or who receive compensation for their paddy fields;
- individuals from outside villages who can perceive purchasing land as an investment, or who buy to live there. More and more small investors comb greater Hà Nội in search of opportunities to buy and speculate on the city's development, boundary changes in this or that administration or the establishment of a highway project. These people anticipate and speculate on the Hà Nội of tomorrow;
- investors and developers who act according to economic rationales: purchase of land to establish projects or for speculation;
- provinces, to which the state has delegated land management, need land resources to ensure their economic and political success;
- local authorities (people's committees, district of communal land registries), whose position as intermediaries between investors and villagers to be expropriated leads to and creates price bubbles and predictable price appreciation (GRARD, 2004).

The surge in land prices and the difficulty villagers have in gaining access to land suitable for construction affect the non-agricultural activities they develop in peri-urban areas. In craft villages, artisans and small businesspeople encounter difficulties in gaining access to plots of land to establish or extend their workshops and are obliged to produce in limited space. Production conditions in an increasingly populous environment become difficult and unbearable at the hygiene and environment level.

Villagers develop many strategies to diversify and mechanise their production and alleviate the lack of space in a context of intensified competition. In the villages of the first peri-urban ring much sought after by migrants, the densification of constructions is happening at the cost of bodies of water, places of worship and other cultural sites, testimony to the aquatic and green character of Hà Nội's environs.

In addition, in the face of large-scale urban projects and expropriations of paddy fields, villagers try to negotiate higher levels of compensation for land than

those fixed by the state and sometimes rebel against developers by refusing to give up the land of which they have the usufruct.

Prices for land as indicators of the new urban map

Following the annexation of the province of Hà Tây to the capital, the market for land suitable for construction heated up and the difference between land prices imposed by the state (the compensation paid at the time of expropriations) and the free market is growing all the time. Owing to the difficulty in 'freeing up' land for the market in land suitable for construction, prices rise in the face of growing demand, following the approval of projects by the municipal authorities within the framework of the ratification in 2011 of the master plan to 2030. Prices are climbing dangerously and jeopardise intensive agricultural and craft activities in the villages most sought after by investors. Selling land has become more profitable than 'slaving away' to produce goods for increasingly fluctuating markets, particularly those for export.

In the villages most sought after by development projects, a land market is taking root more or less legally: real estate agencies are proliferating, sometimes installed in lowly tea stalls or street food shacks. Being a real estate broker is an up-and-coming job in these communes: some agents of people's committees practise it during working hours. Five kinds of land are on the market:

- land in the heart of villages coming from the fragmentation of residential plots: courtyards, gardens, ponds or land retrieved when old village houses are pulled down to build high-rise and denser accommodation, the urban compartment houses;
- expansion land of people living on the outskirts of villages;
- market garden land, or 5% land, situated on the edge of villages for which villagers only possess a right of use for 20 years and that are usually unsuitable for construction but are built on and traded illegally;
- 'service' land, or '10% land', land compensation suitable for construction corresponding to 10% of expropriated farmland that those holding it resell, sometimes without title deeds;
- farmland not suitable for construction for which inhabitants buy the land use rights with a view to netting expected compensation or to replace expropriated land.

More professional back-room offices sell plots of land for housing situated in the *khu đô thị mới* (new urban areas) for 1,600 Euros, or even 2,800 Euros per

square metre near main roads. People buy them for resale, as land's added value continues to climb with the encroachment of the city into peri-urban areas.

Land price differences between villages in the district of Hoài Đức under construction (see Chapter 7) depend on the situation of communes in relation to major residential and highway projects, and within communes, depending on the proximity of plots to major roads, on their difficulty of access or their size.

Accordingly, in the five communes studied in the district of Hoài Đức, the prices are as follows in the table 6.

The price of residential land in the centre of villages is relatively low compared with that on the edges of villages, owing to the poor access to plots and their small size (between 60 and 220 m²).

However, in craft villages where small workshops dominate, prices are relatively high. In Sơn Đông, inside villages, the price of land is as high as in La Phù thanks to elevated ground suitable for building craft workshops. In addition, the average size of lots is 210 m², or enough to build both housing and workshops. Demand from artisans for land along the road is high, owing to superior access

for the transport of raw materials and the possibility of benefitting from drying spaces for lacquered statues. On top of this, at the crossroads, shops selling works of art are numerous (Plate 37).

On the other hand, at the edge of the village, the price of land is lower because of the low-lying land, damp and windy, unsuitable for activities such as painting and plating with silver leaf. In addition, these areas are very polluted by these very activities. In La Phù, the price per square metre in the village centre is relatively low. Companies relocate to Craft Zone A where plots are big enough to mechanise their operations and abandon the centre. Only the small workshops of subcontractors remain (Plate 35).

In the commune of An Khánh, located along the Láng-Hòa Lạc Highway, caught up in land conversion (Figure 17), villagers expropriated before 2008 received certificates notifying them that they were going to receive plots of 'service' land or 10% land. This land, requiring provision of mains services by the authorities before construction, was not allocated and its location remained undefined owing to ongoing conflicts. Depending on future location (along the highway or with poor access), these plots will have widely differing values for construction.

Table 6 – PRICES FOR LAND SUITABLE FOR CONSTRUCTION IN MANY COMMUNES OF HOÀI ĐỨC IN 2009

Commune name	Project area (ha)	Situation in the commune	Price of transaction (VND/m ²)	Price of free transfer (VND/m ²)	State price (VND/m ²)
La Phù	107.40	Edge of village	-	3,500,000*	1,000,000
		Old centre	3,050,000	2,611,000	1,000,000
		Along roads and crossroads	6,212,000	6,667,000	1,000,000
Sơn Đông	239.79	Edge of village	5,500,000	5,433,000	1,000,000
		Old centre	6,550,000	6,835,714	1,000,000
		Along roads and crossroads	6,900,000	7,925,000	1,000,000
An Khánh	641.80	Edge of village	20,000,000		
		Market garden land	17,000,000		
		Along roads and crossroads	40,000,000		
Tiến Yên	127.30	Edge of dyke	2,000,000	2,400,000	1,000,000
		Old centre	1,750,000	2,400,000	1,000,000
		Along road	2,900,000	2,900,000	1,000,000
Đức Giang	181	Beside Road 32	12,500,000	16,000,000	1,000,000
		Near district people's committee	18,000,000	20,000,000	1,000,000
		Along road	13,500,000	11,500,000	1,000,000
		Old centre	7,000,000	7,000,000	1,000,000

* In 2009, 25,000 VND = 1 Euro

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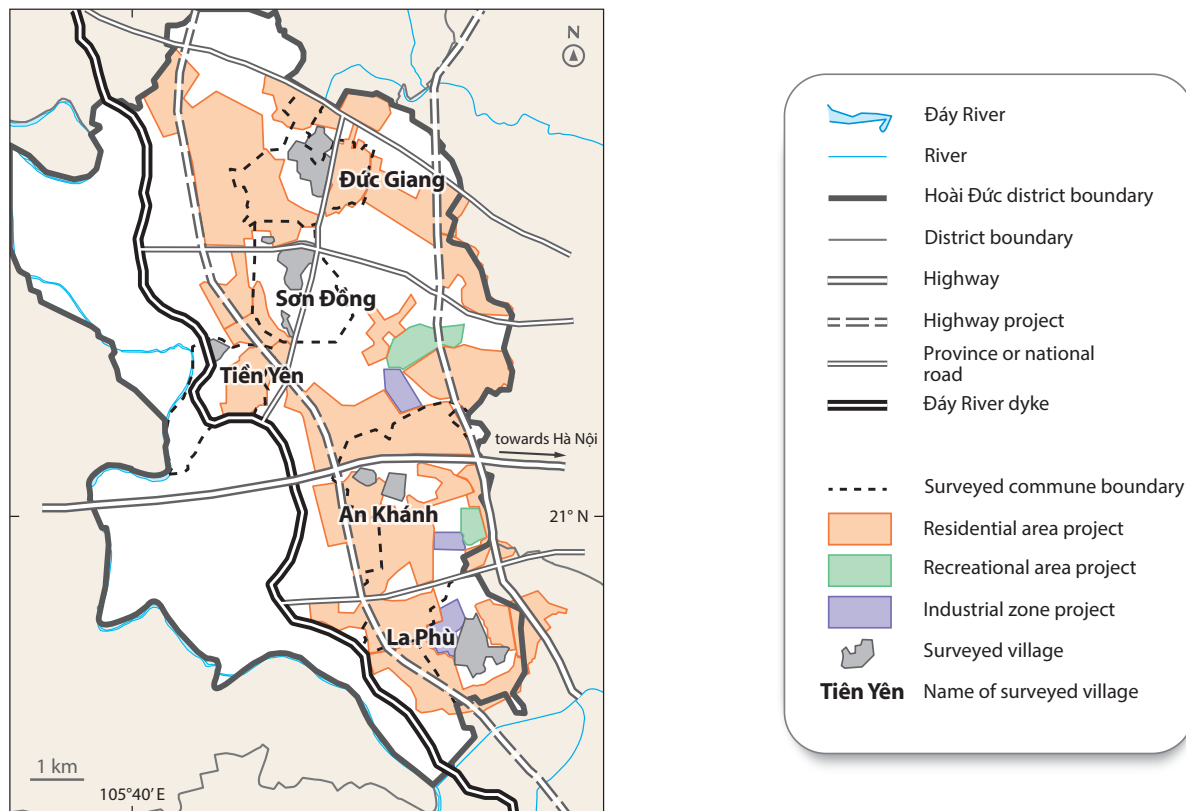
In the context of very active land speculation, these certificates, ordinary pieces of handwritten and stamped paper, are sold as promises of sale to buyers who pay as much as 40 million VNĐ per square metre (in 2010), while waiting to learn where their plot of land will be situated. In Đức Giang, near Highway 32 and the administrative zone of the principal town of the district, the price of land is very high. Widening of the road, development of residential areas (KDTM) and the rapid urbanisation of the area have generated a speculative spiral of land prices in this commune on the edge of the principal town of Hoài Đức.

On the other hand, Tiên Yên, situated partly in the area outside the Đáy River dyke has little buildable land compared with other communes studied and is poorly serviced by the road network. The price of land is lower here.

The differences between the price of free transfer (sale at public auction by people's committees) and that of real estate agents can be explained by their capacity to enhance the land they offer to buyers by emphasising the geomantic characteristics of the place, its harmony with the particularities of their clients (their year of birth, their sign of the zodiac, etc.), their knowledge of the market and the future of projects (employees of the Land Registry in particular have an overview of the evolution of projects in their commune).

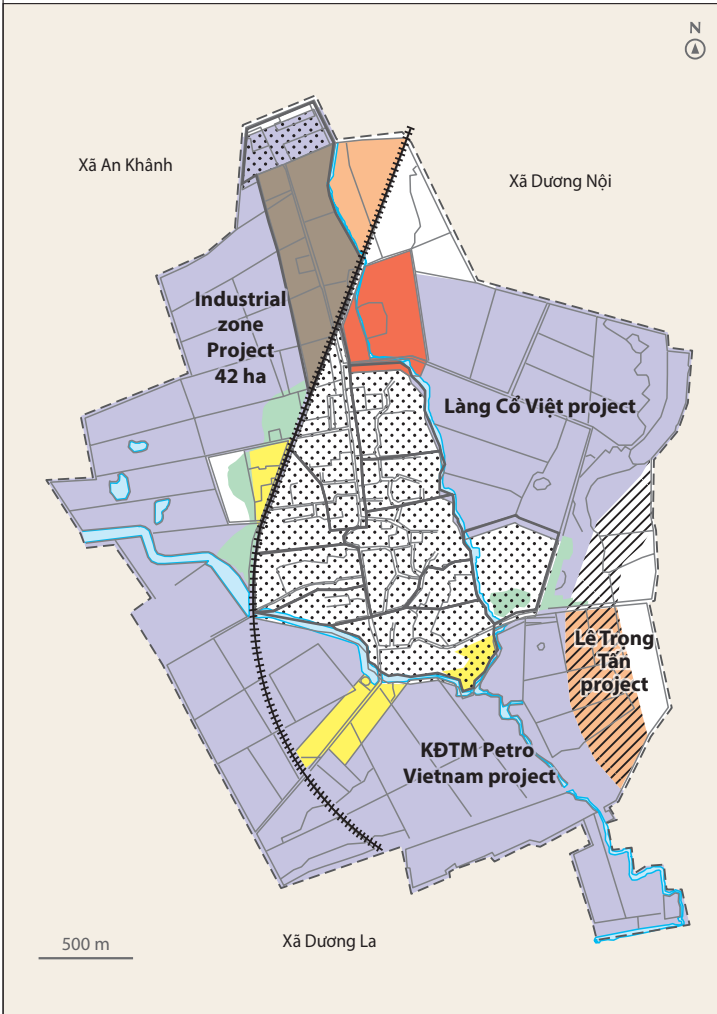
Closer study of land prices in the craft industry production zones of La Phù shows the rapid rise of prices since the 2000s, and the wide variations in these within the various zones of craft production, be they legal (zone A) or illegal (zones B and C). These production zones are former plots of market

Figure 17 – LOCATION OF FIVE COMMUNES SURVEYED CONCERNING THE LARGE-SCALE URBAN PROJECTS IN THE DISTRICT OF HOÀI ĐỨC



Sources: Survey and design FANCHETTE S. on 2001 topographic map, Hà Đông et Sơn Tây, 1/50,000 sheets, Nhà Xuất bản Tài nguyên Môi trường và Bản đồ Việt Nam

The commune of La Phù: planned projects, illegal occupations, craft workshops

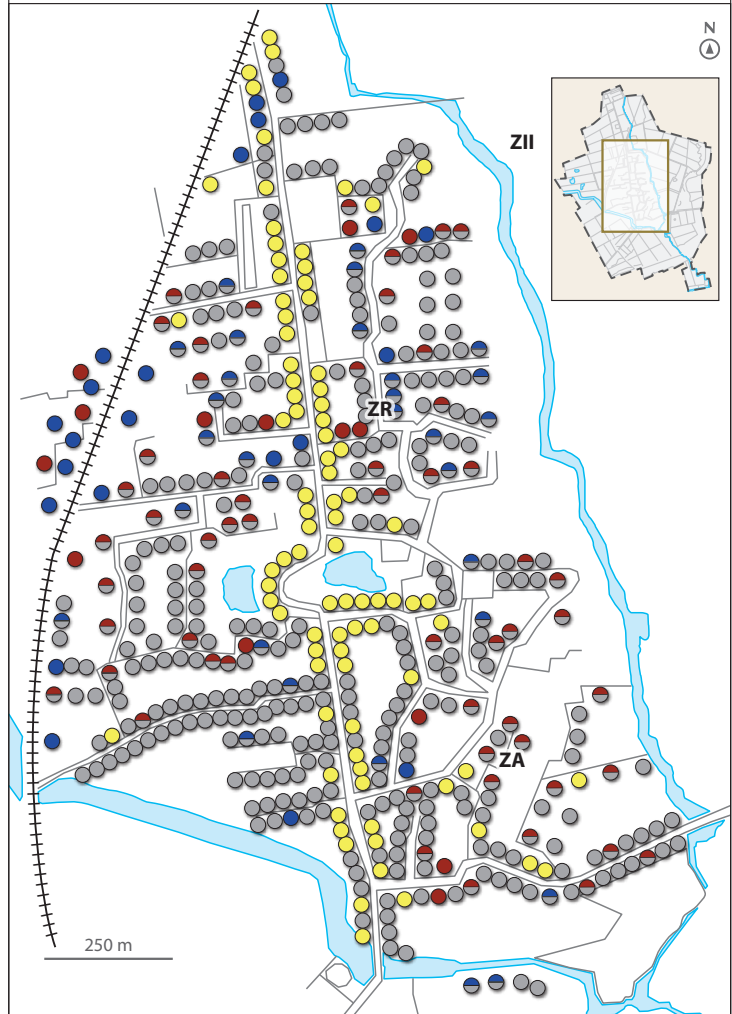


- | | |
|-------------------------|--|
| River, lake | Expansion land of people, 1997 |
| Railway | Productive land whose status was changed by province authorities |
| Service canals | Illegal occupation on market garden land |
| Hamlet boundary | 'Service' land (10% land) |
| Commune boundary | Illegal occupation on farmland |
| Village historic centre | Residential and industrial project |
| | Lê Trọng Tấn Road project |

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Source: Surveys 2011-2012, DUCHÈRE Y.

The commune of La Phù: craft activities in residential space



- | | |
|-------------|---|
| River, lake | Shops, services |
| Railway | Dwelling |
| Road | Textile workshop set up in house courtyards |
| | Confectionary workshop set up in house courtyards |
| | Confectioner's workshop |
| | Textile workshop |

Source: Surveys 2011-2012, DUCHÈRE Y.

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garden land¹ (see Plate 35), the limited sizes of which compel villagers wishing to enlarge their workshops to buy several plots.

Craft Zone A illustrates the rapid rise in land suitable for construction in a context of high demand for industrial land in this very dynamic craft village, where more and more confectionery traders are settling (see Chapter 7 and Figure 13). Large variations can be seen there, depending on the location of plots of land: along the road (30,000,000 VNĐ/m²), around the cemetery and in the least accessible alleyways (7 or 9,000,000/m²). To the north of the area, in the first well-cemented alleyway, the square metre sold for around 17,000,000 VNĐ in 2009. Sites near the road are much sought after in this craft site where many villagers trade in confectionery.

Between 2003 and 2010, the price of land in moderately attractive locations rose from 2,000,000 VNĐ to 7,000,000 VNĐ per square metre in Craft Zone A. However, some artisans had already started to buy land well before the right to build there was granted in 2005, after six years of power struggle with the local authorities. Accordingly, one of our survey participants has managed to put together a large workshop of 300 square metres by buying up land in several stages: in 1999 (300,000 VNĐ/m²), in 2000 (700,000 VNĐ/m²) and in 2002 (1,500,000 VNĐ/m²).

In the southerly craft zone with limited access and not suitable for construction, the square metre sold for 1,000,000 VNĐ in 2009. To get to the north of the village, one passes by either the *dinh* market, often congested, or the path that runs along the railway line, but that is in very poor condition. Only delivery tricycles and motorbikes overloaded with boxes can get down it. But so long as the request for a change of land status has not been signed by the district, buildings are illegal and in breach of the law.

Competition for space in productive spaces for craftwork in La Phù

In 2010, the commune of La Phù contained 9,889 inhabitants (district of Hoài Đức, 2010) over an area of 332.9 hectares. To this population figure must be added many migrant workers unregistered by the authorities who apply a significant pressure on residential space (of 12,000 artisans, 7,000 come from elsewhere). Out of 2,267 households in La Phù, 970 practise a craft or industrial activity and 814 a commercial activity (district of Hoài Đức, 2010). Housing

and craft production are concentrated over 52.1 hectares of residential land and 63.2 hectares of non-agricultural productive land.

La Phù is specialised in woollen knitting garment and confectionery. Since the end of the 1990s, thanks to mechanisation, diversification of activities and liberalisation of markets, production has increased rapidly. Accordingly, turnover for craft and industrial production has risen from 221 billion VNĐ in 2001, to 402.3 billion VNĐ in 2005 then to 577 billion VNĐ in 2008. The number of official companies able to conduct export trade has also risen rapidly, from 70 in 2009 to 132 in 2011. As for family workshops, there are more than 300 of them.

Several dozen households are specialised in trade, collection of produce for local companies and its transport all over the country. In 2006, each textile business in La Phù employed on average from 200 to 500 workers, each household from 4 to 20 (La Phù People's Committee, 2006).

Demand for craft production space is high. Declared businesses are very mechanised and need an area of at least 500 m², or even 1,000 m² to conform to environmental standards for production.

Small businesses have had to change production methods very rapidly since the middle of the 2000s in the face of stiff competition from large-scale industry and they have become mechanised (biscuit production lines, sophisticated knitting machines). In the confectionery sector, manual companies have had to declare their activity for reasons of food safety in order to gain the confidence of potential clients. They now carry out the whole production process on large automated lines with cooking belts that require a lot of space, more than 1,000 m² (Plate 35).

In the textile industry however, the production process is very fragmented: most knitting is done at home by subcontractors from satellite villages² and those placing the orders take care of the finishing stages (assembly, ironing, packaging) in their own workshops. Storage areas are those that take up the most space.

There are a host of small companies that exist in parallel, specialised in one activity (dyeing, knitting sleeve or collar trims), who work separately and sell their services or their items to other companies. They are usually of medium size, and 100 m² is enough to house knitting machines. Dyers need at least 350 m² for their machines and to store items for dyeing. They can be found both in the village centre and in Craft Zone A.

However, expansion of industrial and craftwork space has not followed growth in production. The land assigned to this sector is limited and change in status of farmland, which comes within the competence of the province, is difficult to obtain.

Within a context of growth in demand for land accompanied by speculation, the price of land continues to rise, becoming inaccessible to small businesses. This state of affairs is provoked by the establishment of numerous residential, industrial and recreational projects on the peri-urban fringes of the capital, where La Phù is located.

Mechanised companies have established themselves in Craft Zone A (11 hectares), and illegally in the extensions to the south of the village (Craft Zones B and C) and on paddy fields to the west of the village (see Chapter 8 and Plate 35). In Zones B and C, the artisans have to lease at sometimes prohibitive rates the market garden land of other villagers in order to put together a large enough area to house machines and workers. They build their workshops on land over which they don't have legal control and which they must return to the holders of the land use rights after a few years. Away from the road, artisans with low incomes have built very small dwellings (sometimes 20 to 30 m²) where they live and work. A prey to police raids, they live a very vulnerable existence. In spite of attempts to expel those housed illegally, some villagers rebuild their dwellings. Depending on where plots of land are situated, and on plans for their future use, the authorities may or may not choose to ignore their actions. In late 2010, about fifty illegally built dwellings on the site of the future industrial site were destroyed with the help of a police presence.

Owing to lack of space in the commune, about thirty businesses have had to relocate at great expense into the An Khánh industrial zone, very close by, while more recently, others have had to move into the Quốc Oai Industrial Zone about twenty kilometres from the village. Others left several years ago to buy land along Highway 6. Their isolation from knitting or confectionery businesses in La Phù makes them lose advantages associated with the cluster: exchange of labour force and know-how, division of labour, economies of scale.

In the historic centre with narrow, winding alleyways, several types of sparsely mechanised workshops rub shoulders: in the courtyards of family houses, on land reclaimed from ponds, on the site of traditional houses, houses of several storeys are built, making built-up areas denser, worsening traffic congestion (Plate 35). They mostly employ small subcontractors carrying out one or two production

stages for businesses operating in Craft Zone A (particularly processing wool, spinning and spooling after dyeing, or ironing and packaging of socks). In small workshops set up in house courtyards in areas no larger than 100 m², confectioners produce toasted corn or popcorn with adulterated oil in coal ovens, to the great displeasure of neighbours who complain about the smoke.

The commune of La Phù has 129.6 hectares of farmland considered as a stock of land for urban development of the capital and not for that of the inhabitants of the commune. According to the city's master plan, by 2015 La Phù will no longer have any farmland. Nearly 70 hectares have already been expropriated for three projects including a luxury residential area (Lê Trọng Tấn area, 22.5 hectares), a road (Lê Trọng Tấn Road, 2.5 hectares) and an industrial site of 42.5 hectares. These projects built on the farmland of La Phù are not intended for the inhabitants of this village, even if in theory they have priority access to the industrial site.

The level of financial compensation paid to villagers by the department for freeing up land in the district of Hoài Đức when recovering their land use rights is very low in the case of industrial projects. It is the case that land slated for the construction of this kind of project is public property. Such land must be expropriated by departments managing these transactions and compensated at rates imposed by the province (financial compensation before 2008 amounted to 45.7 million VNĐ/*sào*³, or about 5 Euros per square metre, plus compensation in land, land suitable for construction equivalent to 10% of expropriated farmland).

These levels have been reassessed since the enactment of Article 108 of Decree 69 in 2009 that stipulates that financial compensation must be multiplied by five, but in exchange farmers will no longer receive 10% land. The province of Hà Nội considers that it doesn't have enough land to share out among the expropriated and wishes to control the use of land. Land intended for the residential project of Lê Trọng Tấn was expropriated before 2009, or under the former system⁴.

Financial compensation in this area is well below the free market price for land: namely between 800 and 1,600 Euros per square metre, depending on location. As the process of expropriation of land set aside for the industrial site was blocked, following the refusal of farmers to cease receiving compensation in land as well as in money, the local authorities finally managed to get the company in charge of construction to agree to continue allocating 10% land with a compensation rate of 72 million VNĐ/*sào* for inhabitants whose expropriated land amounts to more than 30%⁵ of the household's total land holdings. The commune's other projects,

which had been ratified by the former province of Hà Tây before 2008, are being reassessed, as some of them are in contradiction with Hà Nội's new master plan. Accordingly, the Petrolimex residential area project and the Làng Cổ Việt (village of the Viêts) project have been suspended until further notice.

The struggle to get craft villages to conform to environmental standards

With the densification of dwellings and the construction of workshops and residences, most ponds located within villages have been filled in and play no further part in the catchment of floodwaters during the monsoon. Craft industry in search of new spaces to continue its development encroaches not only within the core of villages, but also on the outskirts, in contact with agricultural space, and by residual canals and ponds in order to throw waste water into them. The ancestral symbiosis between agricultural and craft activities is jeopardised, with the pollution of irrigation water that affects agricultural yields.

The mechanisation of craft activities is carried out with the aid of machines that consume a lot of water, fuel and using steam. Often out of date, since bought second-hand in China or in the south of the country, they cause serious environmental problems, emitting noxious smoke due to combustion of coal or wood, pouring waste water into canals without any prior treatment, and leaving solid waste matter in public areas.

Although mechanisation of production requires considerable technical and financial investment by artisans, it also requires a lot of space, which is increasingly limited in villages where the configuration of buildings is very compact and where farmland is allocated in priority to modern urban and industrial projects.

In the 1990s, in craft villages that had begun to mechanise, the most entrepreneurial artisans created informal craft mini-zones. Then provincial People's Committees built craft zones in the most dynamic communes in order to separate the most polluting activities from residential areas, to give mechanised businesses the means to expand their production, to better provide them with electricity and water, and to improve communications for workshops lodged right in the middle of villages. However, being real black spots for pollution, these zones have no real infrastructure for treating waste water and air, as local authorities are incapable of applying the building standards established for them.

In La Phù, owing to the mechanisation of production techniques for confectionery and textile activities, workshops have had to leave the densely populated village centre (180 inhabitants/hectare), with houses huddled onto an outcrop for protection against floods. Mechanised businesses have been established on the outskirts of the village and mostly to the north, in Craft Zone A. This is not really a craft zone in the sense that the plots are small and most don't have enough room to house more than one machine. Shops, set up in large numbers along the main road, sell confectionery and biscuits wholesale (Plate 35). Residences are mixed in with craft industry and no real infrastructure for treating waste water has been installed. The dyers simply pour their waste water into small pools before letting it flow out into the main hydraulic system.

Figure 13 (Chapter 7) pinpoints the various kinds of workshops established in this zone and particularly the most polluting ones that have recently been set up in the village. In response to the knitting crisis and exports, several companies have converted to making plastic bags to wrap village textile products. Extremely noxious to health and air quality, half of these workshops are situated to the east of Zone A. There are nearly 20 of them. The air there is contaminated by chemicals and emanations of noxious smoke linked to the burning of plastic pellets. Some workers complain of headaches and sore throats but as specialised workers, they receive salaries well above those offered by textile workshops.

Other very polluting workshops, such as those for dyeing woollen thread or metallurgy are spread out over the zone. Some have settled along canals in order to pour waste water directly into them. Machines run on coal and to limit pollution in their neighbourhood, entrepreneurs build chimneys up to eight metres tall. The waste water of the dyeing company located in Craft Zone A pollutes the irrigation canal that surrounds the village. Nothing is done to solve this problem by the communal people's committee. Conflicts emerge between these companies and their neighbours and break down village solidarity, united for production.

In the illegal craft production zones built to the west and south of the village, the environmental situation is even more worrying. Indeed, workshops have been built on plots of land illegally rented to villagers and the land status of entrepreneurs is very fragile. They cannot build workshops in bricks and mortar following the hygiene standards imposed by the local authorities. The hygiene conditions in which workers operate are deplorable. Without access to an electrical system suitable for industry, businesses connect themselves directly onto the national grid.

In the village centre, only the small workshops have survived: workshops of subcontractors in textiles or confectionery (grilled corn and popcorn). A few medium-sized workshops (300 to 400 m²) have set up for business over filled-in ponds but suffer from overflowing during the monsoon. The noise of spinning and spooling machines or the putrid smoke of corn ovens pollute the atmosphere, but the health risks are lower than in Zone A. Sickneses linked to industrial activity are mostly respiratory in nature: knitting work gives off noxious dust, dyeing generates smoke and dust. Contamination of well water also affects the health of inhabitants.

In La Phù, in the absence of authorised extension of residential space since 1991, the village has become denser to the detriment of many public and private ponds, situated in the western part of the village centre. On public ponds have been built social infrastructure, such as a school, a cultural centre, and very recently the communal people's committee. It has been possible to fill in private ponds, being part of villagers' residential space, in the same way as gardens, without special authorisation. Either their owners sell them to others for construction, or they put a house for their children or a workshop on it.

There are almost none left in the village. They play an important part in drainage of excess water during the monsoon. During the heavy rains of November 2008, the inhabitants of Xóm Trần Phú, situated in a low-lying area, and those of the environs of Canal T3A, much polluted by spillages of waste water from factories in the An Khánh Industrial Zone, suffered from flooding and polluted waters flowed into their dwellings. A more efficient drainage system is supposed to be installed in the commune, but has yet to appear.

As for the pollution problems of the canal water upstream, in spite of the many complaints to the communal authorities from residents, no solution has been found.

Only the two ponds belonging to the village *đình* (communal house) and to the pagoda could be saved for their geomantic functions and they are watched over by their respective managers. They serve as an area for games and rituals during festivals and village festivals. They drain away polluted water when the sewers overflow and serve as a repository for inhabitants' refuse. In the face of all these environmental and public health problems, the local authorities are confronted with several administrative stalemates in the context of acceleration of metropolisation.

The metropolitan ambitions of the city of Hà Nội entail a better control of areas of industrial production. But the effective implementation of environmental

measures agreed on by the higher echelons of power have an economic and social cost that is difficult to bear for artisans and local authorities.

Since 2008, craft villages have been subject to production standards and stricter checks from departments of hygiene and the environment. The workshops of declared businesses are visited by inspectors from these departments who rebuke companies that do not respect hygiene standards. For example, raw materials and finished products must be stored in separate rooms and away from the coal oven, which entails space of at least 1,000 m² for producers of biscuits, space that artisans set up in the illegal production zone cannot acquire. Visits end up in increasingly costly fines (Plate 36).

Communal people's committees are poorly equipped with powers to apply the laws. There are very many of these laws: the Ministry of Natural Resources enacts several of them concerned with the industrial environment but they are not very appropriate to rural industrialisation. The services linked to the environment are split between several ministries that do not consult with each other and thus efficiency suffers.

In addition, these laws are little known to the communal services owing to poor communication between administrative levels. The communal powers have no autonomy or independence whatsoever for making decisions: they have no departments specialised in industry, the environment or hygiene.

Craft village municipalities are managed like agricultural municipalities and the administrators are overwhelmed with work. They don't have enough personnel to check on businesses or enough to fine them. A member of a communal people's committee cannot impose a fine of more than 2 million VNĐ, while one in a district can go up to 5 million VNĐ and have a workshop closed down if necessary. Finally, civil servants are close to those they serve, so it is difficult for them to manage conflicts, and some professions are understaffed and paid very little.

An example of an intractable situation: Craft Zone A has no managing committee, it is not a hamlet (*xóm*), so it has no *xóm* leader. Only 50 households live there, too small a number to make it a hamlet: that requires a minimum of 180 households.

This poses the problem of management of an area densely inhabited by companies, businesses and inhabitants. Usually, the functions of a *xóm* leader are to

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watch over the inhabitants, prevent them from building illegally, settle disputes (particularly conflicts linked to environmental pollutants) and call on higher authorities, especially the district police, when he doesn't manage to sort out the problems. In the absence of administrative recognition, Craft Zone A comes under the authority of the communal people's committee that, too distant from daily realities, can only apply administrative measures.

Environmental problems have become the reflection of tensions between villagers and the authorities that govern them (commune, district, province) and of the nature of neighbourly relations in a context of pressure on land and competition between businesses.

The power struggle over land between villagers and big developers/local authorities

Added to the boom in land prices is the increasing rarity in available land for expansion of residential construction or for craft activities in the peri-urban villages of Hà Nội.

This lack of space, which at once limits the development of the local economy, installation of infrastructure and the enlargement of productive spaces, is particularly significant in the villages closest to the city centre, where the last remaining farmland receives special attention, as much from the public authorities as from property developers or land speculators, and which have already been very densely built up and 'autonomously' developed.

Land resources have become the big issue in these places, and a significant source of tension between the inhabitants and the public authorities, both local and provincial. The example of the dispute associated with the construction of a 'craft village zone' in Sơn Đông illustrates these renewed tensions, and bears witness to the evolution, or remoulding, of relations between these two spheres of 'governance' that are the public authorities and the 'civil society'.

This head-on opposition linked to the allocation of about forty hectares of farmland, converted this time into industrial land, took place in the rural commune of Sơn Đông, located about 20 kilometres west of Hà Nội.

This village-commune belongs to the rural district of Hoài Đức, integrated into the administrative perimeter of the city of Hà Nội in 2008 at the time of the

expansion of the boundaries of the capital and the merging of the provinces of Hà Tây and Hà Nội. This commune housed 8,500 inhabitants in 2009, over an area of 2.5 km².

Like many villages in the former Hà Tây, Sơn Đông is a traditional craft village, specialised for over 1,000 years in woodwork, and in particular sculpture and the lacquering of sacred objects (Buddhas, ancestor altars, etc.). This activity occupies more than 2,200 village workers and 1,000 from outside in more than 200 workshops.

Farming remains a vibrant activity here, although it only represents a tiny part of the overall village income. As for the service sector, linked to the marketing of craft products or small urban businesses, it has developed considerably over the last few years, particularly near the main intra-district and intra-provincial highways that cross the sector.

Finally, it should be noted that the projections of the master plan for the city of Hà Nội to 2030, or the various investment licences granted back in the Hà Tây era for residential projects, in particular, herald the total disappearance of the village's farmland in the medium term.

Box 4

This workshop located in Craft Zone A enjoys plenty of space, making it possible to build a workshop big enough to separate the various stages of production, particularly the cooking belt, which is more than 50 metres long, offices and a dormitory for some of the workers.

Mrs Minh's¹ buildings take up a little under 2,000 m² but only 1,000 m² belong to her. This businesswoman from the old centre of La Phù first settled on her market garden land (700 m²) in 2005 then enlarged her production space by purchasing a second plot of 300 m² in 2009 (Building 2). Buildings 3, 4 and 5 were built in 2010 on land that she leases from other villagers for 30,000 VNĐ/m².

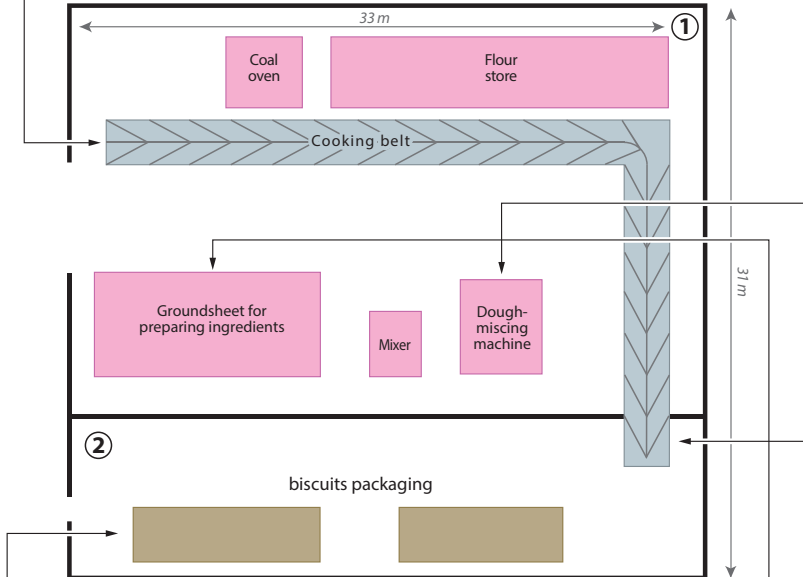
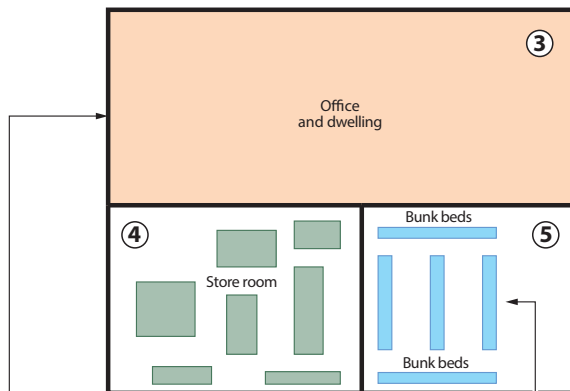
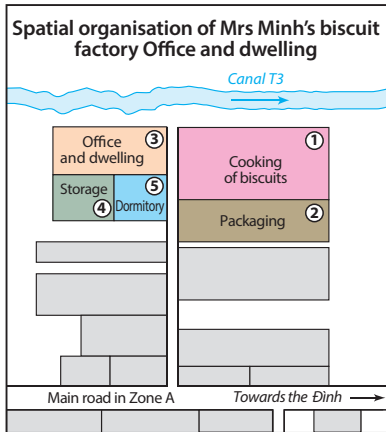
Between February and September, Mrs Minh's biscuit factory produces 1.7 T of biscuits/day and employs more than thirty workers; the rest of the year, production slows down but still continues.

In Building 1, the coal oven is only a few metres from the cooking belt while the flour is stored directly on the ground on a plastic sheet. The specialised workers of this building work without gloves and in sandals and must stoke the oven with coal, knead the dough and monitor the baking.

In Building 2, about twenty girls package the biscuits for 6,000 VNĐ/72 packets. These non-specialised workers are from La Phù and can be minors. Specialised workers who are not from La Phù sleep on site in a dormitory where there are 8 beds.

1) The name has been changed.

Use of space in a Zone A workshop



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Figure 18 illustrates this potential future configuration of Sơn Đông: an old village centre hemmed in by new urban areas and large-scale road infrastructure.

Sơn Đông, in common with other peri-urban communes of Hà Nội, thus experiences an acute lack of space and land for possible extension of its economic activities. Indeed, as Plate 37 shows, every available space is occupied, used, developed, be it legally or illegally: while workshops/shops are set up along the main roads, the village centre becomes very densely built up, every plot of residential land being subdivided either to build a new house, or to convert the courtyard into an open-air workshop, or to develop an 'urban' style small business.

And in spite of this exploitation of all usable space, this diversity of uses and intertwining of various activities, demand for space remains very high.

Consequently, in the face of this fresh demand, the communal people's committee decided to launch a tender for a project to build a craft village industrial

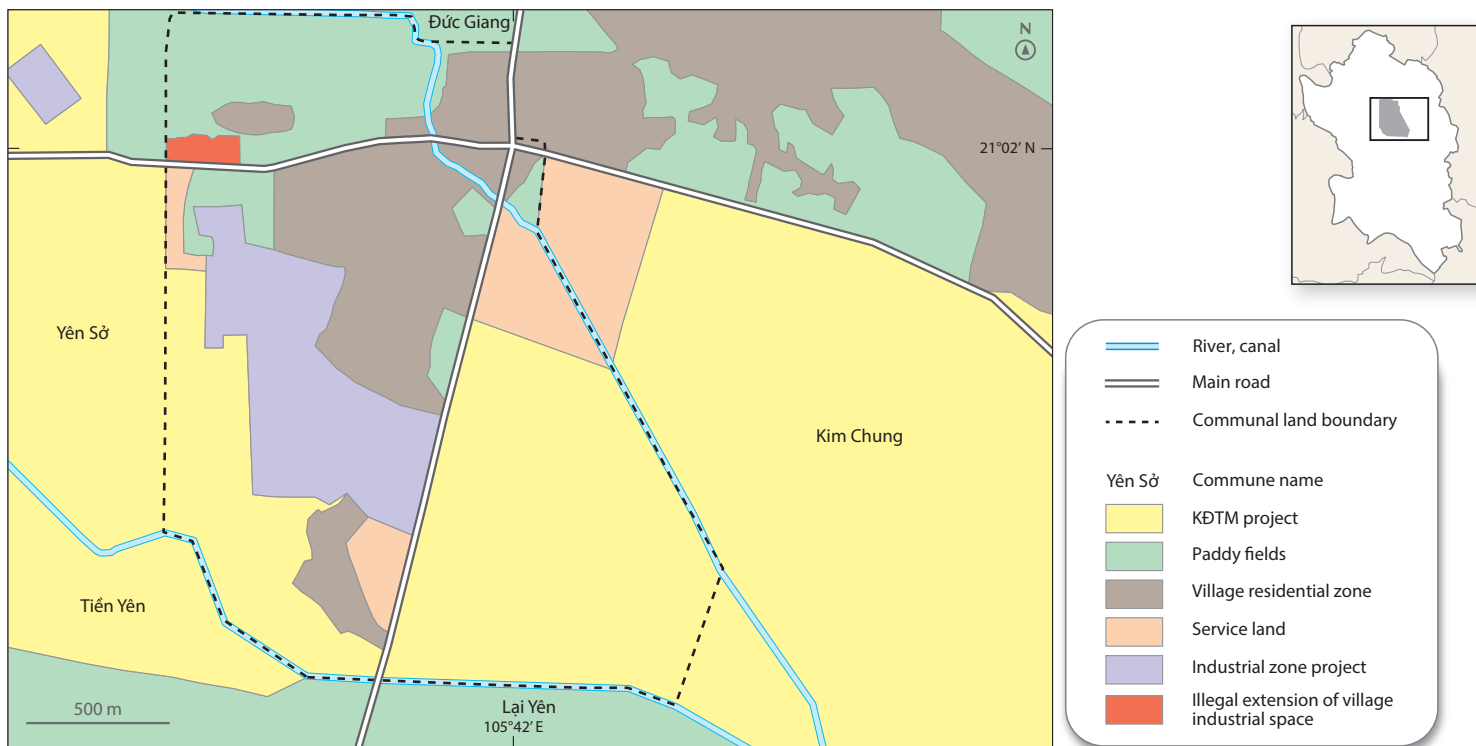
zone on 40 hectares in 2008, thus answering, according to them, the wishes of inhabitants, and their specific requests, particularly in terms of size (Figure 18).

However, from the start, this new development did not receive support from all inhabitants, even though all agree that the village, and the craft, need more space for production (for storage of raw materials, mechanisation of part of the work, increase in production volumes, and improvement of product quality), and a separation of housing from the production area.

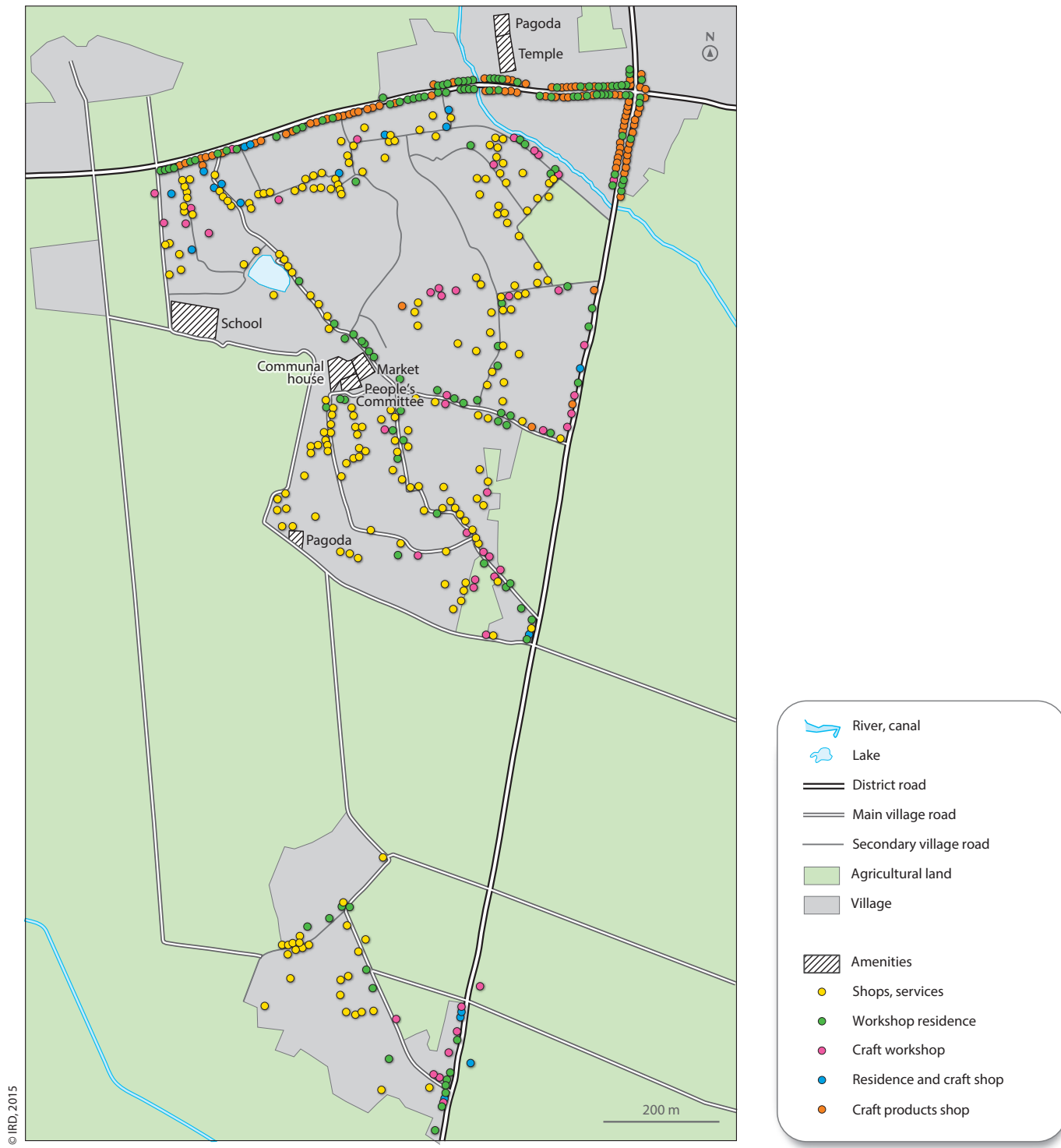
It is not therefore the idea of a craft industrial zone that poses a problem, but rather the terms of construction and taking the decision to build this new zone, exclusively the preserve of the people's committee.

It should be noted that at the time, another smaller project (8 hectares) was in the process of being developed and approved: a village craft, cultural and tourist zone, supported by a young architect and entrepreneur from Hà Nội, without

Figure 18 – RESIDENTIAL AND INDUSTRIAL PROJECTS IN THE COMMUNE OF SƠN ĐÔNG IN 2009



Situation of workshops in the village of Sơn Đồng, 2011



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Source: Surveys FANCHETTE S., 2011 based on Google Earth map

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family or friendly links with Sơn Đông. The inhabitants were also quite hostile to this project, in which they had not been implicated, and which they considered as a monopolisation and a hijacking, both of their reputation and image, but more concretely, of their land.

Several arguments are aired by inhabitants, artisans or representatives of inhabitants at the infra-communal level to justify these oppositions. Firstly, this project is considered as unjust, since it will bring no benefit to the village and its inhabitants. In truth, it is not simply a matter of converting the use of land (from agricultural to industrial), and of leaving those who hold the land use rights to dispose of them freely, and to equip the area with basic infrastructure and build their workshops themselves.

In fact, the contracting authority of this project is neither the people's committee, nor the state, but rather a private investor, who must usually have the 40 hectares in question allocated to him, and be entrusted with the responsibility of compensating the expropriated farmers, of building basic infrastructure for the area (roads, hydraulic and electrical systems), of subdividing the land into plots and of leasing them out.

But the inhabitants oppose this option, since they consider that the prices of plots, after the installation of essential infrastructure, will be too high for them, all the more so, given that their needs in space have considerably increased, and that leasing plots of land of 250 to 1,000 m², in these conditions, will be impossible for a large proportion of artisans. As a consequence, some conclude that this area will only benefit the private company that owns the plots of land, and investors or workshops from elsewhere with the necessary capital to rent them.

Some people question the reality of this project, and even consider that it is a false one. Some inhabitants confide their fears that this project might be only a ghost project, and that the land is being hijacked for other uses, particularly speculative ones.

This mistrust of local public authorities, clearly expressed many times, can be in part explained by past misappropriations of funds, but also by the way in which the project was announced. No preliminary meeting was called with the inhabitants or with artisans to discuss the project, its implementation, its financing or its objectives. The inhabitants only got word of it from the village loudspeakers, after acceptance of the application by the commune's people's committee.

Rumours clearly spread rapidly concerning the possible levels of compensation, rumours as much fuelled by the absence of any response from the people's committee (which refused to hold a public information meeting, demanded by the inhabitants) as by the events reported in the newspapers, concerning other, similar projects.

In addition to these rumours and discussions, the opposition of inhabitants began to take tangible form: on several occasions, inhabitants distributed and threw critical handouts and leaflets when the market was being held. This contestation from inhabitants came to a head during an open and physical battle with the local authorities.

It is interesting to note that the argument of the low level of compensation is not the only argument put forward by the inhabitants. The project's objectives, its lack of 'sustainability', the scant benefits for the wellbeing and the future of the village as a whole, are often put forward as reasons for the project's blockade. Several people told us they were ready to accept low levels of compensation if this benefitted the common good, for the construction of a road, for example, but refuse to be expropriated for a project which they see as 'unjust', private and self-seeking.

The future of this zone is currently still unclear, since all projects accepted by the former province of Hà Tây have been suspended following the enlargement of Hà Nội, and the Prime Minister, who has taken over such cases, has been given the task of revising all these authorisations. This project of a craft zone, how these events played out and the absence of transparency on the part of the public authorities have thus been at the source of a certain crisis of confidence between the local public authorities and village inhabitants.

However, it should be noted that only the communal and district authorities have been criticised, and that inhabitants consider that national public policies are good, correspond to their needs and to the current economic issues, and that confidence in higher level public authorities is maintained (some people have even appealed at provincial level, to the Party or to the civil service, in order to resolve local disputes, and believe that they are listened to).

Of course, this point of view only reflects that of some inhabitants and their infra-communal representatives, and it is not shared by the people's committee, who argue that this craft zone project will benefit the village and the



© Alain Mahareaux / Nôl Pictures

Photo 12

Market gardening in the bed of the Red River, nearby the city center

development of the trade. This same committee explains moreover that the protestation of inhabitants is due to a lack of understanding, since the inhabitants have not, on first encountering it, grasped the project's objectives.

However, the tensions that have been generated by this project illustrate a phenomenon that appears to be increasingly prevalent in Vietnam currently: that of the questioning of the powers of local public authorities by the inhabitants, going as far as violent confrontations, concerning questions of land, linked to the conversion of farmland to profit private interests. In the face of a situation judged to be intolerable and unjust, both villagers

and city-dwellers thus demonstrate a wish to participate and to be included in decision-making concerning choices of development and planning in their village or their neighbourhood. And this wish to have some influence over the evolution of the environment is not only founded on self-interested calculation, on questions of material subsistence, but also on the defence of what seems to them to be their 'rights'.

Finally, the fact that these oppositions can take tangible form, and sometimes reappear in the Vietnamese or international press, poses questions about the more general evolution of relations between inhabitants and the

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public authorities, on the softening of control exerted by these public authorities on 'opinion', and on the emergence of fresh arenas for discussion or terms of expression for inhabitants.

Conclusion

Land price inflation has made Hà Nội one of the most expensive towns of Asia, in a context of land liberalisation after thirty years of collectivist and planned management. It makes it increasingly difficult to obtain access to land that can be built upon from villagers that are getting expropriated from their farmland. Unearned income from land has now become more profitable than productive investment in craft industry or speculative agricultural crops like market gardening. Some villagers prefer to resell on the speculative market their last acres of garden land, their ponds, even their residential land at prohibitive prices. Others build workshops illegally on their farmland, but without any land security, they produce in very difficult environmental and social conditions. Craft and commercial production intertwine into the furthest recesses of already over-populated villages, which result in a widespread overload of public spaces and communications.

In the most mechanised craft villages, the application of standards to production conditions is difficult owing to the scant prerogatives of local authorities, little recognised by their citizens, the high costs of production for artisans and entrepreneurs, the absence of genuine social cohesion and associations of artisans and entrepreneurs capable of making their wishes heard, particularly over their access to land.

The integration of craft villages into the city is thrown into question and their future very uncertain. Territorial policies bear witness that encouragement of rural industrialisation is no longer the order of the day, particularly owing to environmental problems that it encounters and its contradiction of urban policy.

The state's wish to spread the capital city and to lead it towards 'modernity', a term with more liberal than social connotations, and to raise it up into the ranks of 'globalised' cities by making its fabric denser finds expression mostly by its refusal to let village and popular self-construction of low-cost residences and workshops on land, the prices of which never ceases to rise. Urban and village encroachment along main roads and on the outskirts of the city, a large consumer

of farmland in the 1990s, was done cheaply, without suitable social, urban or road infrastructure, in a context of high risks of flooding confirming the difficulties experienced by the state and the local authorities in maintaining control over regional development.

In addition, there are murmurings of revolt in peri-urban villages in the face of expropriation of large tracts of land set aside for speculative and residential projects and for the most affluent social classes of the capital. But in a difficult social and political context, villagers are failing to organise their scattered claims in order to gain traction to win their cases. They only manage to band together when it comes to defending their cultural heritage, symbol of their village identity, that they seek to maintain come what may. Urban transition is taking place at this moment, but without any accompanying political and social transition.

1) Farmland intended for market gardening (known as '5% land', as it corresponds to 5% of land from co-operatives) that was allotted to villagers in usufruct between 1971 and 1993 to compensate for the low levels of production in agricultural cooperatives. They are usually very small plots of land (on average 100 m² per household), well situated on the edge of residential space and that the villagers have tended to build on illegally, particularly for workshops and businesses (it is farmland not suitable for construction). This land is the subject of many negotiations and, depending on its location, can be sold for sums ten times greater than for paddy fields.

2) The large knitting companies subcontract artisans and workers in villages within a radius of 20 km around La Phù: communes of the district of Hoài Đức (Tân Hòa, Cộng Hòa, Đông La, An Khánh, An Thượng), and communes of the surrounding districts, such as Chuông Mỹ, Quốc Oai. When large orders are being processed, some entrepreneurs have to look for workers further afield in other Delta provinces, since those close by are already busy.

3) One *sào* = 360 m².

4) This 10% land will be provided with mains services before being handed over to villagers. They will have to pay a considerable amount to acquire the land use rights.

5) If the area of expropriated land is less than 30% of the total area of land concerned, then the holder of the land use rights only gets financial compensation amounting to 350 million VND/*sào*.

Petit atlas urbain

Edited by Sylvie Fanchette

Hà Nội, a Metropolis in the Making

The Breakdown in Urban
Integration of Villages



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A Vietnamese woman holds branch of peach tree in blossom in a street of Hà Nôi

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