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Understanding the causes of urban fragmentation in Hanoi: the case of new urban areas¹

Since the late 1990s, a new model of urban development has been promoted in Vietnam. So-called 'new urban areas' are being built on the agricultural lands at the periurban interface of cities across the country. These large-scale redevelopments feature commodity housing and public services, along with commercial and office space. Foreign scholars have criticised the lack of integration between these built environments and existing urban agglomerations. The resulting urban fragmentation is commonly blamed on the imposition of a foreign model of urban development that promotes a break with previous urban space production mechanisms. This paper provides a nuanced view on these ideas by exploring the history of housing policy in Vietnam and in the region of Hanoi in particular. This approach underscores the locally situated nature of the new urban area experiments. At the same time, it reveals the need to explore ongoing shifts in the way various groups straddling the state, markets and society interact in contemporary urban space production processes.

The appearance of new urban areas (*khu do thi moi*, hereafter KDTM) on the outskirts of Vietnamese cities has garnered a great deal of attention lately, especially by foreign researchers interested in the urbanisation process in the post-*Doi moi* era.² In the region of Hanoi, on which this paper focuses, new urban areas mixing residential, commercial and office uses first appeared in the 1990s. Since then, the rural–urban interface has seen paddy fields and other agricultural landscapes give way to high-rise residential towers, large avenues lined with villas and row-houses, and big box stores. At first glance, the new urban landscape that emerged out of the rice fields has little to do with older neighbourhoods in the city centre or with the periurban villages of the surrounding countryside.

The interpretations of this phenomenon formulated by foreign researchers

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- 2 The *Doi moi* (literally translated as 'renewal' or 'renovation') refers to a set of reforms implemented by the Vietnamese Communist Party since the beginning of the 1980s. These reforms departed from the model of centralised economic planning by giving market mechanisms a greater role in the domestic economy.

emphasise the diffusion of a certain form of capitalist globalisation and associated impositions of foreign models of urban development on Vietnam. Waibel (2006, 46–7), for instance, describes new urban areas in Ho Chi Minh City and Hanoi as political symbols mirroring the emerging aspirations of Vietnamese ‘nouveaux riches’ to belong to an imagined modern, global community. By moving into these KDTMs, this same group is said to be adopting a Western way of life centred on security, order and comfort. From Waibel’s perspective, in responding to the new aspirations of this emerging social class, new urban areas promote spatial, functional and social segregation within Vietnamese metropolises. Mike Douglass and Liling Huang (2007) take the analysis further. They argue that foreign investment has shaped the emergence and governance of standardised and market-oriented residential redevelopment projects on the outskirts of Vietnam’s largest cities. The assumption is that foreign-invested KDTMs have ‘place-breaking’ rather than ‘place-making’ effects; that they disrupt the local sense of place and mainly serve extraterritorial interests. The penetration of exogenous capitalist forces, Douglass and Huang argue, further usurps local governing capacities from the legitimate hands of Vietnamese authorities.

Such analyses echo the ‘convergence’ thesis put forth by Dick and Rimmer (1998). According to these authors, the urban phenomena observed in Southeast Asia can be likened to ‘gated communities’, ‘edge cities’ and more generally to the decline of public space and urban fragmentation described in Western context (e.g. Garreau, 1991). As in Waibel’s analysis, a new type of urban environment is seen as resulting from a transfer of exogenous urban space production mechanisms closely associated with global capitalist forces and neoliberalism – understood here as a retreat of the state’s regulatory power for the benefit of capitalist interests. In Chang and Huang’s words (2008), these newly urbanised landscapes participate in a fourfold process of ‘transworldment’ (replication of ideas across borders), ‘enworldment’ (a mixing of ideas from around the world), ‘unworldment’ (the loss of a sense of home) and ‘deworldment’ (commercialisation).

These critical perspectives point out obstacles that can still be avoided as Vietnam initiates an accelerated phase of urbanisation. Unfortunately, the analyses that support these warnings in Vietnam (e.g. Douglass and Huang, 2007; Waibel, 2006) tend to overlook the KDTM’s grounding in the country’s unique history of urban space production as well as the active ‘place-making’ activities of its urban population (see Boudreau and Labbé, forthcoming; Cerise, 2009). Another issue relates to the tendency to generalise about the new urban area phenomenon in Vietnam based on a small minority of residential subdivisions typified by foreign investment, unusual built forms, upper-class clientele and large size. Ciputra West Lake is a telling example of this. In 2005, it was the only new residential development project in Hanoi, out of 130 approved projects, to be financed primarily by foreign interests (70 per cent of the capital was from Indonesia). So far, it is still the only KDTM in Hanoi to be enclosed

by a wall and to have controlled access gates. It is also the only project to display only exogenous housing types: high-rise apartments and single family homes of a style foreign to Hanoi's urban landscape. However, this project remains a reference point in the literature on the KDTM, while the 500 or so new residential subdivisions built around Hanoi since the end of the 1990s in fact present a great variety of financial arrangements, built forms, populations, etc.³

We concur with the authors cited above on the observation that new urban areas in Vietnam contribute to segregation with the existing city. However, we suggest that this situation cannot be explained by the imposition of exogenous models or by a retreat of the state in favour of global capitalist interests and spatial commodification. Foreign urban development models and economic interests do play a role in the KDTM phenomenon, if not directly through investors imposing their vision of the urban, at least through the circulation of models across the region (especially those stemming from Singapore and Korea). But the penetration of exogenous urban development models is, at best, a fragmentary and incomplete process. In this paper, we argue that a fuller understanding of the urban fragmentation resulting from the development of KDTMs also requires a more situated analysis of this phenomenon in its specific context of occurrence. As such, we contend that the emerging KDTM model of urban development in Vietnam is best understood as an open-ended *experiment* resulting of fluid (and rapidly changing) *assemblage*⁴ of foreign models and market imperatives within the contingencies of local history and politics, what Chang and Huang (2008) could call 'enworldment'.

The first part of this paper proposes a historical reading of housing production in Hanoi since the socialist period. This section illustrates the elements of continuity linking new residential estates with socialist era projects. It also presents the successive public policy shifts behind the formation of the KDTM model of urban development. The second part explores the official intentions of the state-led programme and institutional arrangements that enabled the construction of the first KDTMs. The third part focuses on the case of Trung Hoa-Nhanh Chinh, a KDTM located on the western edge of Hanoi.⁵ Moving away from exceptional projects like Ciputra,

3 The same problem can be observed in the case of the project Saigon South (also known as Phu My Hung) in Ho Chi Minh City.

4 'Experiment' and 'assemblage' are understood here in the sense given by Deleuze and Guattari (2004) to the French term *agencement*. This concept refers to a combination of heterogeneous elements carefully adjusted to one another by agents endowed with the capacity of acting in different ways depending on existing configurations and the nature of the elements potentially assembled.

5 The data used for this paper are taken from a number of sources. We draw from about 30 interviews with developers, architects and urban planners carried out between 2004 and 2009, an additional set of 50 interviews conducted in 2009 with the local population who live in the vicinity of the Trung Hoa-Nhanh Chinh project, analysis of policy documents and a review of specialised magazines and literature on housing in Vietnam in general and particularly in the region of Hanoi.

we explore this comparatively small new urban area, planned by Vietnamese professionals, developed by a domestic enterprise and – at least originally – aimed at satisfying the needs of a diverse range of buyers. We conclude this paper with some reflections on the changing role of the state in regulating urban space production in the current context of rapid urbanisation in Vietnam.

Part I: The hardship of socialist housing production

The housing question is an enduring problem in Hanoi (Trinh Duy Luan, 2001; Pham Van Trinh and Parenteau, 1991). It dates back to the colonial period, but became widespread during the period following the first Indochina war (1945–54), as the leaders of the new Democratic Republic of Vietnam (DRV) laid the foundations of a socialist government and society.

The position adopted by the new regime gave the state responsibility for providing housing space for the people.⁶ Starting in 1954, housing policies in Vietnam were geared towards satisfying the needs of state employees (civil servants, blue collar workers, military). Two operations were therefore put into place after independence to respond to the residential needs of these families. A first policy requisitioned single family housing in commercial areas and colonial neighbourhoods and forced owners to welcome new households within their domestic space. This measure was highly unpopular and did not meet the ever increasing demand for housing in the Vietnamese capital. The second policy aimed to generate housing space on a larger scale. Launched in the late 1950s, it consisted in the construction of so-called ‘collective zones’ (*khu tap the*, hereafter KTT) on the outskirts of the existing city.⁷ This urban space production operation, led autonomously by the Vietnamese administration,⁸ was propelled by the new regime’s will for change and by political propaganda that magnified its role in the construction of a modern and industrialised nation.

The form and organisation of the KTT contrasted sharply with Hanoi’s previous residential experience. On the margins of the existing city, the socialist state built self-sufficient neighbourhood units organised around public amenities (daycare, schools, medical clinics, community space and parks). Various state agencies (ministries, municipalities, state-owned enterprises, educational institutions) participated in the

6 Thus the 1961 Central Committee Resolution No. 9, declared, ‘[L]and and housing in the cities and towns concern everyone and are part of the socialist revolution and the state must satisfy the people’s demand for housing’.

7 The implementation of this plan was facilitated by the adoption of the Agricultural Law of 1952 that nationalised land and made the state its ultimate owner and manager. Thereafter, all occupiers of Vietnamese territory were formally considered to be borrowing the right to use land from the state. This general premise is still the basis of the post-*Doi moi* land legislation.

8 Notwithstanding advice to Vietnamese planning professionals by Soviet Block experts; see Logan (1995) for a discussion.

construction of a residential building type unprecedented in Hanoi: the housing block. The apartments in KTTs were distributed to state employees, not as an economic good but as a social benefit, compensating for low incomes. The units were allocated according to normative criteria and the housing expenses did not exceed 1 per cent of the residents' household income (Lacoste et al., 2002, 7). Beyond attempts to respond to the housing needs of state employees, KTTs were a social experiment. Like their Chinese counterparts (the *danwei*) the new socialist neighbourhoods aimed to engineer a 'new man' through the physical and social structuring of space (see Pedelahore, 2007).

The state's construction programme was insufficiently funded to satisfy the growing demand for urban housing space. During the 25-year-long war that began in 1959, the state was compelled to allocate the largest part of its modest resources to national defence. This considerably reduced its ability to address Hanoi's housing shortage issue. By 1980, Lacoste et al. (2002) estimate that only 30 per cent of the state's employees based in the capital city benefited from subsidised housing. The new households that formed during this period therefore had little choice but to share existing housing space located in the old city and in KTTs. By 1980, population density had reached 30,000 people per square kilometre and overcrowding was the norm in these areas (Trinh Duy Luan, 1995).

Since the central state continued promising all citizens the 'right to housing,' the lack of investment in housing production became a source of dissatisfaction among an urban population that had doubled between 1960 and 1989, moving from 460,000 to 900,000 inhabitants (Quertamp, 2003, 272). The housing shortage reached levels that threatened the legitimacy and stability of a regime already weakened by the economic crisis of the 1980s. As a result, in 1987, the state recognised the insufficiency of its resources and withdrew from its subsidised housing production programme. The urban housing question was then reframed in terms of a policy known as 'the State and the People work together' (*Nha nuoc va nhan dan cung lam*) whereby, for the first time since independence, private stakeholders were formally invited to produce their own housing and, a few years later, were recognised as their legitimate owners.⁹

Two residential production mechanisms took form under the 'State and People' policy. On the one hand, the new policy and accompanying legal changes led to an intensification of small-scale self-help housing production active in and around Hanoi since the end of the war. The new approach to housing production legitimised the housing practices of a significant portion of the urban and periurban population that ranged from the illegal acquisition of construction materials, to modifications of KTT buildings, to encroachment on public spaces or on periurban agricultural land (see Geertman, 2007; Koh, 2004; Pandolfi, 2001, chapter 8). On the other hand, state institutions participated in larger redevelopment operations. The army, universities,

9 This principle was granted by the 1991 Ordinance on Residential Housing and embedded into the 1992 revision of the Constitution.

ministries and research centres were then allowed to allocate plots, subdivided from tracts of land they had been allocated by the state, to their employees for residential construction purpose. Meanwhile, periurban local governments converted agricultural land to residential use and distributed individual plots to villagers under a policy known as the ‘population de-densification policy’ (*chinh sach gian dan*).

These state-sanctioned practices fuelled a renaissance of private housing and land markets at the edge of Vietnamese cities. Throughout the 1990s individuals and state institutions participated in the outward expansion of Hanoi at a rate of about 50 to 100 metres per year (Pedelahore, 2007). During this period, housing supply increased substantially in and around Hanoi. The city’s pre-colonial, colonial and socialist areas were also ‘weaved’ back together. This happened through the restoration of ancient buildings, the rehabilitation of the imagery of the French city, the spontaneous conversion and transformation of KTT areas into vibrant mixed-use neighbourhoods, and the endogenous development of new housing styles that drew on the city’s historical forms (see Cerise, 2009; Pedelahore, 2007)

Despite all of these benefits, local professionals and authorities considered such decentralised urbanisation processes a less than optimal solution to housing production and urban development. The residential housing environments that resulted from the ‘State and People’ policy were criticised for their inability to reach desired human densities, to contain urban sprawl and to protect periurban agricultural areas. For many urban planners and architects, this form of urban development failed to provide basic urban services (schools, parks, etc.), hindered the expansion of infrastructure and the development of commercial zones. The urban forms that resulted from privately initiated residential production were also generally assessed as chaotic. A well-respected architect and urban planner in Hanoi describes these issues as follows:

[T]he government found that the solution to the housing problem was to give land directly to people who would then use their own capital to build a house on it. At that time, the state didn’t have money but the people did and they could build housing by themselves. But after a while, we saw that this wasted a lot of land. Individually, households could only build five-storey houses. The population was already very large. If we continued to let people build individually, it would require a very large territory and it would take a long time to shelter an ever-growing population. (Interview, 18 November 2009)

Another problem was land speculation. Beginning in the 1980s, state institutions distributed parcels of developable land to their employees at prices lower than (informal) market values. This created incentives for state employees – who could acquire more than one parcel of land and resell them to non-state employees – to act as real estate brokers (see Geertman, 2007). In the context of high housing demand, this contributed to a series of ‘land fever’ (*sot dat*) and rampant speculation became a concern for

the authorities.¹⁰ Compounding these perceived shortcomings, Vietnamese planners and architects evaluated the haphazard urban space production mechanisms resulting from the ‘State and People’ policy as inappropriate for the capital city of a nation that wished to project an image of modern and orderly development (Dinh Duc Thanh, 2001; Nguyen Ngoc Quang, 2004; PHC, 2000; Tran Mai Anh et al., 2005).

Part II: The birth and evolution of the new urban area model

The collaboration programme between the ‘State and People’ was abandoned in 2000¹¹ and replaced by an approach to urban space production that gave a larger role to state planning authorities. The urban development model, known as new urban areas, was first outlined in a new master plan. Adopted in 1992, this planning document sought to guide the urbanisation process in the region of Hanoi up to the 2010 horizon. This document was introduced as a ‘cure’ for the persisting housing shortage issue and adverse effects of the decentralised urbanisation process. As a solution to these problems, the master plan prescribed the redevelopment of vast areas to the south and west of the city into KDTMs. To achieve higher occupation densities, the master plan further stipulated that 60 per cent of the built surface in these projects ought to be occupied by high-rise apartments. Along with the imposition of these new residential forms, the master plan required that KDTMs be ‘complete’ neighbourhoods including schools, parks, daycare facilities and other public services.

Through these prescriptions, planners openly tried to supersede spontaneous forms of urban development prevalent in Hanoi since the 1980s. To this end, they promoted the construction of good quality housing units, located in modern and ‘orderly’ environments and affordable to a large segment of the urban population. To ensure accessibility, public policies required that 30 to 50 per cent of new housing units built in KDTMs be accessible to a low-income population (*thu nhập thấp*).¹² In principle, the home buyers’ plan for low-income households was to be guaranteed by the municipality which was charged to regulate the selling price of the apartments and serviced plots during the project approval process.

As will be seen in the case of Trung Hoa-Nhanh Chinh, the KDTM model of

10 Hoang Thi Lich (1999) reports, for instance, that the price of land in the Hanoi region quadrupled between 1991 and 1992.

11 State-owned enterprises and other institutions under state authority nevertheless continued informally to use their land for purposes other than those originally planned and in particular for residential development. The lack of state control on these informal practices is criticised on a regular basis in the national press (e.g. Hai Bang, 2009; VNS, 2009a; VNS, 2009b).

12 In the Vietnamese context, this expression refers essentially to civil servants, military personnel and families of veterans receiving social assistance (*gia đình chính sách*). The low-income category therefore does not apply to the disadvantaged population living in rural areas, those who work in the informal or private sectors and illegal migrants.

urban development also attempted to renew the image of state-sponsored housing production by distancing itself from the flailing KTTs built in previous decades. The new form of housing production has nevertheless preserved the tradition of providing a supplement to civil servants' salaries through housing. Also in continuity with the KTT's social experiment, using the KDTM model, the Vietnamese state, planners and architects still seek to engineer a new city (and citizenry) through the physical and social structuring of space. Rather than promoting socialist values of collective life, the KDTM emphasises ideas of modernity (*hien dai*) and order (*trat tu*). These intentions underpin some of the legislation devised by Hanoi, promoting the construction of KDTM neighbourhoods devoid of vernacular housing types and traditional urban practices (functional mixing within residential buildings, extension of private and commercial activities on sidewalks, street vending, temporary markets).

The legal and institutional framework that enabled the implementation of new urban areas has evolved considerably between the announcement of the programme at the beginning of the 1990s and the construction of the first units at the end of that same decade. At the outset, the main constraint to the realisation of these urban extensions was financial: the post-war Vietnamese state simply did not possess the means to achieve its ambitions. The political scientist Laurent Pandolfi (2001) recounts how, in 1993–94, the People's Committee of Hanoi asked the Vietnamese Institute of Architecture and Planning (under the authority of the Ministry of Construction) to produce detailed plans for the new urban areas outlined in the master plan. During the same period, the municipality sought financial partners, particularly foreign investors, able to inject the capital necessary to realise these plans. Potential investors were expected to partner up with state companies operating in the construction industry. In this arrangement, the state's contribution was limited to provide low-cost developable land and finance the main facilities outside the perimeter of the projects.

In devising this scheme, state planning agencies did not foresee the gap between their urban development plans and the financial criteria of the foreign investors. While the state promoted the development of affordable housing areas in the southern part of the city, foreign investors wanted to develop tertiary activities (services, shops, luxury hotels) in the high-end residential areas either downtown or to the north of the city, on land less prone to floods and closer to Hanoi's international airport. Foreign investors also required land ownership guarantees that contradicted the Vietnamese legislation then in force. As a result, most of the foreign investors approached during the 1990s refused to invest in residential projects outlined in Hanoi's master plan. Only one foreign developer (Ciputra from Indonesia) implemented a residential project as a joint venture with a company belonging to the local state. The proposed gated community was geared towards the wealthy expat clientele and is testimony to the discrepancy between the expectations of foreign investors and the urban development ambitions of the Vietnamese planners during this period.

Pandolfi (2001) demonstrates convincingly how the absence of foreign capital in the development of new urban areas – aggravated by the 1997 Asian financial crisis – forced the Vietnamese state to rely on its internal strengths. In response, the state tried to use its own construction enterprises to make up for the foreign shortfall in realising the master plan for Hanoi. However, enticing these actors to carry out the residential expansion of Hanoi proved a challenge. The economic environment into which these state corporations then operated was characterised by the severing of state subsidies. The realisation of KDTMs required large investments which, in a period characterised by the explosion of informal residential production, offered thin hopes of short- and medium-term returns.

The nature of the negotiations that went on between the state and construction companies during this period remains unclear. The policies and legislative changes that resulted nevertheless allow us to formulate hypotheses. The first of these changes occurred in 1992 when a small group of construction companies was formally allowed to exchange developable land and to build commodity housing. The selected construction companies were able to acquire the use-rights for periurban agricultural land (earmarked for redevelopment in the master plan), to redevelop it and to sell serviced plots and built units to individuals according to state-stipulated price lists. These companies therefore found themselves in an oligopoly situation. For a few years, privileged power to commercialise land and housing units indeed gave these economic actors the upper-hand on the emerging formal real estate market. We can surmise that this small group of state-owned construction companies played an important role in transforming the legal and administrative framework that govern the emerging real estate markets and the implementation of new mechanisms in the production of periurban space in Vietnam. These companies appear to have convinced the central state to give them preferential access and exceptional powers over the key resource that would enable them to obtain satisfactory returns on investment in the medium term: land.

The state abandoned these preferential measures through the 1998 revision of the Land Law. Though short-lived, the state-backed monopoly in the construction sector left its mark on Hanoi's real estate sector. Up until 2005, the vast majority of new urban areas built in the Vietnamese capital were indeed funded and carried out by the group of former state-owned enterprises originally selected by the state at the beginning of the 1990s. By then, a few of these companies were still formally under the authority of a central state agency (Construction or National Defence), or the municipal administration, through the People's Committee of Hanoi (see Table 1). But the majority were already 'equitised'¹³ with the state remaining the primary shareholder.

13 This expression refers to the transformation of state-owned enterprises into joint-stock companies (*cong ty co phan*) in the post-*Doi moi* period.

Table 1 Main new urban areas completed in 2005

Name	Surface (hectares)	Investment (millions US \$)	Floor Space (sq. metres)	Estimated Population	Developer
1. Trung Yen	37.0	21.6	349,100	17,000	Company for investment, infrastructure and urban development
2. Trung Hoa-Nhanh Chinh	32.9	–	390,000	12,600	VINACONEX
3. Lang Quoc te Thang Long	10.2	–	858,000	–	Hanoi General Construction Company
4. Bac Linh Dam	24.0	19.2	138,190	5,800	Hanoi Urban Development (HUD)
5. Nam Linh Dam	35.0	-	96,041	6,800	Hanoi Urban Development (HUD)
6. Dinh Cong	35.0	22	297,500	16,528	Hanoi Urban Development (HUD)
7. Sai Dong	24	19.3	–	20,400	Hanoi Construction Company No. 3

Source: Hanoi Chief Architect's Office; Pandolfi (2001, 412)

The KDTM model occupies a central place in the Vietnamese National Housing Strategy for 2020 and in the Hanoi Housing Development Programme for 2010. This model of urban development is now widely applied on the outskirts of urban centres in Vietnam. According to the Ministry of Construction, at the end of 2005, 1,353 new urban areas were completed or under construction, taking up more than 11,500 hectares across the country. From 2001 to 2005, these projects produced more than 20 million square metres of residential space, which doubled the average liveable space available in Vietnamese cities. At the beginning of 2005, Hanoi alone boasted a total of 137 new urban areas, responsible for 2.1 million square metres of new dwelling space in the city (VNA, 2005; VNS, 2004). As shown in Table 2, this situation translates into a noticeable increase in the proportion of dwelling space produced by the state and its institutions to the detriment of housing space informally produced by households.

Part III: The case of Trung Hoa-Nhanh Chinh

The remaining part of this paper examines the planning process and realisation of a KDTM called Trung Hoa-Nhanh Chinh. This redevelopment project of 33 hectares was built in Hanoi's second ring of urbanisation, less than 10km southwest of the historic centre. As mentioned in the introduction, we chose to examine this particular

Table 2 Dwelling space produced in Hanoi between 1981 and 2008 by type of producer (in square metres)

	1981*	1985*	1991*	1995*	2000	2005	2008
State and institutions**	40,000 (89%)	145,000 (91%)	45,000 (31%)	75,000 (31%)	82,000 (30%)	716,000 (61%)	578,000 (44%)
Households	5,000 (11%)	15,000 (9%)	100,000 (69%)	165,000 (69%)	425,000 (69%)	635,000 (39%)	1,187,000 (56%)
Total	45,000	160,000	145,000	240,000	507,000 (100%)	1,351,000 (100%)	2,100,000 (100%)

* The data available for the period 1981 to 1995 is approximate. Data for this period groups together housing built by public national and municipal organisations and by construction companies who benefit from private or foreign capital.

** This category includes housing produced by the central and municipal state, state institutions that developed land allotted to them and state companies in joint venture with foreign investors.

Source: HSO (2009, 215) and Pandolfi (2001, 315)

project because, contrary to Ciputra, it is the outcome of a Vietnamese planning exercise and was funded and built by domestic companies, but also because it targets Vietnamese clientele. This case was further selected because it is presented locally as a flagship project of the new model of urban space production in Vietnam.

It is important to note that Trung Hoa-Nhanh Chinh is one example among an increasingly large variety of projects that vary in size, location, investment source and targeted clientele. As mentioned in the introduction, we recognise that the KDTM phenomenon is something of an experiment and is therefore subject to change through time. If this single-case study prevents us from making grand generalisations, it nevertheless expands the analysis of the KDTM phenomenon outside of the sphere of foreign-funded projects such as Ciputra. This allows us to illustrate how localised contingencies, practices and mentalities have played out in the production of an 'ordinary'¹⁴ KDTM at the dawn of the new millennium.

Integration in the surrounding socio-spatial environment

The new urban area called Trung Hoa-Nhanh Chinh was built between 2000 and 2005 on agricultural land declared developable in the 1998 revision of the master plan for Hanoi. The planned urbanisation of this land inherited many of the planning principles that underpinned the production of collective housing during the collectivist era: the project razed the pre-existing agricultural landscape (drainage network,

14 We borrow from Jennifer Robinson's (2004) notion of 'ordinary cities'.

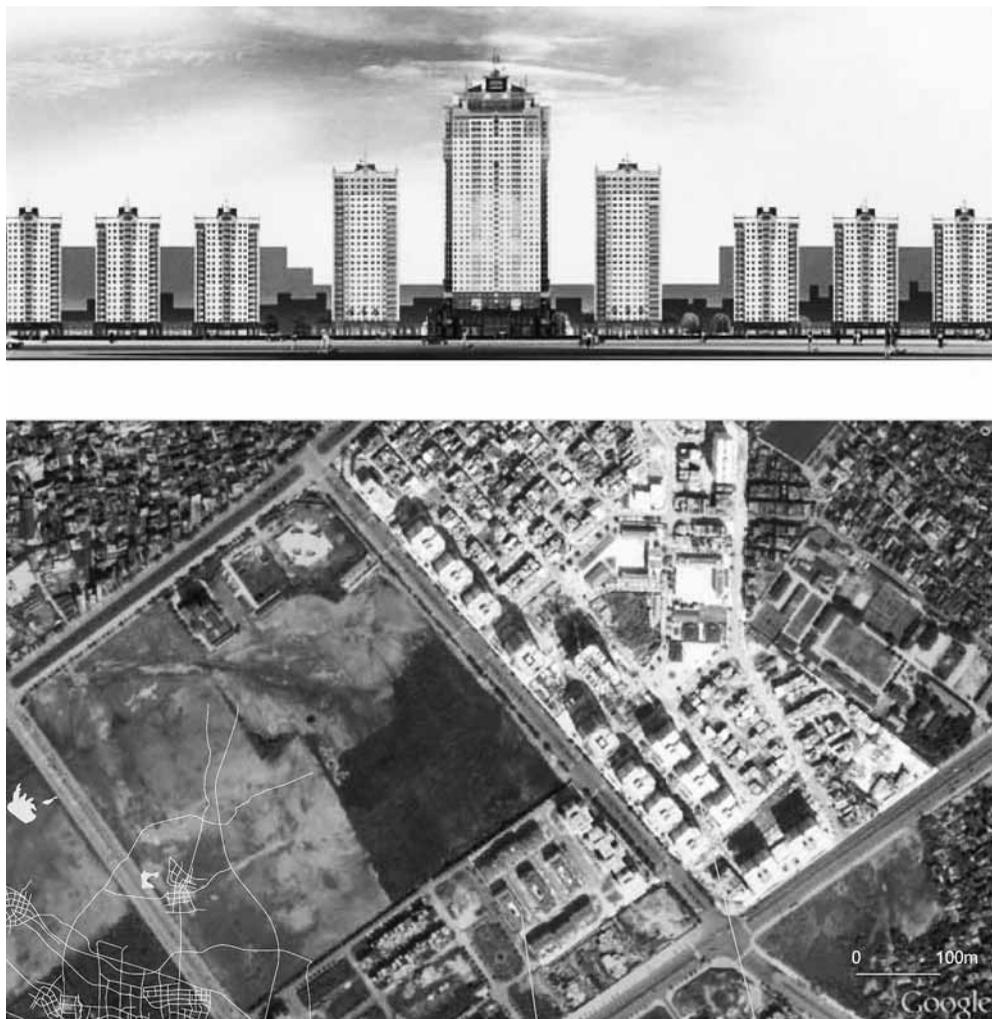


Figure 1 Street elevation and aerial view of Trung Hoa-Nhanh Chinh

Source: Cerise, 2009

sacred hills, cemeteries, etc.) and paid little attention to adjacent villages. Following the same set of principles, the transportation network structured the production of urban space. The layout of primary and secondary roads defined which sectors would undergo urbanisation. These ‘pieces of city’ were then allocated to individual developers who carried out their detailed planning independently of each other.

The outcome is a patchwork of urban interventions poorly integrated from a spatial and functional point of view, not only among each other but also with the surrounding environment. National facilities (stadium, national assembly), other

KDTMs, a student dormitory compound and a resettlement housing area border Trung Hoa-Nhanh Chinh. Each sector is connected by a network of lanes with rapidly moving traffic, certainly not appealing to pedestrians and often difficult to cross. This said, access to each zone is not physically controlled and residents can and do move around freely throughout the entire territory.

Trung Hoa-Nhanh Chinh's designers made no attempt to integrate this project with the existing environment or with the five villages directly adjacent to it. As a result, the organic road network of these pre-existing settlements is poorly connected to the planned infrastructure of the new area. The construction of the KDTM has also restructured local water drainage networks leading to regular flooding in village areas. The socio-economic issues posed to the adjacent population by the development were similarly overlooked by the lead designer of the project who admitted to having never visited them and to not knowing their names. The forced acquisition of agricultural land is responsible for under-employment problems in these villages; a problem that affected most severely the segment of the local population that depended on agricultural activities for its livelihood. The residents of Trung Hoa-Nhanh Chinh have little interaction with neighbouring villages. The only appealing aspect of these villages for the population of the KDTM is their traditional markets (non-existent in Trung Hoa-Nhanh Chinh) where they can buy fresh produce (for further discussion of social exchanges between KDTMs and villages see Boudreau and Labbé, forthcoming).

Use and urban form

Trung Hoa-Nhanh Chinh is a mixed-use neighbourhood; residential usages predominate but the area also includes commercial and office space. These business activities are mainly located on the ground floor of a row of high-rise towers (see Figure 1). Up until 2010, these were the tallest buildings in Hanoi and were widely used to brand it as a modern and developed city. This row of high-rise towers, along with the entire urban layout of the project, were designed by a renowned Vietnamese architect trained in Kiev during the Soviet period and later in London.

The high-rise buildings this architect designed boast modernist principles similar to those adopted at the time of the KTT, with the difference that the main objective was not to rationalise space, but to maximise profitability. As the lead designer puts it:

I managed to develop a layout where circulations are kept to a minimum. Ninety per cent of the floor surface is used for living space. The apartments are placed around a very compact service core [...] I got the idea for these buildings during my training in Ukraine. I also looked at a project of suspended apartments in Lausanne. These buildings are technology-based; they minimise living space and rationalise the rigid elements. (Interview, 27 June 2009)



Figure 2 Trung Hoa-Nhanh Chinh. On the left, an example of a villa; on the right, an example of row-houses.

Source: Labbé, 2009

Behind the towers is a system of secondary roads that form small blocks in the centre of the neighbourhood. This part of the project was developed and commercialised according to a different logic from that applied to the residential towers. Here, the developer built a layout of roads and provided serviced lots, leaving specific construction plans up to the owners. In contrast with the towers, the built fabric of this sector consists of the two most popular housing types among the Vietnamese since the economic opening: the colonial villa and a type of row-house referred to locally as *nha lien ke* or *nha chia lo*.¹⁵

The model of urban development promoted in KDTM projects, such as Trung Hoa-Nhanh Chinh, is referred to in Vietnam as ‘synchronised’ because the infrastructure, public services and built form are developed simultaneously. This approach distinguishes the new urban areas from the type of urban environments produced under

¹⁵ The housing type known as the ‘villa’ was introduced by the French during the colonial period. It is now a strong marker of upward social mobility. The *nha lien ke* or *nha chia lo* evolved from a vernacular housing type found in Hanoi’s old city (*khu pho co*). This housing type originally consisted of several buildings alternating with interior courtyards along an oblong lot. It has since evolved into a more vertical building but remains characterised by a narrow facade, a deep plot almost entirely built up and the absence of front and lateral setbacks.

the ‘State and People’ collaboration policy. KDTM projects are, in this sense, closer to the KTT model, which organised residential constructions around a functional core of public facilities. In the same way, the core area of Trung Hoa-Nhanh Chinh includes a shopping centre, a local school and a branch of the French hospital of Hanoi, as well as small neighbourhood parks and a large paved plaza.

Funding, infrastructure production and commercialisation

The real estate operation that allowed the realisation of Trung Hoa-Nhanh Chinh was funded and carried out by a company called Vinaconex¹⁶ through an institutional arrangement that has been referred to in the literature as ‘fiscal socialism’ (Kim, 2008). In this system, local, municipal and central authorities facilitate the acquisition of land use rights for areas to be redeveloped. Once converted to non-agricultural uses, tracts of lands are allocated to real estate developers at a low cost. In return, the developers commit to providing the urban infrastructures, public facilities and the street network within the zone they will redevelop. Once completed, these infrastructures are transferred to municipal companies responsible for running urban networks (road, water, drainage, telephone, etc.). The buyers of residential properties act as investors by putting down a large down payment before or during the early stages of the construction. In the case of Trung Hoa-Nhanh Chinh, Vinaconex (like many developers during the same period) demanded that its clients pay 5 per cent of the housing value at the signing of the contract and 95 per cent upon delivery. What actually happened went beyond this demand since close to 70 per cent of the units were paid off entirely before construction even began (interview, 27 June 2009).¹⁷

The housing units built in Trung Hoa-Nhanh Chinh immediately entered the rampant speculative market that has dominated Hanoi since the period of the ‘State and People’ policy. Following the municipality’s regulatory framework, the first selling price of housing in Trung Hoa-Nhanh Chinh was controlled to ensure accessibility without forfeiting construction costs of the spacious apartments geared towards Hanoi’s middle class. After negotiations with Vinaconex, the municipality agreed to set this state-controlled price at 32,000 USD for a 100 square metres residential unit. This was double the price of apartments offered by other housing developments built during the same period.

16 *Tong Cong ty Co Phan Xuat Nhap Khau & Xay Dung Viet Nam* or Vietnam General Import-Export and Construction Company. This state-owned enterprise was originally under the authority of the Ministry of Construction; today it is a joint-stock company. Vinaconex gained wealth through import-export at the end of the collectivist period and has since diversified its activities. It is now active in real estate, construction, manufacturing of construction materials, urban planning and architectural design services, foreign workers service, investment, as well as finance, commerce and services.

17 At the beginning of the year 2000, when Trung Hoa-Nhanh Chinh was commercialised, the Vietnamese banking system did not offer mortgage loans to individuals.

A large proportion of first buyers in Trung Hoa-Nhanh Chinh (who could thus benefit from this controlled price) were individuals who had a privileged relationship with Vinaconex, the Ministry of Construction and the municipality of Hanoi, the three main enterprises/institutions involved in the project. Many of the remaining apartments were purchased by civil servants who accumulated wealth through real estate activities during the ‘State and People’ housing policy. According to the government policy on low-income housing discussed earlier, 30 per cent of the available housing units were sold to purportedly low-income households who were nevertheless able to buy them in one or two installments over less than a year.

In most cases, the first buyers quickly resold the unit or land obtained at state-controlled price. A good number of units actually changed hands a few times by the end of their construction. Whereas the first acquisition of properties was subject to targeted allocation and state-stipulated price, resale was subject only to private market forces. In Hanoi, the demand for housing, which has historically surpassed supply, encouraged real estate speculation and a sharp rise in prices (see Labbé and Musil, forthcoming). The value of apartment and serviced plots – built or not – doubled or even tripled every time they changed hands. The price of housing in Trung Hoa-Nhanh Chinh thus increased tenfold in five years. These apartments are now completely inaccessible to the underprivileged population of Hanoi.

Conclusion

This paper examined the development of new urban areas in Vietnam. We proposed an alternative view on the urban fragmentation process associated with these new urban environments by placing their emergence in the longer perspective of housing production policies in Hanoi. Our analysis supports the observation that KDTMs are zones of exclusion that bring a loss of identity for certain people and a new set of consumption practices for others. As such, our objective with this paper was not to deny the numerous problems engendered by the KDTM model of urban development, but rather to add nuance to the terms used to discuss the relationship between their emergence and urban fragmentation in Hanoi. We argued that the mere focus on foreign capital, the imposition of exogenous urban built forms and globally oriented consumption patterns is insufficient to understand the causes of KDTM’s adverse impacts on metropolitan formation processes in Vietnam. A more situated analysis is needed to complement this approach, one that gives a larger role to the specific – yet rapidly changing – context within which this model of urban development was formulated and has evolved over the last two decades.

The genealogy of the KDTMs reveals that this new model of urban development is not a radical break from the past. Rather, it appears in many important respects to be an extension of planning ideologies and practices from the socialist era. Such conti-

nity is most visible in the reliance on modernist planning practices and principles that seek to reinvent the city (and its users) by eradicating – or at least marginalising – existing social spaces and forms (i.e. periurban villages, spontaneous residential areas, vernacular built forms, traditional urban practices, etc.). Given their training, the continued adherence to modernist principles by Vietnamese planners and architects underpins the morphological discontinuities of KDTMs with the rest of the city. The role of these principles, inherited from the socialist era, is as important as the imposition of foreign models to Vietnam or buyers' desire for social distinction.

An historical approach also reveals that KDTMs emerged as a result of the renewed presence of the state in – rather than its retreat from – urban space production. During the early 1990s, the state and its construction enterprises, rather than foreign capital, formulated the KDTM model of urban development and shaped the institutional environment that allowed its materialisation. This is demonstrated in master planning exercises, in the revision of the regulatory framework governing periurban land redevelopment and commercialisation, and in official discourse promoting KDTMs as a cure for the purportedly 'inappropriate' urban space production practices of the first decades of reform.

Continuities between the KDTMs and KTTs should not blind us from the differing motives, meanings and outcomes of state interventions in each of these urban development experiments. As suggested in our analysis of Trung Hoa-Nhanh Chinh, important shifts in the nature and purpose of the state's re-engagement in urban space production occurred during the post-*Doi moi* period. Most salient is the gearing of the state's interventions towards profit generation rather than towards the direct provision of housing to its employees. For reasons that need to be further researched, the real estate market in Vietnam is characterised by weak regulatory enforcement, by lax and corrupt institutions for overseeing housing production and distribution, and by banking system inadequacies which limit poorer populations' access to housing in KDTMs. The regulatory environment that results from this selective engagement of the state facilitates the 'capture' of the rent associated with the redevelopment of periurban areas by certain social groups, including the privileged segment of the urban population that has connections to state planning authorities and other institutions involved in the realisation of KDTMs. The state's inability – or unwillingness – to enforce structural controls on the real estate market takes place at the expense of the collective. This failing is probably the most powerful secession mechanism of the new urban areas in Hanoi.

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