Housing and Urban Development Policies in Vietnam*

PHAM VAN TRINH and RENÉ PARENTEAU
Institute of Town Planning, University of Montréal, Canada

THE SPECIAL CAUSES

Special conditions have a part in explaining the problems which Vietnam is experiencing at present in the matter of housing, and more particularly in urban housing. Among them must be considered the consequences of the French and American wars, but also the economic isolation of Vietnam up to the present and the extremely low national productivity and per capita income (approximately US$200 per annum). The natural catastrophes which occur every year must also be considered (tropical storms, floods), causing large losses of existing housing and of materials. However, Vietnam’s analysis of its housing difficulties turns chiefly on its population growth, its urbanisation and the concentration of the urban population in the largest cities.

OVER-RAPID POPULATION GROWTH

Vietnam clearly identifies the over-rapid growth of its population as the cause of its housing shortage. This growth could be of the order of 2.3% per annum. Vietnam ranks among the most highly populated countries in the world, with an estimated population of 66 million inhabitants in 1991. Since 1936 the demographic growth of the country has accelerated, despite the wars it has experienced. From 1926 to 1936, the annual population growth was 1%; but between 1936 and 1984, it was 3.7% per annum. Forecasts were drawn up in 1985 to estimate the population growth between then and the year 2010 (Table 1). These forecasts are based principally on the number of children being born to couples of child bearing age (Table 2). Vietnam has based its policy of slowing population growth through birth control on these findings.

DEMOGRAPHIC GROWTH AND NATIONAL ECONOMY

It has been found that there is a direct relationship between population growth and national wealth. In the developed industrial countries, the birth rate is less than 2% and the GNP is US$2000–4000 per annum per head.

*This paper was written with close reference to the following documents: Pham Van Trinh, Population et Logement au Vietnam, Editions Construction, Hanoi 1987; Comité Populaire de Hanoi, Réglementation sur la Coopération entre l’Etat et le Peuple pour Construire, Rénover, Réparer les Immeubles d’Habitation à Hanoi, Hanoi, June 1985; Ministère de la Construction, Statute of the Vietnam Urban Development Company, Hanoi, 1991. In addition, this paper uses information provided by Mme To Minh (Institute of Rural and Town Planning, Hanoi) in an interview at Hanoi with René Parenteau and during meetings in Montréal in November 1991 between Vietnamese and Canadian research workers on the subject of housing in Vietnam.
Table 1. Forecasts of the population of Vietnam up to the year 2010 (million inhabitants)

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum</th>
<th>Forecast I</th>
<th>Forecast II</th>
<th>Forecast III</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>60.2</td>
<td>60.2</td>
<td>60.2</td>
<td>60.2</td>
<td>60.2</td>
</tr>
<tr>
<td>1990</td>
<td>65.3</td>
<td>66.7</td>
<td>66.1</td>
<td>67.2</td>
<td>68.0</td>
</tr>
<tr>
<td>1995</td>
<td>69.3</td>
<td>72.5</td>
<td>73.4</td>
<td>74.7</td>
<td>77.5</td>
</tr>
<tr>
<td>2000</td>
<td>73.7</td>
<td>76.4</td>
<td>78.8</td>
<td>81.4</td>
<td>88.2</td>
</tr>
<tr>
<td>2005</td>
<td>78.1</td>
<td>80.8</td>
<td>83.1</td>
<td>87.3</td>
<td>99.4</td>
</tr>
<tr>
<td>2010</td>
<td>81.5</td>
<td>84.4</td>
<td>86.2</td>
<td>92.5</td>
<td>110.8</td>
</tr>
</tbody>
</table>

Table 2. Number of children anticipated per couple

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum</th>
<th>Forecast I</th>
<th>Forecast II</th>
<th>Forecast III</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>4.6</td>
<td>4.6</td>
<td>4.6</td>
<td>4.8</td>
<td>4.8</td>
</tr>
<tr>
<td>1990</td>
<td>2.3</td>
<td>3.5</td>
<td>3.8</td>
<td>4.1</td>
<td>4.8</td>
</tr>
<tr>
<td>1995</td>
<td>2</td>
<td>2.3</td>
<td>3</td>
<td>3.5</td>
<td>4.8</td>
</tr>
<tr>
<td>2000</td>
<td>2</td>
<td>2</td>
<td>2.3</td>
<td>2.9</td>
<td>4.8</td>
</tr>
<tr>
<td>2005</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2.1</td>
<td>4.8</td>
</tr>
<tr>
<td>2010</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>4.8</td>
</tr>
</tbody>
</table>

The relationship established between the birth rate and the national wealth involves a comparison between the way of life of the rural and the urban populations. This shows that urbanisation has caused a falling birth rate: for instance, in 1968 the birth rate for the whole of North Vietnam was 3.35%; but it is distinctly lower in the towns and higher in the rural districts (Hanoi 2.74%; Hai Phong 2.98%; Hai Hung 3.31%; Vinh Phu 3.85%; Cao Bang 4.63%). It can readily be concluded that the standard of living provided in the town, particularly with reference to housing, is a factor which slows down population growth.

A YOUNG POPULATION

The rapid population growth in recent years is due to the higher birth rate. The result of this type of growth has a direct effect on the present age structure of the Vietnamese population. In 1985, juveniles under 16 years made up approximately 41% of the entire population. The presence of this big contingent of young people explains a part of the present housing problems — *inter alia* the overcrowding of existing accommodation. It implies still greater problems in the immediate future, bound up with the cohabitation of several generations in the same dwelling if young couples cannot get accommodation. The nature of these problems is already clearly evident in the big cities: an urban dwelling originally intended for one family must now accommodate several families, there are not enough kitchens, toilets, storage spaces — people even live in galleries, on balconies, in corridors or passages.

THE STRUCTURE OF HOUSEHOLDS

A quick look at the composition of households makes it possible to anticipate the extent of the problems to come. At present, households composed of two generations (parents and children) represent 86% of all households — those composed of more than two generations only 14%. A survey made in Hanoi has shown that cohabitation of several generations could be a more significant phenomenon in the cities. In Hanoi, the households breakdown as follows by the number of generations they contain:
one and two generations: 80.00%
three generations: 18.46%
four generations: 1.54%.

Also to the survey carried out in Hanoi, the average number of persons living in one dwelling is 4.9 persons in the new residential districts: the deviation is 4.5-6.9 persons.

Overcrowding in dwellings and the cohabitation of several generations will increase, according to the estimate that almost 33% of households consist of parents and adult children old enough to establish their own families.

The number of households of three generations can only fall if these types of households can be broken up by producing new accommodation and, in this way, meeting the demand. Otherwise, interventions in the structure of the existing housing would be needed to avoid friction due to cohabitation, and to maintain the quality and quantity of the service spaces.

RAPID URBANISATION AND CONCENTRATION IN THE BIG CITIES

Until the 1930s, the urban population was only 7.5% of the total population of Vietnam. However, from the revolution of August 1945 onwards, and especially after the liberation of North Vietnam (1954), the towns began to expand more rapidly. In 1979, the urban population represented 19.2% of the national population. The present tendency is to rapid urbanisation, explained by the end of state intervention to disperse the national population over the entire territory. The prime role in the national economy is now given to industry, and not agriculture, and to the liberalisation of markets and vested interests.

According to forecasts, the urban population of Vietnam was 13 million in 1990; in 1995 it will be 15.5 million and 18 million in the year 2000. These figures foretell a very rapid urbanisation and a significant migration toward the towns. Since the growth of very large cities is now encouraged to make them into major economic centres and privileged places to welcome foreign capital, urbanisation will bring about a concentration in the big cities. The big cities are already densely populated (Ho Chi Minh City: 1666 habitants/sq. km; Hanoi: 1294 habitants/sq. km). The concentration of the population in the big cities will increase the pressure on the existing housing stock and will cause the further deterioration of this stock due to over-intensive use.

THE URBAN HOUSING STOCK

The habitable space and standard of urban housing is considered inadequate to meet the anticipated growth; the national average of habitable space per person is less than 4.2 sq. m. The anticipated growth coupled with a housing shortage is going to create a general state of overcrowding which will result in a lowering of the quality of life and a deterioration of the existing housing stock. Today the urban housing stock numbers 58.1 million sq. m of usable space — 47.6 million sq. m of habitable space, with the average coefficient of utilisation in the country, k = 0.82 (Table 3).

Characteristics of the housing stock

Ownership. Apart from state-owned housing, a fairly high proportion of urban housing is owned privately or by religious communities (up to 50% of the total). In the cities of the South, this proportion is higher, as in Ho Chi Minh City (67%) and Da Nang (81%). In the small towns, where the majority of dwellings
Table 3

<table>
<thead>
<tr>
<th>Big cities</th>
<th>Average area per person fit for living in (sq. m):</th>
<th>Mean coefficient of utilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Including temporary accommodation and that which is to be demolished</td>
<td>Not including temporary accommodation and that which is to be demolished</td>
</tr>
<tr>
<td>1. Hanoi</td>
<td>4.7</td>
<td>3.7</td>
</tr>
<tr>
<td>2. Ho Chi Minh City</td>
<td>4.9</td>
<td>4.0</td>
</tr>
<tr>
<td>3. Hai Phong</td>
<td>3.3</td>
<td>3.2</td>
</tr>
<tr>
<td>4. Da Nang</td>
<td>5.8</td>
<td>5.7</td>
</tr>
<tr>
<td>5. Can Tho</td>
<td>5.2</td>
<td>5.1</td>
</tr>
<tr>
<td>6. Nha Trang</td>
<td>4.8</td>
<td>4.7</td>
</tr>
</tbody>
</table>

are built by the householders, this proportion is higher. For instance, in Vinh private and church property comprises 76%, in Vinh Yen 70% and in Thai Binh 95%.

Architecture and construction. Recently, residential buildings of several storeys have begun to appear, especially in Hanoi. But traditional methods are still more commonly used in construction. Up to the present, the number of multi-storey residential buildings has been limited: single-storey buildings make up 75% of the total built-up residential area. If two-storey buildings are added, the total comes to 90%. The average number of storeys of the stock of residential buildings is 1.48 (Hanoi: 1.86; Ho Chi Minh City: 1.9).

Quality. Semi-permanent and temporary premises represent 85% of the national housing stock (Hanoi: 70%; Ho Chi Minh City: 75%). Premises in good condition make up less than half of the stock (approximately 40%). Those requiring repairs and renovation are more than half (56%), adding temporary buildings would give 70%.

The standard of amenities is generally below the minimum. At present, only 50% of dwellings have running water. Of these, 20% are individually and directly connected to the water mains; the rest (80%) share public taps in the buildings.

Lavatories are almost non-existent in the cities: in Hanoi there is an average of one for every 30 persons; and in the working class districts there is only one for more than 150 persons. In Ho Chi Minh City, 16,000 houses are built over drains and have no septic tanks (96,000 habitants). The existing toilets are essentially rudimentary (Hanoi: 33%).

The situation of below-minimum standards does not only apply to the accommodation, but also to the urban technical services.

The quality of cultural and social establishments connected with housing, such as schools and hospitals, is not remarkable and the quantity is inadequate considering the urgent need.

Inequitable distribution. The best and biggest accommodation was built by the state and allocated by it to those households of which a member could claim rights on account of services rendered. This system of allocation has created inequitable conditions which are now being exposed. In Hanoi, for example, the average inhabitable space is 3.9 sq. m per person; 39% of households have a living space of 2 sq. m per person.

This inequitable distribution is more serious in Ho Chi Minh City. Despite the fact that the average inhabitable space in the whole city is 7.2 sq. m per person (including temporary and very damaged housing), households which have a living space of 7.8 sq. m per person number only 6%. Households in comfortable accommodation (12 sq. m per person) number 19%, whereas
households having only 3 sq. m per person number 18% and 11% have less than 1 sq. m per person.

THE OBJECTIVES: SLOWING DOWN POPULATION GROWTH

The over-rapid population growth is connected with a number of difficulties in the country, especially in the sectors of food supply, housing and transport. The problem of curbing the rate of the population growth has therefore become a plank of national policy.

In all the provinces, towns and special zones, the introduction of the national population policy involves several concrete measures. In several localities the growth rate has been brought down to below 2%; the number of women who give birth to a third child has fallen from 50% to 30%. The efforts to reduce the growth rate from 1.74% in 1990 to 1.26% in 2000 envisage a significant slowdown (Table 4).

<table>
<thead>
<tr>
<th>Year</th>
<th>1990</th>
<th>1995</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (in million inhabitants)</td>
<td>66.09</td>
<td>73.4</td>
<td>78.8</td>
</tr>
<tr>
<td>National growth rate</td>
<td>1.74</td>
<td>1.51</td>
<td>1.26</td>
</tr>
</tbody>
</table>

NEW REGULATIONS FOR DISTRIBUTING THE NATIONAL POPULATION OVER THE COUNTRY

Urbanisation and the growth of cities are now considered beneficial for national development. Vietnam wants, however, to direct the urban growth and to spread it over a system of secondary cities and, in particular, over 'agro-towns', the economic function of which is to bring together agricultural production and small-scale industry. This strategy aims at conserving the agricultural land, protecting nature and the environment, and spreading population and manpower over the whole land. Some principles have been set forth:

- concentration of the population in relatively large centres capable of meeting production requirements and the need to improve the living conditions of the population;
- development of centres of different sizes and functions;
- creation of optimum conditions for connecting the centres and the work places with one another and with the urban centres by developing the means of communication.

A SIGNIFICANT INCREASE IN AVERAGE LIVING SPACE

Counting on the efforts of the national government, the cooperation of the community of socialist countries and international organisation for aid, the aim for the year 2000 is to achieve 6 sq. m of living space per person in an urban environment and for every family to have their own home.

The particular requirements of each member of a household are also identified and precise parameters are proposed to produce different types of accommodation according to the principle of the number of persons per room (n = number of persons, P = number of rooms);

\[ P = n - 1; P = n; P = n + 1. \]
The following coefficient of occupation is also defined:

$$K = \frac{\text{utilisable area}}{\text{area of floor}}$$

with an acceptable fluctuation between 0.85 and 0.65.

Finally, detailed aims in terms of production are laid down and the task is divided between different types of agencies. In order to achieve the aim of an average living space of 6 sq. m per person by the year 2000, the estimated space requirements (to be built and to be renovated) are, in 5 year periods, given in Table 5. The endeavours are divided between the big cities, the big industrial zones, the big employers, the state farms and forests on the one hand, and the participation of the people on the other.

<table>
<thead>
<tr>
<th>Table 5. Living space: target figures (millions sq. m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total of built space:</td>
</tr>
<tr>
<td>to be built</td>
</tr>
<tr>
<td>to be renovated</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

The plan for the realisation of these aims provides moreover for tight control, for the first period, of the tempo of production, envisaging a 'perfect equilibrium' between the number of houses to be pulled down and the number of houses to be built or renovated.

CRITERIA FOR HOUSEBUILDING WITH REGARD TO HOUSEHOLD NEEDS, WITH SPECIAL REFERENCE TO COMPLEMENTARY ECONOMIC ACTIVITIES

The development of complementary activities in families is considered useful for the family and the country. Complementary activities of urban families are essentially in the sector of cottage industry and local handicraft, production of consumer goods and export goods. This development was the object of a special programme proposed at the 6th Congress of the Vietnamese Communist Party in 1986.

THE INTERVENTION OF THE STATE TO DATE

After the liberation of South Vietnam and the reunification of the country, the 4th Congress of the Vietnamese Communist Party clearly stated that:

housing is the greatest problem in the life of workers and in the life of those who live in cities and zones devastated by the war. To build homes is to realise an important aim for improving the material and spiritual life of the people, it is the primary task of the Party and the State, and the first aim of the economic development plan. (Policy Report of the 4th Party Conference.)

The housing problem of the people is defined in the Constitution of the Socialist Republic of Vietnam, promulgated on 18 December 1980, in Article 62:

The citizen is entitled to housing. The State provides the framework for housebuilding; at the same time it stimulates and helps the communities and citizens to build houses conforming to the master plan, the aim being the
gradual realisation of this entitlement. The distribution of living space in the housing management by the State must be just and rational.

THE NEW BUILDING OPERATION

From 1960 to 1984, the state budget had assigned a large share of its special investment capital for construction work to housing. Even in the period 1960–1975, although the country was immersed in war and divided into two parts, more than 5% of the investment capital for the construction sector was invested in the construction of housing in the North.

In the plan for 1981–1985, the state reserved 4416 billion dong for the construction of 2097 million sq. m of living space for housing. The participation of the central government alone was 1796 billion dong for 1,009,354 sq. m of housing. The city of Hanoi was able to build more than 400,000 sq. m of living space.

This inhabitable floor space built by the State and the cities was, for the most part, in the big cities and in industrial zones like Hanoi, Haiphong, Nam Dinh, Viet '1r, Vinh, but in the minor urban and country centres, the majority of new dwellings were built by the people themselves.

RENOVATION

For the 1976–1980 Five Year Plan, 2.3 million sq. m were restored, concentrated especially in the regions of the big cities; in the following four years (1981–1984) approximately 6 million sq. m were restored, 4 million sq. m of which were for the three cities of Hanoi, Ho Chi Minh City and Haiphong.

SPECIAL PROBLEMS OF THE TWO BIG CITIES AND OF A REGION

Hanoi

The great urban centre of Hanoi now has nearly 3 million inhabitants. Until the present, its population has grown at a steady pace. But its role as national administrative capital and its international political position call for still greater growth.

This expansion will have to take an important historical residential heritage into account (the district of the ‘36 Streets’ and the French colonial quarter). The city has expanded by incorporating old agricultural villages with a significant residential heritage. The ongoing building activity which has incorporated these rural centres consists of temporary constructions and large-scale public projects (large, new residential areas). The temporary dwellings will have to be replaced and also these large new residential areas must be opened up with the help of a new urban network of roads more suitable for the development of commercial activities. Another priority is the protection of the heritage of old quarters, both in order to foster the development of tourist activities and to protect the accommodation of the poor population in the centre.

Ho Chi Minh City

In the 20 years between 1954 and 1974, the population of the city has doubled, due partly to the influx of half a million people (from the expeditionary armed forces) from abroad. The development of the city took place in a disorderly
fashion, with the introduction of alien residential models. After the city was liberated (1975), these foreign armies were withdrawn and a large number of persons from the old regime went with them; hence the population significantly decreased (1974–1983).

However, since 1984 the population has once again begun to increase, due to a high birth rate, the exodus of inhabitants from other regions and the return of expatriate people to Vietnam: at present the city has approximately 5 million inhabitants.

The average living space per inhabitant has begun to decrease with the rapid deterioration of the accommodation. At least 1.2 million sq. m of shanty towns have to be demolished. More than 40% of the houses in the inner urban zone of the city need urgent renovation and repair. The urgency of the situation is particularly well illustrated by the 96,000 people who inhabit houses built on piles above irrigation ditches, in deplorable conditions of hygiene.

MEKONG DELTA

Some 12 million people live in the Mekong Delta, being 20% of the total population of the country, with a density of 300 persons/ha. Approximately 2 million people live in large urban centres. There are 2 million houses, 95% of which are thatched cottages. During the war against the USA, two-thirds of the houses were destroyed. After the liberation, much was rebuilt; there was also a great deal of renovation. There remains a built-up area of 1.4 million sq. m to be rebuilt for 60,000 houses which must be replaced.

This region is the granary of Vietnam: it produces 7 million tons of rice and could produce up to 15 million tons. This is where the greatest outlay on construction of the agro-cities is needed. This region is lacking in building materials, and is subject to particular climatic conditions, which make the production of housing difficult.

THE PLAN FOR CONSTRUCTION AND COOPERATION BETWEEN THE STATE AND THE PEOPLE

Since 1985, the Vietnamese Government has formulated a plan for the reconstruction of the housing stock. This plan is in keeping with a new housing policy of which not all the factors have yet been worked out. This policy establishes the withdrawal of the previous housing policy which made the state the only major intervening party in housing matters. The new policy recognises the role of the cities and the regions, the role of industry, the role of the people and of private investment. It implies that the state will give up its stock of public housing (sale to occupants and transfer to the private sector); it also implies that the state will only intervene in the production and renovation of housing to the extent to which the people will participate. The programme following from this policy comprises substantial objectives and a strategy of implementation.

Essentially, the state reserves for itself a strategic role which will lead it to redefine the regulations for construction and layout of the built-up urban networks. It now falls to the state to decree a genuine code of construction applicable to new building and also to renovation work. This code will take account of the environment in which the work will be carried out. There will, for instance, be special rules for building in existing districts and inner city wards. The plan also lays down that all construction work be carried out in observance of town planning and sector development planning, with the cities and districts responsible for drawing up the plans. This approach defines town planning as a
field reserved for the State, which delegates its powers to the cities, provinces, and the urban and rural districts.

In addition to the building and town planning code, the state also lays claim to a role of cultural influence in the building sector. It intends thereby to protect the existing residential heritage but, above all, to preserve and promote a national identity, taking into account regional particularities (including methods of construction). For the moment, this role is chiefly carried out by studies and competitions, resulting in the production of standard plans for the construction of residential buildings.

By way of tactics, for a period considered transitional, the state acknowledges the role played by temporary accommodation in helping to resolve the housing crisis. The government plans to resolve the housing crisis by distributing its intervention according to its means. A distinction is made between temporary and permanent construction, the two going at the same pace to solve the housing crisis quickly. The state will concentrate on permanent constructions which will include *inter alia* infrastructures and collective equipment.

To date, the production of housing by the state has been inspired by Modernist ideas: production of large residential blocks with street patterns isolated from and independent of the axes of the urban road network. This type of construction is probably well suited to mass production exclusively for residential purposes.

To build together with the people now means not only to respect their means, but also to introduce secondary functions into the residential functions, such as shops and cottage industries. The introduction of these functions, especially of the commercial function, requires open and direct access to a street. Hence the government has adopted the principle of building along streets. The plots on the main streets will be reserved for the production of permanent buildings. On the side streets, the construction of temporary buildings, quickly erected and meeting the most urgent housing needs, will be accepted during a transitory period.

The government also recognises that new construction cannot quickly meet the great needs in the housing sector. Concentration of all the effort on the production of new housing would result in the deterioration and dereliction of the old. The government now proposes firmly to harmonise new construction with renovation of old housing.

In fact, renovation to improve the quality of housing is the most urgent and the most economical measure to resolve the housing problems of the population. A number of experimental projects carried out in Vietnam have shown that renovation costs only about 40–60% of the cost of new construction; the capital to be invested could represent only 50% of that required for new construction. Renovation work is also much quicker.

On the strategic plan, the state adopts the principle of decentralisation towards the provinces, cities and districts, making them responsible for implementing this policy. The state essentially reserves for itself a role of coordinating the efforts of the local authorities and the people. The actual putting into practice of this policy is entrusted to the people's committees and existing agencies in the cities, provinces and districts. These agencies, either already in existence or newly created, will have to mobilise the efforts of the people and coordinate them. They will also have to provide the logistic framework for new production and renovation.

In the implementation of this policy, the state recognises the inequality of the means of the people. It recognises, above all else, the existence of classes or social categories which are more qualified economically to associate themselves with the state to resolve the housing crisis. These social categories, identified by their means, are also more qualified by their natural disposition: first a readiness
to become integrated in a complex process; and then a readiness to interpret the new requirements of an economy on the way to becoming a market economy.

In this way, the state recognises that the people have money which has to be mobilised by liberalising conditions. The capital of the people comprises the capital of each person, the accumulated capital and interest of public establishments, businesses and cooperatives.

It also recognises as a fact the private ownership of housing (it is of the order of 50% of the stock). It accepts that this proportion could be very appreciably increased as an effect of the new policy. In anticipation of the problems connected with the maintenance of the new construction work and the renovation of the old stock, the state decided straightforwardly on private ownership as the strategic factor which can ensure the upkeep of the quality of the stock.

This series of strategic choices completely redefines the role of the state as concerns production. It now remains for the state to invest in town planning schemes, in the construction of infrastructures, in the management and sale of the essential materials (cement, steel, etc.) and to establish mechanisms to engage the people to cooperate with the state to realise this plan.

To bring about this system of cooperation between the state and the people requires concrete policies and regulations directed, in the first instance, to guaranteeing the rights of private ownership of dwellings and to stimulating the population to save in order to contribute to the construction work. In order to value the property, a legal framework has to be given to the formalities of acquisition and transfer. The rights of purchase and sale have to be promulgated and this must include the rights of transfer of ownership by inheritance.

Finally, the state identifies the need to train technical and professional staff/personnel who will now act outside the rigid and inflexible framework of a state system of production. The new professionals of the construction sector will now work directly with the builders and will be able to innovate as to techniques and means. Their training is one of the chief means of making sure that the appropriate construction standards are respected.

THE PROCEDURES FOR COOPERATION BETWEEN THE STATE AND THE PEOPLE

The special terms and conditions of cooperation between the state and the people for construction and renovation are to be established within the general framework of this policy, but defined by the local authorities (provinces, cities and districts). In this paper, reference is made only to the terms and conditions defined by the People's Committee of the City of Hanoi for interventions in the inner-city districts.

GENERAL PRINCIPLES

To begin with, it is established that the construction and renovation of housing, in accordance with the principle of cooperation between the state and the people of Hanoi, must strictly respect the principles and regulations of town planning. They must, moreover, respect the general regulations relating to the attribution of building plots and the special regulations relating to construction.

The authorities of Hanoi have insisted on stating precisely that the new policy of cooperation between state and people differs from the present policy of distribution of subsidised housing. Strictly speaking, the policy of subsidised housing is not being rescinded. The precise statement is meant to indicate that
the state will now act according to two different policies and that the clientèle of these two policies will be different and distinct from one another.

THE ROLE OF THE CITY AND OF ITS ADMINISTRATIVE SERVICES

The city undertakes to initiate annual inventories of funds, materials and resources to aid the people in building houses, and to apportion them by districts. These funds, materials and resources will be essentially reserved for the setting up of operations, the preparation of plots for building and infrastructure envisaged for the residential areas built or renovated where the population participates in the construction programmes.

Based on the general plan, on long-term plans and on the annual plans established by the People’s Committee, the Construction Committee of the city identifies the sites for which construction will be authorised. It establishes the plans for the area which must contain *inter alia* precise regulations relating to the height of the buildings and the permitted number of storeys, taking into account the urban grid and distinguishing between primary and secondary axes.

The people’s committees of the inner-city districts and those of the rural districts comprising the old villages included in the inner-city districts are identified as intermediate administrative levels between the organisation and the application of the building plans established by the People’s Committee and the Construction Committee.

The departments and services within the administration of the city have the responsibility of preparing the framework for the application of the plan, in accordance with their sphere of competence, and to submit them to the authorities of the city for promulgation.

THE TARGET POPULATION

The texts of the City of Hanoi clearly define the persons who can take part in this programme of cooperation between the state and the people. They furthermore give precise conditions which these persons have to meet to qualify.

The programme is firstly meant for the cadres of the Party and the civil servants, the commissioned and non-commissioned officers and soldiers of the People’s Army (including retired persons of this corps), the members of cooperatives and the workforce. The Vietnamese living abroad, salaried staff and students residing temporarily abroad also have the right to participate in this programme; their contribution must be made in foreign currency. They can participate in the programme by building or renovating homes for members of their family or for their friends who live in districts designated for such projects. They can also build or renovate for themselves within the framework of projects which must be carried out in districts where they lived before going abroad.

To take part in the programme, persons of the designated categories must still meet certain conditions:

- they must be entered in the permanent lists of the registry office of the districts and areas which are the objects of projects within the scope of this programme;
- they must not have already been allotted housing belonging to the state nor be house owners; hence they must either live in the house of a relative or rent private accommodation;
- despite the preceding condition, persons of the designated categories may nevertheless take part in the programme, if the accommodation which they inhabit has an average living space per person which is below the average
living space established for each category of accommodation allowed in this programme; they can also claim special needs in the matter of amenities in order to qualify, if these persons belong to the category of administration and army cadres;

- finally, they must show that they have the financial capacity to contribute voluntarily and in adequate manner to the financing of each type of project.

The persons taking part in the programme are classified by categories corresponding to positions in the apparatus of the party or the state and according to services rendered to the state.

The persons qualified to take part in the programme of cooperation between the state and the people for the construction and renovation of housing, undertake to meet the following obligations:

- to remit in full, and at the due times fixed by contract, the amounts corresponding to their financial participation to build or renovate their dwelling;
- strictly to respect the laws and regulations in force regarding the rights of ownership, inheritance and transfer of part of their dwelling; and the regulations concerning the utilisation of the site designated for construction and the town planning regulations;
- to carry out fully the undertakings they entered into relating to the works of preparing the site, the drawing up of plans, the execution of works, the preparation of materials. These undertakings are detailed in the contracts signed by the people’s committees of the districts and the supervisors.

It is permissible that persons taking part in the programme make a contribution other than financial to the works. This contribution may be in material, in equipment, or in time. In this case, all the means, materials and resources brought along by the participants must be entered clearly in the contracts and converted into monetary value in accordance with current prices.

If the persons taking part in the programme do not adhere to their obligations, they can lose their right to participation in indemnification for the financial contributions and work already carried out.

Those people taking part in the programme who will have fully discharged their responsibilities and undertakings mentioned in the contracts, could profit in one or more ways according to the modes of their participation. These advantages are:

- they could rent or buy their home from the state;
- they would have ownership rights recognised by the state and they could transfer these rights by inheritance;
- they could benefit by the transfer of these rights to other accommodation in other areas if they are obliged to move;
- they will have the right to alterations to their dwelling to improve its comforts and living standards, on condition that they respect the building and town planning regulations and have obtained the required authorisation;
- they will be able to take part in the procedure of definition of plans, the selection of building sites and in the choice of types of buildings from among those already accepted by the competent authorities;
- they will be able to ask the supervisor to ensure and guarantee the supervision of works and to control the quality of the finished product;
- they will be able to insist that the building supervisor explains and justifies in public the cost incurred and they will be able, if need be, to claim an arbitration on the cost;
- they will be able to oblige the building supervisor to supply the essential building materials in the quantity and at the price fixed by the undertakings entered into in the contracts.
THE ROLE OF PEOPLE'S INVESTMENT BANKS FOR CONSTRUCTION

People's construction banks exist already in several cities and provinces. More will be set up. For the purposes of the programme of cooperation between the state and the people for the construction and renovation of housing, the people's committees in the districts are opening a special account in these banks for each project in the name of the building supervisors.

According to the lists of participants drawn up by the building supervisors, these banks collect the investments of the participants, inform the (building) supervisors regularly of the state of the account and pay out to him the amount earmarked in the contracts for carrying out the work.

The banks can accept that the participants remit the total amount of their contribution in a lump sum, or that they make top-up payments to reduce the term of their contribution laid down in the contracts.

During the construction and renovation work, the banks can lend funds or temporarily advance sums of money to the contractors (collective or private), with respect to the basic costs laid down.

THE ROLE OF THE MANAGING AGENTS

In the reference texts, the managing agents are described as 'maîtres-investisseurs'; the authors of this paper have kept the description 'managing agents'. The legal existence of the managing agents is based on the contracts which the people's committees of the districts sign with them. They are physically and ethically fit, private or public individuals.

The managing agents have the following responsibilities:

- to instigate and strengthen the participation of the people — in accordance with the principle of cooperation between the state and the people — in the housing construction and renovation work;
- to establish the lists of persons participating in the programme and to submit them to the People's District Committee for verification and approval;
- to make sure that the persons taking part in the programme carry out all the responsibilities and undertakings mentioned in the contract;
- to ensure the advantages which have been granted to the persons taking part;
- and, moreover, generally to implement the whole procedure for carrying out the work, control its execution and check the quality of the end product.

Their particular responsibilities concerning the works are detailed in the different types of project which are planned in the programme of the City of Hanoi.

THE DIFFERENT TYPES OF PROJECT

The City of Hanoi has distinguished several types of projects ranging from the construction of new housing and the renovation of existing housing to the preparation of building sites for privately owned housing.

First type

The people contribute to the financing, the state contributes to a part of the financing and brings the construction of new housing into operation. Referring to the list of building sites approved by the city, the managing agents in the various districts call on the competent services to draw up plans for the sector and to identify the types of buildings from a previously established list.
With these tools — sector plans and types of buildings — the managing agents draw up construction contracts with building contractors and determine the general and particular cost for each type of construction. The price of each dwelling depends on the living area and the floor level and includes the cost of the infrastructure. The financial participation of the state applies only to the part of the cost representing the cost of the infrastructure and varies depending on the category of persons. The accommodation is either let or sold to the participants.

Second type

The state prepares the building plots and the participants build their home themselves. Based on the sites which the city has designated and on the certificates of utilisation which the allottees have obtained, the project managers draw up the plan, submit it to the authorities for approval and begin to prepare the building sites. The participation of the state is limited to the preparation of the building sites and the installation of the main infrastructure (roads, water supply and sanitation networks, lighting, mains connections and distribution lines of electricity). The types of building, for this type of project, are defined broadly so as to permit a variety of choices and to take into account the abilities of the participants. In the case where a contributor wishes to build according to his own plans, he must apply to the management organisation of construction of the district or municipal city for approval and a building permit. The contributors undertake to construct houses ensuring a minimum standard of amenities (ventilation, sanitation, drinking water, septic tanks, treatment of the main frontage in conformity with the plan).

The contributors are the owners of their houses; they pay the state a part of the cost relating to the implementation of the project and the production of the infrastructure according to their category.

Third type

The people contribute together with the state to financing the renovation and enlargement of the living space. On the basis of questionnaires, surveys and investigations of housing in streets or parts of streets, the people’s committees of the districts propose to the construction committee of the city, streets or parts of streets which require improvement to enlarge the surface areas of the housing, to pull down completely or in part existing houses in these streets or parts of streets with the object of building new houses, enlarging the living space and contributing to the regeneration of the architectural aspect of these streets or parts of streets.

The participation of the state is restricted to demolition work and to preparing the sites, repairing the infrastructure. It can take action directly for the houses it owns to renovate them.

This type of project provides for measures of relocation or compensation for the people who will be affected by the work.

Fourth type

The people contribute to the financing and the state initiates renovations to enlarge living spaces by means of minor works. Based on questionnaires, surveys and investigations of the state of the houses and plots in the districts or municipal cities, the people’s committees select houses or plots of land which could be cleared and renovated to enlarge the living space by means of minor works (adding storeys, extending living spaces, inserting new buildings).
Fifth type

The people contribute to the financing, the state renovates and repairs the houses. This type of intervention concerns houses belonging to the state or to a mixed type of ownership (state, private sector), which are in such a state of dilapidation that they have to be repaired. While the repairs are carried out, the families who rent their houses from the state or their accommodation from private landlords can take part (together with the businesses of the housing management of the districts) in the coordination and realisation of the renovation work and the improvement of the standard of their housing (construction of mezzanine floors, dividing walls, ceilings, flooring, additional rooms).

These different types of project are only carried out where the project managers have succeeded in mobilising the participation of the people. As a rule, the financial participation of the state applies only to the cost relating to the planning and commissions of the operations, relating to infrastructure. The contributors must pay a part of this cost according to the category to which they belong; this is their formal commitment to the realisation of the project. The cost of construction or repairs is their liability and is paid either directly, monthly, or forms part of their rent.

THE URBAN DEVELOPMENT COMPANY

The policy of cooperation between the state and the people for the construction and renovation of housing is starting to take off very slowly, highlighting two major problems: inadequate technical expertise to direct and control decentralised action, and insufficient local funds. In order to mitigate these two kinds of insufficiency and to alleviate the responsibilities of the state, the Vietnamese Government set up the Urban Development Company of Vietnam in 1991.

The company has two principal mandates:

- It must first of all by all possible means mobilise the scientific and technical expertise to support the government and the local authorities, to innovate and modernise the methods of the administrative services in the field of financial and legal practice. To accomplish this, it has the means to call on national and foreign experts.
- It must mobilise local, national and international resources whether or not these resources come from the public sector (direct subsidy or loan with government backing), from cooperatives or private capital. The mobilisation of these resources should serve the first mandate of the company, but it is evident that they are mainly intended to realise concrete construction projects, sometimes labelled pilot projects.

To carry out these two major mandates, the company is granted a legal identity, enabling it to sign contracts, to engage in business with shared liability with appropriate persons and with individuals of national or foreign origin. The company has its own capital and is responsible for its losses and profits. It can set up local offices in all regions and localities of Vietnam.

How its executive board will be constituted is as yet vague; in principle all the parties taking part in its capital are represented, but how the foreign investors will be represented has not been said.

The company has been set up too recently (August 1991) to allow an evaluation of its first results. It must, however, be taken into consideration in the new policy of disengagement of the state and of opening the urban development in Vietnam to private and foreign interests.
CONCLUSION: THE IMPACT OF THE POLICY AND OF THE FORMS OF INTERVENTION

Looking at the new policy of cooperation between the state and the people, including opening the field to private and foreign capital, one must first of all consider the main impact of stopping the general policy of subsidised housing which was current until 1986. The stopping of this policy means that the state no longer intervenes in urban housing if it has to do so alone; it means also that the state is going to give up the ownership of public housing by selling to the occupiers. Stopping the production of subsidised housing could not have a great impact because, on the one hand, subsidised housing was essentially meant for civil servants and army and policy personnel and, on the other hand, the persons entitled to participate in the programme of cooperation between the state and the people are mainly members of the civil service and the army and policy force. The impact will therefore depend on the means to pay of the persons entitled to participate in the programme and relates to the economic situation of the nation.

On the other hand, the policy of selling public housing to the occupants could have a particular impact. The persons who occupy this accommodation have virtually never paid rent to the state. This type of expenditure consequently does not form part of their household budget. Because living rent-free conferred an immense social and economic advantage, the salary structure of these persons was kept low. Taking into account the national economic situation, the odds are strongly against salaries being adjusted to take into account the loss of this advantage and the new expenses for the household budget. The fact that a good percentage of the accommodation built since the 1950s is occupied by retired persons who have no work and an extremely low income, must also be taken into consideration; they cannot afford to be reclassified at new salary structures, should these materialise.

As the state is set not only on getting rid of the expense which this subsidised housing entails, but wishes, above all, to recover funds to support its new policy, it must sell these houses at high prices. The buyers who are most financially solvent, will without doubt not be the occupants. Who will, therefore, acquire part of this stock of public housing? How will the people who live there at present be moved and relocated?

The new policy is explicitly favourable to civil servants, party cadres, military personnel and the policy corps. It is particularly favourable to those who have the means to take part in the programme. It is also favourable to expatriate Vietnamese who can repatriate foreign currency. In fact, it is the financial capacity of the contributors which will determine who really benefits. The setting up of such projects, the conditions the contributors must adhere to — under penalty of exclusion from the programme — the critical mass needed to undertake any operations explicitly favours those who already hold funds or who have steady resources to ensure their participation. It seems clear that the first to benefit (if one excludes the expatriates) will be the small tradespeople and artisans whose incomes are growing rapidly following the acceptance and valorisation of private enterprise in Vietnam. Considering that the means of the state are extremely limited, it is understood that the operations which will be carried out first are those which will put the state under the least obligation, namely those where the contributors can share in the greater part of the cost.

As the contribution of the state is thus committed to help the richest contributors, the odds are great that the resources of the state which could be aimed at the relocation of the people unable to participate will be small.

What will therefore be the effect of this policy on the poorest people who are unable to take part in the reconstruction of the central and inner-city districts?
How will the persons taking part in the programme but unable to observe all the conditions be compensated for the losses they incurred?

One has to envisage some of these effects: relocation to the outskirts, increase of the number of precarious tenancies and illegal occupancy (squatterisation) in the inner-city districts where the state has no longer the means to complete the programmes planned and guaranteed by the repercussions of private investment.

In sociological terms, the overall effect will involve a gradual but complete replacement of the people favoured previously by the statutory regulations, by people now favoured by the new wealth, concentrated in the population of small businessmen (tradespeople and artisans).

In terms of space, one must imagine a great upheaval of people, favouring the wealthiest for central locations. During the transition period, one must imagine an accelerated deterioration of a good number of blocks of houses in the inner-city districts and illegal occupancies, which will perhaps fix definitely the new socio-spatial structure of the central districts.

These effects and impacts have not yet been documented. They are, however, discerned: in the best case (Hanoi) the state is now giving attention to the problem of housing for the poor urban population in the central districts; in the worst case (Ho Chi Minh City), the operations of cooperation between the state and the people have had to be halted in the face of the extent of their feared socio-spatial impact.