Restructuring Vietnam’s Urban Land Governance: New State Spaces in Ho Chi Minh City

by

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ABSTRACT

RESTRUCTURING VIETNAM’S URBAN LAND GOVERNANCE:
NEW STATE SPACES IN HO CHI MINH CITY

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Professor Craig Johnson

Citing the emergence of high-end real estate, foreign capital, and western urban planning models, scholars emphasize the increasing role globalization and private sector actors play in Vietnam’s urbanization, and subsequent removal of the state from such processes. However, these analyses fail to capture the restructuring of state power and ‘new state space’ formation also occurring at the urban level. Seeking to bring clarity to contemporary urbanization processes in Vietnam and contribute to theoretical discussions about state spatial restructuring, this thesis analyzes the restructuring of urban land governance in Ho Chi Minh City (HCMC) after economic reforms began. To achieve this, I study two land development projects in HCMC, documenting state and non-state actors’ roles in the creation and governance of such spaces. This thesis finds that the state has actively restructured urban land governance in Vietnam as a strategy to create spaces for investment and maintain control over land resources.
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<th>Description</th>
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<tbody>
<tr>
<td>BoLCC</td>
<td>Board of Clearance and Compensation</td>
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<tr>
<td>BOLURC</td>
<td>Building ownership land use right certificates</td>
</tr>
<tr>
<td>BT</td>
<td>Build-Transfer</td>
</tr>
<tr>
<td>CT&amp;D</td>
<td>Central Trading and Development Corporation</td>
</tr>
<tr>
<td>DONRE</td>
<td>Department of Natural Resources and Environment</td>
</tr>
<tr>
<td>DPI</td>
<td>Department of Planning and Investment</td>
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<tr>
<td>DOC</td>
<td>Department of Construction</td>
</tr>
<tr>
<td>EPZ</td>
<td>Export Processing Zone</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>HIDS</td>
<td>Ho Chi Minh City Institute for Development Studies</td>
</tr>
<tr>
<td>HCMC</td>
<td>Ho Chi Minh City</td>
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<tr>
<td>HCMC PC</td>
<td>Ho Chi Minh City People’s Committee</td>
</tr>
<tr>
<td>ICA</td>
<td>Thu Thiem Investment and Construction Authority</td>
</tr>
<tr>
<td>INGO</td>
<td>International non-government organization</td>
</tr>
<tr>
<td>IPC</td>
<td>Industrial Promotion Corporation</td>
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<tr>
<td>KMT</td>
<td>Taiwanese Nationalist Party</td>
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<tr>
<td>LURC</td>
<td>Land use right certificates</td>
</tr>
<tr>
<td>MASD</td>
<td>Management Authority for Southern Development</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-governmental organization</td>
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<tr>
<td>NAGECCO</td>
<td>National General Construction Consulting Joint Stock Ltd</td>
</tr>
<tr>
<td>PMH</td>
<td>Phu My Hung</td>
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<tr>
<td>SADECO</td>
<td>South Saigon Development Corporation</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>--------------</td>
<td>--------------------------------------------------</td>
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<tr>
<td>SOM</td>
<td>Skidmore, Owings and Merril</td>
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<tr>
<td>SSNUA</td>
<td>Saigon South New Urban Area</td>
</tr>
<tr>
<td>TTNUA</td>
<td>Thu Thiem New Urban Area</td>
</tr>
<tr>
<td>TTZ</td>
<td>Tan Thuan Export Processing Zone</td>
</tr>
<tr>
<td>UPI</td>
<td>(Ho Chi Minh City) Urban Planning Institute</td>
</tr>
<tr>
<td>USSH</td>
<td>University of Social Sciences and Humanities</td>
</tr>
<tr>
<td>VIDIFI</td>
<td>Vietnam Infrastructure Development and Finance Investment Co.</td>
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1.0 Introduction

Shifting from collective agriculture and anti-urban policies to a thriving real estate market, the urban landscape of Vietnam has transformed dramatically. Accompanying these changes has been the production of new urban spaces characterized by high-end real estate, profit-driven housing developments, and Western urban planning models. The emergence of these new urbanisms across Vietnam have led some scholars (Dick and Rimmer, 1998; Douglass and Huang, 2007; Waibel, 2006; 2004) to emphasize the role played by global capital and private developers, suggesting a decline or removal of the state from urbanization processes. However, I argue that such analyses fail to capture the restructuring of state power and ‘new state space’ formation also occurring at the urban level; therefore, raising important questions about the ways in which Vietnamese national and local development authorities have repositioned themselves in the context of economic integration and global neo-liberal reform.

Within the last decade, there has been increasing attention to the “changing geographies of statehood” (Brenner, 2009). However, the vast majority of studies have focused on North America and Europe. It is widely accepted that the national welfare state has been transformed since the decline of Fordism in the 1970s. Scholars have extensively documented this spatial rescaling and restructuring of state power\(^1\), and shift from managerial to entrepreneurial governance. In the case of Western Europe, Brenner suggests state power has been restructured into “new state spaces” at the urban level in efforts to facilitate capital accumulation in an

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\(^1\) ‘Spatial rescaling’ largely refers to the shift from the nation-state scale to the sub- or supra-national scale, for example to the urban scale. Within the literature however, the terms state ‘rescaling’ ‘restructuring’ and ‘transformation’ are often used synonymously. This thesis uses the term state rescaling and state restructuring almost interchangeably to refer to the wider transformation of the state, both in terms of scale and shape.
increasingly globalized world (Brenner, 2004). Comparatively, however, much less is known about the ways in which state power has been rescaled and restructured in Vietnam since economic reforms began in the late 1980s.

A review of literature further illustrates that relative to the experience of advanced capitalist countries, much less has been discussed about state spatial restructuring in other geo-political contexts. This dearth of non-Western studies has left scholars questioning how processes of state spatial restructuring differ across the world, and if existing theories, largely based off Western experiences, can accurately explain the transformations of statehood outside the North-American and European context (Park, 2013). Further, the existing literature calls for analyses that focus on the agency of both state and non-state actors engaged in state restructuring, and the “complex politics” of such processes (MacKinnon and Shaw, 2010; Buchs, 2009). Ultimately, scholars (Laboa, Martin, and Rodriguez-Pose, 2009; Brenner, 2009) underscore the need to ground abstract theoretical concepts of state spatial restructuring in contemporary empirical realities, accounting for diverse socio-economic and political contexts.

Therefore, the study of state spatial restructuring in Vietnam provides an opportunity to test the applicability of existing theories in the transitional socialist context, contribute new empirical insights, and explore methods surrounding the conceptualization of state spatial restructuring.

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2 State spatial restructuring refers to the reorganization of state power, or the transformation of ‘state spatiality’ defined by Brenner (2004a) as a combination of both the physical organization of state power (administration, territorial boundaries) and interventions by the state into socioeconomic processes within that territory.

3 This thesis uses the term “transitional” in accordance with Ma and Wu’s (2005) definition; “the process of change from one condition or set of circumstances without implying ‘convergence’ or ‘switching’ towards a preconceived and well-defined model” (p.260). ‘Transitional socialist countries’ refers to the adoption of market-based policies without implying an inevitable shift to capitalism. Centrally this thesis refers to China and Vietnam in this context.
Assuming that cities and urban governance represent key sites and mechanisms through which state restructuring can be expected to occur (Brenner, 2004a), this thesis explores contemporary urbanization processes in Ho Chi Minh City (HCMC), analyzing the restructuring of urban land governance after economic reforms began. Centrally, this thesis asks: How has the state restructured urban land governance in HCMC, and how have non-state actors influenced this process? In particular, this thesis seeks to understand the ways in which state actors, private land developers, and foreign capital interact to form new urban spaces in Vietnam. At a broad level this thesis then reflects on how such findings contribute to our overall understanding of state spatial restructuring and urban development in the transitional socialist context.

Vietnam provides an excellent opportunity to study regimes shifts and the production of urban space in transitional socialist countries. Prior to 1986, the state assumed sole responsibility for land, agriculture was collective, and housing was viewed as a social right to be provided by the state. Since reforms began in 1986, Vietnam has selectively adopted market-oriented policies that have re-bundled property rights, creating a land leasing system and the opportunity for private investment in land and housing. The selective introduction of market-oriented principles, while at the same time maintaining formal principles of Vietnamese socialism, such as public land ownership, has created what Labbe and Musil (2014) call a “hybrid market socialist land regime”. However, as will be illustrated below, tensions have emerged within the system between facilitating foreign investment, meeting societal needs, and maintaining state control. This unique economic and political restructuring occurring in both Vietnam and China, commands further academic attention to the ways in which state-managed socialist land regimes

Urban governance can be defined as the “broad constellations of social, political, and economic forces that mold the process of urban development” (Brenner, 2004b: 455).
are adjusting to global economic integration. Specifically, further investigation is required to understand the processes behind the institutional transformations occurring and the influence of various state and non-state actors on these processes (Wei, 2007: 28).

Seeking to shed light on the restructuring of urban land governance in HCMC, this thesis takes a case study approach, focusing centrally on the creation of large-scale urban land developments in HCMC, known as new urban areas. Drawing upon six months of primary field investigation, this thesis finds that rather than a ‘retreat of the state’, state power has been restructured into new state spaces at the urban level. However, different from the North American and European context, the new state spaces created in HCMC are not only efforts to facilitate capital accumulation, but also efforts to maintain state control over land resources. Reflecting on empirical examples of new state spaces in HCMC illustrates the challenges of balancing both goals (capital accumulation and control).

While on the surface new urban areas in HCMC appear to be devolved of state involvement (Douglass and Huang, 2007), a reflection of the processes involved in their creation illustrates that state actors have played central roles in the planning, financialization, and regulation and governance of these spaces. More than a passive facilitator of urbanization processes, state actors are intimately involved in the production of new urban areas in Vietnam. However, in seeking to achieve state-led urban development aspirations and create spaces for investment, the state has

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5 In Vietnam, the term new urban area or “khu đô thị mới” refers to large planned urban developments, often located on the urban periphery (peri-urban). Respondents from the HCMC Urban Planning Institute and the Centre for Urban Development Studies suggest a project can only be considered a new urban area if it has a comprehensive master plan prior to development, begins as a greenfield or non-urbanized area, and includes residential areas, commercial areas, and public amenities (N7, HCMC, 07/10/2013; N7, HCMC, 25/10/2013). In a World Bank report, new urban areas are referred to as “formal large greenfield [housing] developments by private or semi-private developers along major primary road networks planned by the government” (World Bank, 2011: 119).
partnered with private sector actors to provide the urban design, capital, and technical know-how to create these spaces for investment. Therefore while the final urban product includes elements such as profit-driven housing developments and western urban planning models, the state has directed the creation of these spaces.

At an abstract level, this thesis finds that existing theories on state spatial restructuring prove as a useful theoretical starting point in the case of Vietnam. However, provided the political-economic differences between Western Europe and Vietnam, variations can be seen. Brenner’s (2004a) “new state space” theory is useful to the transitional socialist context because it situates the analysis within the broader political and institutional context. Further, its emphasis on path dependency captures the important idea that emerging spaces are shaped and constrained by historical processes and existing institutions. However, the analysis of new urban areas also illustrates the need to reflect on the multitude of actors (both state and non-state) involved and their interests and agency in the restructuring of urban land governance. Therefore, this thesis also takes into consideration more actor-centred approaches to analysis (for instance MacKinnon and Shaw, 2010 and Buchs, 2009). By combining existing structural and actor-oriented methods of analysis, this thesis also seeks to strengthen and update existing theoretical conceptualizations of state spatial restructuring.

This thesis starts from the premise that land and property relations more generally constitute an important and relatively under-theorized means through which states and social forces are able to shape processes of urbanization and global integration. Further, it assumes that land and property relations provide an important means through which we can conceptualize the role of the state in
urbanization processes. Towards this end, the central empirical analysis of this thesis explores the creation of new urban areas in Ho Chi Minh City.

New urban areas have been selected as the primary unit of analysis because of their ability to act as a proscenium for state restructuring. Viewed as modern urban projects, such developments are often marketed towards the global economy, “creat[ing] new spatial logics in the regulation of capital, investment, and labour” (Bogaert, 2012: 257). As Bogaert (2012) has pointed out, the study of large-scale urban development projects provides a particularly important opportunity to document “how cities are redesigned by transferring and assembling particular political powers and competences into a new state space” (Bogaert, 2012: 260).

This thesis draws upon a number of different sources including 60 semi-structured elite interviews with professionals working in the areas of urban land development and governance, the collection and review of primary and secondary data related to land governance in Vietnam, and participant observations through site visits and informal conversations with community members. Centrally, the empirical analysis focuses on two new urban areas in HCMC: Saigon South New Urban Area (Khu Đô Thị Mới Nam Sài Gòn) and Thu Thiem New Urban Area (Khu đô thị mới Thủ Thiêm). Saigon South is a 2,975 ha land development project designed to create a modern multi-purpose city, including financial, trade and industry services, residential, schools, hospitals and other public amenities. This was the first large planned development to be classified as a “new urban area” in HCMC, and has since been highly influential on proceeding urban space production processes. Such influence can be seen with the emergence of other new
urban areas across the city. Of such, includes Thu Thiem, a 657 ha land development project designed to be a modern extension of the downtown core and HCMC’s new financial centre.

Previous academic analyses have used Saigon South New Urban Area to illustrate the effects of globalization on Southeast Asian cities, emphasizing the privatization of urban spaces and removal of the state from urbanization processes (Douglass and Huang, 2007). However, through a historical reading of Saigon South and emphasis on the process of its creation, this development and other new urban areas in HCMC can be understood as part of a wider state strategy to integrate urban production systems into the global economy, facilitate foreign investment, improve urban infrastructure, and maintain control over land resources.

This thesis proceeds as follows. The next section will situate this study within the academic literature, exploring both the global city and state spatial restructuring literatures and presenting the theoretical framework selected for analysis. The third section will outline the research question, design, and methods used to collect the empirical content on which this study is based. The fourth section will provide a brief overview of the transformations Vietnam’s land governance institutions have undergone since economic reforms began in 1986, mapping out the structural changes of Vietnam’s urban land governance. The fifth section will then present the case study of new urban areas in HCMC, exploring the planning, financialization, and regulation and governance structures involved in the creation of such spaces. The sixth section will reflect on central findings and contributions to the literature. Lastly, the thesis will provide a summary and thoughts for further research.
Part I: Situating the Research

2.0 Literature Review

This thesis seeks to document contemporary urbanization processes in Vietnam, analyzing the restructuring of urban land governance in HCMC after economic reforms began. To lay the theoretical groundwork for such analysis, I present two separate but related literatures, the global city literature and state spatial restructuring literature. This chapter reviews the theoretical debates and empirical gaps remaining in both literatures, and identifies where contributions can be made.

Amongst the backdrop of globalization and global neoliberal reform, states around the world have transformed, both in form and function. Within the urban studies literature, this has led to debates surrounding how best to conceptualize the role of states and social forces in urbanization. The transformation of statehood under globalization has also led to an increased focus on the spatial rescaling and restructuring of state power. However, the method to best conceptualize these transformations, whether through structural or more actor-centred forms of analysis, is also debated within the state spatial restructuring literature. While these two literatures have developed in parallel to each other, there is little dialogue between the two. However, common throughout both literatures is the call for further empirical analyses on the production of urban space in the Global South, as well as, the need to bridge the gap between abstract theoretical concepts and empirical realities. Reflecting on the existing literature, this section concludes that the analysis of urbanization and state restructuring in Vietnam should take into account elements of structure and the various actors and interests involved.
2.1 Contemporary urbanization debates: Global cities and ‘worlding practices’

Within the last few decades, there has been an increasing attempt to theorize contemporary urbanization processes across the globe. Amongst this growing body of literature, there are competing ideas on the primary driving forces behind urban space production, the scale at which to analyze (e.g. global, regional, national, sub-national), and the role and conceptualization of the state within these processes. For instance, the world city hypothesis places large emphasis on globalization as a central force; whereas, other scholars underscore the important roles both state and non-state actors as well as local environmental factors play in urban space production. Ultimately, such discussions point to the need for more empirical analyses that capture the dynamic ways in which states and social forces are affecting urbanization processes in the Global South.

The global city paradigm

Seeking to characterize the spatial implications of global economic restructuring beginning in the late 1970s, scholars such as Friedmann and Wolff (1982), Friedmann (1986), and Sassen (1991) suggest a new global hierarchy and network of cities have formed; within which, major cities, known as global or world cities, play a strategic role in the facilitation and coordination of global production, investment, and consumption and trade (Friedmann and Wolff, 1982; Friedmann, 1986; 1995; Sassen 1991; 2001). The central tenet of world city theory is that urbanization processes (economic, social and spatial aspects) are largely dictated by a city’s integration into the global capitalist economy (Friedmann and Wolff, 1982: 309). In Friedmann’s (1986) own words, the “functions assigned to the city in the new spatial division of

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6 Friedmann (1986) uses the term “world city” and Sassen (1991) uses the term “global city” to describe similar phenomena; for the purpose of this thesis global city and world city are used interchangeably.
labour, will be decisive for any structural changes occurring within it” (p.70). Largely influenced by Wallerstien’s (1984) world system theory, Friedmann’s (1986) “World City Hypothesis” suggests that the global economic functions of a city dictate its place within the hegemonic urban hierarchy (i.e. lower-skilled laborers and manufacturing are associated with periphery cities and highly skilled and specialized employment are associated with core or world cities) (Friedmann, 1986: 73).

This literature also focuses on the globalization and financialization of transnational capital flows. The liquidity and mobility of capital is emphasized, and world cities such as New York and London are viewed less as physical or territorial places, but rather as “basing points” and “command centres” for global capital in the spatial organization of markets and production (Friedmann, 1986; Sassen, 2005). As such, the role and significance of the nation-state are perceived to have declined, with cities and city-regions replacing states as central points of contact in the global economy (Scott, 2001). In this light, globalization is further associated with the deterritorialization of spaces and the concept of a “borderless world” (Castells, 1996; Ohmae, 1995).

The notion that global economic integration and capitalist processes guide urbanization gave rise to convergence theories (Dick and Rimmer, 1998; Leichencko and Solecki, 2005) within metropolitan studies, suggesting urbanization processes around the world are becoming similar in nature. For instance, Dick and Rimmer (1998) argue globalization has led to the creation of a “single urban discourse”, citing a convergence of urban forms in Southeast Asia with North American cities starting in the 1980s (p.2303). They highlight the emergence of new town
developments, shopping malls, and edge cities as evidence of this process. In their analysis, land developers and middle-income consumers are cited as the central actors behind this process; “the desire of middle-class Southeast Asians for security and social comfort has, therefore given rise to market opportunities for well-funded entrepreneurs to borrow urban elements from the US” (p.2317). However, convergence theorists such as Dick and Rimmer (1998) neglect the role of the state, as well as state actors’ relationships with private development firms, in producing these spaces. Further, their central focus on the physical elements of the final urban form undermines the variation in processes and actors involved in its creation. Shifting away from globalization and convergence theories, the discussion below illustrates scholars’ push towards more actor-centred and context-specific analyses of urban space production, particularly in the Global South.

**Situated determinants of urbanization: the state, society, history, and geography**

Criticizing the globalist view of spatial urban development, a group of academics (Hill and Kim, 2000; Hill and Fujita, 2003; Lin, 2001; Jacobs, 2003; Fujita, 2003; Ho, 2005; Shatkin, 2008) argue for greater focus on the state’s influence in city formation. For example, Hill and Kim (2000) contend that the global/world city hypothesis overstates the power and influence of transnational capital, suggesting instead that regional variations (e.g. Tokyo) present alternative models through which we can understand global city formation. Reflecting upon the role of developmental states in Northeast Asia, for instance, they highlight the ways in which national governments and central banks have used economic policy instruments (like directed credit) to support infant industries during industrialization.
Regional, local, cultural, and historical factors have also been highlighted as deeply influential to urbanization processes and outcomes, yet largely neglected in the globalist view of world city formation. For instance urban China scholars, Ma and Wu (2005) and Yin, Shen, and Zhao (2005), suggest the role of external global forces (e.g. globalization, global neoliberal reform, foreign capital, etc.) in the restructuring of urban areas is often overstated, and the focus should instead be on domestic policies and local environmental factors. As Ma and Wu (2005) state, the convergence theories do not recognize that “universal processes can be mediated by local forces and processes embedded in local culture, history and political systems” (p.12).

Further, scholars such as Robinson (2002), highlight the Western bias in the global city literature, making an important case that the vast majority of research on world city formation focuses on cities in North America and Europe—often at the exclusion of economic integration and urban experiences of cities in the Global South. Highlighting the extensive global city research on US and European cities, Davis (2005) states, “much of the contemporary research has been normatively oriented towards understanding contemporary cities in light of how they stack up to these paradigmatically ‘prototypical’ global cities of the affluent North” (p.99). Similarly, Ong (2011) rejects the continued use of global capitalism in contemporary metropolitan studies as the “singular causality” in the production of global spaces. Instead, Roy and Ong (2011) present the city as site of experimentation, where experiments are “understood as worlding practices”, those that pursue world recognition in the midst of inter-city rivalry and globalized contingency” (xv). Specifically they conceptualize emerging urban interventions across Asia as experiments in that they seek to gain world recognition and surpass existing urban

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7 Ong (2011) defines worlding practices as “projects that attempt to establish or break established horizons of urban standards in and beyond a particular city” (p.4)
standards without the certainty of success, but do so through various “homegrown solutions to Asian metropolitan challenges, distinctive urban profiles, political styles, and aesthetic forms” (Ong, 2011: 13).

Reflecting on contemporary global city discussions, Shatkin (2007) succinctly highlights three emerging foci in the global city research agenda: the increased focus on the diverse ways cities experience global economic integration; the recognition of the “inherently negotiated nature” of globalization and the influence of local history on urban spaces; and a central focus on the actors and actions behind urban processes (p.2). The integration of such ideas, in Shatkin’s (2007) words, “is an important development for theory as it allows for more precise understanding of urban development, and also for policy and planning, because it more accurately identifies the actors who shape and legitimize urban change, and strategies they employ in doing so” (p.2).

As outlined above, debates remain surrounding the best way to conceptualize contemporary urbanization processes. Scholars such as Friedmann (1986) and Sassen (2001) heavily emphasize the impact of the global system on urban experiences; whereas, others such as Ma and Wu (2005) and Shatkin (2007) highlight the importance of local context and the central roles played by various actors in creating such spaces. Ultimately, the above discussion points to the need for more comparative, empirical analyses that 1) shifts away from paradigmatic models of urban analysis and 2) captures the diverse and dynamic ways states and social forces are affecting urbanization processes in the Global South.
2.2 State spatial restructuring and urban governance

Highlighted in the discussion above, while not the only determinant, global economic changes (e.g. globalization, financialization of capital, neoliberalism) have affected processes of urban space production. Viewed from a slightly different angle, these changes have also had an impact on the structure and spatial organization of urban governance. As noted by Parker (2009), new urban forms and transformed cityscapes are often illustrative of emerging configurations of state power (p.110). As such, this section reviews the existing literature on state spatial restructuring, outlining the central theoretical debates and areas requiring further contributions.

First, what becomes evident is the need for further empirical analyses of state restructuring, particularly in areas outside of the extensively researched Global North. Second, new conceptual frameworks are required to connect the theoretical literature to the empirical realities of state restructuring. Third, within the existing theoretical discussions there are debates over the best approach to analyze state restructuring. Reflecting on debates and questions remaining within the literature, this section concludes that future analyses should consider structural elements, as well as, the role of various actors (both state and non-state) in processes of state restructuring.

State restructuring in non-Western contexts

It is widely accepted that the national welfare state has been transformed significantly since the post-war economic crises of the 1970s. Adjusting to global economic changes, a central component to these transformations has been a shift in urban governance from managerial governance, focused on the provision of local services and regional equity, towards entrepreneurial forms of governance, focused on economic development and inter-urban
competition (Harvey, 1989; Brenner, 2004). In advanced capitalist societies this transformation of urban governance has been well documented (Harvey, 1989; Judd and Ready, 1986; Peterson, 1981; Brenner, 1999; 2004a; 2004b; 2009).

Notably, Brenner (1999, 2004a; 2004b, 2009) explores the spatial implications of state restructuring in Western Europe. In response to the decline of Fordism and amongst increased European and global economic competition beginning in the 1980s, Brenner notes urban governance has been rescaled from national and territorially redistributive models (what he terms ‘spatial Keynesianism’) to urban-focused, growth-oriented, competitiveness-driven, and place-specific policies (Brenner, 2004a; Brenner, 2009: 129). Further, as a means of confronting challenges associated with the wider global economic transformations, “a variety of entrepreneurial, competitiveness-oriented regulatory experiments [were] mobilized by national, regional, and local state institutions in order to promote economic rejuvenation within strategic subnational spaces” (Brenner, 2004a: 15). Ultimately, Brenner (2004a) suggests these changes to urban governance have led to the rescaling of state spatial organization and state spatial regulation (p.176).

The restructuring of urban governance is not limited to the experience of Western Europe. As states adjust to contemporary market trends and the global capitalist environment, it can be expected that states will undergo transformations. Such is the case with transitional socialist states such as China and Vietnam. As part of global economic integration, both countries have introduced selective economic reforms, effectively restructuring and repositioning the socialist state. However, relative to the experience of advanced capitalist countries, much less has been
discussed about the processes of state spatial restructuring in transitional socialist countries. Further, these empirical studies rarely connect back to existing theoretical literature on state spatial restructuring. Therefore, while scholars have begun to document state restructuring in China (Ma, 2002; Ma and Wu, 2005; Wu and Zhang, 2007; Jessop and Sum, 2000) and Vietnam (Labbe and Musil, 2014), there is still room for further empirical analysis.

Similar to the Western experience, studies on urban China have highlighted the macro-level state restructuring, such as the rescaling of politics from national to urban levels and the emergence of entrepreneurial urban governance (Ma, 2002; Ma and Wu, 2005; Wu and Zhang, 2007). The literature has also documented micro-level examples of this in China, such as the increasing entrepreneurial nature of municipal and provincial governments in supporting or promoting urban development projects (Jessop and Sum, 2000). What is missing from these analyses, however, is consideration surrounding how the actual processes of such restructuring varies in a variety of socio-economic and political settings.

For instance, in the context of entrepreneurial urban governance, both in China and the United States, Chien (2008) notes, “most analyses seem to assume that a municipal or regional governance is naturally able to pursue proactive and innovative initiatives to promote local economic development in the face of globalization” (p. 393). However, such assumptions neglect the context state restructuring occurs in (e.g. transitional socialist vs. post-Fordist, authoritarian vs. democratic), as well as the processes and actors guiding such transformations. Chien (2008) therefore calls for further research into why, how, under what conditions, and by whom does entrepreneurial governance emerge and develop (p. 493). Future empirical and theoretical
accounts of state restructuring should therefore be centred within the contextually specific nature of the case, analyzing the processes and actors involved in such restructuring.

In addition to empirical analyses, the vast majority of theoretical literature on state spatial restructuring is based upon North American and European examples (e.g. Brenner, 2004). This lacuna of non-Western studies has led scholars to question “the wider applicability of this literature,” specifically, its ability to adequately conceptualize the spatial rescaling and restructuring of states in diverse political, social, and historical contexts (Park, 2013:1115). Further, as Klink (2013) states, the current dearth of literature on state restructuring outside the context of Europe and Atlantic Fordism “is remarkable, considering the potential of an international research agenda that would both cross-fertilize the ongoing theoretical work and deepen our understanding of the specificities of regime shifts, rescaling and the production of space in the South” (Klink, 2013: 1169). Therefore, the study of state spatial restructuring in non-Western states provides an opportunity to test the applicability of existing theories, contribute new empirical insights, or methods surrounding the conceptualization of state restructuring.

Analyzing State Restructuring: Structuralist and Actor-oriented Approaches

This section provides a review of the existing theoretical literature on state restructuring, reflecting on its continued relevance in explaining contemporary state restructuring and illustrating where further contributions are still needed. As will be highlighted, debates exist within the state spatial restructuring/rescaling literature over the best ways to analyze state transformations. For example, Brenner (1999, 2004a, 2004b, 2009), perhaps the most well
known scholar in the theoretical literature, takes a structuralist approach; where as, other scholars such as MacKinnon and Shaw (2010) emphasize the need to account for agency, employing a more actor-oriented analysis. Similarly, scholars such as Buchs (2009) emphasize the need to include both state and non-state actors in the analysis of restructuring processes. After a review of both approaches, I conclude that analyses which consider both the actors involved and the structural context will provide a more informed account of state restructuring processes.

First off, the conceptualization of state space has vastly changed over the last few decades. Previously viewed as a fixed entity or “container of society”, state space was seen as the sovereign space within territorial boundaries, distinguishing domestic from foreign (Agnew, 1994). However, globalization, decentralization, and economic integration have transformed the way social scientists conceptualize state space. Territory boundaries are no longer viewed only as fixed units of state sovereignty, “instead they are being analyzed as multidimensional semiotic and political-economic practices through which state power is articulated and contested at a range of geographical scales and in a range of institutional sites” (Brenner, 2004b: 448). More recently, scholars conceptualize state space in both the “narrow” organizational aspects of state power, which include the definition of land and territoriality, the demarcation of borders, and the enforcement of land rights; as well as, in the “integral” sense, which implies broader strategies aimed at institutionalizing state power, such as economic policies (Brenner, et al, 2003:6). The spatial dimensions of state power should be analyzed as something that is contested, ever-changing, and “malleable”, shifting with political and economic processes and transformations (Brenner, 2004b: 450).
Globalization has resulted in the reexamination of the spatial dimensions of state power. While a number of scholars have focused on the transformation the nation state, the most recent and notable theoretical contributions have come from Brenner (1999, 2004a, 2004b). Challenging existing ideas that globalization necessarily entails processes of deterritorialization and the reduction of state power (Castells, 1996; Ohmae, 1995), Brenner (1999, 2004a) argues that globalization fosters a reorganization of state power or reterritorialization at the sub- and supranational levels. Rather than a retreat of the state, Brenner (1999, 2004a) argues state power has been rescaled and reorganized into ‘new state spaces’. These spaces can be understood as “new institutional configurations” at the urban level where “political power has been resituated” in efforts to facilitate capital accumulation in an increasing globalized world (Bogaert, 2012: 256). Framed in this way, urban governance, and by extension cities, provide important mechanisms and sites through which state restructuring for global integration may be expected to occur (Brenner and Theodore, 2002; Brenner, 2004a, 2004b).

While acknowledging the decentering of the nation-state, Brenner emphasizes the continued role played by the nation-state in the supervision of urban policy initiatives. He argues the restructuring of state power is more than a “unidirectional” shift or the complete removal of the nation state from urban governance processes. Instead, he suggests the restructuring of state power should be thought of as “a wide-ranging recalibration of scalar hierarchies and inter-scalar relations throughout the state apparatus as a whole, at once on supranational, national, regional, and urban scales” (Brenner, 2004a: 3-4).
Rather than a whole-scale replacement of existing governance structures, Brenner (2004a) views state spatial restructuring as a “layering process”, whereby new organizational aspects of state power (state spatial projects) (e.g. decentralization) and state interventions in socio-economic processes (state spatial strategies) “interact with inherited configurations of state space” (p.192). Brenner’s (2004a) concept of new state spaces is similar to what Peck (1998) describes as “institutional layering”, suggesting that when new local policies are introduced, they are embedded into the existing institutional environment.

In what follows, I suggest that, at an abstract level Brenner’s theoretical conceptualization of state restructuring is useful not only in the context of the post-Fordist transition, but also the post-socialist transition. By emphasizing the path dependent nature of state restructuring, Brenner (2004a) captures the important idea that historical processes create a set of political and institutional conditions that shape and constrain the possible range of social outcomes. Through this lens, emerging forms of urban land governance and subsequently new urban spaces in Vietnam can be understood as the result of new state spatial projects and state spatial strategies, interacting with the existing socialist institutions. As will be illustrated in the empirical chapters, the acknowledgment of Vietnam’s socialist history is central to understanding how and why urban land governance has been restructured.

What is missing from Brenner’s theoretical conceptualization of state restructuring, however, is the acknowledgement that this process is influenced greatly by a multitude of actors (both state and non-state), as well as formal and informal practices. The absence of such analysis assumes a certain legitimacy and effectiveness on behalf of the state in coordinating and facilitating this
restructuring. As will be illustrated in the empirical section of this thesis, despite central state involvement, the actual production of new urban spaces and evolution of Vietnam’s hybrid market socialist system are more than plans created and executed from the top. Rather these spaces and emerging hybrid market socialist land regime are the result of various actors, both state and non-state pursuing a variety of interests.

In contrast to Brenner (1999, 2004a, 2004b), MacKinnon and Shaw (2010) adopt a much more actor-oriented analysis of state restructuring. In their analysis of the restructuring of transportation governance in Scotland, MacKinnon and Shaw (2010) point out the abstract and overly structuralist nature of Brenner’s new state space framework. While helpful for understanding broad socio-economic processes, they argue it fails to account for the “political struggles and contradictions associated with the reconfiguration of particular portions of state space” (MacKinnon and Shaw, 2010: 1246). Instead, they emphasize the need to also focus on the agency of actors, exploring the multiple and diverse elements of the “qualitative state,” and the social and political interests influencing such restructuring (O’Neill, 1997 as cited in MacKinnon and Shaw, 2010; MacKinnon and Shaw, 2010). Contributing to Brenner’s (2004) new state space framework, MacKinnon and Shaw (2010) suggest analyses of state restructuring should also reflect on the “regional armatures” (Lipietz, 1994) and “the politics of scale” (Cox, 1998) as a means of connecting local actors and their social relations to wider state restructuring processes (p.1247).

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8 The “qualitative state” refers to the notion that the state is made up of multiple entities (e.g. state agencies, department, etc.) (O’Neill, 1997).
9 “Regional armatures” refers to regional power blocs within the state apparatus, often created within large urban areas as means of strengthening competitive advantages in that location (Lipietz, 1994; Brenner et al., 2003: 17; Brenner, 2000: 371).
10 The “politics of scale” recognizes the interactions of actors across various scales (Cox, 1998).
Another point of contention within the existing theoretical literature on state restructuring is its ability to capture emerging forms of governance and the changing roles played by non-state actors. The restructuring of state power can be multi-dimensional in nature, including both vertical and horizontal elements. For example, vertical shifts in power can occur, such as the decentralization of authority to a lower level of government. Horizontal shifts can also occur, such as the shift from public to private service provision (e.g. public private partnerships or privatization) (Buchs, 2009). This underscores the importance of an expanded scope of analysis, beyond only state actors. As Buchs (2009) notes, the existing theoretical literature on state restructuring rarely takes into account both horizontal and vertical dimensions, let alone analyzing the relationship between the two.

In addition to theoretical debates, there is an emerging call for research to address the empirical realities of state restructuring. Reflecting on the existing state restructuring literature, Brenner (2009) suggests further research is now required to mediate the existing gap between abstract theoretical concepts and specific concrete empirical investigations. Furthermore, provided the diverse contexts state restructuring is occurring in today, theoretical literature may need to be adjusted to suit changing realities. In the words of Lobao et al. (2009), “theoretical generalizations need to be tempered with much more sensitivity to national contexts and paths of development,” accounting for diverse governance processes and state-society dynamics (p.11).

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In his review of the literature, Brenner (2009) specifically highlights three “research frontiers” on state restructuring/rescaling. First, further investigations are required into the explanations behind state restructuring. It is now clear state restructuring is occurring in a variety of contexts around the world; however, it is less clear “exactly how, when, where and why processes of state rescaling unfold, how such processes evolve over time, and how they impact various realms of political-economic life” (Brenner, 2009: 133). Second, Brenner (2009) highlights the need for comparative research on the “pathways” of state rescaling and restructuring, “with reference to particular state territories, institutional forms, policy arenas or regulatory problems” (p.133). Third and final, Brenner (2009) underscores the need for further empirical research on the periodization of state restructuring, through either the documentation of “policy trajectories” (the changing scale at which state policies are implemented) or “institutional reorganization” (spatial restructuring of the institutions under analysis or the creation of new ones) (p. 134-5). Concrete empirical investigations into these areas may contribute to wider questions on state transformation, such as: Do forms of state restructuring differ across the world? Or, What types of political-territorial alliances or social forces support, inhibit, or redirect processes of state restructuring and rescaling? (Brenner, 2009: 136).

2.3 Summary

Based on the literature presented above, it is clear that further analyses are required to understand the processes of state restructuring and urban land governance in a variety of geo-political contexts. Also illustrated, is the need to consider both structural aspects of state restructuring as well as the multitude of actors involved in these processes. Reflecting on these forces and their interaction will provide a more complete understanding of restructuring processes. Lastly,
questions have been raised surrounding the ability of existing theories to accurately explain state transformations outside the North-American and European context, and calls have been made to ground theoretical concepts with empirical realities. This thesis therefore seeks to contribute to the ‘research frontiers’ of the state spatial restructuring literature by exploring the process of urban land governance restructuring in Vietnam under the period of market socialism\textsuperscript{12}.

3.0 Research Design and Methods

The purpose of this chapter is to describe the research design, strategies, and methods that were used to generate the empirical findings on which this thesis is based. The first section provides an overview of the research questions and design guiding the research. The second section introduces and justifies the site and case study selected for analysis. The third section provides an overview of the methods used to collect the data for this research.

3.1 Research Design

The central purpose of this research is to explore contemporary urbanization processes in Ho Chi Minh City, analyzing the restructuring of urban land governance after economic reforms began. The primary questions guiding this research are as follows: \textit{How has the state restructured urban land governance in HCMC, and how have non-state actors influenced this process?} In particular, this thesis seeks to understand the ways in which state actors, private land developers, and foreign capital interact to form new urban spaces in Vietnam. At a broad level, this thesis then

\textsuperscript{12} Market socialism refers to the selective adoption of market-based policies combined with the endurance of existing socialist institutions. Chapter four outlines the ‘hybridization’ of the Vietnamese market socialist system in further detail.
reflects on how such findings contribute to our overall understanding of state restructuring and urban development in the transitional socialist context.

Reflecting on the existing theoretical contributions surrounding state spatial restructuring (Brenner, 1999, 2004a, 2004b; MacKinnon and Shaw, 2010; Buchs, 2009), this analysis will consider both structural and actor-oriented aspects of state restructuring (refer to table 1.0). By combining existing structural and actor-oriented methods of analysis, this thesis seeks to strengthen and update existing theoretical conceptualizations of state spatial restructuring. In order to do so, empirical investigations will include analysis at both meso- and concrete levels. The meso-level analysis will document the wider structural changes occurring in urban land governance, such as the organizational elements of state power, and shifts in urban policy. The concrete-level analysis will then document the various actors involved (state and non-state), the motives and strategies guiding their actions, and reflect on how their interactions ultimately influence the final formation of new state spaces emerging in HCMC.

Table 1.0 Summary of structural and actor-oriented approaches to analyzing state restructuring*

<table>
<thead>
<tr>
<th>Elements of analysis</th>
<th>Structural approach</th>
<th>Actor-oriented approach</th>
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<tbody>
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<td></td>
<td>State restructuring includes new organizational elements of state power (state spatial projects) (e.g. creation of new state agencies, decentralization, etc.) and state interventions into socio-economic processes (state spatial strategies) (e.g. new urban policies), interacting with existing institutional framework</td>
<td>State restructuring includes both vertical and horizontal dimensions, and is therefore influenced by state and non-state actors, their various social and political interests, and their interactions across various scales (global, national, provincial, municipal, etc.)</td>
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13 Brenner (2004a) suggests state transformations can be studied at various “levels of abstraction”, ranging from the abstract level, to the meso-level, and the concrete-level. The meso-level represents the “historically specific dimensions of general processes” and general empirical developments over the medium-term. The concrete level focuses more in-depth on diverse empirical examples within a relatively short time period or specific event (p.19).
Frame of analysis
The analysis of state restructuring should be situated within the broader political economy and understood through a historical, path-dependent lens.

The analysis of state restructuring should take into account the complexity of actors involved, various motivations, and their interactions.

*(based on the work of Brenner, 1999, 2004a, 2004b; MacKinnon and Shaw, 2010; Buchs, 2009)*

Such analysis will be achieved in chapter four through a reflection of the broad structural changes that have occurred within urban land governance in Vietnam since economic reforms began in the late eighties and early nineties. Then, chapter five attempts to understand the restructuring of urban land governance at a concrete level by investigating the creation of large-scale land development projects, known as new urban areas (khu đô thị mới), in HCMC. The new urban areas are presented as a case of state spatial restructuring and urban land transformation following Vietnam’s economic reforms and global integration.

New urban areas were selected as the primary unit of analysis because of their ability to act as a proscenium to state restructuring. First appearing in the early days of the economic reforms and Vietnam’s integration into the global economy (post-reunification), the emergence of these spaces underscores the restructuring of urban land governance and rescaling of politics to the urban level. Employing a case study approach provides the opportunity to document the complex socio-economic and political processes involved in state restructuring and urban space formation. The study of new urban areas in particular will provide the opportunity to map out the “new spatial logics in the regulation of capital, investment, and labour” (Bogaert, 2012: 257) emerging in transitional socialist cities such as HCMC.
Seeking to analyze the processes involved in urban land governance, the framework presented below (Table 1.1) will be used to structure the empirical analysis of new urban areas. Focusing specifically on the planning, financialization, regulation and multi-level governance processes of new urban areas will provide a framework to document the ways in which urban land governance is being restructured in HCMC. Within each section, emphasis is placed on both the structural aspects facilitating these transformations as well as the various actors and interests guiding these processes.

Table 1.1 New urban area analytical framework

<table>
<thead>
<tr>
<th>Processes guiding the creation of new urban areas</th>
<th>Empirical questions guiding analysis</th>
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</table>
| **Planning:** The spatial planning behind new urban areas, the state’s visions and goals for the projects, and the motivations of both state and non-state actors in pursuing the projects | What is the urban planning behind the new urban area?  
What are the primary goals for creating new urban areas?  
Who are the primary actors involved in the creation of new urban areas?  
Has the project implementation followed the plan or met the initial planning goals? |
| **Financialization**<sup>14</sup>: The economic forces driving the creation of these areas, the financial mechanisms used to produce and finance these spaces, and the primary actors and financial interests involved in such processes | Who is financing the development of new urban areas, what is the nature of their relationships?  
What tools are used to finance the realization of these spaces?  
In what ways has the state provided the conditions for private investment in land? |

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<sup>14</sup> Financialization is understood here as the increasing role of capital, and participation of financial actors, financial interests, or financial instruments in a particular sector. Following the creation of a real estate market in Vietnam, land has experienced financialization, with FDI into real estate now a significant portion of all FDI flows into Vietnam.
**Regulation and multi-level governance**: The legislation and regulatory processes guiding the development and use of land, and the ability of various levels of government, or quasi-state actors to regulate the development of new urban areas.

- What type of land use or development is permitted in the new urban area?
- How, if any, has land use legislation changed to facilitate this development?
- What are the abilities of various levels of government to facilitate the creation and development of new urban areas?
- How and by whom is the use of land in new urban areas regulated and managed?

### 3.2 Site and case selection and justification

This section presents the justification for the site and case selection for which the empirical analysis is based on. Centrally, this thesis focuses on the creation of new urban areas in HCMC.

As will be outlined below, new urban areas were selected as the central unit of study because they are a clear illustration of how urban land governance in HCMC has been restructured.

**Ho Chi Minh City**

The empirical content of this paper is based upon six months of qualitative field research conducted in HCMC, Vietnam. In a globalizing world, cities and urban governance structures have become important sites in state restructuring (Brenner, 2004a). As Brenner states (2004a), “major urban regions have become important geographical targets for a variety of far-reaching institutional changes and policy realignments designed to enhance local economic growth capacities” (p.3). Therefore, as the most populous city in the country and largest recipient foreign direct investment (FDI), HCMC provides the opportunity to understand changing governance structures in increasingly globally integrated cities.

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15 Multi-level governance is understood here as the participation and interaction of various levels of government and jurisdictions in land governance, in Vietnam’s context this includes the central, provincial, district, and commune levels, as well as the influence of private sector actors on governance processes.
3.2.1 The case of new urban areas (Khu đô thị mới)

Within HCMC, this thesis focuses specifically on the creation of large urban land development projects known as new urban areas or “khu đô thị mới”. More than a land development classification, new urban areas in HCMC are a product of state spatial restructuring. The study of these spaces therefore provides the opportunity to document the transformation of urban land governance in Vietnam post-reform, including the changing legislation, political motivations, and socio-economic forces guiding the production of urban space.

Further, provided new urban areas are often located on the urban periphery, the analysis of these developments also provide an opportunity to contribute to the peri-urban\textsuperscript{16} research agenda recently put forth by urban scholars. For instance, Saigon South New Urban Area and Thu Thiem New Urban Area in HCMC both started on land largely considered agricultural, bordering or in close proximity to the urban core. Yet, both new urban areas are intended to create ‘modern’ urban spaces that contribute to the urban expansion of the city.

The peri-urban research agenda put forth by scholars calls for further empirical research that explores the “political economy of land conversion” and the structural dynamics of governance and institutions (Webster, 2011). Webster (2011) highlights the need for more comparative analysis on the shift away from traditional production niches into new patterns of investment in real estate, retail, and related services (Webster, 2011). Specifically, he calls for longitudinal and systematized studies at the micro level of communities experiencing peri-urbanization, as well

\textsuperscript{16} While the term “peri-urban” does not have a universally accepted definition, in the context of this thesis it can be understood as rural areas with increasingly urban characteristics (physically, socially, and economically) (Webster, 2002; Allen, 2003). In the case of the Global South, the peri-urban is often a diverse geography, a shared space home to informal settlers, small farmers, urban commuters, and entrepreneurs (Allen, 2003: 137).
as, the need to document demographic changes, fluctuating property values, and evolving land regimes (Webster, 2011). As will be highlighted in the empirical chapters below, an in-depth analysis of new urban areas in HCMC provides insight into the processes guiding Vietnam’s evolving land regime.

_Saigon South and Thu Thiem New Urban Areas_

Centrally, the empirical analysis will focus on Saigon South New Urban Area. Saigon South was the first of its kind in Vietnam, and the first large planned development to be classified as a “new urban area” in HCMC. It was the first comprehensive large-scale land development scheme with residential areas built and sold by a foreign investor. Further it pioneered different financial mechanisms, such as ‘land for infrastructure’, a bartering tool used by the state to trade infrastructure for development rights, as well as other business practices new to Vietnam at that time. While the development consists of multiple investors and sub-projects, Saigon South was founded upon a public-private partnership between a state-owned enterprise, Tan Thuan Industrial Promotion Corporation (IPC), and a Taiwanese firm, Central Trading and Development Corporation (CT&D) in the early 1990s. As the first new urban area in HCMC, Saigon South provides insight into the restructuring of urban land governance that occurred during the creation of this space.

Saigon South has since been highly influential on proceeding urban development processes, including the emergence of other new urban areas across the city and the country. HCMC in particular has seen three other new urban areas been approved since Saigon South, including Thu Thiem New Urban Area, North-West New Urban Area, and Hiep Phuoc Port New Urban Area.
Therefore, in addition to Saigon South, a wider analysis of other new urban areas emerging in HCMC is also included in the empirical discussion. This is done as a means of strengthening the validity of the research’s findings. Every land development is unique, both in form and substance; therefore, the analysis of additional projects improves our understanding of urbanization processes in Vietnam, and strengthens the generalizability of the findings generated by this thesis. Provided North-West New Urban Area and Hiep Phuoc New Urban Area are still in the early stages of planning, the second part of the analysis will focus centrally on the development of Thu Thiem New Urban Area.

3.3 Collection of data

Taking place over a six-month field visit (June – December 2013) to HCMC, a qualitative research methodology was achieved through semi-structured elite interviews with professionals working in the areas of urban land development and governance, the collection and review of primary and secondary data related to land governance in Vietnam, and participant observations through site visits and informal conversations with community members. Field research was viewed as a central aspect of data collection, allowing a deeper understanding of complex and context dependent issues. As Kaup (2013) highlights, “fieldwork is required to gain an understanding of the complex interplay of social interactions, geography, resource management, and other factors that may influence how people [or places] being studied are impacted, and in turn impact these diverse factors” (p. 43).

Guided by the central research questions and analytical framework (Table 1.1) presented above, the following highlights the central strategies behind the empirical data collection:
• In order to document the planning behind new urban areas, I focused on the collection of urban planning documents (land use maps, city master plans, promotional new urban area project materials, etc.) and sought out interviews with project-related urban planners, architects, lawyers, and land developers, as well as, urban studies scholars, and state agencies responsible for planning, e.g. HCMC Institute for Development Studies (HIDS) and HCMC’s Urban Planning Institute (UPI). These meetings were of particular importance in understanding the forces guiding the restructuring of urban land governance and creation of new urban areas. Meetings with non-state actors provided insights into the private interests at play as well as their relationship with various state actors in creating these spaces. Lastly, these meetings shed light on the various state spatial strategies, as well as private and public actors’ motivations for the creation of these areas.

• To document the processes facilitating the financialization of new urban areas I sought out interviews with the various provincial departments and divisions responsible for attracting investment in land and approving urban development projects, such as the Department of Natural Resources (DONRE), the Department of Construction (DOC), and the Department of Planning and Investment (DPI) (including respondents from the newly created Public Private Partnership Division, created in 2010). I also met with land developers, lawyers, and real estate agents involved in the new urban areas under review in efforts to understand the role of private capital in financing the development of these spaces, as well as, the opportunities for financial gain for both public and private actors.

• To understand the ways in which the state regulates the use of land and land users in new urban areas, both in theory and practice, I conducted a review of the laws and policies
guiding the use of land, and sought out interviews with provincial and district state officials, private land developers, lawyers and real estate agents. Such interviews provided insight into how the state adjusted urban policy and land use legislation to permit the type of land development present in new urban areas. To understand the multi-level governance of urban areas I reviewed the legislation outlining the responsibilities of various levels of government in land governance and sought out interviews with provincial and district officials, and private actors such as land developers, real estate agents, and lawyers. This contributed to my understanding of the spatial organization of land governance in the case of new urban areas.

The following outlines in further detail the methods used to achieve these strategies.

3.3.1 Elite Interviews

Semi-structured elite interviews contribute to the bulk of information gathered during fieldwork. Over the duration of six months, in-depth interviews were conducted with 60 respondents. The respondents selected included academics, state officials, and private actors who have experience working in the field of urban land development, urban planning, and land governance in Vietnam (refer to table 1.2). Elite interviewing was selected as the primary method of data collection as it is a means of documenting perceptions of social and political activities and retracing historical events. Further it provides the opportunity to identify and understand the role of elites in socio-economic processes (Horchschild, 2009; Tansey, 2007). Elite interviewing played a central role in achieving an understanding of the various actors involved in the creation of new urban areas and the restructuring of urban land governance.
The literature on research methods in socialist and post-socialist environments highlights a variety of methodological challenges, such as locating or gaining access to officials and bureaucrats, dealing with the respondent’s unfamiliarity to the interview process, and addressing the respondent’s suspicion about the researcher’s aims and motivations (Rivera, Kozyreva & Sarovskii, 2002). Due to the difficult nature of the research environment in Vietnam, the selection of elite interviews heavily relied on snowball sampling. First, in Vietnam lists of state officials are often not made public; at best only general department contact information is available. Second, initial interview attempts highlighted the importance, if not requirement, of a referral or personal connection when arranging an interview. Third, urban land governance, the topic of this research, is an extremely sensitive issue in Vietnam. Ranked second, behind traffic police, land administration is perceived one of the most corrupt public sectors in Vietnam by public officials, enterprises, and citizens (World Bank, 2012). Therefore, many state officials are reluctant to discuss this topic, let alone provide quantitative information or explain detailed processes related to urban land development.

Snowball sampling is a useful tool for interviewing hard to reach populations (Faugier and Sargeant, 1997). Further, as Hendricks and Blanken (1992) state, “if the aim of the study is primarily explorative, qualitative and descriptive, snowball sampling offers practical advantages in obtaining information on difficult-to-observe phenomena” (as cited in Faugier and Sargeant, 1997: 792). Therefore, elite interviewing and snowball sampling were deemed most suited methods to the research project and environment. After each interview, the respondent was asked for referrals to additional contacts working in similar areas. This form of sampling was necessary
as I learnt more about the elites involved in land use governance. Furthermore, the information desired depended on first hand accounts of what has occurred in practice and the interactions between various levels of the state and private actors.

During every interview I took detailed notes and an audio recording was made if permitted by the respondent. All notes and audio files were digitally transcribed and reviewed later. A local research assistant accompanied me if the respondent requested an interview in Vietnamese. The research assistant provided direct translation during interviews where necessary. All audio files in Vietnamese were transcribed and translated. I reviewed the transcripts as well as notes made by my research assistant at a later date. When I returned to Canada, all field notes and interview transcripts were compiled, reviewed, and analyzed using open coding for emerging themes.

Attempts were made to include a variety of stakeholders within the sample of respondents; however, due to limited time and resources (funding, personal connections, access to respondents, etc.), the inclusion of all narratives was not possible. Notably, central government respondents are missing from this study. Due to the difficult nature of gaining access to state officials, and limited personal connections in the capital city, Hanoi, I decided to focus my time and resources on HCMC. Efforts were made to account for this narrative by interviewing respondents from state institutions who work in close contact with the central ministries (such as Ministry of Construction and Ministry of Planning and Investment), as well as a review of policy and legal documents implemented from the central level.
From the outset, this study decided to focus on elite interviewing rather than household and population surveys. However, the narratives of local residents at the sites of change are important in triangulating the responses of key informants. Therefore, over the course of the fieldwork, I conducted informal conversations with local residents in and around new urban areas in HCMC. Due to the sensitivity of land issues, and insecure nature of living at urban sites of change, the majority of conversations were off record. The intent of this inclusion is to gain a historical perspective on how the area has changed over time, as well as local perspectives of urban development. Participant field observations were made through various site visits and informal interviews over the course of the six months. Such informal conversations with residents contribute to contextual understanding of the case study. Further, the inclusion of newspaper articles and related media also contribute to the narrative of local residents. Despite being state-owned, newspapers often cover large and small land related disputes and accept public submissions on community issues. Recently, scholars (Kim, 2011: 500) have highlighted the increasing importance of newspapers in Vietnamese societies, both as a public source of information and tool for communication and feedback between the local population and various levels of government.

Table 1.2 Description of respondents included in study

<table>
<thead>
<tr>
<th>Type of respondent</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 academics (A1-A6)</td>
<td>From HCMC, Hanoi, and international academic institutions</td>
</tr>
</tbody>
</table>
| 34 state officials (S1-S34) | 12 provincial officials from various departments related to land (DONRE, DPI, HID, DOC)  
6 officials from new urban area management authorities  
16 district level officials in divisions directly related to land management |
<table>
<thead>
<tr>
<th>7 representatives from INGOs / research centres (N1-N7)</th>
<th>4 representatives from INGOs involved in land-related issues 3 representatives from local urban studies research centres</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 representatives from the private sector (P1-P13)</td>
<td>7 representatives from land development firms (3 foreign, 3 domestic, 1 quasi state-owned) 3 representatives from law firms involved in land and property markets 2 representatives from international real estate firms 1 representative from an architecture firm involved in Saigon South</td>
</tr>
</tbody>
</table>

**Total: 60 respondents**

+ Informal discussions with residents in Saigon South New Urban Area and District 2 (future home of Thu Thiem New Urban Area)

### 3.3.2 Host institution affiliation

As highlighted above, gaining access to elites and encouraging respondent participation in socialist or post-socialist countries can prove extremely challenging. The literature therefore suggests an affiliation with a reputable local institution will improve interviewee confidence (Rivera et al., 2002). Despite the challenges associated (increased government awareness of research activities and lack of confidentiality), it is recommended that foreign researchers gain official permission to conduct research in socialist countries such as China, Laos, and Vietnam prior to arrival (Turner, 2013).

For the purpose of this research, the University of Social Sciences and Humanities (USSH) in HCMC supported my six-month research period in Vietnam. The collaboration with a local institution proved extremely helpful in starting the research, rooting the research in a central area, gaining access to information, and soliciting initial respondents. My contacts at USH introduced me to the administrative and cultural expectations for conducting research in
Vietnam, provided suggestions on case studies, starting points for interviews, access to university libraries, and connected me to potential research assistants.

In the Vietnamese research environment, a personalized letter of introduction, signed and sealed by a local academic institution is considered proper etiquette during official interviews, notably with political elite. USSH provided letters of introduction for my interviews where necessary. Despite added-time required for letter requests, the cooperation of the university in this task was extremely helpful in organizing interviews with state departments. Throughout the research, it became apparent that a letter of introduction may be substituted with a strong personal connection; however, each situation was unique depending on the context and preferences of the respondent. Letters were often not required in ‘out-of-office’ or informal meetings, and certain respondents even requested I did not share the letter of introduction to office security guards in fear of publicizing our meeting. Therefore, the decision to request a letter of introduction was often done on a case-by-case basis or at the respondent’s request.

One stipulation of the university’s support was the submission of monthly reports detailing my research activities, the respondents and departments I met with, as well as the results of such activities. In attempts to protect the identity of my respondents and confidentiality of my research, I used broad descriptions of respondents, often only including the general department or government agency involved. As well, I was careful to only include formal interviews where letters of introduction were used. Affiliation with local and often state-run academic institutions may pose methodological challenges to the research; however, the affiliation ultimately made my research possible.
3.3.3 Collection of primary and secondary data

Several different sources of information were used to triangulate and complement elite interviews. First, government laws, decrees, and policies since Doi Moi (1986) related to the current land regime were reviewed to document the evolution of land governance systems and create a timeline of state restructuring. Elite interviews enabled me to corroborate such information and understand the practical implications, and at times adaptations, of the reforms.


Challenges in accessing primary data in Vietnam are highlighted by many scholars (Scott, Miller & Lloyd, 2005; Gainsborough, 2003; Labbe and Musil, 2014). Land information such as market prices, real estate sale histories, planned private land development projects, and compensation rates can be extremely difficult if not impossible to obtain. This is due to the financial
opportunities surrounding such information and the absence of accessible formal housing and land registries. Furthermore, while master plans for the city and districts are by law public information, good quality and up-to date versions are difficult to obtain. Through personal interviews, I was able to gain access to provincial budget data related to land revenues, master and land-use plans for HCMC, certain districts and Saigon South, and a variety of project related data. This information came from various sources including the Statistic Office of HCMC, the DPI, DONRE, Management Authority for Southern Development (MASD), real-estate firms, and individual district people’s committees.

Another methodological challenge was the variation among the new urban areas regarding the types of information available. This variation is influenced in part by the time periods in which the development of these areas occurred, its stage of development, and the size of the population affected by such development. For instance, the information on land clearance and compensation was much more accessible for Thu Thiem than Saigon South. This is because the vast majority of land clearance for Thu Thiem occurred over the year prior to my arrival and was thus very topical. Further, it was a significant land clearance project for HCMC, with over 15 000 families evicted from their residences. As such, I was able to find respondents working for or studying the development, and information was triangulated through a variety of news sources. In contrast, Saigon South began land clearance in 1993, with an estimated 100 families cleared for the first completed section of Saigon South (Phu My Hung New City Centre). Further, there have been administrative and territorial changes in the area since the clearance and compensation efforts began. Government officials from the newly created district 7 (since 1997) (location of Phu My Hung New City Centre) informed me that records from the previous district were not kept during
the administrative restructuring. Both local and international scholars I spoke with confirmed the lack of available information on Saigon South’s clearance and compensation. Overall however, I do not believe the variation in information among the new urban areas analyzed prevents the thesis from reaching conclusions, as both cases illustrate the restructuring of urban land governance and contribute to our understanding of such processes.

3.4 Summary

This chapter has outlined the central research questions, design, and methods used to conduct the research for which this paper is based. It has presented the selection and justification of the case study. Finally, it has outlined some of the challenges and limitations faced during data collection. The next section will reflect on the larger structural changes occurring in Vietnam’s urban land governance post-doi moi.

Part II: The Vietnamese Context

4.0 Restructuring Vietnam’s Land Regime

Over the last thirty years, Vietnam has experienced significant transformations as it integrates into the global economy, shifting from a centrally planned economy with collectivized agriculture and anti-urban policies to a market socialist economy with a thriving real estate market. This section situates the analysis of new urban areas in Vietnam, by providing an overview of significant legal and political changes guiding the use of land resources in
Vietnam. Centrally, this chapter focuses on the commodification of land in Vietnam and evolution of a real estate market. Provided the urban focus of this thesis, the significant agricultural land reforms also pursued at this time are beyond the scope of this study. The reforms described in this chapter are significant as they highlight the restructuring of urban land governance in Vietnam, and the creation of a hybrid market socialist land regime. More than administrative shifts, these reforms are a central step in the restructuring of state power in Vietnam.

4.1 State management and collective housing

Between the reunification of North and South Vietnam in 1975 and economic reforms in 1986, the country was governed largely with anti-urban policies, promoting the development of rural areas and preventing migration into cities. According to socialist ideology at the time, urban populations were associated with consumers rather than producers. Therefore, the growth of large cities was discouraged and urban populations were resettled (Gainsborough, 2003: 5). Further, provided land management practices were shaped by Marxist-Leninist theory, land was viewed as a “special commodity” lacking “consumption value”, and because land was “not a marketable commodity, it followed that states rather than markets should regulate the access to housing and land” (Gillespie, 2013:105).

Accompanying the country’s reunification, a National Housing Program was started in 1975. State funded, this program was largely based upon socialist and egalitarian distribution principles.

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(Gillespie, 1998). Housing was viewed as a central pillar of the socialist revolution and therefore everyone’s housing needs should be met. The “right to housing” was promised to all residents by the central government (Labbe and Boudreau, 2011). Ultimately, however, the notion of collective housing could not be sustained under increasing local demands, corruption and mismanagement, and the economic crises of the 1980s (Labbe and Boudreau, 2011; Gillespie, 1998).

Following the fall of the Soviet Union, Vietnam was forced to find new sources of revenue and renew economic ties with the West. Vietnam’s economic reforms and general ‘opening up’ of the country’s economy beginning in 1986 marks the next chapter of Vietnam’s urban land governance—market socialism.

### 4.2 A “hybrid market-socialist land regime”

This section outlines the selective market-oriented land governance policies adopted by the government following the economic reforms of 1986. This integration of market-oriented policies into pre-existing socialist institutions has created what Labbe and Musil (2014: 1149) call a “hybrid market-socialist land regime,” highlighting the idea that the state has introduced market-oriented principles, such as limited private property, while at the same time maintaining the formal principles of Vietnamese socialism, such as state managed land. In Vietnam, there remains an ideological component to land, and this socialist ideology informs the template for how land is governed (N2, HCMC, 08/07/2013). A review of the land reforms since economic reforms began in 1986 illustrates this hybridization.
The 1993 Land Law created property rights required for a formal land and housing market, providing land users with six powers: the ability to exchange, transfer, inherit, lease or mortgage and the right to receive compensation from the state if land is expropriated (Land Law 1993, article 3/27, No.24-L/CTN). These powers are realized through the issuance of land use right certificates (LURCs), and later in 1994 through Degree 60-CP, combined building ownership land use right certificates (BOLURCs). Granted by the state, the length of land leases depend on the use of land: for agricultural land, 20 year leases are granted for annual crops and 50 years for perennial crops, for private corporations (foreign and domestic) between 50-70 year leases are granted, and unlimited leases or on a “stable and long-term basis” are granted to Vietnamese citizens for residential purposes. The various land lease lengths are influenced by socialist principles. For instance, housing for local people has always been a strong value to the Communist Party of Vietnam. Therefore, the land leases for residential use are the most secure (in terms of length), and the formal sale of housing has been closely controlled by the state (S11, HCMC, 06/10/2013).

With this in mind, aside from owner-built housing, the majority of housing developments at the time were built by domestic state owned enterprises. Foreign enterprises were allowed to enter the real estate market, but were restricted from building/selling housing for local residents. They were only permitted to build luxury apartments for rent, hotels, commercial and office space. This was intended to encourage the flow of FDI, while protecting the housing sector, and as one HCMC state official comments, “prevent all the foreign capitalists from buying the land” (S11, HCMC, 06/10/2013). As Gillespie (1998) notes, this land law illustrated it was possible to recognize private interests in land, while still maintaining the “underlying principle of state
ownership of land” (p.569). This ultimately led to a shift from anti-urban policies in Vietnam to the recognition of cities as an important catalyst for modernization (Gillespie, 1998: 569).

The 2003 Land Law further supported the development of a real estate market in Vietnam, allowing land to be used as both a gift and resource in business, and the ability for residents to claim compensation for state-led land acquisition (Thu and Perera, 2011). In addition, the 2003 Land Law enabled foreign investors to sell residential land to Vietnamese residents; whereby, the state would issue BOLURCs to buyers on a “stable and long-term basis” (2003 Land Law, article 119/3e, No. 13-2003-QH11). Together, these institutions have effectively commodified limited private property rights in land. A thriving real estate market resulted, with FDI in real estate representing 54% of all FDI flows into Vietnam by 2008 (Thu and Perera, 2011: 30).

However, as Labbe and Musil (2014) recently point out, the Vietnamese land system is vastly different from the freehold private property tenure systems that exist elsewhere, highlighting the fact that the state still retains extensive powers over the use of land. The state remains the single supplier of land, retaining the ability to change the purpose of land; therefore, embedding themselves into every market transaction. According to the 1992 constitution, all land is public, collectively owned by the people but managed by the state on their behalf. The revised 2013 constitution continues to recognize land as “public property, owned by all the people, and represented and uniformly managed by the State” (2013 Constitution, article 53). However, as one respondent states, “according to the constitution the people own the land and the state manages it on behalf of the people, but in reality we can say the state is the true owner” (S11, HCMC, 06/10/2013).
This control is underscored by the state’s ability to exercise extensive powers of eminent domain and ability to set land prices. According to the 2003 Land Law, the state is allowed to recover land for “industrial zones, high-tech zones, economic zones and large investment projects as stipulated by the Government” (Land Law 2003, article 40, No.13/2003/QH11). Decree 84 in 2007, further extends the ability of the state to acquire land for 100% foreign funded projects, for “projects of important economic development” and “urban and rural residential areas” (Decree 84, article 34, No. 84/2007/ND-CP). Today such extensive eminent domain powers continue. Despite extensive public pressure, the revised 2013 Constitution and 2013 Land Law still permits the state to recover land for “socio-economic development in the national or public interest” (Constitution of the Socialist Republic of Vietnam, Article 54-3, 2013; 2013 Land Law, Article 16, 1a, No. 45/2013/QH13). The ambiguity of “socio-economic development” and what type of development projects (e.g. shopping centres, residential areas, new urban areas, etc.) fall under this remains a central point of public contention.

Further, land is acquired by the state using the Land Price Framework, an official price\(^\text{18}\) of land set by provincial governments on an annual basis\(^\text{19}\). The Land Price Framework creates a dual price system: the market price and the lower official price. When land is acquired by the state and allocated to investors, the original users are compensated based on the official price; whereas, once it is developed and sold by investors, it is done so at market prices, which are typically higher than official prices. This creates a useful tool for attracting FDI, enabling the state to sell land to investors below market rates. A respondent from an INGO involved in land

\(^{18}\) The official price of land is based on “the type of land (agricultural, forestry, aqua-cultural, rural, peripheral, and urban land), region (mountain, midland, and low land areas), class of land, category of urban land, and adjacent to business districts” (Thu and Perera, 2011: 32).

\(^{19}\) As of the 2003 Land Law (implemented in 2004), the price began to be set on an annual basis in efforts to make the official price more reflective of market prices. Before this, the official price did not change.
rights in Vietnam states, “the gap between the compensation rate and the market rate is as much as ten times. HCMC is considered the best and the gap is only 2.5 times. But still the opportunities for enrichment are very large” (N3, HCMC, 12/07/2013). The changes in property rights and land governance as described above have made the state both “a catalyst and the site” for urban development and market transactions to occur (Labbe and Musil, 2014: 1148).

Significant fiscal and administrative decentralization of land-related powers has also occurred. The Budget Laws of 1996 and 2002 have provided fiscal decentralization, giving provincial governments the ability to raise their own revenue through land sales, transfer fees and taxes (Fritzen, 2006; Coulthart et al., 2006). The 2003 Land Law and Construction Law also devolves significant authority to provincial government, including the ability to acquire land, set official land prices, approve district master plans, and the management of higher-level capital investment projects (Coulthart et al., 2006:14). Today, master plans for provinces and provincial cities (e.g. HCMC and Hanoi), as well as, large-scale land projects or those deemed of national importance still require central government approval.

While successive reforms have provided provincial governments greater autonomy over the use of land, interviews with provincial state officials and private investors involved in real estate in HCMC, highlight in practice these decision-making processes related to land development projects are far less clear—exhibiting instances of both informal recentralization and decentralization. For instance, interviews with state and private actors suggest even if land

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20 While the state legally has to use official land prices for compensation, interviews with state urban planners and those involved in compensation suggest that the official price is often too low for residents to accept, and a negotiation may occur between the state and land owner to find a price somewhere between market price and official price. This negotiation is often done as a means of maintaining social stability and moving the project forward (S2, HCMC, 24/07/2013; S26, HCMC, 13/11/2013; S6, HCMC, 12/08/2013).
related powers have been decentralized it is still common practice for the local government and subnational government to seek the approval or advice of higher levels of government. A legal advisor to many land developers in HCMC states,

“Even though the regulation allows the [HCMC] People’s Committee to do that, sometimes they also ask the opinion from the central government. […] They want to get the green signal from the central government. Because a normal trait in [public] administration systems in Vietnam is that they are afraid of responsibility. […] In my daily practice, for many projects it is very clear that it (the approval) falls under their authority, but they still consult the written opinion from the Ministry of Planning and Investment or Ministry of Finance (central agencies) […] From now and ten years ago, not much has changed” (P10b, HCMC, 22/10/2013).

Similarly, a foreign private land developer working in HCMC comments, “legally it seems local government can make decisions, but in practice they need to seek approval from higher-ranking officials”. Therefore, the respondent stated, in order to succeed as a foreign investor in land development one must receive “high-ranking support” (P11, HCMC, 11/11/2013).

On the other hand, however, respondents have also provided instances where advice or approval from higher levels of government is not sought. One provincial state official explained projects in HCMC are often not classified as official build-transfer (BT) agreements, despite having BT characteristics, in order to avoid the requirement of central state approval and speed up project approval times (S16b, HCMC, 06/12/2013). Similarly, a local professor in political science highlights the ability of provincial government officials to influence the decisions of central ministries’ and officials’ decisions regarding land development projects:
“Our [urban] planning system is quite centralized, but in form not substance. Because once the local authority submits something different from the plans, they lobby it. I mean they have ways to persuade the upper level, and then they change [the plan]. So it means, even though we have a top down control system, normally whatever projects, all sorts of projects initiated at the provincial level have been approved […] the lower levels, even though they don’t have proper authority or jurisdiction, they can still have financial or monetary power, and then they go back up and finally the upper level follows the decisions actually made at the lower level. Not every project, but the system is not as ridged as it looks” (A4, HCMC, 10/09/2013).

The above examples illustrate instances where state restructuring has been put forth by the central government through the vertical shift or decentralization of state power (state spatial project). However, as the first quotations illustrate, in some instances this restructuring has had difficulty taking root. These continued practices in local public administration may be a remaining element of political culture that has not changed with new legislature. Whereas, the second examples provide instances where state officials contribute to restructuring through informal practices, motivated by the desire to attract investment or speed up development processes. Such contradictions to the ‘official’ state spatial project put forward illustrate the complexity of state spatial restructuring in practice.

To summarize thus far, the Vietnamese state has created a limited form of private property rights that conform to an over-arching constitutional commitment to socialist principles (i.e. public ownership of land). Through limited term leases and eminent domain powers, the state continues
to exercise considerable control over the ways in which new peri-urban areas are acquired and converted for the purposes of industrial and residential development. Two central themes have emerged in this section: first, is the state’s creation of quasi-private property rights in land, and second, is the state’s efforts to control foreign investment in the real estate sector while stimulating investment. Further, based on the above discussion, there has been a shift in Vietnam from housing as a ‘social right’ or ‘place to live’ to housing as a ‘tool for investment’.

![Timeline of land reforms and development of new urban areas in HCMC](image)

**Figure 1.1** Timeline of land reforms and development of new urban areas in HCMC

### 4.3 Urban-centered entrepreneurial strategies

Accompanying Vietnam’s hybridization of land governance institutions, are increasingly ‘urban-focused’ policies and incentives for state officials to pursue urban land development. Largely beginning in the early nineties, notably with the 8th Eighth Party Congress (1996)’s goal to
modernize and industrialize by 2020, government policies have focused on the development of urban areas. For example, Decision No. 10 (1998) on the Urban System and Development Strategy to 2020 requested “the development of medium and small sized cities” with the intent of creating a “system of cities” (World Bank, 2011). In 2009, this strategy was further expanded to include megacities with populations over 10 million (Decision No. 445). The 2011-2020 Socio Economic Development Strategy further recognizes the role of urbanization in achieving the government’s goal to become an industrialized country by 2020 (World Bank, 2011). Reflecting on such policies, it is clear that since Vietnam’s global economic integration largely began in the early nineties, the government has pursued a pro-urban development strategy.

Differing from the case of Western Europe as presented by Brenner, while Vietnam has recognized the important role played by their large metropolitan regions (e.g. HCMC, Hanoi), the central government has not abandoned its redistributive focus. This is clear with Vietnam’s urban policies geared towards exclusively small and medium cities in the beginning, and the later relaxation to also include larger cities. Lastly, the continued use of large fiscal balancing transfers or equalization payments between provinces\textsuperscript{21} further illustrates a continued focus on redistribution. This does not, however, suggest inter-urban competition between sub-national governments and strategic development is not also occurring.

\textsuperscript{21} Equalization transfers from the central government can represent up to 90\% of some provinces’ budget (Albrecht, Hocquard & Papin, 2010).
4.3.1 Restructuring urban land: the benefits of ‘becoming urban’

The classification of urban land

Interviews with various state officials and urban planners highlight the economic and political benefits of ‘becoming urban’. First, state officials interviewed stated the formal classification of land as an urban district (quận) (as opposed to rural district (huyện)) makes the area more attractive to both domestic and foreign investors, as the term urban suggests a close proximity with the city centre. Furthermore, on the city master plan urban districts often have more land allocated for non-agricultural purposes and less for agricultural purposes. This makes non-agricultural land project approvals easier compared to rural districts, as there is no need convert the land purpose or alter the master plan. Third, in addition to locally generated taxes, urban districts often have a larger population and can therefore request larger financial transfers from the provincial government for infrastructure development. Ultimately, as one provincial state official commented, the classification “‘quận’ is more economically and politically favourable” (S10, HCMC, 24/09/2013).

A further example to illustrate the strategies driving the reclassification of land is the district boundary changes in HCMC during 1997. Prior to 1997, HCMC was comprised of 15 urban (quận) districts and 6 rural (huyện) districts (HCMC Statistical Yearbook, 1996). In 1997, 5 new urban districts were carved out from the rural districts. Interviews with various state officials, planners and architects confirmed no specific legislation guided the administrative boundary changes that took place at that time, and those which have been divided have been done so on an

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22 Further administrative boundary changes occurred in 2003, when another urban district was carved out of a rural district, and an old urban district was further divided into two urban districts. Today, Ho Chi Minh City is divided into 19 urban districts (quận) and 5 rural districts (huyện) (Ho Chi Minh City Statistical Office, 2013).
ad-hoc basis. However, a state official from Ho Chi Minh City’s Institute for Development Studies states the reterritorialization of these areas in 1997 was part of a city strategy (approved by the Prime Minister) to attract foreign investment:

“We joined ASEAN [in 1995]. At that time, it was the first time Vietnam reformed, economic reform, so we joined into the regional economic integration, integrating into the world. So we needed to prepare the availability of the land for the investors […] According to the regulations, a rural district is very limited in terms of planning for [land] development. If the agricultural land is transferred into urban land, we need to do many procedures; it is complicated and takes time. So the government decided, by the administrative commands, they would like to move, transfer from the rural land to urban land, in order to facilitate for the investor. Because in 1997, due to the open economy, many investors come to HCMC, but how to provide or supply land to the investor? They need to expand the urban area in order to provide the land for the investor” (S21, HCMC, 1/11/2013).

Developing an urban hierarchy

Introduced in 2001 and amended again in 2009, a hierarchical urban classification system places urban areas in Vietnam in six categories: urban categories V, IV, III, II, I, and special (highest). At present, Hanoi and HCMC are the only two urban areas with special classification. The urban ranking is based on four central criteria: population, population density, proportion of non-agriculture labourers, and urban infrastructure provisions (Decree 42, article 6, No.42/2009/ND-CP). This urban classification system creates large incentives for urbanization, as it is possible to move up or down the hierarchy, with higher urban categories often receiving more financial
resources and greater political recognition (World Bank, 2011). This strategy greatly encourages the development and expansion of urban areas, a key step in the Government’s goal to modernize and industrialize. For example a professor in urban studies states, “in the past some smaller cities or smaller communes, if they want to go up the city ranking, they try to build many roads, with the purpose to go up the rankings of urban land” (A3, HCMC, 05/08/2013). However, the sustainability of urban growth is not measured through this system, and as such often leads to inefficient use of resources and unnecessary projects as local governments strive for higher classifications (Coulhart et al., 2006:5).

As illustrated by the above discussion, the land governance system in Vietnam is set up in such a way that urbanization is favoured and actively pursued across various levels of government. Reclassifying and adjusting the boundaries of urban land has become both a political and economic strategy. Further, the current land governance and state financial sharing systems are structured in such a way that incentivizes urbanization. Land sales are a significant source of provincial government revenue23, and urbanization increases a city’s political and economic status; therefore, it is in the government officials’ interest to expand outward and sell land (Work Bank, 2011:174). However, it is worth noting that the majority of revenue from land sales24 comes from a single time fee, such as the fee paid when the state allocates land to individuals or organizations. Therefore, as the amount of available land declines so does the opportunity for

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23 Land related revenue (land sales, taxes, and transfer fees) accounts for on average 20% of HCMC government’s total revenue from 2000-2012. In 2000, the total revenue from land related sources was 3 373.4 billion VND compared to 11 491 billion VND in 2012 (information retrieved from the HCMC General Statistics Office in 2013).

24 In Vietnam, land revenue comes from three main sources: 1) transfer tax when users sell their rights, 2) single event revenue (land use fee, land rent, and sale of state-owned land), and 3) annual revenues from Agricultural Land Use Tax and the Land and Housing Tax (McCluskey and Trinh, 2013: 277).
this revenue source (McCluskey and Trinh, 2013: 277) —yet, another reason to continue to expand outward.

4.4 Summary

As illustrated in this chapter, land governance in Vietnam has become increasingly urban-focused and entrepreneurial in nature. Further it appears this restructuring has occurred as a means of adapting to changing market conditions and an increasingly integrated economy, while working within the existing socialist framework. Also illustrated in the above discussion is the interests of individual state officials; urbanization is not only a central or provincial state strategy, but also interpreted and pursued by state actors based on personal and political interests.

The next section will document specific examples of Vietnam’s hybrid market socialist land regime, exploring the case of new urban areas in HCMC.

5.0 Case Study: New Urban Areas in Ho Chi Minh City

This section presents the case of new urban areas in HCMC. As a means of analyzing the restructuring of urban land governance, this section documents the structural aspects guiding the creation of new urban areas, as well as the actors and interests involved in such processes. Centrally, the empirical research focuses on Saigon South New Urban Area, the first large planned land development classified as a “new urban area” in the HCMC, and a project that has been highly influential on proceeding urban development processes. Other new urban areas emerging in the city, notably Thu Thiem New Urban Area, will be explored later in the chapter.
Within this context, I am particularly interested in the ways in which national and local municipal actors used the experience of Saigon South New Urban Area to shape the formation of other new urban spaces in HCMC.

The analyses of new urban areas presented in this chapter are organized into the following sections: *planning* (the physical planning behind the development and the goals and strategies guiding the development), *financialization* (the financial mechanisms used to produce these spaces), *regulation and multi-level governance* (the legislation and regulatory processes guiding the development and use of land, and the ability of various levels of government and non-state actors to facilitate this development). Each section ends with concluding remarks reflecting on central findings.

### 5.1 Saigon South New Urban Area

*Planning*

The concept of Saigon South New Urban Area (referred to here as SSNUA) stemmed from the creation of Ho Chi Minh’s first export processing zone (EPZ), the Tan Thuan EPZ (TTZ). A brief review of TTZ’s and SSNUA’s origins will help illustrate the central goals and motivations leading to the creation of HCMC’s first new urban area project. Though this, new urban areas can be understood as state spatial strategies to attract investment and promote economic development.
Shortly after economic reforms (đoi mới) began in 1986, the central government decided to review the previous Southern Regime’s plan of creating an EPZ in HCMC. This idea was brought to the central government’s attention by the Friday Group (Thứ Sáu) (P10a, HCMC, 21/10/2013). Named after their weekly meeting day, the Friday Group was comprised of top profile Vietnamese businessmen who frequently held meetings to discuss strategies for economic development in Vietnam (Tuoi Tre, 2012; P10b, HCMC, 22/10/2013). The Group advised Vo Van Kiet25 and other members of the central government on many aspects in efforts to develop the country. The central government agreed to move ahead with the creation of an EPZ in HCMC, selecting the Tan Thuan Dong Peninsula for the project location, an area that had been selected by the ‘Old Regime’26 as a potential EPZ location (P10a, HCMC, 21/10/2013; Tuoi Tre, 2012). The central government then entrusted a member of the Friday Group, Dr. Phan Chanh Duong, to find an interested and capable investor (Tuoi Tre, 2012; P10b, HCMC, 22/10/2013). Identified as part of a series of pilot projects aiming to promote foreign investment in HCMC from 1989–1995 (Huynh and Ngo, 2010:14), this project was initiated and greatly supported by both the central and provincial (HCMC) government. As will be explained in the financialization section below, TTZ was founded on a joint venture between a Taiwanese investor, CT&D, and a state-owned enterprise, IPC.

25 Respondents highlighted the central role played by politician Vo Van Kiet, who as previous HCMC Chairman greatly supported the creation of Tan Thuan EPZ, and later as Prime Minister (1992-1997) approved Saigon South. Vo Van Kiet is credited as a leader in Vietnam’s reform. One respondent commented that Vo Van Kiet was sympathetic to both sides; he understood the needs for a market-based economy, but also understood the communist system. The respondent further characterized him as “quite open-minded” and “different from other high ranking officials” at the time who were often “dogmatic and conservative” (P10b, HCMC, 22/10/2013).

26 The Old Regime is what Vietnamese call the previous southern government, or Ngô Đình Diệm’s government in South Vietnam before reunification.
In 1993, two years after TTZ was approved, CT&D and IPC formed another joint venture, Phu My Hung, to facilitate the creation of SSNUA. The idea to build SSNUA was primarily informed by the HCMC People’s Committee’s (HCMC PC) interest in building a highway to connect the TTZ to the southern provinces, and the private investor’s (CT&D) desire to develop residential areas in close proximity to the TTZ. As will be discussed in the financialization section below, SSNUA was founded upon an agreement where CT&D would invest in and build the road and in exchange IPC would provide CT&D the rights to develop surrounding land.

However, more than just a means of providing transportation infrastructure, the creation of SSNUA was also motivated by the HCMC government’s desire to create a “special zone” similar to what the Chinese did with Shenzhen—“a typical development for the City in the ‘new period’” (P10b, HCMC, 22/10/2013). SSNUA is viewed as “an important catalyst to propel Ho Chi Minh City southern urbanization”, transitioning “a large number of farmers to become city-dwellers and the marshland into a modern city, boosting the economic development of the entire southern areas and Ho Chi Minh City” (Phu My Hung, n.d.b). Specifically Phu My Hung views SSNUA as “the first step in the envisioned expansion of Ho Chi Minh City's growing metropolis” and “a key component of Vietnam’s comprehensive plans for the Southern Focal Economic Area” (i.e. HCMC, Dong Nai, and Ba Ria Vung Tau provinces), “poised to become a center for international finance, trade, accommodation, entertainment, cultural, scientific, high technological and tourism development in Vietnam” (Phu My Hung, n.d.b).

The master plan of Saigon South was commissioned through an international urban design competition organized by Phu My Hung and HCMC’s Chief Architect Office (later renamed
Department of Planning and Architecture) in 1994. USA firm Skidmore, Owings and Merrill (SOM) was selected as the lead architect and Kenzo Tenge Associates (Japan) and Central Koetter, Kim and Associates (USA) were selected as master plan advisors. These foreign firms contributed design advice, but the master plan was ultimately assembled by NAGECCO (National General Construction Consulting Joint Stock Ltd.), a local state-owned firm, who then submitted the plan to the central government for approval (P8, HCMC, 09/10/2013). Further versions of the master plan were done through HCMC’s Urban Planning Institute (UPI), a government agency (S25b, HCMC, 15/11/2013).

With a “futuristic spatial design”, SSNUA was designed to be a “modern city” for Vietnam in the early 1990s. Covering 2 975 ha, SSNUA is a large-scale land development scheme designed to create a multi-purpose city, with financial, trade and industry services, residential areas, international schools, hospitals and other public amenities. Saigon South is spread over three districts within HCMC, including urban district 7 (Quận 7) (previously part of rural district, Huyện Nhà Bè), urban district 8 (Quận 8), and rural district Bình Chánh (Huyện Bình Chánh). SSNUA is divided into 20 sectors with a 17.8km highway (Nguyen Van Linh Parkway) running down the middle. Sections A-E are to be developed and managed by the central investor (joint venture Phu My Hung) and the remaining sections are ‘public land’ to be managed by the HCMC government, and planned for mixed-use development (refer to Figure 1.2). One architect firm involved in the project states the initial planning goals of SSNUA were to alleviate population pressures on the old city centre, establish a green belt, and build infrastructure that will support new urban development (P8, HCMC, 09/10/2913).
Reflecting on the initial urban design and planning goals of SSNUA (alleviate pressure on old city centre, develop a green belt, provide urban infrastructure, and attract investment), the project has had mixed success thus far. While far from complete, SSNUA is acknowledged across the country for its high quality urban infrastructure and well-planned urban areas, namely Sector A Phu My Hung New City Centre. Completed in 2007, Nguyen Van Linh Parkway provides a 10-14 lane highway and multiple bridges, connecting SSNUA to the HCMC central business district, a near-by export processing zone, and the southern provinces (Phu My Hung, n.d.a). Further, the Phu My Hung New City Centre is now over 70% complete with high-end residential and commercial areas, and infrastructure and public amenities of international quality (P12, HCMC, 17/11/2013). Recognized for its elegant spatial design and inclusion of physical and

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27 Unofficial estimates provided by the management authority, MASD, indicate Saigon South is roughly 30-40% complete. The majority of which is located in sector A, the Phu My Hung City Centre. While 2030 is the target date for completion, many think it will take much longer (S25b, HCMC, 15/11/2013).
social infrastructure, the Ministry of Construction named the Phu My Hung New City Centre Vietnam’s first “new urban area model” (Decision No.860/QĐ-BXD) (Cuong, 2009).

However, SSNUA has been less successful in controlling development through a green belt or alleviating population pressure on the downtown core. As an architect involved in the design of SSNUA states, the majority of residential areas built thus far, notably in Phu My Hung’s New City Centre, cater almost exclusively to high income. Further, while sales are high, the actually owner-occupancy rate of units is low, suggesting these residential areas are often viewed as investment opportunities opposed to a place for locals to live. The architect also comments that HCMC continues to experience rapid urban growth in all directions, what he terms “ballooning off”. For instance, due the high market values of Phu My Hung New City Centre, significant foreign and domestic investment has also occurred in immediate areas outside SSNUA as well as the surrounding peri-urban areas (Jung, Huynh and Rowe, 2013). This combined with the slow development of the rest of SSNUA has made these aims difficult to achieve (P8, HCMC, 09/10/2013). Further, the goal to expand the city in a southward direction is in contrast to previous master plans of HCMC and recommendations from the city planning agency, UPI. UPI suggests land development should be on higher elevated ground in the northwest end of the city. However, in light of SSNUA, HCMC’s master plan has been adjusted (S21, HCMC, 1/11/2013).

This section has presented the planning behind SSNUA. Reviewing the central goals behind the creation of this new urban area suggests SSNUA can be understood as a state spatial strategy, or an intervention by state officials into socio-economic processes, in attempts to attract investment and promote urban development. Further, new urban areas are an example of how urban policy
in Vietnam has become growth-oriented, competiveness-driven, and place-specific. The final shape of SSNUA was greatly influenced by actions of international investors and architects, but as will be illustrated in the sections following, the role and vision of central and provincial state actors should not be understated.

The next section reflects on the financial actors and interests involved as well as the financial mechanisms used to realize the creation of SSNUA.

**Financialization**

At the time of TTZ and SSNUA, it was still early in Vietnam’s ‘open door policy’ (doi moi) and many foreign investors still viewed the country as too high risk, with a limited legal framework to support foreign investment. A Taiwanese firm, CT&D, was one of the few foreign investors interested in the project (P10a, HCMC, 21/10/2013). CT&D’s initial involvement in the project can also be seen as a strategic investment for both countries. According to Leaf (2009), “the Taiwanese wanted to diversify their economy through a strategy of internationalization, while the Vietnamese were looking to open their economy in a manner that was ideologically acceptable in the early days of Doi Moi, with Taiwan being seen as neither a Western nor communist partner” (Leaf, 2009: 64). Initially, the Taiwanese Nationalist Party (KMT) financially supported CT&D; however, funding was pulled out prior to the creation of Saigon South (Leaf, 2009).

During this time, urban land development was frustrated by a lack of legislation enabling 100% foreign investment, reflecting state concerns around land and sovereignty issues (P10a, HCMC,
21/10/2013). Therefore, the HCMC PC created the state-owned enterprise Tan Thuan Export Industrial Park Program (later renamed Tan Thuan Industrial Promotion Corporation (IPC)) to support CT&D in their investments. Forming a joint venture allowed the state to maintain partial ownership of land use rights and benefits from the project, while soliciting private investment in infrastructure. Together, both entities formed the joint venture Tan Thuan Corporation (IPC – 30% and CT&D – 70% legal capital), and in 1991 they created TTZ, the first EPZ in Vietnam (IPC, 2009). TTZ can therefore be seen as an early state spatial strategy to integrate into the global economy.

TTZ was close to both the HCMC Port and the central business district, but transportation to the southern provinces remained challenging. As such, the government was interested in building a highway to connect TTZ to the southern provinces, providing better access to markets and resources. However, due to a lack of resources and technical expertise the government sought out private investment in building this highway.

With interest in developing real estate in close proximity to the industrial area, CT&D proposed to build a 17.8km road, connecting TTZ to National Highway 1, in exchange for developable land along the road (P10b, HCMC, 22/10/2013). At the time, the area was predominately marshland with low populations, and was not a significant source of agricultural production. The land had low financial value and the government did not have the financial or technical capacity to build such a road (P10a, HCMC, 21/10/2013). Therefore, the agreement seemed mutually beneficial. In similar structure to the Tan Thuan Corporation, HCMC PC assigned the state-owned enterprise IPC to act as the state arm and local body for the project.
Facilitating the financing of SSNUA was a novel land-based financing agreement known as ‘land for infrastructure’, whereby CT&D would build Nguyen Van Linh Parkway and provide the base infrastructure for surrounding land projects, in exchange for the development rights to 600 ha of cleared and compensated land located in 5 sectors (A-E) along the road (refer to Figure 1.2). No specific legal framework guided this exchange and instead was based on a negotiation between the government and CT&D. Since SSNUA, the land for infrastructure mechanism has become a popular way of financing infrastructure projects. The experimental nature and evolution of the mechanism is highlighted by an urban planner who states, “at that time, the government didn’t have any rules or regulations about how to do land for infrastructure yet. It was a new model, people propose it and the government considers if it is suitable then they approved it […] and at that time, the mechanism formed slowly after each project” (S20, HCMC, 30/10/2013).

As per the agreement, HCMC PC would provide CT&D a total of 970 ha of land: 220 ha for the construction of the road, 150 ha to build basic infrastructure and return to the city government, and 600 ha of land with a 50-year land lease for CT&D to develop and exploit for profit (Huynh and Ngo, 2010:15). Provided CT&D was a foreign investor, the provision of land was facilitated through IPC. This agreement was realized through the creation of Phu My Hung Corporation (PMH), a joint venture with 30% of the legal capital belonging to IPC (contributed in the form of

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28 Saigon South was the first example of land for infrastructure in HCMC, following the mechanisms’ first use in Vietnam with a land development project in the southern province Bà Rịa-Vũng Tàu.
29 See Labbe and Musil (2014) for further examples of this mechanism in Vietnam.
land and human resources) and 70% belonging to CT&D. The HCMC government would then attract foreign and domestic investment for the remaining areas of the development.

As noted above, IPC is legally obligated to contribute a total of 970 ha of cleared and compensated land to the joint venture, with 600 ha of that for PMH’s development. The District People’s Committee, specifically the Board of Clearance and Compensation (BoLCC), is responsible for clearing and compensating the land. When land clearance began in 1993, the area was sparsely populated, with an estimated 100 families\(^{30}\) living in the location of Sector A. Guided by the regulations at that time, the state used eminent domain powers and the official price set by the central government to clear and compensate the area\(^{31}\).

However, as the highway was completed and the Phu My Hung New City Centre began to take shape, the population within and surrounding the development began to increase rapidly. Today, due to rising land prices (both market and official), compensation efforts have come to a standstill. To date only the land for Nguyen Van Linh (220 ha) and Phu My Hung New City Centre (Sector A) (approx. 400 ha) have been provided to Phu My Hung. It is unclear when or if IPC will pay for the remaining compensation.

This section has presented the mechanisms used to finance the development of SSNUA, the actors responsible for such financing, and associated challenges that have arose during this

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\(^{30}\) No official data could be obtained regarding original populations in the location of Phu My Hung’s New City Centre; however, state officials and private actors interviewed estimate 100 households were relocated for the development.

\(^{31}\) The land was valued and compensated based on the official land price framework. A previous Phu My Hung employee stated, due the rural nature of the project in 1994 the official price was set at 26 000 VND/m\(^2\) (approx. 1USD/m\(^2\)) (P10, HCMC, 21/10/2013). Twenty years later the market land value in Phu My Hung New City Centre was estimated to be $4000 USD/m\(^2\) (Huynh and Ngo, 2010).
process. The central role played by a private investor in the creation of city infrastructure and housing, through a public private partnership, suggests the horizontal shifts occurring in the restructuring of urban land governance in HCMC, as well as, the state’s reliance on private capital and technical know how required for these projects. The section below will further outline how the land in new urban areas is managed and the roles played by state and quasi-state actors in the regulation and governance of these spaces.

**Regulation and Multi-level Governance**

Reflecting on the actors involved in the regulation and governance of new urban areas it is clear both the central and provincial government played an active role in the development of SSNUA. The initial ideas and mechanisms to facilitate urban development were put forward in part by the HCMC PC and approved by the central government. Administratively, the Prime Minister approved the master plan of SSNUA, however, the HCMC PC is now responsible for setting the official price (which is also the compensation price) of land on a yearly basis, approving detailed land use plans, projects, and investors for the remainder of SSNUA.

An example of how urban land governance has been spatially restructured is the creation of a separate state agency to over-see SSNUA’s development. Understood here as a state spatial project, or new organizational aspects of state power, the HCMC PC created the Management Authority for Southern Development (MASD), in 1997 to manage the development of the project. Separate from the traditional state institutions, MASD was created with the intention to provide a “one-stop” authority for investors. The HCMC PC appointed state officials from existing city departments such as the DPI and DPA to head the new state agency. Reporting to
HCMC PC and collaborating with provincial departments, MASD is the primary point of state contact for investors, an attempt to simplify the investment application procedures.

MASD has been provided certain powers related to planning and construction permits, but final approval for investment certificates and land projects remain with the HCMC PC. Similarly, the administrative management of land (provision of land use right certificates to households, land clearance and compensation) has remained at the district level. Analyzing the effectiveness of the new urban area management authorities is beyond the scope of this study; however, issues raised during interviews included the low capacity of management authority officials as a result of political appointment, the lack of autonomy provided to new urban area management authorities to efficiently carry out tasks, and inter-governmental tensions related to the division and at times overlapping responsibilities.

SSNUA was the first time a separate state-management authority was created in Vietnam to oversee construction and development of a new urban area. MASD’s model has now been replicated in a number of new urban areas in HCMC, most notably, the Thu Thiem New Urban Area (Thu Thiem Investment and Construction Authority) and North-West New Urban Area (North-West Metropolitan Authority). The creation of these agencies was done on an ad-hoc basis, and until recently these management authorities were not a recognized entity in the existing land governance legislation. As one HCMC urban planner states, “they did not wait to have the decree before creating a management authority, but they created the management
authority for each project, then they put it to the legal system and it became official law\(^{32}\)” (S20, HCMC, 30/10/2013).

The creation of IPC by the HCMC PC is another example of a state spatial project. The state-owned enterprise, IPC, was created to facilitate urban development processes and foreign investment in both TTZ and SSNUA. With the explicit corporate vision statement, “city expansion towards the East Sea,” it is clear IPC remains committed to the urbanization and expansion of HCMC. Today, IPC has become a central actor in the development of Saigon South and surrounding areas. It is the sole developer of another new urban area, Hiep Phuoc Port New Urban Area, and has contributed legal capital to a variety of industry and real estate related firms engaged in urban land development (IPC, 2009)\(^{33}\). A wider strategy of IPC is to relocate the Saigon Port located in the centre of the city to Hiep Phuoc Port on the coast, expanding HCMC outward. Further, with 75% legal capital in South Saigon Development Corporation (SADECO), a developer with five different land development projects in SSNUA totaling over 91 ha (as of 2013), it is clear IPC and HCMC PC have vested interests in the success of Saigon South New Urban Area (IPC, 2009; S29, HCMC, 1/12/2013).

Next, reflecting on the regulatory framework guiding the development of SSNUA, it becomes clear that the creation of SSNUA was based upon a series of regulatory experiments used to facilitate Phu My Hung’s investment in residential real estate before there were legal grounds to do so (refer to timeline in Figure 1.1). These state interventions can be understood as

\(^{32}\) Respondent refers to Decree 11, 2013, which states management authorities should be created to assist and monitor the development of new urban areas

\(^{33}\) Subsidiaries and affiliates of IPC include, but are not limited to: Tan Thuan EPZ Services Co Ltd. (49%), Hiep Phuoc Industrial Park JSC (60.8%), Long Hau corporation (45.9%), Saigon Premier Container terminal (20%), Heip Tan Company, 50%, Saigon industrial Park Development Co. Ltd. (100%), Phong Phu IP JSC (5%) (IPC, 2009).
experiments in that they were ad hoc in nature, and “used to explore unchartered policy territories” in the face of a challenge (Broto and Bulkely, 2013: 1935). Ultimately, the interventions of the city government to enable foreign investment in residential units, illustrates the ways in which urban land governance in HCMC has been restructured.

The initial investment certificate was provided to Phu My Hung prior to the implementation of the 1993 Land Law\textsuperscript{34}. Therefore, there was no recognition of individual land use rights and subsequently no legal framework for a property market at that time. Even after the 1993 Land Law, foreign investors were not legally allowed to sell residential property to local Vietnamese buyers, and were only able to lease the land temporarily from the government. As a previous Phu My Hung employee stated, even “if Phu My Hung wanted it to be written in the investment certificate clearly that they could invest in residential properties for sale or for lease, it would be impossible at that time” (P10, HCMC, 21/10/2013).

Therefore, the initial investment certificate of PMH was ambiguous, stating only that PMH was permitted to develop infrastructure for Saigon South; it did not specify the business scope of PMH (P10a, HCMC, 21/10/2013). However, despite the vague investment license, a previous PMH employee commented, “it was clear from the beginning that they had intentions to build a new township” (P10a, HCMC, 21/10/2013). Only two months after PMH was licensed, they held an international competition for the design of Saigon South New Urban Area’s master plan (Phu My Hung, n.d.a), thus illustrating PMH’s intentions to build more than basic infrastructure.

\textsuperscript{34} Phu My Hung Corporation was formed on May 19, 1993 and the Land Law was approved July 14, 1993.
Between the years of 1993 (project approval) and 1997, PMH focused only on building the infrastructure of the area, including the highway and inside roads of their first out of five sectors, the Phu My Hung New City Centre (Sector A, 491 ha). In 1997, PMH applied for clarification of their investment certificate to allow for the development of residential property. The central and city government allowed PMH to do this on a pilot basis and issued a special mechanism\textsuperscript{35} to enable them to proceed with property sales. This special mechanism stated that PMH would return the land lot for residential sale back to the government and the local government would then grant a land-use right certificate to the homebuyer. To receive the certificate, the homebuyer would pay the land use fees to the government, shifting the cost of land use fees from PMH onto the buyer\textsuperscript{36}. Unprecedented at the time, this enabled PMH, a majority foreign-owned company, to sell land they were only leasing from the government for a 50-year period to Vietnamese residents for “stable and long term” use. By 1998, Phu My Hung completed their first residential development in Saigon South (Phu My Hung, n.d.a). There would not be legal framework for other foreign investors to do the same until the 2003 Land Law\textsuperscript{37} (implemented in 2004).

Ultimately, the evolution of the investment certificate and legal mechanisms provided to PMH illustrates the state’s efforts to facilitate foreign investment in real estate while working within the existing socialist framework. It also illustrates the willingness of the state to experiment with new forms of regulation during a time of increased economic integration and growing urban demands. Lastly, as one respondent notes, the provision of this special mechanism and

\textsuperscript{35} The HCMC PC issued Official Letter no. 89 in 1998. However, further legal recognition from the central government was required, leading to the issuance of a “special mechanism”, Decision 112, provided by the HCMC PC, and approved by the central government in 2002.

\textsuperscript{36} Rising land use fees set by the government would result in a large conflict between residents, PMH, and the government.

\textsuperscript{37} Land Law 2003, article 119, 3e
subsequent real estate activities of PMH was highly influential to the wider reforms included in the 2003 Land Law (P6, HCMC, 18/09/2013), thus highlighting the wider restructuring which followed.

Conversely, outside of the areas developed by Phu My Hung, a variety of challenges have emerged associated with the regulation and development of the rest of SSNUA. During interviews, state officials commented on the profit-driven nature of land projects and resulting challenges in fulfilling state planning goals. For instance, a state official from the Ho Chi Minh City Institute of Development Studies comments, “when the government gives the land to local investors, they only build the house first. They have a plan approved, but they only build the house without the public infrastructure, like schools or facilities for the residents […] Because they only base on benefits, they build the houses first and then public facilities later” [S21, HCMC, 1/11/2013]. Further, a large number of projects were approved during a period of high land speculation in HCMC. Since the sharp decline of market prices in 2010, many developers are not interested or capable of completing the projects. Yet, the government maintains the ability to revoke land use rights and investment certificates if projects do not make progress. Representatives from MASD, commented that it is common for them to revoke investment certificates and LURCs due to project delays and slow completion rates (S25b, HCMC, 15/11/2013; S29, HCMC, 1/12/2013). For instance, 20 projects located in Saigon South New Urban Area were cancelled in the summer of 2013 due to lengthy delays and problems with investors paying compensation (VietnamNews, 2013).
Overall, this section has presented the various actors and their associated abilities to regulate the use of land in SSNUA. It has also reflected on the methods and regulatory experiments employed by state actors to achieve the desired results. What is evident from this discussion is that the development of SSNUA has entailed the creation of new state agencies and quasi-state market actors. Urban land governance has been restructured to enable for foreign and domestic investment into the real estate market, specifically residential housing. However, this restructuring has not been without experimentation or challenges.

5.1.1 Central findings

From the preceding, it is clear that urban land governance in HCMC has been restructured significantly. TTZ and SSNUA can be understood as state spatial strategies in the early days of reform to integrate into the global economy, attract investment, and promote urban development. Further, SSNUA is both a means of financing urban infrastructure and a strategic, place-specific policy intended to create spaces for investment. However, as illustrated above, such strategies must also work within the existing institutional framework. In order to do so, we see the creation of a special state-owned enterprise (IPC) to facilitate foreign investment in land development in TTZ, SSNUA, and surrounding areas. We also see the creation of an independent state agency, MASD, to promote and increase investment. Both IPC and MASD can be understood as state spatial projects or new organizational aspects of state power. Furthermore, at the city level, regulatory experiments were conducted in attempts of moving the project forward. This is seen with the special mechanism provided to Phu My Hung to enable the sale of housing. Such experiments later informed formal restructuring within the land governance system, allowing other foreign-majority corporations to build and sell residential units. The desire of city officials
to facilitate investment in urban infrastructure ultimately led to restructuring the way land is governed in HCMC, affecting who could build what, when.

The next section will explore how SSNUA has influenced subsequent efforts in urban development in HCMC.

5.2 Replicating the new urban area model: Thu Thiem New Urban Area

In Vietnam, SSNUA is largely viewed as a successful model of urban development due to the provision of high quality infrastructure and services provided. Similarly, from a real estate perspective, it has some of the highest market values in the country. Greatly influenced by this success, the HCMC government has implemented similar large-scale, master-planned, and state-managed new urban areas across the city. This section will review the planning, financialization, and regulation and multi-governance of these areas. It will also reflect on how the experience of SSNUA has influenced the production of urban space elsewhere in HCMC.

Planning

In HCMC’s amended Master Plan with a vision to 2025, a central recommendation is to focus on the creation of new urban areas, providing planned and “synchronous” infrastructure and a “modern” and “civilized” environment (Ho Chi Minh City Urban Planning Institute, 2009). A primary goal is to develop a “multi-centre urban structure”, expanding newly urban districts and developing urban centres in “suburban” districts (DPI, n.d.). Since the approval of SSNUA, three notable state-managed, master-planned new urban areas have been approved in HCMC: Thu Thiem New Urban Area (1998, 657ha), North-West New Urban Area (2009, 6089ha), Hiep
Phuoc Port New Urban Area (2009, 3912 ha),\textsuperscript{38} with more proposed. The majority of which are located in peri-urban areas of HCMC. Provided North-West and Hiep-Phuoc New Urban Areas are still in the initial stages of planning, this analysis will focus centrally on the development of Thu Thiem New Urban Area (referred to here as TTNUA).

TTNUA is a 657ha state-led land development project located in previously rural District 2 (Quận 2) on the eastern side on HCMC, directly across the Saigon River from the central business district (refer to Figure 1.3). Viewed as the “modern” extension of the main city centre, the HCMC government states TTNUA will become “a center of finance, commerce, high-class services of the City and will be an international strategic area, as well as a center of culture, leisure and entertainment” (ICA, 2013). Named “one of the five major projects of Ho Chi Minh City in the 8th party congress (2005-2010)” (ICA, 2007), and a “strategic development of the city in its 21st century” (ICA, 2010), TTNUA has become a central focus for both the city and country.

The Prime Minister first approved the concept of TTNUA in 1996; however, progress on the project did not start until the early 2000s when the HCMC PC created the Thu Thiem Investment and Construction Authority (ICA) to manage the development of the area, conduct investment and development projects, and attract investors to the area. ICA is both the central investor and the main authority for planning and investment in the new urban area. The government’s decision to have ICA as the main investor will be further outlined in the financialization section below.

\textsuperscript{38} Dates represent the first master plan approved, and official size listed.
Similar to SSNUA, the master plan was based on the results of an international urban design competition held in 2003. Design firm, Sasaki Associates Inc. (USA) won the competition and continued to work with ICA, on the design of the area until 2012. The use of international design competitions is now a common practice for the development of new urban areas. As one respondent commented, these competitions are used as a platform to showcase the project on an international level, garnering domestic and international interest in the project (S25b, HCMC, 15/11/2013). These competitions only provide the overall design concepts, and local firms (either state-owned or private) are typically contracted to complete more detailed land use plans.

TTNUA is divided into eight main functional areas that will be “characterized by a distinct mixed-use program and density range, as well as public spaces and key landmark buildings” (ICA, 2013). When complete, the project will include hotels, a sports complex, retail, residential areas, schools, an exhibition centre, and a projected population of 150,000 residents. Similar to SSNUA, the overall design concept of TTNUA is inspired by a successful urban area outside Vietnam. For Thu Thiem, the inspiration is the Canary Warf in London, England. Similar in shape and location as the Thu Thiem Peninsula, the Vice Chairman of HCMC Mr. Nguyen Huu Tin, views the Canary Warf as “a role model for Thu Thiem”, provided that “Thu Thiem is seeking to develop a financial district that will be sustainable as an economic development using international investment” (GOV.UK, 2014). Headed by the Vice Chairman of HCMC, a delegation from ICA recently conducted a study tour of the Canary Warf in London (GOV.UK, 2014).
Government support for TTNUA is present at all levels. At the central level, the Prime Minister has approved the project design and given the approval of land clearance efforts. Similarly, the city government has made TTNUA a top-priority project for attracting investment. At the district level, support is illustrated in their promotion of the project and urbanization of the district more generally. For instance, the District 2 government promotes the urbanization and development of the district, encouraging residents to support the transformation of the district into a “prosperous, civilized, [and] modern” area (refer to Figure 1.4). This billboard is similar to a common Vietnamese phrase, “nhà nước và nhân dân cùng làm” or “the state and people working together”. As one state official put it, this phrase means that people living in the city have both the right and responsibility to work with the government to develop their city (S3, HCMC, 29/07/2013).
In seeking to understand how SSNUA has influenced the creation of other new urban areas, and more broadly the goals and strategies behind the creation of such spaces, I conducted interviews with state officials and urban planners involved in the development of the three new urban areas (Thu Thiem, North-West, Hiep Phuoc). Based on their responses, I suggest these large state-managed new urban areas can be viewed as state spatial strategies to 1) regain control over land resources and urbanization processes, and provide urban infrastructure for an expanding population; and 2) create globally-oriented spaces to attract private investment.

First, these new urban areas can be seen as a strategy to regain control over urbanization processes and provide infrastructure for an expanding population. Prior to the Land Law 2003, between 75-80% of all housing in Vietnam was owner constructed, often built informally without proper permits or connection to infrastructure systems (Coulthart et al., 2006). Fuelled by remittances from abroad, individual housing construction and development began to occur...
rapidly, overwhelming the ability of local authorities to control where, when and how people developed land. This spontaneous development puts increased pressure on existing infrastructure and leads to costly upgrading projects later (e.g. connecting electricity, water, and waste management systems).

A representative from HIDS outlines this challenge and highlights the perceived value of new urban areas as a tool to control development; “spontaneous development happened everywhere—except Saigon South. So the government thinks that the larger scale urban development project is sustainable development, because they combine many systematic infrastructures. The government would like larger scale urban development projects for two reasons, first infrastructure, and second, control” (S21, HCMC, 1/11/2013).

Similarly, one state official suggests that the desire to maintain sovereignty (chủ quyền) over land is a central reason behind Thu Thiem New Urban Area, “because the HCMC authority wants to have the right to develop it, make decisions on the master plan and the type of investments […] We decide, not the investor” (S22, HCMC/31/10/2013). This was also an influential factor in the creation of North-West New Urban Area, as the state wants to gain control of land while prices are low, before private land developers and individuals (formally or informally) build up the area (S21, HCMC, 1/11/2013).

Secondly, new urban areas can be seen as a tool for the state to create spaces for investment. In the context of the Thu Thiem New Urban Area, one state official highlights the state-driven aspect of new urban areas, stating, “in general, the creation of new urban areas are typically
based on supply and demand. However, in Vietnam it is not that way […] The government wants to create new urban areas to promote more projects […] to attract outside capital for economic growth” (S11, HCMC, 06/10/2013). Similarly, as a respondent from the Department of Planning and Architecture commented, following the trend of urbanization across Asia, the vision of the government is to create spaces that promote economic development (S10, HCMC, 24/09/2013). Similar to chapter 4, this is another example of the state’s desire to facilitate investment in land, urban development, and housing, yet at the same time, maintain control over the way land resources are used.

Despite the almost 20 years since the concept of TTNUA was first approved, limited progress has been made. The clearance and compensation efforts are only just coming to a close. Therefore, it is too early to evaluate TTNUA against its initial planning goals. However, government, private actors, and the media have highlighted the challenges faced by this development, including the stagnant property market, the oversaturation of office space in the old city centre, and difficulties in mobilizing the needed capital to complete infrastructure.

Financialization

Diverging from Saigon South’s financial structure, TTNUA was initially intended to be 100% state-owned, with the state’s investment facilitated through the new urban area management authority, Thu Thiem Investment and Construction Authority (ICA). This financial strategy was pursued for two central reasons. The first was the HCMC PC’s interest in capturing the economic benefits associated with selling infrastructure-built land, and the second was for the government
to maintain sovereignty and control over the city’s remaining “golden land” (S22, HCMC, 31/10/2013).

However, different from the early days of Saigon South, both official and market land prices had increased dramatically. In addition, the location of Thu Thiem was home to over 15 000 households. Therefore to achieve this strategy the HCMC government was required to take on large loans to clear and compensate the area. By 2012, Nguyen Le Dung, Deputy Head of ICA, stated the government had already spent VND16 trillion (USD752 million) on clearance and compensation with loans around VND10 trillion (USD420 million) for the construction of local infrastructure (VIR, 2012). Due to increased costs and delays in compensation, the government has had to abandon the initial strategy to develop infrastructure before selling land to private investors (S22, HCMC, 31/10/2013).

Instead, the government has now turned to the land for infrastructure mechanism to finance arterial roads within the new urban area, and develop resettlement housing. Domestic property developers, Dai Quang Minh and Vietnam Infrastructure Development and Finance Investment Co. (VIDIFI) have been selected to build four central roads in Thu Thiem, receiving 47 ha over seven different land plots in the new urban area (VIR, 2013; Nam, 2013). Further, the original plan of Thu Thiem was adjusted to create smaller plots in attempt to make the land more attractive to investors who are not interested in or capable of investing in large pieces of land. This change has made it more difficult for the government to achieve the “synchronous” development desired, as the project is now reliant on multiple investors to move forward.
Today, TTNUA’s overall progress remains slow and it continues to face challenges attracting both foreign and domestic investment (Tuoi Tre, 2013). As Harms (2013) notes, a variety of ‘tangled’ factors are behind the project’s delays: a poor investment climate, results in incomplete funds to build resettlement housing, which in turn makes it difficult to clear the land, creating a space unappealing to investors, especially foreign investors, who do not wish to become involved in large-scale evictions (p.349). Further, discussions with state and private actors suggest the main challenge TTNUA faces is “the management of capital” (S21, HCMC, 1/11/2013). In SSNUA there was a central investor who provided the capital and technical know-how, creating infrastructure that connected the entire new urban area (Nguyen Van Linh Blvd.). Thus far, TTNUA does not have a central developer on the same scale as Phu My Hung (CT&D) is in SSNUA.

**Regulation and Multi-level governance**

The regulation and governance of land in TTNUA is similar to the experience of SSNUA. TTNUA was approved and supported by the Prime Minister, but is managed by the HCMC PC. Similar to MASD, the HCMC government created a state agency (ICA) to manage the development of the area and attract private investment in the new urban area. Again, the creation of such an entity can be viewed as a state spatial project, in that state powers have been restructured into new spatial dimensions. However, in addition to a management role, ICA was also created to act on the state’s behalf and conduct investment and development projects in the new urban area. This is similar to the mandate of IPC. Therefore, in contrast to SSNUA, where the main investor and management authority were separate entities, in TTNUA they are combined into one actor. As highlighted in the section above, this decision was largely linked
with the desire for the state to financially benefit from the sale of land, while also maintaining control over the way land in TTNUA is developed.

In similar style to MASD, ICA governs the planning and construction of the new urban area and the administrative aspects of land use remain with state officials at the district and commune levels. This includes the provision of building ownership and land use certificates to individuals (district level responsibility) as well as building permits for individual residences (commune/ward level responsibility). Provided the majority of the work on TTNUA began after the 2004 Land Law and still continues today, the legal framework now exists to facilitate foreign investment in residential areas. As such, we do not see the same type of regulatory experiments used to enable investment as in SSNUA.

Since construction began, the HCMC PC has faced challenges ensuring investors comply with individual project plans. Under the 2005 Law on Housing, all new residential projects over 10ha are required to return 20% of the land to the state for the development of social housing39 (Article 20, Decree no. 90/2006/ND-CP). However, as one respondent stated, “this policy has not worked in reality” (S11, HCMC, 2013), as investors do not like this idea and believe social housing is not attractive or profitable. Similar situations have occurred with resettlement housing TTNUA. However, this time it was ICA requesting the HCMC PC to reduce the land allocated to resettlement housing in efforts to increase profitability (S11, HCMC, 2013).

39 According to the 2005 Housing law, social housing users may include: low income earners who do not own or lease a residential house, their house is less than 5m², or their house is considered temporary or dilapidated; or state employees (Article 53, 2005 Law on Housing; Law No. 56-2005-QH11).
These examples underscore the difficulty of ensuring investors comply with initial state agreements. Further, internal conflicts within the state are also evident, even within ICA. As the state agency on the project and instructed by the HCMC PC they are to ensure the resettlement of all residents, but as the primary investor on the project, and in light of an increasingly difficult financial climate, we see ICA seeking profitability over social good. Ultimately, the above examples illustrate the influences of various actors on urbanization processes in new urban areas, both state actors and private actors, and the conflicting interests between and among them.

5.2.1 Central findings

A central finding generated from the analysis of new urban areas outside of Saigon South is the entrepreneurial nature of the state’s involvement in the creation of these spaces. Building off the experience and successes of SSNUA, the HCMC PC has endeavored to create similar spaces around the city to both control urbanization processes and attract investment. State officials at the city level employed various strategies to ensure the success and profitability of the development, such as the creation of ICA to be both the manager and investor of the project. Further, the various financialization strategies employed to realize these strategies underscore the risk-taking nature of state. Most evident is the case of Thu Thiem, where the HCMC PC has taken a large financial risk to clear and compensate the area based on the hope of profiting from “value-added” land.

The discussion above has also illustrated the various actors involved in the creation of TTNUA, and their influence on both the project imagery and the final urban form. For instance, state officials have used international urban models, and urbanization more generally, as the image of
a modern and civilized society. Further state actors have partnered with private sector actors such as land developers and architects to achieve their urban goals. Therefore, while the physical form of new urban areas appears to be a mere result of global capital and tastes, or privatized planning processes, it is intrinsically state-driven. Also illustrated above is the struggle between state goals and investor demands. In the case of TTNUA, this struggle can be seen with the change in financing methods (from state-funded to privately funded), the creation of smaller land plots, and the lack of social housing included in designs due to lack of investor interest. Further the struggle between profit and societal needs can even be seen within the state itself, with ICA acting as a market actor, requesting to break state regulation on the inclusion of social housing and resettlement housing first included in the plans.

Part III: Conclusion

6.0 Findings and contributions to the literature

Based on the empirical data presented above, this chapter now reflects on the central findings generated by this research and what contributions can be made to the existing scholarly literature. The findings outlined in this chapter are the result of six months of empirical field research in HCMC, 60 semi-structured interviews with respondents from various sectors related to urban land governance, site visits and primary data collection. Centrally, this research has sought to understand how the state has restructured urban land governance, and the influence of non-state actors on this process. Using the case of new urban areas, it specifically sought to explore the interactions of state actors, private land developers, and foreign capital on the production of new urban spaces in HCMC. Finally, at a broad level it sought to reflect on how
such findings influence our understanding of state spatial restructuring and urban development in the transitional socialist context.

Centrally, this thesis finds that state actors have actively restructured urban land governance in Vietnam as a central strategy to create spaces for investment and maintain control of land resources. Further, new partnerships have been configured between the state and private actors. The state has sought out private sector actors to provide the urban design, capital, and technical know-how to create these spaces for investment. Thus, while new urban areas appear to be devolved of state involvement (Douglass and Huang, 2007), a reflection of the processes involved illustrates that state actors have played central roles in the planning, financialization, and regulation and governance of these spaces. More than a passive facilitator of urbanization processes, state actors are intimately involved in the production of new urban spaces in Vietnam. The state has directed the creation of these spaces. Therefore, in line with Brenner’s (2004) analysis of Western Europe, there has not been a retreat of state power in Vietnam, rather such power has been rescaled and reterritorialized into new state spaces at the urban level. However, the new state spaces created in HCMC under market socialism should be understood not only as an effort to facilitate capital accumulation, but also an effort to maintain state control over land resources.

The following sections will further expand on the empirical findings generated from this research, and will reflect on how such findings contribute to existing theories of state spatial restructuring, and more broadly, to our understanding of contemporary urbanization processes in the transitional socialist context.
6.1 Urban plans and empirical realities

A number of empirical observations stand out from this study. First, the origins of SSNUA can be traced to the establishment of the TTZ, highlighting the important ways in which global economic integration processes were affecting the development of land and infrastructure around HCMC. Second, SSNUA provided an important model that was used to guide and legitimate subsequent efforts to control land resources and urban development processes in and around the city. Third, reflecting on the spaces produced in Saigon South and Thu Thiem New Urban Areas, we see planning authorities at multiple levels were accommodating and governing the contradictory pressures to plan and create new homes and urban infrastructure for HCMC’s growing population, while creating sites of investment for both domestic and overseas capital.

At the heart of the state’s efforts to re-configure urban land governance in HCMC was an ability to attract foreign capital while at the same time working within the existing structure of market socialism. Prior to the 1993 Land Law, this entailed the creation of a special state-owned enterprise (IPC) that could facilitate the development of land surrounding TTZ, including SSNUA. After 1993 and in the wake of fiscal decentralization and the creation of a legal property market, other policy objectives appear on the agenda, including especially the need to control the unplanned development of peri-urban areas around the city, while also attracting private investment in land development.
6.2 New State Spaces in Vietnam

In the face of globalization and economic reforms, land governance in Vietnam has been restructured towards more entrepreneurial and urban-centred forms of governance. Reflecting on Brenner’s (2004a) new state space theory, Vietnam’s restructuring of urban land governance can be understood as a “layering process”, where the new organizational aspects of state power (i.e. the decentralization or delegation of land governance, the creation of new urban area management authorities and urban development-focused state-owned enterprises), and the state’s spatial interventions in social and economic processes (i.e. the policies and regulations guiding the planning and development of new urban areas), interact with existing institutions. Ultimately, the creation of Saigon South and other new urban areas emerging in HCMC underscore the new state space formation occurring in urban Vietnam.

Similar to Brenner’s observations in Western Europe, the restructuring of urban governance in HCMC has been accompanied by entrepreneurial governance and competitiveness-oriented regulatory experiments used by state officials to promote strategic economic development. This is evident in the case of new urban areas, where projects are place-specific, growth focused, and intended to be spaces for investment. Further as illustrated in chapter five, a variety of regulatory experiments accompanied the creation of new urban areas, such as the special mechanism to facilitate foreign investment in real estate in SSNUA, and the land for infrastructure funding mechanisms used to fund the development of both SSNUA and TTNUA. As Brenner (2004a) notes, entrepreneurial strategies and experimentation in urban governance can be used to adjust to situations of social or economic crisis, and increased regional or global competition (Brenner, 2004a). In the case of new urban areas in HCMC, state actors have experimented with different
mechanisms and funding structures to improve urban infrastructure in the absence of public funds.

At a broad theoretical level, Brenner’s new state space theory provides a useful conceptual starting point for state spatial restructuring in Vietnam. However, as illustrated in the discussions above, a variety of empirical differences can be seen. Such differences are largely related to the political-economic differences between Western Europe and Vietnam, and the transition out of what Brenner terms ‘spatial Keynesianism’ vs. Vietnam’s transition out of ‘spatial socialism’ (i.e. spatial policies under socialism) and into a hybrid market-socialist system. Centrally, this thesis reflects on four main differences.

First, while urban land governance has become more entrepreneurial and competitiveness driven in nature, a certain level of redistribution remains. The focus on urbanization is not only in strategic city-regions, such as HCMC. The national development strategy calls for the urbanization of small, medium, and large municipalities across the country, with the intention of transitioning out of an agriculturally based country and creating a network of cities within Vietnam. The government encourages this through the urban ranking system, and political and economic incentives. Lastly, the central government continues to promote urbanization outside the dominant city cores, and provides equalization transfers to provinces by way of reducing disparities.

This leads to the second central difference. HCMC is spatially and economically very different from Western Europe during the late 1970s. Rather than seeking to promote “economic
rejuvenation” in the face of a manufacturing decline (Brenner, 2004a: 15), HCMC is seeking to shift away from agricultural production, creating spaces for industrial, commercial, and financial activities. Urbanization is seen as a paramount process to achieving modernization.

Thirdly, another point of departure from Brenner’s documented experience of state spatial restructuring in Western Europe is the nature of the nation-state’s role and level of involvement in urban governance processes. Despite the decentralization of a variety of land-related powers to the provincial and district level, chapters four and five of this thesis have illustrated the primary roles played by central state actors, and the provinces’ continued reliance on the central government for project approvals and the creation of legislation.

Lastly, and most importantly, the new state spaces created in HCMC are not only efforts to facilitate capital accumulation, but also efforts to maintain state control over land resources. As illustrated in chapter 4, housing has been a foundational principle of Vietnamese socialism. Therefore, while the state has enabled private investment in land, it has been done so gradually. Further, we see the efforts to balance foreign investment and control through the creation of state agencies, such as IPC and ICA, designed to work with foreign investors to not only enable and attract private capital but to ensure the state continues to maintain authority over how land resources are used. However, the experiences of TTNUA and SSNUA illustrate the difficulty of this in practice.

In conclusion, the above discussion illustrates that while existing state spatial restructuring theory, such as Brenner’s (2004) new state space theory, helps to understand the broad processes
of urban land governance restructuring occurring in Vietnam, it misses the unique aspects of state restructuring related to geography and political orientations. The four points listed above underscore the hybrid nature of urban land governance in Vietnam, illustrating that the state is balancing emerging market interests and existing socialist principles—centrally, the public ownership of land resources and state responsibility to manage these resources on the public’s behalf, with the state’s interest to create spaces for capital accumulation and attract investment in an increasingly globalized world.

6.2.1 A focus on actors

As noted in the literature review, Brenner’s theoretical conceptualization of state restructuring fails to acknowledge how a multitude of actors (both state and non-state) and formal and informal practices influence such processes. Therefore, this thesis has also reflected on the work of MacKinnon and Shaw (2010) and Buchs (2009), exploring the complexity of actors involved in the restructuring of urban governance, as well as their various motivations, and interactions. Reflecting on the role of actors and social forces in the creation of new urban areas, three things become apparent surrounding the restructuring of urban land governance in HCMC.

First, private investment, global tastes, and ‘Western’ architecture have clearly influenced the physical form of new urban areas. However, this should not suggest a removal of the state from the production of these spaces. As illustrated in the above case studies, city officials have actively sought out these urban models, through international design competitions or comparative study trips. Next, the imagery created and promoted by state officials at various levels strongly supports urbanization, presenting it as a necessary condition for modernization.
and development. Further, new state agencies and quasi-state entities have been created to promote and participate in the development of these spaces. Lastly, based on the constitution and legislation governing land, the state remains the central manager of all land resources. Having the sole ability to transfer land, the ability to set the official price of land and therefore compensation rates, and large eminent domain powers, essentially embeds the state into most land transactions. Based on the above reasons, while the spaces produced in new urban areas seem private or foreign in nature, the state is intimately involved in their production.

It is important to also recognize that ‘the state’ is comprised of multiple actors, with at times competing interests. This is seen with ICA’s interest in profit in Thu Thiem and the central and provincial state goals to improve social housing. Another example of contradictory interests is the IPC’s goal to expand the city towards the south, and other state actors, like HCMC’s UPI, who recommend urban growth should be on higher elevated land in the northwest end of the city. The tensions to attract investment and create spaces to live are clearly illustrated in the case of new urban areas.

Second, a focus solely on the state does not capture the horizontal restructuring or involvement of the private sector that is also occurring. In the experience of Vietnam, the restructuring of urban land governance has also been accompanied by the reconfiguration of relationships between the state and private sector. State actors have partnered with private sector actors, through international design competitions, calls for investment, and the technical know-how to create these spaces. Lastly, the financial mechanisms used, such as ‘land for infrastructure’,
build-transfer, and joint-venture firms, in the production of new urban areas further illustrate these new partnerships.

Third, and closely related, in the case of new urban areas, it would seem that developers and state actors are working together to facilitate urban development. These close ties between entrepreneurs, land developers, and government support Labbe and Musil’s (2014) hypothesis that urban growth coalitions are forming in Vietnam. In the context of Vietnam, they define such coalitions to be those that “form alliances to control property, convert land from higher to lower value categories and intensify future land uses on the rapidly urbanizing outskirts of cities” (p.1157).

Evidence of these coalitions can be seen with the repeated partnership between private investor, CT&D and state-owned enterprise, IPC. Together they have built TTZ and SSNUA. IPC is a second example of this. A product of the HCMC PC, IPC has been actively involved in the production of TTZ, SSNUA, Hiep Phuoc, and surrounding southern areas. In addition, the various subsidiaries of IPC are also heavily engaged in urban land development activities. Today, SSNUA is a strategic project intended to support the urban expansion of HCMC in the southern direction towards the East Sea, with the end goal being to relocate the Saigon Port to the coast, creating the Hiep Phuoc Port Urban Area and Hiep Phuoc Industrial Park.

### 7.0 Summary

This thesis has identified the need for further empirical analysis on the processes of state restructuring in transitional socialist countries, and processes of contemporary urbanization. In
attempts to contribute to this dearth in studies, this thesis has presented the case of new urban areas in HCMC, documenting the ways in which urban land governance in Vietnam has been restructured, reflecting on why, how and by whom such processes have occurred.

By combining structural and actor-oriented approaches to conceptualizing state restructuring, I underscore the importance of situating the analysis of state restructuring within the broader political economy and institutional context; while at once, taking into account the complexity of actors involved, various motivations and their interactions. Brenner’s new state space framework continues to provide a valuable theoretical framework for state spatial restructuring. Conceptualizing new urban areas as new state spaces, has enabled me to situate the transformations in Vietnam’s urban land governance within the broader historical context and existing socialist framework. At a more concrete level, this theory has had to be tempered with to fit the transitional socialist context. Further, in addition to Brenner’s (2004) framework, a more actor-oriented form of analysis (MacKinnon and Shaw, 2010; Buchs, 2009) was required to understand the complex processes and actors involved in the production of new urban areas. Overall, this thesis underscores the importance of both approaches in achieving a well-balanced understanding of the realities of state restructuring.

Ultimately, this thesis has connected theoretical discussions of state spatial restructuring to two specific urban land development cases in HCMC in attempts to understand how urban land governance in Vietnam has been restructured in the wake of economic reforms and global integration. Based on the above analysis, this thesis has found that state actors have actively restructured urban land governance in Vietnam as a central strategy to both create spaces for
investment AND maintain control over land resources. Further, partnerships with private developers and capital proved key to this process. Lastly, the cases of TTNUA and SSNUA illustrate the challenges of achieving both state strategies (capital accumulation and state control); therefore, highlighting the broader challenges facing the transitional socialist state in an era of increased globalization.

The analysis of new urban areas in HCMC contributes to our understanding of contemporary urbanization processes in transitional socialist countries. Centrally, I have found that the urbanization has become a project used by the state to facilitate urban development and attract investment. Rather than the passive role often presented in the urbanization literature, the state is intimately involved in the production of urban spaces in Vietnam. However, the tensions between resident’s need for housing and urban infrastructure as well as the need to attract foreign investment have resulted in the emergence of spatially fragmented areas, including the emergence of high-end real estate and private spaces. This has put increased pressure on the ability of the state to provide sustainable and equitable urban development.

As Vietnam’s land reforms continue to evolve, further empirical and theoretical research should continue to follow the ways in which the state is participating in urbanization, and the types of relationships that are accompanying these processes. Additional studies of state restructuring in Vietnam and other transitional socialist economies will further strengthen our understanding of how emerging countries integrate into the global economy and the implications on the urban form.
References


