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Housing and Urbanization: A Socio-Spatial Analysis of Resettlement Projects in Hồ Chí Minh City

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Housing and Urbanization: A Socio-Spatial Analysis of Resettlement Projects in Hồ Chí Minh City

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SIT Vietnam: Culture, Social Change, and Development
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Abstract

As Hồ Chí Minh City continues to undergo rapid urbanization, especially with the creation of a multitude of new urban zone developments on the periphery of the inner districts, the resettling of people has become common. Families who live within areas that are selected for urban upgrading or, as in other cases for the construction of new miniature cities, must face the realities of relocation. Many issues arise in the complicated process of resettling the displaced, due to complex land-use laws, bureaucratic dissonance, and lack of investment in actual resettlement housing. The authorities of Hồ Chí Minh City have faced palpable challenges in facilitating the many processes of resettlement, from persuading developers to invest in resettlement housing to establishing suitable compensation packages. Confusing legal labyrinths, delays in plan approval, and miscommunications between agencies, results in tangible affects on the highly vulnerable displaced families. Additionally, a serious disconnect arises between planners’ envisioned solution for resettlement housing and the real needs of the resettled, who are usually low-income workers. When the precise needs of displaced families and their prior sources of economic livelihood are disregarded, the general result is unsuitable design and the disordering of previously established socio-spatial networks. Additionally the displaced tend to be sent to occupy less advantageous space, as a result of gentrification, and are spatially repositioned in more excluded, disconnected marginal zones. Past and present resettlement procedures have faltered due especially to a lack of socio-spatial planning, which has resulted in undesirable threats to equitable metropolisation and rising potentials for urban fragmentation.
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And finally, to my parents: thank you sincerely for understanding my craving to learn as much as I can about our world, no matter where my curiosity takes me.
Key Terminology Defined

Đổi Mới – Vietnamese policy of “renovation” or “new reform”

gentrification – the purchase of land and buildings in poor urban zones by various kinds of wealthy investors, resulting in a gradual increase in property value and the displacement of poorer individuals out of the area

metropolisation – the process of urban transitioning that can refer to the polarization and adjustments in the functions of urban spaces, as a result of the correlation between land area and low-value added and high-value added activities

modernization – the process of making modern, whether in design or urban planning

Phường – “Ward”

Quận – “District”

social cohesion – a broad expression used to describe how connected people are within a given society

socio-spatial analysis – an analytical approach examining a particular situation via the nexus of social and spatial interplay

socio-spatial exclusion – exclusion or segregation of people from access to normal urban social life due to spatial bias

socio-spatial network – a social network dependent and determined by a specific positional or geographical situation

suburbanization – the process of restructuring space on the fringe of the urban center as a result of urban expansion, population rise, and usually improved socioeconomic conditions

urban fragmentation – the phenomenon of increasingly dis ordering and disconnecting urban society spatially, as a result of economic processes

urbanization – the broad process by which an urban center advances economically and structurally

urban restructuring – the overarching process of changing the economic and social dynamics of an urban center
Introduction

Since the Vietnamese government instituted the famous economic policy of Đổi Mới the country has undergone impressive economic growth. The policy massively expanded Vietnam’s market-based economy and resulted in the creation of a plethora of private small businesses and economic opportunities. Prior to Đổi Mới, the Vietnamese government had been actively engaged in determining the many facets of the economy, as well as its own citizens’ mobility. The migration of people within the country was controlled in attempts to control urban and economic development on a provincial and regional level. Now migration choices are made freely and independently. In part as a result of both market reforms and the virtually free migration of Vietnamese people today, Vietnam’s urban centers have expanded and urbanized rapidly. However there remains more to the story of the increasing population of Hồ Chí Minh City.

Perhaps the most salient hypothesis behind the rapid population increases in Hồ Chí Minh City is the theory of ‘urban bias’. The theory states that as urban centers become definitive hubs of industrialization and service-based jobs, that the government follows suit in its expenditures, spending increasingly more funds to enhance, upgrade, and ensure the ongoing growth of urban markets. As more government investment is siphoned to urban centers, the balance of expenditures tilts away from less efficient rural economies and welfare, producing migration trends away from poorer rural villages. Also within the urban centers, “as capitalism expands in search of cheap land, raw materials, and labor in the periphery…profit is channeled to the core, not used for the

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development of the periphery.”

Trends of economic forces within the urban metropolis result in intra-city socio-spatial patterns, on top of economic forces acting outside the city causing resulting migration flows.

The most significant ‘push’ factor away from rural villages remains unemployment, while the most significant ‘pull’ factor towards cities has been high levels of both public and private investment, from domestic and foreign sources. As the Vietnamese government has increased its focus on ensuring urban market growth, industrialization in Hồ Chí Minh City has been outpaced by urban population growth. Low-income migrants flood Hồ Chí Minh City, at rates hovering around 200,000 people annually, which has resulted in a drastic urban housing shortage. On top of the high levels of rural migration straining the low-income housing capacity of Hồ Chí Minh City, there exists the largest gap between average income and the price of real estate in all of Vietnam.

In Hồ Chí Minh City, the price of land makes up 60 percent of the overall cost of the property. Without the ability to afford housing upon arrival into the city, migrants must resort to finding various means of housing, sometimes illegally along heavily polluted canals or in outer-District slums. When comparing housing conditions in older inner-city Districts and newer outer-city Districts, the finding is, “a general decline in the quality of residential housing in newly urbanized areas, but significant housing

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improvements in the older urban areas that have a stable population”. With the restructuring dynamics between urban and rural areas, socio-spatial exclusion has risen in part as a result of these outer-city low-income housing conditions.

As Hồ Chí Minh City undergoes population growth and rapid capitalistic urbanization, new developments like the construction of satellite cities have arisen. These satellite cities are intentioned in part to ease the strain upon the inner-city Districts, as well as to expand and reorganize the city. Much of the developments in these satellite zones are destined for luxury housing for the emerging upper and middle classes. In what is commonly referred to as ‘Saigon South’, a new miniature city called ‘Phú Mỹ Hưng’ was established in Quận 7. It arrives with the relatively young trend of suburbanization in Hồ Chí Minh City, the next deterministic phase of the city’s urbanization process in concurrence with rising desires for middle-class conveniences such as more open space, large shopping malls, international schools, and factory outlets. Plans have been announced by the Department of Construction to add an additional six satellite suburbs by 2020. These new suburban zones will radially extend the bounds of the metropolis, and cause a wave of displacement for those families currently occupying the land. Following suburbanization and rising income levels in the city, “strong housing inequality has emerged, with large private villas at one end of the spectrum, and make-shift housing among squatters and migrant workers at the other end”. The changing patterns of socio-spatial control across differentiating classes has resulted in inequalities and disordering of low-income communities, especially via new urban developments.

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2 Luong, Hy V. Chapter 8, p. 175. 2009.
2 Luong, Hy V. Chapter 8, p. 176. 2009.
Private investors and developers, seeking profit from their real estate and construction ventures, generally fuel the ideal of design for new suburban areas. But in order for the construction of these zones to proceed, land clearance must occur. The process of land clearance results in the local authorities informing families that their land will be seized in order to clear the way for city expansion, in return for some form of compensation. The government-granted compensation options usually include the choice of land elsewhere, money, or a flat in a resettlement complex. The delivery of compensation packages has had a history of bureaucratic inefficiency, wrought with complaints from relocated and resettling families.

These complaints come as a result of poor communication both between the local authorities and the displaced as well as across various agencies of the ward, district, and city levels of government. Local authorities and compensation boards have been known to send mixed messages, sometimes about the timing of the actual act of resettling and other times related to changes in compensation rates and land prices. Disruptions also comes as a result of the government’s scheme for developing the resettlement housing needed to house many of the displaced families. Usually once private developers complete the construction of resettlement housing they are given land by the government to develop—in effect, an infrastructure-for-land arrangement. This spurs private development of the new urban zone, but can also result in a deteriorating effect on the quality of the resettlement housing, since it is viewed by private developers as merely a hurdle they must complete before they can acquire land in order to begin their own for-

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profit developments. The Hồ Chí Minh City government has seemed more concerned about meeting the quantitative requirements of resettlement housing, focusing more so on the swift advancement of forthcoming private developments.

Although many times families can decide to receive money to buy land elsewhere, the compensation value granted is usually paltry compared to the value required to build or buy land anywhere near where they used to live.³ This is partially due to the precipitously fast increase in land and real estate value in Hồ Chí Minh City partly because of the gentrification that private development cause in formerly poor outer-city areas. The resulting, “dramatic increase in urban land price in the context of economic development and increased income has rendered housing less affordable to households at the lower levels of the income ladder”.² Land or cash compensation becomes insufficient due to the government setting the displaced residents’ land prices at much less than market value. Some families are offered plots of land by the government in even more distant, less developed areas, sometimes with no access to electricity or water systems.⁷ Socio-spatial exclusion foments from insufficient government compensation packages in the form of cash or land guarantees.

Many displaced families who previously owned houses do not wish to resettle into high-rise apartment blocks, but rather prefer to own a house again. There exist other reasons for the unpopularity of high-rise apartment complexes for resettled families, including geography, design, and networking concerns. Many of the resettlement houses are also geographically positioned with little pragmatism, and simply constructed on the

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² Luong, Hy V. Chapter 8, p. 174. 2009.  
This callous resettlement housing planning creates socio-spatial conditions especially difficult for low-income families, many of who subsist by fragile informal economic strategies such as small shops in the ground level room of their flats. These previous economic activities become impossible from the tenth floor of a resettlement apartment complex. Many low-income families work directly from their homes, which become half-store or small-scale handicraft factory, half-residence. In reality, “…for the vast majority of people, one’s home is also one’s sweatshop.”

Thus government strategy for resettlement housing has been ineffective on two main planes: one of design with respect to low-income families’ previous economic activities and one of spatial positioning which affects socio-spatial networking and can cause socio-spatial exclusion. “There is a need to integrate the future inhabitants’ income-generating activities early on in the design process”, a need which is currently unproductively addressed.

Without the use of a definitive socio-spatial plan for resettlement housing positioning, design, and networking considerations, the government threatens to continue to socially ostracize displaced families, and potentially cause increasing levels of socio-spatial exclusion and urban fragmentation.

**Hypothesis and Research Questions**

The hypothesis for my research has underwent several transformations. Initially, I was interested in the phenomenon of suburbanization occurring in Hò Chí Minh City, specifically with concern to the infrastructural demands of accommodating these new zones. When I learned of the design process and requirements of land clearance for new

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8 Van Luong, Hy. “Interview.” Coffee Cup, Ho Chi Minh City. 5 May 2012.
5 *Low-Cost Housing in Ho Chi Minh City*, p. 40
miniature cities such as Phú Mỹ Hưng however, my research interest shifted to investigating the messy puzzle of resettling families displaced by new urban developments or upgrading projects. My path led to the resettlement process, from land-use and clearance practices to the design and location of resettlement housing. I wanted to examine as to how the resettlement process and planning affected displaced families’ situations, and whether or not their life conditions were improved, stabilized, or worsened by the event. Upon further discovery, I wanted to evaluate whether or not the government’s role in urban development was actually forwarding detrimental social phenomena due to poor planning. The main social phenomena I wish to test for are socio-spatial exclusion and potential urban fragmentation, and how these conditions are manifested in real economic, political, and social terms, in displaced families’ daily life experiences. My final research hypothesis is as follows:

*When the precise needs of displaced families and their prior sources of economic livelihood are not accounted for in resettlement housing planning, the result is unsuitable design and the disordering of previously established socio-spatial networks. Resettlement procedures that result in the repositioning of displaced families to exclusionary, marginal spaces will result in undesirable threats to equitable metropolisation, including socio-spatial exclusion and urban fragmentation.*

From this multi-faceted hypothesis, my main research questions can be condensed into the following:

*How have new urban developments requiring resettlement processes, resulted in the socio-spatial exclusion of certain social groups, to the advantage of others?*

*In what ways does current city-planning lead to more socio-spatial exclusion for resettled, low-income families? In what ways could this exclusion be reduced?*

*How are socio-spatial networks affected by relocation to resettlement housing?*

*How could the planning of resettlement housing work to sustain socio-spatial networks, instead of truncating them?*
What solutions can socio-spatial analysis provide for future resettlement housing in Hồ Chí Minh City?

Research Methodology

My research entails a mainly geographical and sociological approach to the process of resettlement housing design, planning, and implementation, as it affects displaced, low-income families. In order to analyze the effectiveness of resettlement housing, both the human experience and the built environment must be taken into careful consideration. In many ways, the built environment—the conglomerate of socio-spatial characteristics of the actual resettlement complex—determines the life experiences of resettled families. Both the city in which the families live as well as the complex in which they live can be viewed as socially constructed realms. Both were constructed with human objectives, motives, and intentions, that can be further unpacked. Several planes of analysis for the effects of the built environment on human life can be discussed. Firstly, the geographical position of the complex within the city affects many of the economic potential and decisions that families will experience. Secondly, the design of the complex itself can either facilitate Vietnamese socio-spatial networking or truncate it. Thirdly, the degree to which resettlement housing can create socio-spatial exclusion of low-income groups can be addressed, as relocation to potentially isolated and undesirable zones can occur.

These predominant effects of city planning on the placement, design, and network connectivity, of resettlement housing will be interrogated and analyzed socio-spatially. I will attempt to examine whether socio-spatial exclusion or some other primary social consequence has been engendered as a result of the resettlement planning. Upon establishing the socio-spatial dimensions of the resettlement housing, especially in
comparison to residents’ previous socio-spatial conditions, the case studies can be examined from another, higher level of urban phenomena. I will investigate as to whether or not the resettlement housing planning of the city government is in effect producing larger socio-spatial problems, part and parcel to a larger urban trajectory within the evolution of Hồ Chí Minh City. Of these broader problems, I predict that socio-spatial exclusion and the potential creation of urban fragments will be most salient.

I must note however, that the theory of urban fragmentation will only be alluded to insomuch as resettlement planning acts as a potential source of this theoretical phenomenon. As Deffner and Hoerning explain, “the concept of urban fragmentation is theoretically only poorly outlined so far and empirically hardly analyzed with regard to its production and perception in daily practices”. Therefore, I will only begin to discuss how the effects of socio-spatial exclusion and gentrification, which have occurred due to new urban developments, can develop spaces theorized as ‘urban fragments’. My research will only focus on a basic socio-spatial analysis of conditions in the potential micro-pockets of beginning urban fragments, which I have hypothesized could rise from resettlement housing project sites. My theory is that the government, in creating and planning the construction of new resettlement projects (due to land clearance for urban upgrading or private urban development), has been planting potential seeds of broader urban fragmentation, due to the socio-spatial characteristics of chosen resettlement sites. When sites display evidence of socio-spatial exclusion, or disconnects and disordering patterns in terms of place and network, they will be considered potential sources of urban

fragment formation. For example, the development of high-rise resettlement housing in close proximity to the Tân Hóa – Lò Góm resettlement housing, shows a sign that low-income communities are being clustered together due to land prices or some other exclusionary bias. This could be an early sign of ghettoisation or socio-spatial exclusion of low-income Vietnamese communities.

Future research on the topic could be carried out by looking for a correlation between urban development and modernization of inner-city Districts and the rise in urban fragment creation. One could use Geographic Information System technology to socioeconomically map housing or land prices, perhaps in addition to the length of time the property has been owned by the current owner. This could be conducted District by District, in order to check for hypothesized patterns of disconnected, marginalized, or excluded areas of urban housing cost inequality. These areas would appear as low-income clusters of population or urban poor zones that are in some way socio-spatially excluded from formal urban society. Mapped out data could show patterns and give borders to these communities, and be utilized for further examination of urbanization patterns like gentrification or fragmentation.

To accomplish a socio-spatial analytical overview of the resettlement housing to test for evidence of socio-spatial exclusion and urban fragmentation, I will rely on an analytical framework developed by Enrico Michelutti. Michelutti’s framework focuses on the various institutional effects that could elicit a result of socio-spatial exclusion and urban fragmentation. Michelutti addresses both formal and informal institutions, and examines their structuring principles through four socio-spatial fields of operation:
territory, place, scale, and network. Below is Michelutti’s chart showing how institutions are structuring principles on the four main socio-spatial categories:

![Figure 1: Michelutti’s chart of Institutional structuring principles related to four socio-spatial fields](image)

I will only focus on the socio-spatial fields of *place* and *network* in my analysis of resettlement housing in Vietnam, through interactions between city government planning (formal institutions and networks) and resettlement communities (informal institutions and networks). By first examining the socio-spatial conditions of resettlement housing on families and their communities, broader theoretical phenomena (i.e. socio-spatial exclusion and urban fragmentation) can then be assessed for theoretical validity.

As far as the structure of my report, I plan to firstly discuss the main urban theories that I will call into play in my analysis. These urban theories have been pulled

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from literature review as well as professor interviews that I have conducted, and are fairly specific to the urban conditions in Hồ Chí Minh City. Next, I will present two case studies of two resettlement projects, which I have investigated. These case studies will be presented via information gained from on-site interviews, literature reviews, and professor interviews. After presenting each case, I will socio-spatially analyze and critique the city government’s implementation of resettlement housing, with special focus on the dimensions of place and network. Finally, I will briefly discuss broader implications of these two resettlement situations and their relationship to the larger theoretical urban phenomena of socio-spatial exclusion and fragmentation. In addressing and analyzing these resettlement sites, I hope to not only bolster urban theory of Hồ Chí Minh City, but also provide insights for future resettlement housing planning.

**Discussion of Applicable Urban Theory i.e. Resettlement Housing**

The reasons behind the need for resettlement housing are more complex than they would appear at first. There are a myriad of relatable urban restructuring events occurring within Hồ Chí Minh City that have created both ordered and disordered patterns of development and investment. With increased levels of urban development, especially expanding into formerly less-valuable outskirt zones of the city, comes land clearance and gentrification. The reasons behind the new urban developments are multi-fold, but are interrelated to migration and increasing population levels, a blossoming market economy and middle class, and urban expansion.

One of the driving forces of urbanization is a combination of industrialization and migration, which occur simultaneously. As the city develops into a regional hub of labor and production, with more economic opportunities especially in low-skilled positions
such as manufacturing, more people seek jobs in the city. But beyond the influx of labor availability in the city, other factors contribute to the precipitous increase in migration. Two main coinciding theories with regard to the urbanization-migration complex of Hồ Chí Minh City help to explain this relationship. Urban bias theory states that as the city becomes the economic and power center of a region, the government will invest a disproportionate amount of funds into the urban area, and less to the underdeveloped rural areas. The urban areas advance industrialization and heavy industry, which was viewed by Soviet-influenced Vietnamese economists to be a key to economic progression. Thus, special attention and resource allotment was poured into Vietnam’s urban centers when they began industrializing after Đổi Mới was introduced.

As urban centers grew unequally in terms of net wealth, as compared to rural villages, labor demand increased for low-skilled, low-value added industries in the city, while impoverishment became more prevalent in the rural villages. Rural unemployment spurred migration to the city. Over-urbanization theory claims that as this urban migration increased rapidly, supply of low-skill labor even began to outpace the industrialization and job creation of urbanization. It is currently projected that 45% of Vietnam’s population will live in urban centers by 2020, and that the population of Hồ Chí Minh City will double by then, as urbanization and migration continue to fuel each other. Spatially, population increases in Hồ Chí Minh City have been most noticeable in the fringe suburban zones, where low-skill labor clusters near many new industrial and manufacturing zones. Mostly migrants seeking employment reside in these outer zones.

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1 Thanh Sang, Le. 8 Mar. 2012. Lecture.
1 Thanh Sang, Le. 8 Mar. 2012. Lecture.
5 Low-Cost Housing in Ho Chi Minh City, p. 40
which reflect the face of the migration-urbanization complex. “From 1999 to 2005, the suburban districts like District 12 (+77%), Thu Duc (+64%), or Binh Tan (+58%) registered the highest rates of population growth within the municipality of HCMC”.

It is mainly in these less-urbanized outer zones of Hồ Chí Minh City where the land interests of low-income migrants and private urban developers butt heads. The city will continue to expand outward spatially, and in doing so will overtake long-occupied cheap land for privatization and gentrification.

Urbanization in Hồ Chí Minh City has not benefitted everyone. Many rural migrants, face great challenges when integrating to the already established formal urban economy. As a result, urban poverty has been on the rise, increasing from 6.6% in 2002 to 10.8% in 2004. When migrants cannot enter into formal labor networks, they are forced to depend on the informal economy for subsistence. A very visible informal economy has emerged in Hồ Chí Minh City, in part due to a saturation of low-skill migrant labor. Establishing labor connections and networks within the city’s informal economy is not always viable, and migration back to the village or urban poverty results largely from migrant non-integration.

The main cause for housing shortages within the city are as a result of over-population due to migration, as well as many other factors such as high land prices, declines in low-cost housing production, and legal hurdles for migrants. As a result, migrants carve out their own sources of housing illegally, many times in the most undesirable spaces, such as the heavily polluted canal edges. Professor Hy V. Luong

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4 Waibel, Michael, Ronald Eckert, Michael Bose, and Volker Martin, p. 61. 2007.
claims that, “the mushrooming of spontaneous housing in rapidly urbanizing areas
without adequate utility provision in face of a significant population growth has led to the
overall deterioration of housing conditions in Ho Chi Minh City”. Since low-income
urban Vietnamese simply cannot afford access to the formal housing supply, they must
determine housing strategies and agreements on their own. “In Hồ Chí Minh City,
between 70% and 80% of private houses are built without permits”. Many of the illegal
housing spaces that low-income residents find are at the frontier for government
investment via urban upgrading projects, as many of these spaces are seriously
environmentally detrimental to the city. But they also represent some of the few
remaining spaces within old inner-city districts that could be gentrified.

Marginal settlement areas, especially in the inner-city districts are highly
problematic for the continued advancement of the city. “The insufficient infrastructure in
the inner-city marginal settlement areas resulted in unacceptable living conditions for the
inhabitants and environmental problems even for the inner districts”. The insufficient
provision of suitable infrastructure for affected areas, which is likely attributable to the
rapidity of urbanization, results in socio-spatial exclusion as residents of these
infrastructural ‘no-man’s lands’ are denied access to normal city services. Once the
government does decide to act on projects of urban renewal for these depleted areas,
more problems arise, as residents live in the way of upgrading. In order for renewal to
continue, they must be displaced and resettled. But the resettlement process tends to
completely disrupt the livelihoods of these marginal communities that had adapted to

2 Luong, Hy V. Chapter 8, p. 190. 2009.
3 Low-Cost Housing in Ho Chi Minh City, p. 10

their situations. “Evidence from two inner-city upgrading programs shows that the resettlement process destroyed the inhabitants’ social and economic networks in many cases and therefore often the basis of their income.”

Groups of people occupying areas within the inner-city that are slated for urban upgrading lose their homes and socio-spatial networks for the benefit of the entire city’s environmental and infrastructural advancement. Once more, they must start anew in a differently socio-spatially marginalized life in resettlement housing.

The rising price of land in Hồ Chí Minh City, especially as private and foreign investment increases, presents problems for low-income housing as well. In effect, “the transition toward a market system for the allocation of urban space has resulted in economic competition for urban space.”

This competition will always be won out by the government and private corporations, and illegally housed residents face merely a matter of time until displacement by development projects. “In 2002 the Land and Housing Department identified 150,000 low-cost houses (occupied by 5.6 people on average), of which 93,000 were in poor condition located in areas to be upgraded, and 25,000 were encroaching on the canals needing resettlement”.

Serious issues of affordable housing shortages tied to development and gentrification are furthering the process of illegal settlement. But in order to improve the environment and maximize profit on a citywide basis, illegally situated residents will need to be removed and their occupied spaces converted.

Legal barriers faced by many low-income and urban poor in Hồ Chí Minh City make obtaining legal housing even more difficult. In order to get a permanent resident

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permit in the city, one must have a stable job for 6 months and one address for 12 months, as proof of permanent residence. This measure remains especially restrictive for migrants, as many work in the informal sector and live in illegal housing, or a variety of different housing arrangements. Thus obtaining official residence in Hô Chí Minh City, part of the gateway into the formal economy of the city, is extremely difficult for low-income residents. Legal barriers compound the already great economic struggles and cause more people to be turned away from the formal housing market in the city. The also looms the ongoing urban upgrading and development projects that can cause housing—legal or illegal—to be cleared out completely.

Urban upgrading, especially of spaces that become magnets for illegal low-income housing, represents one reason for the displacement of families as a result of urbanization. Another conjoined process, that of suburbanization and gentrification, has caused a great deal of displacement of low-income families. With the emergence of a middle class in Hô Chí Minh City, the desire for increased socio-spatial convenience has grown. Families that are well employed in the white-collar service sectors of the market seem to idealize a life with more space, less pollution, and less crowdedness, as more attractive and desirable places to reside. The want for more of an independent lifestyle and attitude can be met with more spread-out residential space and villa-style housing. The percolation of these suburban housing demands, combined with government plans to expand and reorganize the city, have resulted in the urban development of new luxury suburban zones and miniature cities.

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The government certainly maintains a high level of control over many of the processes of such urban restructuring of the city, including the spatial dubbing of ‘new suburban zones’. By defining set outer-city spaces as frontiers for urban development and lofty new miniature city plans, the city spurs excitement in construction and real estate investment circles internationally. But city authorities’ vision for the new expansion of the metropolis must first be met by the construction of properly connective infrastructure. “The Ministry of Construction not only focuses on constructing an urban infrastructure, but hopes that by doing so it will literally lay the foundation for a particular form of urban society appropriately linked to the construction of socialism.”

It is debatable as to how much control over the creation of socialism the city has, through planning and connecting future satellite zones. But the power of government in the process of kick-starting urban development and upgrading through land clearance is indisputable, as it is the constitutionally designated proprietor of all land in Vietnam.

As private speculation and investment follows government urban planning decrees, land clearance becomes paramount to initiating construction in new zones. One problem in land clearance is that the prospective development, especially in the case of the creation of entire new miniature cities, results in drastic shifts in surrounding property values. A gray area arises in terms of how much compensation displaced low-income land occupiers should be allotted, and whether it should be based on prospective market value or based on government determined rates. The government has a great advantage in this arena, as the Ministry of Finance determines the price of land. With ease and no


accountability, the government can give compensation to displaced families at prices well below what the land would prospectively be worth in the realistic market arena. In this way, “the development of new urban areas has aggravated housing inequality”.\textsuperscript{4} Such occurrences have been the norm for two new urban zones: the nearly completed Phú Mỹ Hưng City in District 7 as well as the ongoing Thủ Thiém New Urban Area development.

In Thủ Thiém, as in other past developments, a phenomenon has arisen that serves as another narrative of urban development and housing in Hồ Chí Minh City. When new areas are determined for development, squatters will move onto the land to be cleared intentionally and out of housing desperation.\textsuperscript{8} The squatters hope to be considered residents of the land despite their illegality, in hopes of receiving some form of compensation. It has become something of a local trick attempted by forlorn urban poor, making the government even more wary about who and how much compensation to give displaced families.

Once land clearance begins, the need for resettlement housing for many arises. In order for resettlement housing to be built there must be investment. The scheme that the government has operated under for most resettlement housing construction has either been by seeking international donors—especially the case for environmentally related urban upgrading projects—or by guaranteeing private investors land credit in exchange for resettlement housing construction. The process of investment for new urban zone resettlement housing begins the signing of a directive by city Party leaders, such as the Hồ Chí Minh City Vice Chairman. Next, the Department of Construction formulates a general government resettlement housing project design criteria, based on estimated

\textsuperscript{4} Waibel, Michael, Ronald Eckert, Michael Bose, and Volker Martin. p. 66. 2007.
\textsuperscript{8} Van Luong, Hy. “Interview.” 5 May 2012.
housing needs specific to the displacement levels. This process is even more focused on the difficulty of attracting investors and determining investment strategies for the projects. Once the resettlement housing site receives a construction permit, the government invests in the needed connective infrastructure by way of private construction corporations who then plan and construct it. Next the private investors, who are entitled to part of the housing and land fund of development, construct the housing unit, based on the quantitative needs of the government. They are usually awarded a parcel of cleared land in the new urban development area as well in return for their investment in the resettlement housing construction.

One of the main issues with this scheme of investment is that the resettlement housing design suffers as a result of only needing to meet quantitative demands. From the perspective of private developers, the construction of resettlement housing is a bargaining chip they must trade in, or a hurdle that they must get over, in exchange for government-granted land in the new urban development zone. This perspective, along with the government focus on the new urban development rather than the fall-outs of land clearance, results in poor planning and design of resettlement housing. Once developers get over this investment hurdle, they are awarded their land and can progress with their profit-oriented intentions. The government’s approach to new urban developments can be equated to a loosely-controlled market scheme, as the provision of foreign investment in the future development is held paramount above other controlled parameters such as resettlement housing. The reason for this approach could be because the government believes generally that, “urban space will create urban minds”.14 By this notion, the more

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urbanized space they can create via the expansion of the city and development of outer zones, the more ‘urban minds’ they can likewise engender. This ‘urban mind’ is considered a more advanced, modernized one compatible with the future of the country in the global economy—thus it is thought that urbanizing will continue to make Vietnam a more successful nation. For the government, urbanization must continue with certain provisions, such as resettlement housing, but it is actual progression that remains more important than the equality and sustainability of urbanizing.

The push for swift urban development has had deleterious impacts on displaced families, whose needs are not at the forefront of urban planning. One set of issues for the displaced results from compensation packages, the reimbursement for their cleared land. Many times the government’s timetable for projects is too ambitious, which results in backlash during land clearing. Displaced families might receive messages from one branch of local authorities to leave the area, while another branch tells them to wait until resettlement housing is completed. On top of this relocation confusion, compensation packages are relatively unstable. The government determines the value of the land, and generally does not give actual market value reimbursement. Random changes in other compensational agreements, such as for resettlement housing loans, have also caused existential financial trauma for displaced families.\(^4\) As an unjust result, families become wary of their already vulnerable financial situations when their loan payments are reassessed or otherwise changed from the initial terms agreed upon. This is largely a result of poor financial assessment and forecasting for investment in projects carried out by the government.

The planning for resettlement housing, either as a result of urban upgrading or new urban zone development, has suffered from investment struggles. The government currently seems more focused on meeting the financial arrangements needed for resettlement housing, much more so than the actual housing planning. One of the weakest parameters in the resulting planning of resettlement housing is that of location. “Resettlement housing is mainly a location-based issue for residents”.⁸ Due to financing issues paired with poor planning, the government chooses cheap land areas that are ill-suitedly located for residents. The choice of location for resettlement housing represents the main cause behind the socio-spatial exclusion of residents. No planning thoughts are given with respect to the spatial demands of future residents, which results in curtailed economic and social relationships. Additionally, “isolating low-income areas from other areas is inadvisable since it leads to the creation of ghettos.”⁵ Current resettlement housing has been following a dangerous pattern of clumping together high-rise apartment blocks that form isolated communities low-income and urban poor residents. As resettlement housing continues to be placed based solely on the cheapness of the land—or the undesirability of the land—the government will continue to marginalize displaced groups, and create urban fragments. Resettlement housing units become fragments when placed in a disorderly fashion, as disconnected, outlying residences differentiated from the surrounding urban fabric.

Resettlement housing can be even less connected from the surrounding areas when their design seeks only to use the least amount of land possible. The trend towards vertical, high-rise resettlement construction designs can cause severe socio-spatial

⁵ *Low-Cost Housing in Ho Chi Minh City*, p. 43
disruption and exclusion for resettled families. The design of the housing can have great implications on the economic needs of the predominantly low-income residents. Most low-income Vietnamese families are accustomed to operating out of a housing design that utilizes the space in which they live as a center of economic potentiality. “The traditional Vietnamese typology…the shop house…combines living and working in a flexibly usable space…[that] allows its inhabitants to pursue informal employment and permits, e.g. with a store-front, the sale of products.”\textsuperscript{4} As many low-income Vietnamese work directly from their houses, having to live in apartments far from the ground level can result in multiple serious economic incompatibilities. Most Vietnamese high-rise residents much prefer floor-level housing, where they can easily access informal markets and socially engage with others.\textsuperscript{8} These important economic considerations are forgotten in the creation of high-rise resettlement housing.

The design of resettlement housing can have real economic consequences, especially for low-income displaced families. Another affected component of resident life in resettlement housing is that of socio-spatial networks. When displaced, resettled families lose all of their established socio-spatial conditions, which determined many of their economic and social relationships and networks. This loss is inevitable, and cannot be saved, as it is the nature of displacement—but the newly provided socio-spatial conditions should be planned in a way that makes a transition possible. Socio-spatial networks are especially important in Vietnamese society as, “particularistic social relations were considered by Vietnamese in all walks of life as a major basis for solving

\textsuperscript{4} Waibel, Michael, Ronald Eckert, Michael Bose, and Volker Martin. p. 73. 2007.
\textsuperscript{8} Van Luong, Hy. “Interview.” 5 May 2012.
daily life problems.”² However the new socio-spatial housing conditions that resettled families encounter are usually disordered, due mainly to housing location and design. Resettlement housing areas tend to become their own freestanding areas of social interaction, disintegrated from the surrounding community mainly due to a marginal location or high-rise design. This severely harms the ability of resettled families to reintegrate economically and socially where they are relocated mainly since, “social network has the strongest correlation with the job search duration”.² The result can be economically destabilizing, especially if previous incomes were generated by informal activities. This instability comes as a heightened burden on low-income families, who must struggle with loan payments for their new apartments.

Not taking into consideration the potential affects of resettlement housing location and design can result in the socio-spatial exclusion of already vulnerable low-income families. Well-intentioned ideas to advance or better the city can lead to indirect consequences if improperly planned. Parts of the urban landscape of Hồ Chí Minh City are being restructured anew, in ways that are less connected and more disordered as well as polarizing and marginalizing to specific groups, like resettled families. As a result, “the social-spatial polarization of social groups within the metropolitan area is growing significantly”.⁴ Design and location of resettlement housing can ostracize and disorder socio-spatial networks, in effect creating disparate urban fragment zones. Hồ Chí Minh City appears at he highest risk for such decreases in social cohesion as, “nowhere else in Vietnam is such a distinctive degree of polarization as well as fragmentation of urban

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² Luong, Hy V. Chapter 1, p. 24. 2009.
² Luong, Hy V. Chapter 5, p. 114. 2009.
⁴ Waibel, Michael, Ronald Eckert, Michael Bose, and Volker Martin. p. 67. 2007.
society to be encountered." The inter-connectedness of the events of Hồ Chí Minh City’s urbanization—migration, suburbanization, and displacement—can be witnessed over time. Each event causes subsequent new developments, with needs to be met along the way. Whether or not these needs are met is the role of proper urban planning.

**Introduction of Case Study Sites**

Two case study sites of resettlement housing were chosen to analyze socio-spatially. Each site represents a completely different geography, as well as completely different circumstances behind their creation. The first case study site of the Tân Hóa – Lò Gòm Resettlement Complex, is located near the center of Quận 6 in phường 11. The site was created for the resettlement of around 120 families, who were displaced by an urban upgrading project to address the pollution and condition of the canal. The families originally lived along the canal itself. The complex was constructed with a low-rise, high-density design.

The second case study site is the Thủ Thiêm New Urban Area and its resettlement apartments. These apartments are located in Quận 2 in Phường An Phú, Phường Bình Khánh, and Phường Thành Mỹ Lợi. Their construction is the result of the land clearance of Thủ Thiêm, which is undergoing massive urban development to make way for the planned Thủ Thiêm New Urban Area, which will essentially be a new miniature satellite city, across the Saigon River from the current city center in Quận 1. All of the Thủ Thiêm resettlement apartments were built in the high-rise apartment block design format.

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4 Waibel, Michael, Ronald Eckert, Michael Bose, and Volker Martin. p. 60. 2007.
Case Study 1: The Story of Tân Hóa – Lò Góm Resettlement Complex

![Map of the Tân Hóa – Lò Góm Resettlement Complex](image)

**Figure 2**: Map of the Tân Hóa – Lò Góm Resettlement Complex, Phường 11, Quận 6.  

**Overview**

The Tân Hóa – Lò Góm Resettlement Project began in the late nineties, originally as one project in a series of urban upgrading ventures in Hồ Chí Minh City. The focus of the urban upgrading campaign was to improve the dilapidated inner city canals and clean out pollution from the waterways. Efforts were also made to assist the urban poor, as along the Rạch Ông Buông waterway where the people relocated to the Tân Hóa – Lò Góm Resettlement apartments used to reside. The families living on the canal were basically encamped there, with semi-permanent housing made out of wood and ply board, with tin roofs, and some other various salvaged building materials. Their settlement along the canal was unofficial, and technically not within the guidelines of legal construction. But the shanty village along the canal was only one of many that exist.

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along canals in Hồ Chí Minh City. In effect, canals have become de facto spaces where the poor can go to construct shelter illegally.

The Tân Hòa – Lò Góm canal was no longer in use, as it had lost most significance as a waterway in the midst of the rapid urbanization of Hồ Chí Minh City. At the time that the urban upgrading project was undertaken, the canal was terribly polluted, with industrial and domestic pollutants filling the shallow, stagnant canal.¹² In the rainy season, the canal would flood and leech its contents into surrounding wetlands. Therefore, the task of the city in upgrading the canal was to improve the environmental conditions of the area, and relocate the poor who were settled on the canal.

The city sought international aid for the Tân Hòa – Lò Góm canal urban upgrading project, and received funding from the government of Belgium, who agreed to take on the “environmental, housing, and social challenges” of the effort.¹² Due to the canal widening that was part of the plan, all families inhabiting the areas along the canal needed relocation to low-cost housing. The project took longer to complete than expected, and thus families had several options other than waiting for the new resettlement apartment complex to be completed. They were offered a compensation package and the option to relocate on their own, and did not have to choose to move into the resettlement apartments. However, the land compensation packages were very low as determined by the government, and were unequally higher on one side of the canal.

The completed resettlement apartment itself that stands not far from the upgraded canal was designed by French low-income housing architects, and took some family design recommendations into account. The apartment complex was built in the low-rise,
high-density fashion, in order to allow for a maximal number of ground level apartments, as preferred by low-income Vietnamese. “The project recreated, in a vertical sense, the atmosphere of the former neighborhood of individualized small units and alleyways with intense social contact.”

There are also advantages from this housing typology that allow for collective open space, increased integration with surrounding urban fabric, and enhanced affordability. Despite the advantages, it was not easy for the project leaders to convince local authorities of this design method, as they wanted to use the least amount of land as possible in the construction. The three high-rise apartment blocks which are currently being constructed nearby the completed resettlement apartment complex stand as testament to the government’s skepticism with land-use for resettlement purposes. These three high-rise apartments were built when the second phase of the project was abandoned due to disputes among the 11 governmental departments that made the final decision. Once the low-rise apartment complex was completed, all approximately 120 families still in need of resettlement from the canal upgrading were moved in together in 2005.

**Site Observations (from visit on 1/5/12)**

Located immediately across a bridge over the putridly polluted canal water, lies the Tân Hóa – Lò Gốm resettlement apartment complex. Surrounding the complex on the rear and right sides are three large high-rise apartments currently under construction—all also for the purpose of resettling more displaced families. Next to the apartment complex was a local market center, constructed for the residents in the resettlement apartment.

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After talking with an official in the office near the front entrance of the complex, I received the go-ahead to interview some of the housing project’s residents (as long as talk of the government was off the table). Through the central walkway of the complex, there were people sitting about and chatting. To the left and right, three stories of housing units could be seen. The units on the ground level had significantly larger outside patios, where small goods were being sold to other residents. The second and third levels of the complex contained smaller units, of approximately 40 square meters of space. Towards the rear end of the complex were several small drink stalls, where men from around the area were sitting, drinking, and chatting. I talked to several of these men, who swiftly offered drinks, but claimed to not live in the complex itself—a sign that a very small drink stand behind the complex was getting some business from local people.

I moved on and interviewed a family of six that was sitting outside on their ground level patio area. I mainly talked to Cô and her husband, who also joined a bit into the interview. During the chat, Chú pointed out a strange feature about 15 feet across from the patio we sat at. It was a model apartment for one of the large high-rise apartments being built just behind the Tân Hóa - Lò Gốm complex. Chú was visibly ornery about the construction of this model, as it was plopped right in front of their apartment. More than an eyesore, the model apartment was completely blocking the visibility of the family’s main source of income: their small convenience store in their living room. The visibility and location of the store was already poor, as it was located in the rear corner of the complex. But after the model was built, all visibility from the Tân Hóa - Lò Gốm market, where people who live in the complex and along the canal shop
for some daily goods, was lost. A small decision made by a contractor had clearly
endangered the economic viability of Cô and Chú’s small store and livelihood.

After interviewing the first family, I decided to interview a family on the second
floor of the complex. This decision was based on the first family’s mention that the
poorer residents with less advantageously positioned housing lived on the upper floors. I
walked up the stairs to the second floor, where there was a significant open area of floor
space after the stairwell before the hallway to the housing units. In this space, five young
boys were playing football. I stopped at the unit nearest to the stairwell, where a woman
was working on producing incense coils. After receiving permission to enter, I sat down
and interviewed them as well.

**Interview with Family 1, Summary:**

The family lived on the ground level floor of the complex, in the far rear of the
building. Cô was 53 years old, and lived in the unit with her family of six. She works at
home, where she maintains very small convenience store that sells chips, yogurt, beer,
soda, bottled tea, and bottled juice (their small refrigeration unit was held closed by a
bungee cable hooking unto a nail). She had the same job prior to being resettled, and
mentioned that labor networks beforehand were much more organized than they are now.
The store was the family’s main source of income. They had been living in the apartment
complex for seven years, since their displacement from their previous home along the
Tân Hỏa – Lò Góm canal. She said that her family did not need to live in temporary
housing prior to moving in to the complex, along with their other neighbors who had
lived next to the canal. She claimed that the biggest difference between their current
residence and their prior housing was that they no longer could sell goods as effectively
as they could on Lò Gốm street, which follows the canal and has decent motorbike traffic. At their prior residence, they were able to network and trade with their neighbors more liberally and effectively. Now that they lived in a resettlement complex, their business was significantly less viable, as access and visibility was greatly decreased. Customers now consisted almost entirely of fellow apartment complex residents, as opposed to the flow of traffic along the canal and other neighbors. She said that the location was therefore much worse than before, despite their new unit being nicer in quality than their old house. She said that all of the residents of the complex were resettled together, seven years ago. She said that the moving process itself was not stressful. She did say that despite the quality of the housing being better and more comfortable, that their overall situation was no better than it had been before. She sounded fairly satisfied with the compensation rate that the government had given her family for their land and house, for which they received 2.8 million VND/m\(^2\). The price of the resettlement unit was 5 million VND/m\(^2\), so they received the equivalent of 56% compensation in value, per square meter of area. They said that the environment quality of the housing unit was better than before, but that their main concern was that they could no longer develop their home business any further, due to a sizable reduction in their available customer base. She said that her family plans to live in the housing project long-term, simply because it is far too costly to move elsewhere. She also mentioned that the housing project itself was originally funded by a Belgian initiative, and designed by the French. However, she said that the initiative did not do anything once the project was completed, and that the trees and landscaping surrounding the complex was therefore deteriorating quickly. Finally Chú angrily mentioned that the model apartment
constructed directly in front of their unit was highly disadvantageous to their small household business, as it depends on visibility and location for customer traffic, and thus decreased their revenue.

*Interview with Family 2, Summary:*

The family lived on the second floor of the complex, next to the stairwell towards the rear of the building. Cô was in her fifties, and had also lived with her family of five for seven years, beginning after their relocation in 2005. She worked out of their housing unit, producing incense coils from the raw materials needed to do so. She said she could make 65,000 VND per day if she was able to produce one large box of completed coils, each day; it took her one day to make one box, and she sat hunched over on the floor of the living room to make them. Her husband worked for DHL, near Tân Sơn Nhất Airport, as a courier. Chú said he had used to repair motorbikes at his old house, and that his newly acquired job with an established company was better. Acquiring his current job was not a result of living in the complex. Cô said her family did not need temporary housing prior to moving into the resettlement complex. She said that the most stressful part of the relocation process was realizing that their family could not afford a more desirable housing unit, located on the ground level of the complex, which would have unlocked more location-based economic potential. She also said that the government’s compensation packages were different, depending on which side of the canal people lived on. She said that for their land, they received the lower amount of 2.5 million VND/m². She went on to say that they were told strictly to follow the government’s instructions with regard to the repayment of their compensation package, which was due in 10 years from the date of their arrival. She said that their family was promised zero interest
payments for the first 5 years, but was later told by the government that they would have to pay in gold. The gold’s price was high when they were told this was the new payment requirement, which caused great financial stress for their family. There was a resettlement project-wide repeal due to the gold payment fiasco, which resulted in the government allowing cash once more. Despite allowing the cash option, the proposition would require families paying by cash to contribute more via an adjustment in their loan interest rate. For their family, this meant the additional equivalent of 10 million VND, because of an adjustment of interest rate. Due to the new financial package the family was placed under, she claimed they were living day-to-day financially, and that life was extremely difficult due to their low incomes and high debt. Chú also mentioned that there were additional fees in place for apartment complex residents, including parking fees and a security fee. When asked about the security of the complex, Chú responded that the matter was “complicated” (this seemed to imply that he did not feel comfortable talking about the topic, either due to an event or due to concerns about feedback to the authorities; it was unclear). The family said they would definitely move if they could afford to do so. Cô also said that she thought the canal development was good for the local environment, but that the project also irreparably disorganized the labor networks of their prior community. Cô mentioned that a market center was built adjacent to the complex in order to provide labor, but that it was not very good. They said that overall nothing was better compared to their previous situation.
Socio-Spatial Analysis of Conditions:

Place

Firstly working within the socio-spatial field of operation of ‘place’, the Tân Hóa – Lò Góm Resettlement Complex can be viewed from the perspective of both its formal physical design and layout, as well as via informal appropriations of the space. The low-rise, high-density design of the complex was relatively accommodating to the average low-income Vietnamese livelihood, especially economically. Around one-third of the housing units available in the complex featured ground level positioning, which allowed for informal spaces of production and retail. However the other two-thirds of the residents did not have this design advantage at their economic disposals, as they could not afford the larger, more expensive ground level units. Residents on the second and third levels of the complex still used the home living-room space as a place for production of small goods, but could not have viable house-front shops to sell them from.

Additionally, the nearby warehouse-style market constructed for the residents was an inadequate space for the establishment of informal economic networks. The market did not attract local people, largely as a result of its poor location tucked behind the canal across a small service bridge, but also likely due to the market being labeled and designated for use by the resettlement housing residents. The market design did not allow for a flourishing of informal appropriations of space, as there was no outside economic attraction of the market. The market was not visible from any main roads either, as it was across from a small service road.

Some small-scale informal appropriations of space were possible, as was seen with the small beverage shop in the back of the complex. This business was apparently
able to attract some local customers with its shade-giving trees and low prices. Children were also seen playing football in the small space between the stairwell and the hallway of the second floor, making due with what open area they could use for games. Residents had also strung laundry lines inside of the complex, from one side of the second floor to the other. These small appropriations of the space were possible, but the formal design of the complex—mainly based on the lack of spatial planning in locating the apartments—was restrictive to economic viability, especially from the home front.

With a location in an isolated, disconnected area next to the canal across a small service bridge, the resettlement complex could never sustain levels of economic flows similar to storefronts on busier main roads. Even the roads that run directly along the canal, such as Lò Gốm Street where many residents used to live, offered decent motorbike traffic and much better visibility of the home front. The ground level housing that was available in the complex was well-designed, but ultimately lacked visibility and economic integration with the surrounding neighborhoods, which resulted in house-front stores only having a viable market via other resettlement complex residents. Both families agreed that their actual apartments were higher quality than their previous homes, but likely would have given up some of the quality in exchange for a more viable economic location for the complex, with better access to the informal economy and increased visibility. As an aside, the World Bank claims that 10-15% of the urban poor’s income should go towards housing, and the average for this apartment complex is 21% of income, evidence that the quality might be higher than some residents can afford.16 Regardless, there appeared to be a lack of consideration for the serious importance of

space and location of low-income resettlement housing, especially when many residents’
businesses are based out of the home.

**Network**

The act of relocation, from an informal neighborhood between the canal and a
road that runs alongside the canal to a low-rise, high-density apartment complex, had a
large disordering effect on labor and economic networks for residents. Previously all had
ground level access with close proximity to neighbors and a flow of traffic that was
economically viable for house-front stores and services. These activities were rendered
all but unfeasible, especially when located on the second or third floor of the resettlement
complex, which is geographically isolated already. The customer-base of even the
ground level complex residents was reduced to other residents, and visibility and traffic
was still extremely low.

The potential for diverse micro-economic labor and trade arrangements was
reduced with the location-based isolation of the complex. This resulted in a collapse of
previously established trade and labor networks, which low-income Vietnamese families
rely on in a sort of communal fashion—usually offering goods and services in exchange
for another neighbors goods and services, or running several house-front businesses with
tied financial interests. The prior dynamics of labor networks were not salvaged with the
move to the complex, as residents said their ability to operate and expand economically
in whatever ways they could was stunted by lack of a market presence. The social
exclusion that came with the poor location of the complex resulted in nearly equivalent
amounts of economic exclusion, as the complex struggled to remain economically linked
with the surrounding neighborhoods. The complex was also surrounded by slow-moving
construction of high-rise resettlement housing apartments, which currently offer no immediate economic advantages, though they could in the future do so to their proximity to the established low-rise complex.

In addition to the socio-spatial network deficiencies of the complex, other formal institutional networks play damaging roles in resident’s day-to-day experiences. The main formal network of concern to the complex residents was that of the government. All residents had taken out long-term loan plans to repay the portion of their apartment not compensated by their old home and land price. Payments are made on a monthly basis, and residents are expected to pay back their lot in 15 to 20 years. The main issues from this formal financial network were the initial compensation inequalities, based fairly arbitrarily on the location of the previous home. But even more so, the government’s sporadic changing of payment methods has instilled existential financial trauma on families. The switch to gold payment caused many of these issues, and caused a decreased collective trust in the formal network. Even small adjustments in large-scale financing packages can have powerful consequences on low-income families, many of whom live day-to-day on their salaries. The government seems to provide no additional financial support for families, such as consulting advice or even explanations for the instability of the repayment system.

Families face the compounded affects of both unstable formal network relations, as well as truncated informal labor and trade networks. The socio-spatial isolation and exclusion as a result of the design and location of the resettlement housing are largely the cause of the endangering of informal networks that existed before relocation. The formal financial network’s instability cannot be equated to socio-spatial reasons, but is likely the
result of ineffective systems of managing resettlement projects due to inefficient city bureaucracies.

Case Study 2: Thu Thiem New Urban Area Resettlement Housing

Figure 3: Map of Thạnh Mỹ Lợi Resettlement Area, Quận 2

Overview

In 2009 construction on one of the biggest resettlement projects in Hô Chí Minh City history began, in order to accommodate for the massive displacement of approximately 13,000 families due to land clearance for the Thu Thiem New Urban Area. Thú Thiêm is a peninsula in Quận 2 that protrudes into the Saigon River, immediately across from the city center in Quận 1. Composed mainly of swamplands, the area has been intensely speculated by private investors over the last decade. The area

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has been deemed a ‘New Urban Area’ by the City government, and as a result the
gateways to investment and real estate development in the area have been unlocked. The
vision for Thủ Thiêm is grandiose, with plans of building another miniature city that will
one day become the new center of Hồ Chí Minh City, especially as a new financial hub.
In essence, Thủ Thiêm will expand the center of the City across the Saigon River.

Along with the large-scale urban development of Thủ Thiêm will come the
relocation of most inhabitants on the peninsula. In total, 657 hectares in five wards of
Quận 2 will be developed by the project. However, the project has been extremely
delayed and under-funded, likely in part due to the enormity of the development and
the need to resettle thousands of families before plans can be undertaken. The first main
step in ever reaching the goals for Thủ Thiêm is to construct resettlement housing and
determine compensation packages for displaced families, without which land clearance
cannot occur. Several of the first Thủ Thiêm resettlement apartments were recently
completed, and are located in Phường An Phú and Phường Bình Khánh of Quận 2. The
construction of these resettlement apartments followed the model of infrastructure-for-
land investments. Therefore, the companies who construct the resettlement apartments
will eventually receive land in Thủ Thiêm New Urban Area, which they can develop as a
part of plans for the new city.

The land clearance of Thủ Thiêm is currently in the stage of compensating and
relocating families. Some of the first families were resettled into a large apartment block
in Phường An Phú – Bình Khánh about a year ago. This specific site contains 512

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apartments in an 18-floor high-rise building.\(^{19}\) The main disputes that have arisen from the development of the resettlement housing projects have been delays in reception of proper compensation packages, as promised by the government. Total compensation fund values are the most of such funds ever set aside in city history.\(^{20}\) Since 2002, the city had spent upwards of $516.7 million both on constructing the resettlement housing and compensating 64% of the displaced families.\(^{21}\) The timing of the compensation packages has been off-kilter from the beginning, as some families receive funds but cannot resettle due to lack of resettlement housing. Many families must struggle to find temporary housing while they wait for resettlement, with some even resorting to moving back to their own land due to severe delays in construction. The government tried to offer land to families in Thành Mỹ Lợi and Cát Lái, but these areas lack water and electricity infrastructure and cannot be resettled in yet. Pressure is now being felt to speed up construction of resettlement housing, as many displaced families will plan to move into the apartments, as land elsewhere is too expensive due to rising prices.\(^7\) The project seems to be in over its head, as funds for the resettlement housing were not fully secured before other government branches began telling families to relocate from their residences. Thủ Thiêm New Urban Area remains stalled until the resettlement process is fully completed.


\(^7\) "Thu Thiem Residents Face Compensation Dilemma." 31 Mar. 2009.
**Displaced Resident Testimonies**

“They keep promising [to pay] the next day and then the next day, instead of telling us when exactly we can get the money,” she said. “It’s a waste of time.” – Hong Mien, Thủ Thiêm Ward resident

“So if [the board] runs out of money now, they just need to explain that to us and give us an exact date to come back for our money. They should not give one reason after another.” – Nguyen Van D, displaced resident

“But nobody called me to pick up the money. I’ve gone to the office several times a week only to be told to wait. I don’t know how much longer I’ll have to wait.” – Nghiem Linh Cat, former Bình Khánh Ward resident

“It’s a contradiction when local authorities urge residents to move, while the compensation board tells them to wait for the construction of the resettlement apartments” – Le Thi Bach Tuyet from Thủ Thiêm Ward

**Socio-Spatial Analysis of Conditions:**

**Place**

The Thủ Thiêm New Urban Area Resettlement Project, due to delays in resettlement construction, has resulted in far from a smooth transition for residents. Poor timing by local authorities has resulted in some families needing to seek out temporary housing, with some families even resorting to camping on their own land while waiting to be compensated and resettled. It is worth noting that sometimes in resettlement processes, temporary housing and shelter must be arranged for displaced families, sometimes for uncertain periods of time. Temporary housing and shelter marks a transitional period of housing for the displaced, which is far from the desired end result of permanent housing. While living in temporary conditions, residents undergo higher levels of anxiety and stress due to poor conditions and facilities, as well as uncertainty.

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over when proper resettlement will occur. Thus, they must wait at the mercy of the government until they can return to a normal lifestyle.

The Thủ Thiêm resettlement housing that has been completed in Phường An Phú and Phường Bình Khánh feature high-rise, high-density arrangements. The high-rise design can result in decreased integration for the displaced on several levels. Both socially and economically, residents in resettlement housing in Phường An Phú and Phường Bình Khánh will be faced with a struggle to mesh with the surrounding, underdeveloped urban fabric. Many low-income residents of the apartments will struggle to adjust to life in a high-rise environment, with a lack of ground level spaces for home-front stores. Additionally, there is a stigmatization present towards Vietnamese citizens living in designated resettlement housing, especially as it is assumed that they are poor.³

Another issue faced by residents comes as a result of the disconnect between housing design and the actual needs and financial capabilities of residents. The housing designs, which correlate to space and rent cost for the Thủ Thiêm resettlement housing may be unaffordable for some residents.

**Network**

The greatest issue in the Thủ Thiêm New Urban Area resettlement process has been due to formal networks. On various levels of government, especially those of local compensation boards and local authorities, miscommunication and poor timing has resulted in maltreatment of the displaced families. Compensation delays, whether they arose due to the government running out of money, being overly thorough, or inefficient bureaucratic practices, have forced families to wait for weeks and sometimes months for

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rightful payment. Local authorities have claimed that the delays were due to thoroughness in order to avoid wrongdoing.\textsuperscript{20} Regardless, the result of the process has been anxiety and stress for families, who await apartment assignment in temporary housing.

Additionally, the delays and confusion of the formal networks in this case resulted in many families seeking out temporary housing or resettlement in more disconnected urban fringe zones, some even without necessary infrastructure. In effect, the government has caused a severe threat to social cohesion as families have been scattered all over surrounding districts, many forced to occupy inexpensive fringe zones. The influx of displaced families seeking out cheap temporary housing and other modes of resettlement causes socio-spatial exclusion from many formal networks that require permanent residence for employment. This socio-spatial exclusion will only be amplified for low-income families, and could result in urban fragmentation as the urban fabric is further disordered by new urban developments.

The uncertainty passed down from inefficiencies in the formal governmental networks have caused displaced families’ networks to be highly disordered, as they were not only destroyed due to relocation, but are now in-limbo as they cannot be re-established due to the families lacking a permanent residence. This disordering will have costly economic affects on families, especially those who were displaced from small socio-spatially interconnected neighborhoods where networks were relied upon for income generation. On top of these informal network consequences, the viability of the ability to form new networks once resettled is yet to be seen. Certainly the high-rise

design of the Phường An Phú – Bình Khánh resettlement apartments will not help to foster neighborly ties across ground level businesses, as many low-income Vietnamese families depend on. Additional concerns come due to the nature of the economic future of the Thủ Thiêm peninsula, which is planned to be the new source of a plethora of service-based financial jobs for middle-class citizens. Much of the new development will feature luxury apartment housing, which will certainly have a socio-economically exclusionary affect on resettlement housing residents. Had the resettlement housing apartments been built in more central wards of the development or at least more spread throughout the new city, a decreased likelihood of urban fragmentation would have been possible.

**Future Implications and Concluding Remarks:**

The ongoing urbanization of Hồ Chí Minh City has resulted in much urban restructuring, especially over the last ten years. Ongoing suburbanization and gentrification has resulted in a vast need for low-income, affordable housing especially for growing numbers of urban poor and low-skilled migrants. Additionally, urban upgrading and the expansion of the city have lead to large numbers of families being displaced. The need for resettlement housing for these displaced families has pressured the government especially financially, as it struggles to move forward with urban visions due to land clearance. The need for socio-spatial planning in the creation of resettlement housing in Vietnam remains a vital component to ensuring not only the quantitative need for housing, but also the need for the future social and economic-wellbeing of the displaced.

It is important for the government and the Vietnamese people to empathize with displaced families, as housing is one of the essential needs of humanity. The fact that
these families are equally members of the Vietnamese national citizenry cannot be lost in statistics and datasets. Displaced families should be allowed proper and just housing, especially in situations when the Vietnamese government has the upper hand in power dynamics, and gets to plan and determine where housing will be placed. In planning where to construct resettlement housing, location must be a key factor, as low-income Vietnamese families are already fighting an uphill battle financially, and are living on the fiscal brink day-to-day. The government also should consider the fact that there is public advantage to be had for creating neighborhoods that are socially and spatially advantageous to all members of the community.

The power of design and networks must also be leveraged in the construction of future resettlement housing. Socio-spatial analysis of the areas where resettlement housing could be placed represents a key piece to the creation of ordered, connected new places of urban existence. Especially for the vulnerable low-income and urban poor who are usually the majority among those displaced, design that takes into account the former economic conditions that families previously operated under will always be more suitable. However, design of the resettlement housing itself can be rendered meaningless if the space in which the building is placed is already disconnected from the surrounding urban fabric.

Special consideration must also be given to the role of both formal and informal networks in the process of resettlement housing planning and construction. Compensation policies must be determined and made transparent to displaced families immediately to avoid chaotic disordering of families to temporary housing or disconnected fringe zones. Government planners must be aware of the high risk of
creating socio-spatial exclusion, especially in the resettlement of low-income families. The current observable trend of urban development and upgrading in Hồ Chí Minh City, with regard to the construction of resettlement housing, has been a highly disordered one. Fragile micro-level economies that depend on socio-spatial relationships of place and network are threatened by socio-spatial exclusion that has resulted from gentrification.

The government’s resettlement housing planning scheme has been creating socio-spatial exclusion, a potential symptom and cause of broader urban fragmentation of Hồ Chí Minh City. Resettlement housing policies especially, with their ability to relocate people to government-selected zones, remain at the highest risk for creating exclusion from broader urban society. The result of preparing the land for private developments is the need for an equitable resettlement policy that fully addresses the compensation and resettling of families to well-planned resettlement housing. If low-income and resettlement housing in Hồ Chí Minh City continues with the lack of spatial planning and analysis, the government is destined to continue to produce fragments of disadvantaged and isolated low-income social groups. These fragments will continue to polarize the inequalities of housing conditions in the city, and result in lowered social cohesion.

Appendix A: Case Study Photos
Front view of the Tân Hóa – Lò Gốm Resettlement Complex with high-rise resettlement apartments under construction behind

Courtyard in the center of the complex
View of high-rise construction outside of Family 2’s second floor apartment

Children appropriating second floor stairwell place for a game of football
Family 2’s hallway with incense production in front of apartment

Example of first-floor apartment size, which allows for ground level customer access to Family 1’s shop house
The model apartment home built in front of Family 1’s shop house; it blocked the visibility of their store from the resettlement apartment market significantly.

Chợ Lò Góm, the resettlement housing market next to the apartment complex
Works Cited


Works Cited (continued)


