Study on the Improvement of the Urban Planning System in Vietnam under a Transitional Economy, compared with the Approaches taken in China

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In Vietnam’s growing open market economy, urban development has diversified from being state-run initiatives to either led by private enterprises, foreign investments, or other nongovernmental efforts. As in its various economic activities, the Vietnamese government has constantly adapted to its changing economic landscape, and in the sphere of urban planning and development this can be seen in the constant issuances of relevant laws and regulations governing the Vietnamese urban planning regime. Following the enactment of the Law on Urban Planning in 2009, for the first time in the country, zoning planning which can control a medium-range area not covered by the previous statutory plan was strictly applied in the expanded central business district (CBD) of Ho Chi Minh City (HCMC), the largest city in Vietnam. The city government has found ways to carry out zoning planning notwithstanding the various intractable aspects of the new urban planning system. This article summarizes the current urban planning practice in Vietnam using as a framework the zoning plan of HCMC, juxtaposed with approaches and practices in selected major Chinese cities because of the socio-economic and institutional commonalities between the two countries to attain helpful indications for its further improvement.

Keywords: Urban Planning in Transitional Period, Urban Management System, Vietnam, China

1. Introduction
Vietnam’s urban planning regime was originally based on the doctrines and practices of the former Soviet Union; thus, it followed the basic structure of the Russian model that was designed for application under a centrally based economic framework (JBIC, 1999). As Vietnam’s economy rapidly transitions from a socialist to an open market economy, urban development activities have diversified from being state-run initiatives to private enterprises, activities bankrolled with foreign capital or other nongovernmental initiatives. This transformation paved the way for the obsolescence of the then urban planning regime and its inappropriateness to Vietnam’s economic realities (GTZ, 2003).

The Vietnamese government has constantly readjusted to these realities as seen by the constant issuances of relevant laws and regulations highlighted by the promulgation of the Law on Urban Planning in 2009. The Law on Urban Planning, which contains several institutional improvements, was made distinct with the introduction of zoning plans as intermediate spatial plans between general plans and detailed plans. To avoid misunderstanding, it should be noted that ‘zoning’ does not mean division into zones, but the middle of the hierarchical urban planning area. From hereon, that law has institutionalized the precept that zoning plans play a critical role in urban land management to supplement general plans and detailed plans so far.

For the first time in Vietnam a definitive zoning plan was strictly applied in the expanded central business district (CBD) (930 ha) in Ho Chi Minh City (HCMC), the largest city in Vietnam. However, the seeming incompleteness and underdevelopment of many aspects of the new planning regime have forced competent municipal authorities in HCMC to carry out zoning planning in their own way through exceptional means.

On the other hand, China, which is also transitioning into a market economy like Vietnam, has a similar urban planning regime. In China, the basic framework of urban planning was formed by enacting its City Planning Act in 1989, which was followed by a series of legislation and institution for urban planning, including the Town and Country Planning Law issued in 2007 to replace the City Planning Act and bring about marked improvements in spatial planning. Although the urban planning system in China has not always been applied effectively due to
similar reasons observed in Vietnam, it is noteworthy that in some major cities, such as Beijing and Shanghai, municipal authorities have adopted the planning regime flexibly to suit their individual socio-economic situations. In addition, this approach to planning has been shared with experts belonging to local planning institutes and universities for their information.

In this article, the urban planning regime formulated in Vietnam is summarized by analyzing the zoning plan initiated in HCMC juxtaposed with the urban planning regime implemented in major cities in China to get helpful and instructive methods that would improve the present urban planning regime in Vietnam.

2. Urban Planning Legislation in Vietnam

The first law on urban planning in Vietnam, the Law on Urban Planning, was issued in 2009 and enforced in 2010. The planning process and relevant issues before and after the law was implemented are described in this article, placing a major emphasis on the process of adjustment.

2.1 Before the Law on Urban Planning

As a rule, the use of land in Vietnam is centrally controlled based on socio-economic development and spatial plans. The socio-economic development plan comprises the 10-year Socio-economic Development Strategy and the five-year Socio-economic Development Plan which in turn follows the plans and strategies formulated at two levels of local government, as well as central government, i.e., provincial governments or cities under the central government in one level, and, in another level, districts or cities (quán/huyện, thị xã, thành phố). The spatial plan is drawn up based on socio-economic development plans at these levels and other plans on land use, transportation, utilities, industrial zones, etc. Historically urban planning as part of spatial planning was developed in Vietnam based on institutions and principles applied in the former Soviet Union.

In 2003 the National Assembly passed the Law on Construction which had institutionalized an inherent urban planning regime. The urban planning regime of Vietnam is centered on the realization of urban construction plans in public lands in accordance with socio-economic goals. This is the reason why the Vietnamese urban planning system is fundamentally different from those espoused in western countries, which control and promote the development of private lands.

The urban planning framework consists of two levels, i.e., general planning and detailed planning. Since it presupposes that the public sector takes charge of urban development as an investor, urban plans regulate considerably detailed items necessary to achieve public or socially important projects.

For such cities managed by the central government as Hanoi City and Ho Chi Minh City, the urban planning system provided by the Law on Construction requires the formulation of four levels of plans: a general plan for an entire city and another for its districts (divisions of a city), as well as detailed plans on a scale of 1:2000 and 1:500.

A general plan includes development directions, land uses, and locations of transportation and other large urban infrastructures. Detailed plans cover building criteria (use, FAR (floor area ratio), BCR (building coverage ratio), and height) and other requirements (facility locations, infrastructure systems, greenery, urban design, etc.).

Major issues on the urban planning regime before the Law on Urban Planning was enacted are summarized below (GTZ, 2003; Ochi, 2010)1.

a. Less Flexibility in Planning

To regulate building construction, detailed plans, indicating specific values for FAR, BCR, and the like, as well as certain shapes and parameters for buildings and infrastructure, had to be submitted. These detailed requirements resulted in less flexibility in the urban planning process. As urban development was carried out by private enterprises or through foreign investment on top of public sector initiatives, it became difficult to adapt the regime to the progress of urban development. This infirmity caused developers to constantly request the relevant authorities to review and amend the existing detailed plans every time they proceeded with their respective development projects.

b. Less Consistency in Planning

There were few planning factors that ensured harmonization between general and detailed plans. For example, general plans often had no effective means to translate planning concepts, urban structures, and other policies into detailed plans, which in turn were independently prepared by every district. This situation
could not ensure integration of and synergy among plans and adjoining districts. Compounding this was the fact that rapid urbanization, which the booming economy and land commodification were accelerating, resulted in an increase in administratively approved detailed plans that were prepared by developers, especially detailed plans for project sites for which the government had not formulated a detailed plan beforehand. The spotty and half-baked preparation of detailed plans resulted in inconsistent and fragmented planning over certain areas.

c. Ineffective and Irrational Regulations

The lack of general and practical regulatory practices led to dysfunctional planning. Commerce and business were not categorized in land use, and residential areas were coarsely classified only in two general types, i.e., existing and future. Since FAR, height, and other building criteria were taken as average ones in a block bounded by streets, the regulation of a plot, or plots, in that block depended not on statutory requirements but on the discretion of government authorities, thereby being vulnerable to arbitrariness. Since procedures for determining building criteria and evaluating development impacts were not established, decisions by city authorities tended to favor developers.

d. Lack of Harmonization among Related Laws and Institutions

The Law on Land, which was revised in 2003, required the preparation of land use zoning and planning in addition to the construction master plan which is required by the Law on Construction. While land use zoning and planning are revised every 10 and five years respectively, construction master plans also include the periodic preparation of land use plans. These two kinds of land use plans, which were not sufficiently harmonized with each other, caused confusion among future land use policies.

2.2 Improvement by the Law on Urban Planning

In 2010, the Law on Urban Planning was enforced to replace the provisions on urban planning included in the Law on Construction.

The scale of detailed plans changed from 1:2000 and 1:500 to 1:500 alone. Zoning plans newly provided by that law have to be prepared on a scale of 1:5000 or 1:2000 as an intermediate scale between the general and detailed plans. The formulation of general plans is imposed only on provinces and cities directly managed by the central government; districts (quan/huyen) in these cities are not required to prepare such plans. To cope with large developments, zoning plans can cover an area straddling plural administrative boundaries.

In the Law on Construction, 1:500-scale detailed plans were required before development permits were granted. As for development project of which the area size is not larger than 5 ha (2 ha for residential projects), Decree No.37 following the Law on Urban Planning allows the issuance of permits without 1:500-scale detailed plans, subject to formulation of zoning plans of 1:2000 scale, accordance with the zoning plans and harmonization with the surrounding areas.

After the enactment of the Law on Urban Planning, Decree No.37 and Circular No. 10 were enforced in 2010 to specify rules and regulations to implement the Law on Urban Planning. However, most of the resultant regulations were prepared based on the framework of 1:2000-scale detailed plans as provided by the Law on Construction. They still fall short of sufficient applicability to cope with the issues pointed earlier in this paper.

3. Actual Urban Planning for HCMC

HCMC is the first city where the zoning plan, which fully conforms to the Law on Urban Planning, has been used for a part thereof.

The city’s expanded CBD covered by the zoning plan has a 930-ha area which encompasses the existing CBD...
built during the French colonial era and the riverside port area being planned for redevelopment (Fig. 1). While a lot of colonial buildings, parks and green spaces have been preserved, many redevelopment projects involve high-rise office buildings being constructed one after the other. The formulated master plan for HCMC directs that this area should be redeveloped as an urban core together with the Thu Thiem New Urban Area located across the Saigon River.

In 2007, the People’s Committee of HCMC held the Conceptual Urban Design Competition of the expanded CBD. The winner of the competition, a Japanese consulting firm, prepared statutory zoning plans, as well as urban architecture and planning management guidelines, from 2009 to 2012.

The zoning plan for the expanded CBD provides for the following:
- A planning area which lies beside four administrative districts was treated as a single area;
- Land use plans were drawn up by adding original categories (i.e., mixed use, mixed use: office emphasis, mixed use: residential emphasis, and mixed use: hotel emphasis) and each category was based according to real needs;
- When planning criteria, such as FAR, BCR and maximum height, were set up to specify building volume, adequate consideration was given to urban infrastructure capacity, especially roads. For the road network in the entire planning area, traffic distribution was simulated by varying the FAR. Results showed that the mean FAR of the planning area should be less than 400%. Building volume was then allocated in accordance with the characteristics of the five sub-areas; and
- To ensure practical application, the values of FAR and maximum height, which are treated in the current planning system as mean values in a block, were set at maximum levels that are applicable to individual plots in the block.

Thus, under the new urban planning regime, HCMC is devising original solutions for zoning plans to appropriately and effectively control vigorous urban development activities. The special efforts in this regard include applying rational approaches to planning, establishing practical land use categories, and determining maximum values for FAR and building heights. It should be noted that the solutions adopted by HCMC are part of the adaptive process or improvements of a local government on an imperfect urban planning system. This also shows the direction toward which the current system will be improved in the future.

4. Lessons from Urban Planning Practices in China

4.1 Practical Issues in Vietnam

In improving the urban planning system in Vietnam, it should be noted that there exists regional differences in urban development projects. This means that while more developments in HCMC have been initiated by private enterprises or foreign investors, some of those in other cities still have been done mainly through government or state-owned companies.

This is especially the case in Hanoi City, being the capital of Vietnam. The city has reportedly cornered more than 90% of land management and development projects of the public sector (Kim, 2007; Anh, 2007). Also in the outskirts of Hanoi, municipal governments, such as Hai Duong City, are implementing urban development projects through their own efforts as developers (Ochi, 2010).

This also goes to show that the problem in inflexibility pointed out earlier is not necessarily negative, as long as urban development is carried out mainly by the public sector. The reason for this is that although the regulations given in detailed plan do not function as planning tools for those initiated by the private sector, they do serve public-sector-led development as specifications for realizing public and socially important projects.

Nevertheless, it is presumed that the present rigidity in the urban planning regime has to be corrected to embrace variability and accommodate new development requirements as the market economy becomes the norm.

In looking for solutions to bring about flexibility in a fast changing society, this study examines approaches taken in China, which is undergoing the same transitional socio-economic conditions and changes as Vietnam.

4.2 Urban Planning Adjustments in China

While Vietnam is launching various reform policies since Doi Moi in 1986, China has developed the socialist-oriented market economy since Reform and Opening started in 1978. China with its growing socialist market economy is similar to Vietnam not only in its
social system, but also in its urban planning regime.

As shown in Table 1, the Chinese national and urban planning systems have similar composition to Vietnamese ones. In China, regional socio-economic development plans are drafted on the basis of the plan for national economic and social development, and regional spatial plans are drawn up according to the regional socio-economic development plans. Together with this sort of centralized plan for socio-economic development, it is found also in Vietnam that the national spatial plan and the overall land use plan are formulated out of the context of rural or urban planning. In this connection, the fact that the overall land use plan of China is covered by a division different from urban planning authorities makes it difficult to coordinate spatial plans (Ye, 2008). This difficulty is true for Vietnam.

As for Vietnam, the zoning plan newly introduced by the Law on Urban Planning requires details at almost the same level as the previous detailed plans of 1:500. China also has two layers of planning system: general planning and detailed planning. In both Vietnam and China, the control of urban development is taken mainly by the use of the detailed planning.

The detailed plan of China consists of two types: project-oriented plan and control plan. The former refers to detailed plans which an investor or developer prepares for its own specific plot and building(s). The latter refers to detailed plans that relevant authorities or local governments prepare to regulate land use and buildings in a district (Shen & Ishimaru, 1999; Li & Sakamoto, 2003).

As a comparison with the Vietnamese planning system, China’s project-oriented detailed plan and control detailed plan have functions very similar to Vietnam’s 1:500-scale detailed plan and the zoning plan, respectively. Since its statutory establishment in 1991, the control detailed plan in China has, through a series of regulations to improve such plans, been able to control urban development according to the changing social situation.

Like the urban planning regime in Vietnam, however, the actual management of urban development in China shows that the control detailed plan has institutional or operational issues such as the following: (1) Statutory formulation or modification does not keep up with the rapid pace of urbanization; (2) Too detailed regulations restrict urban development; (3) Development with continuity and rationality is not fully assured; and (4) Urban design and other functions are not developed enough to lead urbanization (Lu & Shi, 2009).

Then, to make a comparison with the application of urban planning regime in HCMC, practices of the urban

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<thead>
<tr>
<th>National planning system</th>
<th>Vietnam</th>
<th>China</th>
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<tbody>
<tr>
<td>Investment, land use and construction plans:</td>
<td>1. 10-year Socio-economic Development Strategy and two consecutive Five-year Socio-economic Development Plans (the Ministry of Planning and Investment)</td>
<td>1. National Economic and Social Development Plan (the National Development and Reform Commission)</td>
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<td>2. Land Use Plan (the Ministry of Natural Resources and Environment)</td>
<td>2. National Spatial Plan and Overall Land Use Plan (the Ministry of Land and Resources)</td>
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<td>3. Urban Construction General Plan (the Ministry of Construction)</td>
<td>3. National Urban System Plan (the Ministry of Housing and Urban-Rural Development)</td>
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<td>Urban planning system</td>
<td>Two-layered urban planning: (1) Master Plan (General Plan) and (2) Detailed Plan (Zoning Plan, Detailed Plan)</td>
<td>Two-layered urban planning: (1) Master Plan (Urban Planning Master Plan and Division Plan) and (2) Detailed Plan</td>
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<tr>
<td>Development control system</td>
<td>(1) Zoning plan (1:2000, 1:5000), and (2) Detailed plan (1:500) with respect to land use, building height, BCR, FAR, locations of infrastructure facilities, urban design, etc. The control items and depths are not different between (1) and (2) in effect.</td>
<td>(1) Control detailed plan (1:1000-1:2000), regulating land use, building height, FAR and other planning indices, and (2) Project oriented detailed plan (1:500-1:2000), directing building and electrical/mechanical design</td>
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Table 1 Comparison of Urban Planning System between Vietnam and China

Source: Arranged by the author based on the laws and regulations of Vietnam and China.
planning regime in three Chinese major cities: Beijing and Shanghai, both centrally-controlled and Shenzhen, provincially-controlled are outlined as follows:

Neither Vietnam nor China allows local governments to have autonomy; local governments as a rule are a group of administrative functions instead of the central government. In China, however, provincial or equivalent governments have a wide range of powers including commissions for permission or approval. For instance, development plans at a provincial level are formulated by approval of people’s congress at the said level. Considering that in Vietnam development plans and urban plans at a provincial level need the prime minister’s approval, provincial level governments in China have greater powers than those in Vietnam (Jin, Baba & Tagashira, 2011). Practices of the urban planning regime in China show that regional governments implement the urban planning with higher flexibility so as to resolve the aforesaid issues of the control detailed plan according to local conditions.

Beijing prepares an original construction density plan covering the whole CBD in order to produce an orderly urban arrangement. This plan resembles the zoning system of Japan and other western countries to regulate building heights, FAR distribution, and other criteria over a large area. The control detailed plan is prepared on the basis of this construction density plan so as to ensure coherent and rational urban planning for the whole CBD.

To tackle increasing urbanization pressure on wide areas, the city of Shanghai has independently set major planning criteria for clusters comprising four to six areas in preparation for control detailed plans. These criteria have effectively ensured coherence, rationality, or substitution for a control detailed plan in cases it is not prepared on time.

Shenzhen has originally introduced a statutory plan governing the detailed plan. The original plan shows land use, FAR, locations of public facilities, and general criteria. Since the original plan covers a wider area than the control detailed plan and land use categories are alterable, it is used as a flexible tool to ensure spatial balance.

As the above models show, China allows cities to devise and introduce their own urban planning systems according to local circumstances and requirements, so that the cities can resolve institutional or operational issues in urban development and management by themselves. This was also the case for HCMC in Vietnam; it adopted original solutions to ensure practical planning, as seen in its zoning plan for the city’s expanded CBD. It should be noted that while Vietnam adapted to difficult situations without remarkably deviating from the urban planning regime set by the state, China locally adopted institutions or systems boldly different from the state planning regime.

Moreover, China makes an effort to share useful information with relevant experts. That is, experiences and knowledge obtained through institutional or operational modifications of or improvements in urban planning and management among local governments are shared at the national level through academic associations or universities, to which government specialists and experts are related. The solutions or trials applied in local governments are studied in the Ministry of Housing and Urban-Rural Development by the central government, and some are incorporated into the urban planning regime of the state or they are legislated after being deliberated in the State Council and the National People’s Congress.

5. Conclusion

In Vietnam, institutional addition and modification, including enforcement of the Law on Urban Planning, have been implemented to appropriately control urbanization in rapidly expanding cities. In its transitional state to market economy while retaining its socialist character, however, the disparity in urbanization among Vietnamese cities makes it difficult to reach an ideal and satisfactory solution solely through institutional approaches.

In particular, since the depth of public involvement in urban development varies among local governments, there is a serious need to determine to what degree the institutional regulations on building construction should have flexibility in drawing up zoning and detailed plans. This unstable state of urban management is characteristic of a transitional economy. Unforeseeable socio-economic changes that guide urban development make it more difficult to resolve such issues through approaches inclined to institutional adjustments.

On the other hand, China heading toward a socialist
market economy more extensively than Vietnam has institutional issues similar to those in Vietnam, under similar urban planning regimes. In China, however, local governments of major cities tend to take their own original approaches according to individual circumstances.

For Vietnam also, one of the best solutions for local governments is to adopt independent or extralegal approaches that take account of local conditions. Compared to Vietnam, however, China has a lot of specialized public employees and researchers in universities and institutions in all parts of the country, who support local independent solutions that are expected to bring appropriate urban development and management. It seems difficult for Vietnam to immediately follow the said approaches considering the current state of capacity in local governments. Therefore, it is recommended that for the medium and long term, Vietnam should provide and support opportunities for local experts to enhance their skills and abilities, as well as deepen their experiences and expertise, with the help of high-level educational institutions and academic and professional associations, as is being done in China.

**Notes:**

1. In 2011, the author conducted surveys inquiring into issues dealing with the urban planning regime from the Department of Architecture and Urban Planning in the Ministry of Construction; Institutional Operation Division, in Department of Urban Planning and Architecture (DPA), HCMC; and Division of Urban Management Studies in the Institute for Development Studies, HCMC.

2. Information on zoning and detailed plans for the expanded CBD of HCMC was obtained from the DPA, HCMC, the Project Report (DPA, 2012), and Nikken Sekkei Ltd., a consultant engaged in the project from October 2009 to July 2012.

3. Based on interviews with real estate development firms conducted by Annette M. Kim, in HCMC, the state directly controls land development for about 30% of the lots and 50% of the land area for development. In Hanoi City, the state controls 90% of the lots and almost all of the land area (Kim, 2007). Nguyen Truc Anh’s survey shows that while 47% of urban development projects in HCMC were done by state-owned corporations, this rate reaches 94% in Hanoi City (Anh, 2007).

4. Data and information on Beijing, Shanghai and Shenzhen in this article were cited from their planning and design institutes interviewed in 2011 and the websites of these cities.

5. The opinion that relevant information is nationally shared was obtained from experts of City Planning and Design Institute, Shanghai City.

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