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# VIETNAM URBAN DEVELOPMENTS: THEORIES, POLICIES AND PRACTICES

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## **ABSTRACT:**

To meet the development needs and future of the world located in urban areas, the article was amied to clarify the theoretical basis, policies and practices of urban construction and development in Viet Nam by based on secondary data sources of the United Nations and the General Statistics Office of Vietnam; Comparative and descriptive statistical methods. The results showed that urban development is an inevitable rule of the world as well as Viet Nam a vivid example. After the period of "Doi Moi", Vietnam's urban areas have been robust in which urban quality has been improved continously that its creating a driving force for socioeconomic development, realizing the goal of industrialization and the country's development as a whole. Howerver, urban development has faced being administrative, uneven and disparate between regions and urban types heavily that these rising issues are barriers to sustainable urban development in Viet Nam. There are several pivotal considerations to certain reflexions on similarities and differences not only between theory and practice, but also policy and practice of urban development in Viet Nam sustainably.

#### **ABBREVIATIONS:**

**GDP:** Gross Domestic Product

GSO: General Statistics Office of Vietnam

GVA: Gross Value Added

#### INTRODUCTION

Urban development is the trend of the world and Vietnam is a clear and vivid case. Today, more than half of the world's population lives in cities<sup>1</sup>, forecasted the proportion of urban population will reach about 70%<sup>2</sup> of world population by 2050 (United Nations, 2019). Facing to the context of a rapidly urbanizing world and the future of humanity lies in cities<sup>3</sup>, urban development is always a global issue. In its, Viet Nam has been witnesed those cities play an essential role and position in the construction and development of the country. Aspects of urban construction and development actually are considered to enhance the national central and long-term policy serving the goals of industrialization and modernization in which actualizing the ultimate goals of enriched people, strengthened country, fair society, democracy, civilized (Government, 1998).

Urban growth is mainly concentrated in big cities, especially Hanoi and Ho Chi Minh City and some medium cities. This dynamic development has led to profound changes in national, regional and local urban networks. Recently, compared to the whole country, Vietnam's urban areas have only accounted for 10% of the area, 36% of the population, 830 cities, while it contributed 70% of GDP<sup>4</sup>. According to the master plan on development of the urban system of Vietnam to 2025 and a vision to 2050, Vietnam's urban citizen will be at about 52 million (accounting for 50% of the country's population); 1,000 urban areas in which Type I to Special is 17 cities, Type II: 20 cities, Type III: 81 cities, Type IV: 122 cities and others for Type V forecasted in 2025 (Government, 2009). This also implies that urban areas will continue to play a leading role in order to create a driving force joining Viet Nam in an industrialized modern countries eventually.

Urban development research is a urge in the current context in order to accurately assess the status of urban development for recommendations that thereby it helps to develop and enable policies for sustainable urban development in Viet Nam more efficiently.

## LITERATURE REVIEW

The Literature Review Significantly Focused On The Following Groups Of Topics:

#### Urbanization and Sustainable Urban Development.

Urbanization and sustainable urban development were stated a inevitable trends for both developed and developing countries (Cynthia Adom, 2011), and this sustainability for cities was emphasized becoming a global concern in terms of rapidly urbanizing in the world (United Nations, 2015). In practice, a country

<sup>&</sup>lt;sup>1</sup> Approximately 4,4 billion people.

<sup>&</sup>lt;sup>2</sup> Approximately 6,7 billion people.

<sup>&</sup>lt;sup>3</sup> The former Secretary-General of the United Nations, Kofi Annan said: "[...]The future of humanity lies in cities."

<sup>&</sup>lt;sup>4</sup> Gross Domestic Product in Viet Nam.

faced various difficulties to achieve high income and strong economic growth without undergoing through the process of urbanization. Specifically, the urban population portion had reached at least 50% initially, before the full middle-income status was granted as well as Viet Nam – a typical case (World Bank, 2011). Therefore, sustainable urbanization is the key to successful development. In addition to the interest in urban form, recently the issue of sustainable urban development between theory and practices is increasing continuously, especially the approach, methodology, theory, practice and policy dialogue and international experience on sustainable urban development has been studied by many Vietnamese scholars (Tôn Nữ Quỳnh Trân et al., 2002; Đào Hoàng Tuấn 2008; Đỗ Hoài Nam et al., 2015; Lê Thanh Sang et al., 2017).

## Institution And Policy For Urban Development.

This illustrated the particular interest to urban authorities, policy makers and researchers. In order to a well-prepared implementation for the urban development goals towards to sustainable urbanization, Viet Nam has put a persistent effort to strengthen its institutions and policies on urban management and development, improving staff capacity from central and local governments, making a synchronous and interdisciplinary implementation mechanism (Decision No. 445/QD-TTg, 2009; Decision No. 1659/QD-TTg, 2012; Decree No. 11/2013/ND- CP, 2013). Also, as an academic perspective, it have been seen vivid discussions on the theory and practice of urban policy and urban management (Đỗ Phú Hải, 2017; Võ Kim Cương, 2013; Nguyễn Đình Hương et al., 2003).

#### Urban Theory and Urban Development.

Appropriate model and theory for the urban case and urban development in Vietnam is a big question interested by domestic scholars. Regarding to urban development models, many authors have introduced a number of urban models<sup>5</sup> and also tried to come up with suitable urban development models for some localities in Viet Nam by analyzing and synthesizing the local urban situation and especially the experience of urban development models of some countries in the world (Nguyễn Quân, 2008; Nguyễn Hồng Tiến, 2018; Nguyen Quang Giai, 2018: 13-33). Moreover, urban theory and urban development have also been researched, introduced and summarized by a number of Vietnamese scholars with different names and contents where they were grouped into the following two categories: (*I*) theories of urbanization: The theory of endogenous urbanization; Dependent urbanization theory, Urban bias theory; Global urbanization theory (Lê Thanh Sang, 2008); (*2*) theories of urbanization model: Concentric Zone Theory<sup>6</sup>; Sector Theory; Multiple Nuclei Model <sup>7</sup>(Nguyễn Đình Hương et al., 2003).

The above-mentioned works have tried to provide a theoretical basis and clarify some aspects of urban development. However, their limitations showed the gap

<sup>&</sup>lt;sup>5</sup> Clustered city, Urban agglomerrations, Nuclei city, Central city, Compact city, Satellite city...

<sup>&</sup>lt;sup>6</sup> Burgess's Model (CCD) in 1925.

<sup>&</sup>lt;sup>7</sup> These were also discussed in "Đề tài 20 năm đô thị hóa Nam Bộ - Lý luận và thực tiễn" (Nafosted.gov.vn) by Prof. Tôn Nữ Quỳnh Trân and her partners in 2015.

between theory, policy and practice is questionable and needed to be narrowed that the implementation of this study is significantly necessary.

#### **METHODOLOGY**

#### **Data And Samples**

Research was undergone by synthesizing United Nations urban secondary Big Data; and the General Statistics Office of Vietnam (GSO) to quantify, analyze and discuss Vietnam's urban growth and development in the context of regional and global urban development. On the other hand, the Vietnam's institutional documents and urban development policies were also considered thoroughly. The sample size and the scope was proper that the analysis and comparison of urban development in Vietnam with domeestic cities, Southeast Asia, regions and the world have become captivating and reliable.

#### Methods

Trend Analysis and Change Point Techniques. This supported to point out the similarities and differences between the theory, policy and practice of urban development in Vietnam in comparisons with the regions and the world as well as domestic regions and cities. Descriptive Statistics Method. Before performing the analysis and comparison, the method of Descriptive statistics had been also used to present, describe and measure urbanization and urban development data; even the mean, magnitude relative numbers (times, %) were in-use.

## **Urban Theory And Urban Development**

"Urban" was recognized the common name of a city, town or town where people have lived within a high density and mainly working in the field of nonagricultural economy, a political, administrative, economic, cultural or specialized center playing a role in promoting the socio-economic development of a country, a territory and a locality (National Assembly of Viet Nam, 2009). Cities have shared the three most common characteristics which is the basic premise for the movement and development of cities: (1) the city is a living organism witnessed a process "birth-age-sickness-death", that malfunctions in the structural system can lead to disturbances in urban activities; (2) the city is always growing. The "sống" (living) of the city shows the close connection between the city and human society. Accordingly, the formation and development of urban areas associated with the history of human development; (3) the movement and development of the city can be under controlled (Võ Kim Curong, 2013).

Urban definition has been usually based on two terms: (1) *structure*. In this, there are two criteria used to clarify the content of a city: agglomeration and population threshold. Agglomeration expressed the concentration of buildings and houses. Population threshold pointed out the minimum population residing within an urban boundary defined by agglomeration; (2) *administration*. It referred to administrative decisions and distinguish urban boundaries by administrative boundaries. In its, administrative urban boundaries are

determined by the will of the government subjectively. In contrast, structural urban boundaries are dependent on the agglomeration of the city objectively. In Viet Nam, the standards and regulations of urban planning have been followed to urban structure, while the socio-economic regulations based on management following to administrative boundaries. An urban area normally defines a residential area according to several aspects which needed to meet 5 basic criteria:

- (1) It was recognized a general or specialized center playing a role in promoting socio-economic development,
- (2) Its population  $\geq 4,000$  people,
- (3) Its ratio of non-agricultural workers  $\geq 65\%$ ,
- (4) Its technical and social infrastructures reached more than 70% of the standards and regulations for each different types of urban area,
- (5) Its population density was high enough<sup>8</sup> (Government, 2001).

Cities are categorized into scale (large and small) levels, different locations and the levels of importance that the management mechanisms were differed. Urban areas are classified into 6 categories: Special cities; urban type: I (mega city), II (large city), III (minimum large city), IV (minimum city) and V (small city). The determination of urban management administrative level was distributed as follows (see Table 1).

Table 1. Administrative Levels Of Urban Management In Viet Nam

Levels	Types
Municipalities	Special or Type I
Municipal city	Type I; II; or III
Provincial city	Type III; or IV
Urban district	Type IV; or V

Source: Vietnam's Law Of Urban Planning, 2009

Standards of each type of urban area have been granted by the competent stateowned agencies over 5 standards included in: (1) the function, (2) the population, (3) the rate of non-agricultural employment; (4) the infrastructure<sup>9</sup>, (5) the landscape architecture. In each types of urban area, there are specific quantitative criterias added-in each of the five criteria mentioned above.

Urbanization have initiated urban development that they are in a firm realtionship as particular as being discussed over researches. Also, in this study, urbanization was proposed as the process of urban development in a country. Specifically, in terms of measument, urbanization accounted for the expansion of the city and expressed as a percentage of the urban population, urban population density in a specific area or an area of a region or region. It can also be measured by the ratio of a growth of these two factors over time. So, the

<sup>&</sup>lt;sup>8</sup> Depended on each types of urban area.

<sup>&</sup>lt;sup>9</sup> Including in urban and Sub-urban area.

former way is recognized the degree of urbanization; the later was the speed of urbanization.

Urbanization was formed in two ways: (1) the expansion of existing cities; (2) the formation of new cities. To assess the process of urbanization, *the degree of urbanization* and *the speed of urbanization* were the most important as follows:

- (1) Degree of urbanization = (Population of the urban) / (The total of Population) (%);
- (2) The speed of urbanization = (Number at the end of the period Number at the beginning of the period) / (Number of urban populations at the beginning of the period x N) (% per year.)

Note: - N is number of years

- If N=1, the annual urbanization rate of a country or a locality is clarified.

The world currently has witnessed two urban development trends: (1) urban development based on "spot". It has enhanced policies focusing on developing and exploiting large cities and mega cities; (2) urban development focued on "area". This aimed to the equal, balanced and harmonious development of urban areas and rural areas.

## **Urban Development Policy In Viet Nam**

Urban policy contained a system of views, goals and solutions of the government in order to to achieve its management goals (Võ Kim Cuong, 2003). Recognizing the importance of cities and urban development for the construction and development of the country since the early 1990s, the government has issued many plans, guidelines and policies for the urban development's system in Viet Nam. The followings mentioned perspectives are considered in the coming discussions more thoroughly.

Point of views. (1) affirming the strategic position, important role and function of the cities in a tight relation to the entire economic, political and social life of the country. An urban center is a general or specialized center which plays a role in promoting the socio-economic development of a certain territory in which Type I city contributed the function of promoting the development of the whole country. Therefore, mobilizing all state's agencies participated in urban construction and development so as to utimately serve the goal of accelerating industrialization and modernization of the country, maintaining economic and cultural development, society (Government, 1998); (2) urban development must be in balance and suitable to social practical conditions. It concurrently expressed a constant within the distribution and development level of the productive forces; the harmonious combination, the reasonable and effective urban development according to "spot" and "area" in order to support rationally distributing large, medium and small cities across the country, combine and promote the development of rural urbanization and improving modern rural areas, hanmonize development among regions and gradually reduce the huge

disparity in socio-economic development levels between regions (Government, 2009).

## Orientations To The Urban Development In Viet Nam Up To 2020

## Urban function.

Big cities played the role of regional, national and international economic exchange area for the nation, while the medium and small cities, which functioned in regional or sub-regional centers, promoted the influence of industry and services to other regions. *Urban network's Formation and Development*. The national urban network was formed and developed by following the former basis of central cities. At all levels, they were reasonably distributed based on socio-economic regions. In Viet Nam, the central urban network has recently consisted followings:

- (1) The central cities at national, regional and international levels are Hanoi capital, Ho Chi Minh City, big cities Hai Phong, Da Nang, Hue;
- (2) The regional central cities are Ha Long, Viet Tri, Thai Nguyen, Hoa Binh, Nam Dinh, Vinh, Nha Trang, Quy Nhon, Buon Ma Thuot, Bien Hoa, Vung Tau and Can Tho;
- (3) The provincial-level central cities and towns are distributed into 5 national, regional and international central cities, 12 urban centers which were recorded above-mentioned regional centers, other cities, towns and provincial capitals;
- (4) The district-level central cities grasping townships and the city in provinces are centralized to become a center of a province and a sub-region. In its, towns are responsible for being a center of population clusters in rural areas or satellite cities, counter urban that has been under the influence of large and mega cities. Small urban development's encouragement, large cities development's reduction. Its importance encourages the development of medium and small cities, rather than large cities. Besides, the cities such as Hanoi capital, Ho Chi Minh City, Hai Phong, Hue, Da Nang... must be organized into urban clusters. The urban population's growth. The estimations of urban population growth and urbanization rate increased constantly: at about 15 million people in 1998, 19 million in 2020, 30.4 million people in 2010, 46 million people in 2020 that the urban population rate was 20%, 23%, 33% and 45% respectively.

## The Urban Development's Orientation Of Viet Nam To 2050

After 10 implementation of the master plan towards to the urban development in Viet Nam during the period 1997-2020, the new series of legal documents on urban development strategy continued to be issued in 2019. The main point of view in this period had been embedded to inherit the existing achievements getting along with the country's socio-economic development requirements over time and towards the capacity of international economic integration (Government, 2009).

## The Priority For Large Cities Development.

There are several aspects to be considered that the development of small and medium urban areas must be restrained, the formation of megacities, large urban

centers are more weighted to focusing on promoting urban developments as well as a pivotal driving force to the whole regional development. During 2009-2015, the first priority was given to the development of key economic regions making large urban areas nurtured the national key growth. In comparision, during 2026-2050, urban network development would be centralized.

## Urban Development In Focus.

The large cities are prioritized to become the role of driving force, such as Hanoi, Ho Chi Minh City, Hai Phong, Vinh, Hue, Da Nang, Quy Nhon, and Can Tho... which have been organized and developed according to the model of urban cluster and counter urban or satellite urban. Hanoi Capital's and Ho Chi Minh city's surrouding regions are major urban areas in which Hanoi city and Ho Chi Minh city become the central urban in each regions.

#### The National Urban Network's Development.

It emphasized the persistent effort to develop the national urban network basically based on national, regional and provincial central cities, even international levels. Then, this is becoming urban chains and clusters. Depending on the characteristics of natural conditions and development resources, in practice its developmet must be arranged and enhanced urban chains reasonable creating linkages in each regions as well as the entire nation. Urban growth policy. The quantification of population growth and urban volume must be specified. As a result, the urban population was forecasted to at about 35 million people accounted for 38% of the country's population in 2015 while the urban population is about 44 million people, accounted for 45% in 2020. In a forecast to 2025, these criteria can be 52 million people in urban areas, at about 50% of the country's population. According to the number of population indexs, it is clear that the number of urban areas have been increased continuously over years. In 2015, the total number of urban centers in the country reached over 870 urban areas in which the special urban was recorded 2; Class I: 9, Class II: 23, Class III: 65, Class IV:79 and Class V: 687. A prediction to 2025, the total number of urban centers will be at about 1000 in that Class I and the special would be 17, Class II: 20; Class III: 81; Class IV: 122, the others to Class V.

#### Sustainable Urban Development.

In Vietnam, for the first time, the concept of sustainable urban development was mentioned in a legal document on urban areas, stated in Clause 3, Article 2 of Decree No. 42/2009/ND-CP dated May 7, 2009 on the urban classification. It has shown an important turning point in urban development methods and thoughts in order to gradually sustain urban areas. Hence, a typical sustainability cities considered adoptions to the contents and principles of sustainable development.

#### Harmonious Development Between Urban And Rural Areas.

In terms of appreciating the urban-rural relationship; concurrently promoting urbanization and new rural areas has been weighted up in depth within efficient

investments and production condition improvements. In its, regarded to rural residential areas surrounding to all types of urban areas, the investments for basic infrastructure must be synchronously built that it protected land areas for an effective agricultural preservation, green belts and ecological landscapes, esspecially sustainable urban development.

#### **Urban Developments In Viet Nam And The World In Comparisions**

#### Urban Development's Viet Nam And The World's

The world's urban population recently has reached almost 56.2% compared the global population, while Viet Nam was only 37.3%. At the beginning, the urban population of Viet Nam was impossible compared to the world that nowadays the gap was shortened notably. Specifically, the improvement was differed over year in quantitative comparisions between the proportion of the world's urban population and Viet Nam's had been seen at about 2.55 times (18%) 1950; 1.91 times (22.3%) in 2000; 1.7 times (21.3%) in 2020, forecasted upto 1.19 times (11.1%) in 2050.

In the early 1950s, the average urban population in Southeast Asia was 15.6% and Viet Nam was 11.6%. Moving in 2000, this reached 37.9%, while Vietnam had 24.4%. Currently, in Vietnam its index is almost 37.3% followed up Southeast Asia has reached 50% approximately. By 2050, the whole region's will be 66.0% and 57.3% for Viet Nam. Recently, the proportion of urban population in Viet Nam ranked at 7th out of 11 in the same region, while among of developing countries, this proportion of urban population of Viet Nam witnessed the lowest and being equivalent to less developed countries likes Myanmar and Timor-Leste.

The proportion of urban population in Vietnam is still visually low compared to the region's and the world's that it has illustrated an impressive growth track grasping the general trend where people living in urban areas has rasen increasingly (see Figure 1).

During 1950-1970, in each of decades, the average urban population in Viet Nam increased at 3.35% compared to 1970-1990 it was slowed down, only 1%. The reason for this during two decades was resutled from the devastating Viet Nam wars in the first half of the 70s and the context of national stagnation and domestic subsidies accounted by international embargos during the 1980s, especially especially the restriction for a free movement into urban areas as well as special demographic transitions. Rural-urban migration has been considered one of the important factors motivating the rate of urbanization that this migration is still disproportionate.

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20.0

0.0

per decade.

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80.0
70.0
60.0
50.0
40.0
30.0

43.0
46.7
44.3
44.5

Vietnam

World

South-Eastern Asia

**Figure 1.** The ratios of Vietnam urban population in 1950-2020 and forecasted to 2050 (%)

**Source:** United Nations, 2019

Since "Doi Moi", the government of Viet Nam has advocated socio-economic reform, rigorously abandoned the centrally planned economy, switched to a promoting socialist-oriented market economy industrialization modernization so as to form in to new key economy regions. Then, Viet Nam has made a remarkable progress that turning one of the poorest countries in the world to a low-middle-income economy in only more than two decades. GDP growth has always been maintained in stable, estimated at 7.5% (PADDI, 2014). Economic growth entered a new phase with a rapid structural transformation due to transforming agricultural-based economic development to a nonagricultural. This important turning point remarked the city's acceleration led to the fundamental social and economic changes. Since 1990, the curve of Vietnam's urbanization has become more inclined further from the horizontal axis. By 2000, urbanization stabilized around 4% compared to the two decades 50-70's, while it increased sharply up to 6% in 2000-2010 and from 2000 to 2050 it has continued to grow strongly within average growth of at about 7%

## Vietnam's Urbanization Speed - An Ambitious Vision

1950 1970 1990 2000 2010 2020 2030

Over 30 years (1989-2019), the level of urbanization in Vietnam has increased, but the speed has decreased and happened unevenly. In the 10 years period 1989-1999, the urbanization rate reached 5.18%/year; (1999-2009), reaching 3.66%/year; (2009-2019), about 2.99%/year (see Table 2).

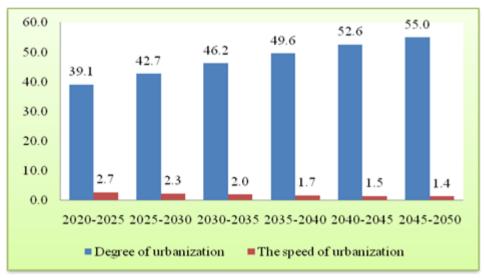
**Table 2.** Vietnam's Urbanization speed 1989-2019

Year	Population (people)	Urban population (people)	Urban ratio (%)
1989	64.376.000	12.260.960	19,04
1999	76.596.700	18.619.900	23,30
2009	85.846.997	25.436.896	29,63
2019	96.208.984	33.059.735	34,36

**Source:** GSO in 1989, 2009 and 2019

Nevertheless, it was forecasted that the trend would continue to take place clearly in the next 30 years (2020-2080). According to United Nations's data (2019), the forecast was divided into 6 periods, within 5-year per period that the results showed that the degree of urbanization in Vietnam has steadily increased while the speed of urbanization was in the opposite (see Figure 2). In its, the degree increased from 39.1% (2020-2025) up to 55.0% (2045-2050); while the speed slowed down from 2.7% (2020-2025) to 1.4% (2045-2050).

**Figure 2.** The Comparision Of Vietnam Degree And Speed Urbanization From 2020 To 2050 (%)



Source: United Nations, 2019

According to the master plan on development of the urban system in Viet Nam upto 2025 and seeing to 2050, the urban population of Vietnam will reach at about 52 million people accounting for 50% of the country's population by 2025. Half of the population is considered to live in urban areas and the other half will live in rural areas as well that this above-mentioned is an ambitious and infeasible forecast. Aimed to reach 50% of the urban population, the average urban population needs to maintain 2.60% per year in the next 6 years (2019-2025). According to the United Nations forecasts, it showed Vietnam's is foreseened at about 2.38 times higher, specifically that the proportion of urban population in Vietnam will reach about 40.9% in 2025, 34.36% of the urban population rate in 2019 accouted for only 1.09% the annual average of the next 6 years (2019-2025). This has resulted in reaching the threshold of 50% of the urban population possibly is taking upto 30 years later. In addition, over 70

years (1950-2020) the urban population of Vietnam increased by about 22.76%, at an average increase of 0.320% yearly which is extremely less beyond expected with the 2,60%. The problem is the annual average growth rate must exert 8 times higher in the next 6 years. Thus, Viet Nam has impossibly achieved that number. More over, following to the United Nations (2019), the urban population rate of Vietnam will reach at 57.3% taking 25 more years to equalize the present urban population of Indonesia (56.6%), an ASEAN<sup>10</sup>'s country.

## The Urbanization And Economic Structure Of Vietnam In The Context Of ASEAN's

## Vietnam's GDP in Comparison with Different Regions

There are 3 approaches to GDP, (1) production method; (2) income method; (3) expenditure method. Basically, Vietnam calculates GDP using the production method. Since 2010, GSO has calculated GDP according to United Nations standards (Bùi Trinh, 2019):

 $GDP = Gross\ Value\ Added\ (GVA)$  at base price + Product Tax - Product Subsidy.

In its, the value added by the base price = Production value by the base price - Intermediary costs by the buyer's price. In 2010, Vietnam's GDP growth rate witnessed modest ranking 6th out of 11 countries in Southeast Asia<sup>11</sup>, while Vietnam of 2018 enhanced to the second position (at about 7.1%) of the region. On average, during the period of 2010-2018, Vietnam's GDP was 1.3 times within 6.6% which was higher than 5.3% of Southeast Asia (GSO, 2019).



Figure 3: GDP growth rate of Vietnam and Southeast Asia 2010-2018 (%)

Source: GSO, 2019

# The Growth, Economic Transformation and Urbanization Rate of Vietnam Versus the Region

Economic growth and transformation has been closely related to the speed of urbanization. In Southeast Asia, the data showed that (2010-2018), the economic structure between three sectors agriculture, forestry and fishery; industry and construction; and services in each of countries in the region has

<sup>&</sup>lt;sup>10</sup> Association of South East Asian Nations.

<sup>&</sup>lt;sup>11</sup> Compared to Singapore (14,5%); Myanmar (9,6%); Laos (8,5%); Philippines (7,6%); Thailand (7,5%).

illustrated uneven recently. In which, the country achieved a higher degree of urbanization becoming more proportional and asymptotic to prioritize the proportion of these sectors towards to the economic structure as following rankings: (1) services; (2) industry and construction; and (3) agriculture, forestry and fishery. In contrast, in terms of a low degree of urbanization, the proportion inclined to (1) agriculture, forestry and fishery; (2) industry and construction; (3) service.

Vietnam is considered a specific typical case of this development. In 2010, the urbanization level of this country recorded at about 34.0% seeing the economic structure 's sectors respectively: services at 36.9%; industry and construction at 32.1%; agriculture, forestry and fishery at 18.4%. In 2018, it surpassed up to 35.3% in which services at 41.1%; industry and construction at 34.2%; agriculture, forestry and fishery at 14.7% (GSO, 2019). This trend can be recognized its considering developed countries in the region such as Singapore, Thailand; or developing country such as Cambodia; Laos.

In the last decade (2010-2019), Vietnam's economic structure has shifted in a positive direction in line with the government's strategy of the economic transformation towards industrialization and modernization. Specifically, this improvement addessed that the economic value was contributed significantly by service sector; industry and construction compared the notable reduction of the economic sector of agriculture, forestry and fishery. GSO results (2019) have shown that on average, the proportion of agriculture, forestry and fishery sector dropped down to 17.1% in 2019, almost 4.4% cut-off compared with its of 2010; concurently industry and construction sector surged to 33.3%, increased by 2.4% over 10 years; and service sector either 39.4%, at about 4.7% over 10 years.

100% 90% 80% Products taxes less subsidies 70% on products 60% ■ Service 50% 40% 30% ■Industry and construction 20% 10% Agriculture forestry and fishing 301 301 3013 3014 3015 3016 3017 3018 3019

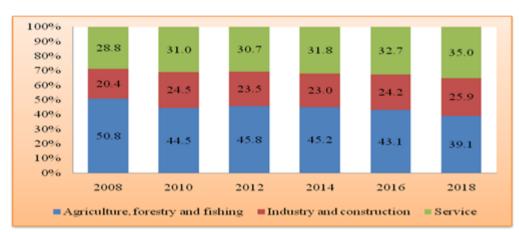
Figure 4. The Stucture Of GDP's Vietnam By Economic Sectors 2010-2019

Source: GSO, 2019

#### Labor Force and Economic Structure of Vietnam

Economic adapting to industrialization and modernization is a major policy of the Vietnam government as well as this has inevitably altered the proportion of labor in each economic sectors. Specifically, labor become increasing the proportion of non-agricultural economic sector and reducing the proportion of agricultural economic structure in reverse.

According to GSO (2019), Figure 5 illustrated the general scenario of labor restructured by economic sector in Vietnam over 10 years (2008-2018). In 2018, the labor force in the economic sector "agriculture, forestry and fishery" accounted for 39.1%, downed 11.7% compared to 2008, 1.95% decreased per year on average, while the "industry and construction" increased from 20.4% to 25.9% over the same period, 0.91%/ increased per year on average and the "service" sector increased from 28.8% to 35.0%, 1.03% increased per year on average. Thus, it can be said that the number of "agriculture, forestry and fishery" workers is more than twice the number of "industry and construction" workers; and the number of "industry and construction" workers are 1.4 times less than the "agriculture, forestry and fishery" and the "services".



**Figure 5**. Vietnam employment followed by economic sectors 2008-2018 (%)

Source: GSO, 2019

In parallel with the economic structure changing and developing based on industry and trade, Viet Nam's GDP growth rate in the period 2009-2018 was considerably high, at about 6.14% per year and maintained stable compared with countries in Southeast Asia (GSO, 2014; GSO 2018 and GSO 2019).

Moreover, the economic restruction has changed the labor structure. In that, the labor force in industries and services has been enlarged, while the number of agricultural workers was dropped continuously. This coincides with a rapid structural transition from an economy depended on agriculture to more oriented into industry; services and export-oriented activities (World Bank, 2011). Hereby, a explicitly progressive trend showed consistent with the growth of economic restructuring, urban development and international integration.

#### Viet Nam Urban Growth

#### Index's And Ranking Of Urban Areas In Viet Nam

There are two popular models of urban development: development in breadth is in quantity as well as geographical and administrative expansion; and development in depth is the development of urban quality, urban leveling, urban social infrastructure upgrading.

Viet Nam's history of urban development has begun early since the 1990s that the number of urban centers had reached 500 and it is forecasted up to 1,000 that by 2025. Only in the last 3 decades, the number of urban centers has increased by 330 urban centers in which a new urban area is formed on monthly average (almost 0.92 urban centers) (see Figure 6).

**Figure 6**. Urban City Indexs From 1990 To 2019 And Expected To 2025 (City)

Source: World Bank, 2011; Ministry of Planning and Investment, 2019

In terms of development in breadth, there were numerous new cities in large scale and others were upgarde and leveled (see Table 3). Additionally, the rapid growth in number has observed several objective reasons causing the birth of Vietnam's urban recently suffered heavily administrative. Recently, its a major concern, the local governments have focused to level the higher class of their cities in order to receive more attention and central funiding than putting effort to strategic planning<sup>12</sup>. As consequence, these have created momentum for administrative units expanding urban space spontaneously, rampantly, excessively, and unidirectionally.

<b>Table 3.</b> The Changes in urban classification in Vietnam from 1999-201	9
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Types	1999	2009	2019
Special	-	2	2
Type I	2	5	19
Type II	8	12	29
Type III	12	40	45
Type IV	64	47	80
Type V	518	625	655
Total	604	731	830

**Source:** World Bank, 2011; Ministry of Planning and Investment, 2019

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<sup>&</sup>lt;sup>12</sup> Regardless to the consequential output, connectivity, function and position of the city.

In just 3 years (2008-2011), Viet Nam had 7 cities which are classified as Type I Type I urban group. Only Can Tho matched the population standards prescribed at least 500,000 people and Nha Trang matched the standard of population density at least 10,000 people/km² (World Bank - Ministry of Planning and Investment, 2016). Pay more attentions, urban areas were upgraded to Type I reflected inadequate deflections of population indicators, density indexes reflecting clutter and dispersed in surrounding sub-urban as results.

The urban classification aimed to clearly distinguish the roles and functions of administrative management<sup>13</sup> that this decentralization has created positive movement in the management and operation of the urban. However, an undesirable consequence of it, the exploitments in the classification system to upgrade urban areas is still maintained<sup>14</sup>. More importantly, these moves were not only largely "administrative", but also neither always based on economic performance and the true functioning of the city (World Bank, 2011).

## Urbanization And Domestic Regional Distribution Of Urban Population

Vietnamese urban residents have been uneven among socio-economic regions (region). The number of urban areas is most concentrated in the northern midland and mountainous and central coast areas, while the urban resident is the largest distribution in the Southeast region. In the Southeast, the level and the speed of urbanization are superior compared to different regions. In 2009, the urban population reached over 8 million people, at about 1/3 of the country that the level of urbanization was 57.18%, nearly doubled compared to the whole country's. The second place is the Red River Delta, nearly 6 million urban people, the level of urbanization of 29.30%. In general, the rate of urbanization in 2009-2019 over there reached 3.68%. 10 years later, the level of urbanization as well as the urbanization rate of these two regions still continued to take lead compared to other regions in the country in 2019.

**Table 4.** Distribution Of Urban Population By Regions In 2014 And 2019 (1,000 People)

Regions	2009		2019		The pace in	
	Urbanization	Population	Urbanization	Population	2009-2019 (%	
	(%)		(%)		per year)	
Nationwide	29,63	25.436,8	34,36	33.059,7	2,99	
Northern Midlands	15,86	1.753,7	18,19	2.280,8	3,00	
and Mountains						
Red river delta	29,30	5,739,6	34,85	7.856,5	3,68	
North Central and	24,04	4.529,5	28,33	5.719,5	2,62	
Central Coast						
Central Highlands	28,24	1.444,8	28,68	1.676,2	1,60	
South East	57,18	8.043,8	62,81	11.198,4	3,92	
Mekong River	22,83	3.925,2	25,05	4.328,0	1,02	
Delta						

**Source:** The results of the Population and Housing Census (April 1, 2019)

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<sup>&</sup>lt;sup>13</sup> Tax collection, state budget allocation...etc.

<sup>&</sup>lt;sup>14</sup> The rural population is located in the ranked special cities becomes added to urban population when the urban administration boundary is expanded to cover the urban areas.

The Southeast and the Red River Delta have accounted for more than half of Viet Nam's urban population (57.6%); a high urbanization level is 2.84 times higher than the whole country's. They contributed the highest GDP per capita in the country, noted by two mega cities of Viet Nam: Ho Chi Minh city is the largest city in the South and the capital Ha Noi is the largest city in the North. Both these cities are the leading positions of the country's economic growth, accounting for about 27% of foreign direct investment and 33% of GDP. In contrast, the Central Highlands, The Northern Midlands and Mountains are a large area within a low urban population ratio. Especially, during this period (2009-2019) the proportion of urban population and the urbanization of the Central Highlands remained stable approximately.

## Urbanization And Population Distribution In Municipalities

Similar to the unequal distribution of urban population across regions, this situation has been seen considering 5 cities run by the Central Government. In 2009-2019, these 5 cities dominated about 1/3 of the country's urban population. However, in terms of the same city type, there is a huge gap in comparison with its population, urbanization level and urbanization rate between these cities. The vast majority of people living in Da Nang, Ho Chi Minh City and Can Tho are urbanites. Meanwhile, in Hai Phong and even the capital Ha Noi, the urban population presented low notably. On the other hand, the urbanization speed in these urban areas is also quite "divergent", the high urbanization rate belongs to cities with a high degree of urbanization.

However, it should also be noted that the degree of urbanization and the rate of urbanization depend on the method on the urban scale is determined<sup>15</sup> that it might not be completely accurate. In the case of Ha Noi's the lastest expansion, on August 1, 2008, the new capital Ha Noi was established on the basis of merging Ha Noi and a whole of Ha Tay province. It stated that after just one night farmers in Ha Tay province became urban people. Hence, within urban administrative decisions liked this have caused the urbanization level of Hanoi was decreased significantly, while the urbanization pace was increased dramatically.

**Table 5.** Distribution Of Urban Population In Municipalities In 2014 And 2019 (1,000 People)

Municipalities	20	009	2019			
	Urbanization	Popuplation	Urbanization	Popuplation	2009-2019 (% per year)	
Nationwide	29,63	25.436,8	34,36	33.059,7	2,99	
(on average)						
Ha Noi	40,98	2.644,5	49,20	3.962,9	4,98	
Hai Phong	46,05	846,1	45,48	922,6	0,90	
Da Nang	86,86	770,9	87,15	988,5	2,82	
Ho Chi Minh	83,32	5.968,3	79,25	7.127,3	1,94	
Can Tho	85,89	783,1	69,65	860,3	0,98	

**Source:** The Results Of The Population And Housing Census (April 1, 2019)

<sup>&</sup>lt;sup>15</sup> As mentioned, it has been defined by structural or administrative.

Other essential reasons explaining the difference in urban population distribution are that the degree and speed of urbanization between regions have been due to socio-economic development conditions. In addition, municipalitis plays a very important role in urban development, population distribution, especially promoting rural-urban migration. In a developing country, most of the population is concentrated in rural areas, the rural-urban migration is invitable.

The results of the Population and Housing Census in 2019 pointed out: (1) the immigration. The Southeast continues to be the most captivating destination for migrants with 1.3 million immigrants, accounting for about 70% of the total number of inter-regional migrants in the country, nearly 4 times higher than the number of immigrants compared to the Red River Delta's - The region taking the second largest number of immigrants. A remarkable finding, while the majority of migrants looking to the Southeast are from the Mekong Delta, 710,000 people, accounting for 53.2%, those from the Northern Midlands and Mountains are the group that makes up the majority, the majority of immigrants chose the Red River Delta as their destination, 209,300 people, accounting for 61.2% (GSO, 2019). (2) the emigration. Mekong Delta, The North Central Coast and the Central Coast are the two regions with the highest number of outmigrants in the country within 724,800 people and 544,500 people respectively. Also, most of them immigrated to the Southeast - the most economically developed region in Vietnam for jobs which stemmed from a dense network of industrial zones concentrated among the key economic quadrangle including in Ho Chi Minh; Binh Duong, Dong Nai and Ba Ria - Vung Tau (GSO, 2019). On the other hand, in practice it has proved that the Southeast, Ho Chi Minh City has the most modern economic structure. Hereby, the proportion of laborers working in industries and services dominates and continues to increase accounting for about 85.7%. The proportion of the Southeast region's contribution to the national GDP is continuously high, and has always been maintained, about half that of the whole country (Nguyen Quang Giai, 2018: 144-154).

#### **CONCLUSION**

Urban development is the inevitable development path of countries and Viet Nam. Due to historical, social and socio-economic conditions of Viet Nam, urban growth and development has been conducted relatively late and slowly compared to the regions and the world, especially since the early 90s and earlier. However, since 1986, with the "Doi Moi" policy, the level of urbanization and urban development has seen a significant increase.

Urban development in Vietnam is showed uneven and unbalance among regions; urban types, and in the same urban category. Large urban centers, central cities such as Hanoi, Ho Chi Minh City ... are the leading urban centers of growth and development of the national urban network, social economic development actualizing the goal of industrialization, modernization and national construction.

From theory to policy and practice, urban development in Viet Nam is basically carried out in accordance with objective laws, roadmaps, and imposed the policy of urban construction and development planning by the Government. However, there is a certain gap sustaining "disparity" between policy and practice of urban development. To conclude, we quoted the former Deputy Prime Minister Nguyen Sinh Hung at the National Urban Conference, November 6-7<sup>th</sup>, 2009 "Vietnam will have only one chance to get urbanization right. If we fail at urbanization, we will fail at industrialization and modernization." (World Bank, 2011: XV). Failed urbanization will result in failures in industrialization and modernization.

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