

# Viet Nam Tries to Break

Urban planners aggressively strive to keep the country of

**S**outh of Ho Chi Minh City, Viet Nam used to be a vast expanse of rice fields and marginally productive agricultural land. Today, the area is the most modern in the metropolis, with high-end residential zones, international schools, and chic shopping centers employing thousands.

The Saigon South area is one of the most dramatic urban development projects in the country, but it is by no means an isolated case. In urban areas throughout Viet Nam, less glamorous development projects are under way to address the country's burgeoning transportation, housing, sanitation, and myriad other needs.

Viet Nam has been one of Asia's stars in terms of economic expansion. Even during the global economic crisis, the country's gross domestic product (GDP) grew by 3.9% in the first half of 2009, according to the Asian Development Bank's *Asian Development Outlook* (ADO) report. In 2010, Viet Nam's GDP growth is expected to increase to 6.5%.

This rapid economic expansion has put Viet Nam on a similar path as other Asian tiger economies with large, rural populations pouring into the cities seeking work and straining infrastructure.

"The demand for municipal infrastructure in Viet Nam has increased rapidly as the country copes with rapid urbanization, decentralization, and high rates of economic growth," notes Dang Duc Cuong, a senior operations officer with the World Bank, who focuses on urban development in Viet Nam.

According to the World Bank, the population of

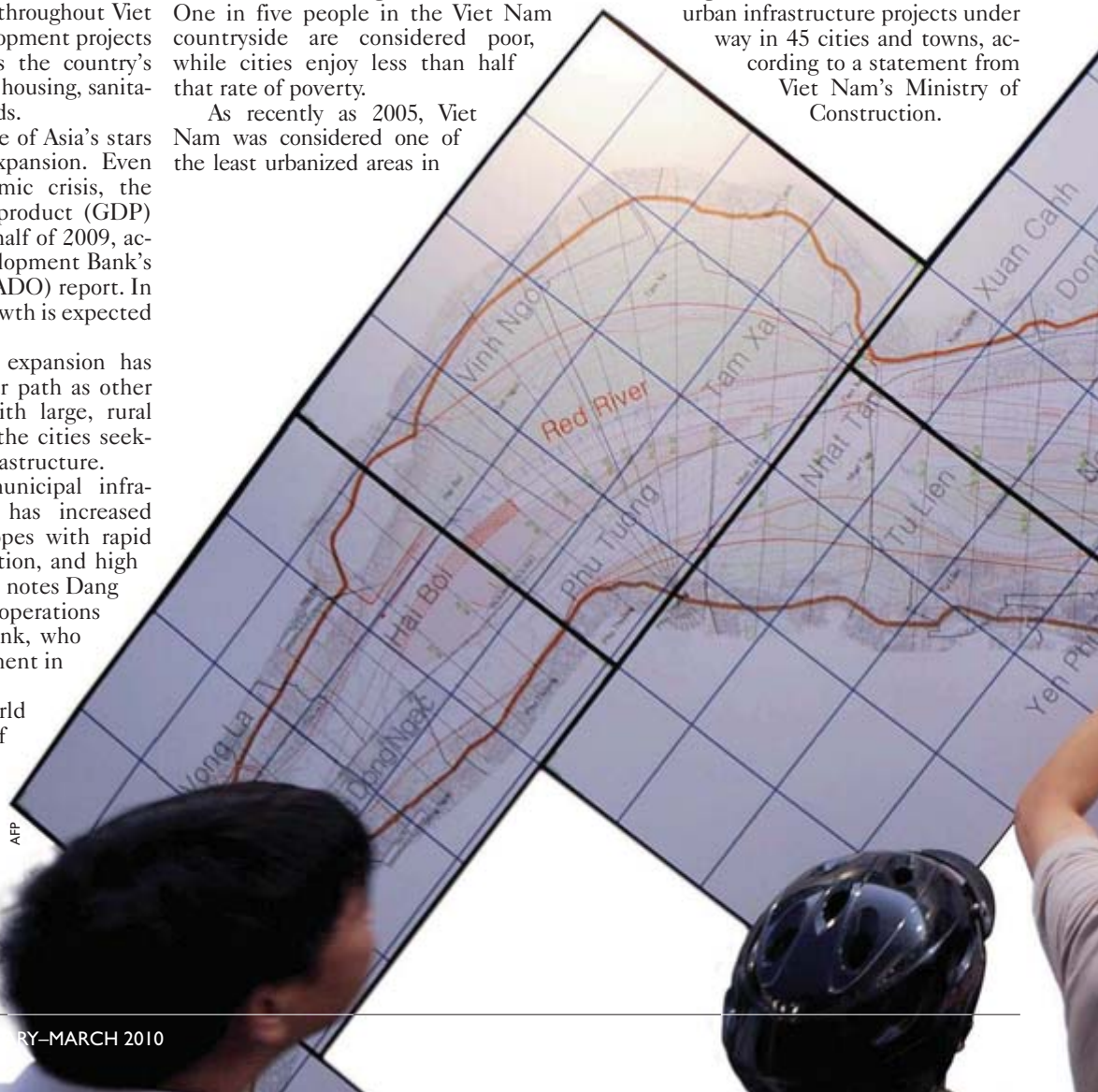
Viet Nam's three largest urban areas—Ha Noi, Ho Chi Minh City, and Hai Phong—is expected to triple by 2020. More than a quarter of Viet Nam's population already lives in cities, according to United Nations data. That is expected to increase to about 35% by 2020.

As in countries across the region, the divide between the poor in the city and those in the countryside is expected to continue to drive migrants toward cities. One in five people in the Viet Nam countryside are considered poor, while cities enjoy less than half that rate of poverty.

As recently as 2005, Viet Nam was considered one of the least urbanized areas in

Southeast Asia. At that time, the government began planning for the massive upgrading of its cities. Government planners put out a call for overseas development assistance, specifically targeting water supply and drainage, transport, environment, and housing for low-income laborers who would be needed to build the country's new urban areas.

Viet Nam had about 500 urban areas calling for investment in 2004, with urban infrastructure projects under way in 45 cities and towns, according to a statement from Viet Nam's Ministry of Construction.



# the Mold

By Floyd Whaley

## f the path of mismanaged urbanization

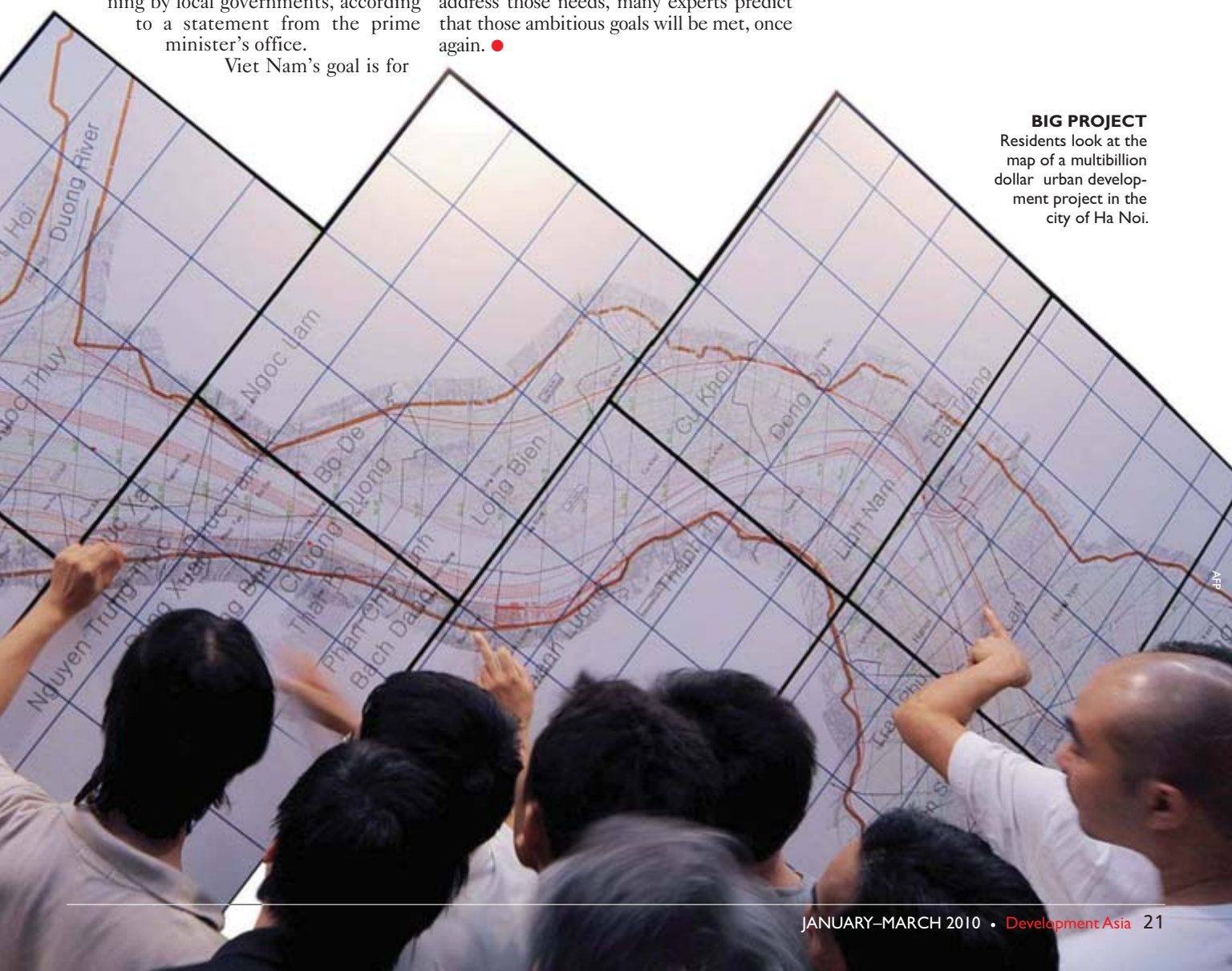
This foresight and aggressive plea for assistance have paid off. In June 2009, Viet Nam Prime Minister Nguyen Tan Dung announced about \$9.84 billion for urban development programs from 2009 to 2020.

The money will be used to provide housing for low-income residents in urban areas, as well as to improve urban planning by local governments, according to a statement from the prime minister's office.

Viet Nam's goal is for

100% of its people living in urban areas to have access to clean water by 2020, and for 100% of solid waste and sewage to be collected and treated in the same time frame.

With Viet Nam's track record of carefully identifying its urban development needs and aggressively courting the external assistance needed to carry out the programs that address those needs, many experts predict that those ambitious goals will be met, once again. ●



**BIG PROJECT**  
Residents look at the map of a multibillion dollar urban development project in the city of Ha Noi.