ABSTRACT  Contemporary versions of globalization assume that market deregulation is the precursor to democratic development and the growth of livable cities. This paper examines the specific case of Viet Nam to describe how the creation and construction of cities in the developing world may be laying the foundations for future social inequality. Using a futures-oriented method, the paper reviews the development of urban poverty in North America during a period of rapid urban transition as a heuristic device for understanding some of the potentially unobservable, yet festering problems with the trajectory of development in Viet Nam. The paper uses the examples of new urban social institutions, residential and economic segregation, and the creation of ‘new towns’ to highlight the importance of new forms of local governance, as well the declining relevance of national authorities. The paper ends with a brief discussion of four ‘ideological cages’ that are likely to become increasingly constrictive to urban analysts as Vietnamese cities develop.

Las versiones contemporáneas de la globalización asumen que la desregulación del mercado es el precursor al desarrollo democrático y al crecimiento de ciudades habitables. Este artículo examina el caso específico de Viet Nam para describir cómo la creación y construcción de ciudades en el mundo subdesarrollado pueden haber puesto las bases para las desigualdades sociales futuras. Mediante un método orientado a futuros, el artículo revisa el desarrollo de la pobreza urbana en Norteamérica durante un periodo de rápida transición urbana, como un componente heurístico para entender algunos de los problemas potencialmente inobservables, no obstante supurantes, con la trayectoria del desarrollo en Viet Nam. El artículo usa los ejemplos de nuevas instituciones sociales, la segregación económica y la creación de ‘nuevas ciudades’, para destacar la importancia de nuevas formas de gobierno local, como también la trascendencia decadente de las autoridades nacionales. El artículo termina con una breve discusión de cuatro ‘jaulas ideológicas’ que muy probablemente están por llegar a ser progresivamente constrictivas a los analistas urbanos, a medida que se desarrollan las ciudades vietnamitas.
Mumford (1937) has stated that the city is the physical manifestation of social, political, and economic relationships in society; that the built environment is the only visible and tangible artifact of social relationships. One increasingly relevant area within the scope of market globalism, therefore, is the globally connected city and its physical manifestation. As developing cities throughout the world evolve in the context of a global marketplace, four questions of ideology associated with the market come to the fore: the competing scopes of the state and the market, the changing relationship between locality and nation, the definition of local community, and the scope of representative policy institutions. These ideologies of the market, following Mumford, are imprinted in the long-term evolution of the built environment enabled by development policies.

Steger (2002) has assessed the two claims that globalization requires market deregulation and integration, and that it will inherently further democracy, finding that accepting these assumptions predisposes analysts and practitioners to a certain kind of globalism that privileges a neoliberal form. The rapid growth of cities concurrent with the rise of the globalization discourse provides an opportunity to flesh out this critique that a package of globalism including deregulation and democratic development is the natural course of globalization. As cities in the developing world grow and adapt to rapid social, economic, cultural, and political changes, they provide a window into the interstices of globalization in which small-scale social, political, and economic actors have created alternatives and complements to major interventions by the state.

In particular, informal institutions that have always been a part of rural community life around the world have become important elements of urban governance in some of the larger cities of the developing world in general (e.g. Roy & Al Sayyad, 2004) and around practical issues such as water supplies (e.g. Spencer, 2007b). Moreover, it is these informal institutions that may foster the democratic process more so than the market relations embedded in the kinds of deregulation associated with globalization, in which the concept of privatization has often meant corporatization, rather than the more precise definition of greater incorporation of private (small or large) interests into the public realm. Greater attention to these interstices and the consequent improved understanding of how globalism and globalization extends or limits democratic governance is best directed to the long-term futures of these growing urban areas. If Mumford is correct, then the long-term prospects of democracy in developing cities can and should be seen in the long-term physical manifestation of the City as it evolves within a set of global social, economic, cultural, and political negotiations. With this recognition of why a more specific enquiry into the mechanics of how market globalism may evolve in developing cities in the global South, this paper uses the history of market urbanization to develop some alternative scenarios of the future of Viet Nam.
Contemporary debates in Southeast Asia revolve around plans for improving conditions today and the relatively short-term future, in the 5–10-year timeframe. However, this paper is about the 15–20-year timeframe, which currently generates little interest either theoretically or practically. This oversight, while understandable given the rapid rate of social and physical change occurring in the fast-developing cities of Southeast Asia and elsewhere, places urban leadership at a marked disadvantage in assessing and preparing for the long-term future of cities. Attention to such a long-term perspective, I believe, will help to shape the contemporary social and physical landscape of an increasingly urban century. This paper will identify a model for understanding the historical development of urban inequality based on the US experience of expanding markets. It will then describe the current situation in Southeast Asia and in particular Viet Nam, arguing that a long term trend towards social inequality in the fast-developing cities of Southeast Asia may be in its initial stages. More specifically, this evolutionary pathway towards future urban inequality is based on settlement patterns, and risks creating a permanent and residentially segregated urban ‘underclass’.

Scholars have become increasingly concerned with inequality in Southeast Asia and Viet Nam in particular, as the countries in the region assume a stronger position globally (Liu, 2008; Taylor, 2004). Such work, understandably, focuses on the most immediate manifestations of inequality. Important as they are, such relatively narrow understandings of poverty in the development life-cycle may obscure certain types of long-term inequality dynamics that become cemented into rapidly developing societies through the creation of new physical environments. Such socio-spatial inequality can, for example, become cemented in the physical distribution of roads, buildings, water supplies, the access to private finance underlying these physical infrastructures, and other socio-physical assets. The distribution of these assets becomes particularly important when broad economic growth stagnates and begins to decline.

Thus, attention to the long-term life-cycle of rapid industrial growth and decline suggests a need to find comparative experience that spans a period from rapid market- and globally driven urban development to urban decline and deindustrialization. Such a life-cycle approach points scholars to the historical case of the US. The US is certainly not the only model for understanding urban development in Southeast Asia. However, it does occupy the relatively unique position of being the first major urban transition that occurred under market conditions, and where rural-urban migration defined large, production-oriented urban agglomerations. The cities of Europe (excluding Britain) and Japan, while they industrialized, showed less of a frontier-type of development pattern, and had relatively strong governance structures—both political and social—to regulate the growth of cities. Contemporary urbanization patterns in the developing world appear to mirror the US pattern more closely than the European or Japanese patterns in scale, in lack of planning, and in the role of private sector capital in shaping the physical and social landscapes of cities.

The intent of a comparison of Southeast Asia and Viet Nam to the historical trajectory of the US is to find both commonalities and what Robinson (2006) has called ‘positive difference.’ This unlikely comparison, therefore, does not argue for particular policy prescriptions on market globalism, but rather to refocus a portion of the inequality and poverty debate on the long-term socio-spatial effects of urban development.

**Urban Socio-Spatial Poverty in Context**

One of the persistent characteristics of late industrial capitalist cities is the existence of a spatially concentrated ‘underclass’ replicated across generations even as the broader society
prospers. While there are deep roots for historical social and racial/ethnic inequality in both North and South American cities that has led to the growth of persistent urban underclasses, there are recent settlement patterns that have helped to reinforce those inequalities and concentrate them among subgroups even as cities have generally prospered in the long term.

In the United States, a Great Migration north by both black and white agricultural workers during the 1930s and 1940s as industrialization in northern Midwest cities applied Fordist manufacturing principles in the car, steel, and other industries led to high rates of urban growth of cities like Chicago, Detroit, and Milwaukee. The migration fueling this growth led to the creation of new neighborhoods and settlements in these cities that became segregated by race, ethnicity, and other forms of social status. While such segregation was acceptable when blacks, whites, and immigrants all successfully secured jobs in the growing manufacturing sectors, later trends combined to create the seeds of the persistently poor urban underclass in the US.

Later on in the twentieth century, the growth of dispersed suburbs across the American landscape facilitated a dramatic increase in the intensity of poverty in central city areas in the post-World War II era (Jargowsky, 1997). This settlement pattern significantly contributed to political fragmentation (Orfield, 1997), the growth of urban gangs (Western, 2007), and increasing joblessness among inner city residents (Ihlanfeldt & Sjoquist, 1998; Kain, 1968) that created cumulative effects on the poor. Wilson (1996) summarized the combination of these social, physical, and economic segregating patterns on the life chances of youth in these older urban neighborhoods, arguing that while none of these disadvantages were fatal to a neighborhood in themselves, their cumulative effects pushed these urban spaces and their residents over a ‘tipping point’ beyond which any policy and planning intervention was ineffective. Recent scholarship on the US has examined some moderate improvements of these neighborhoods and opportunities their residents gained over the economic expansion of the 1990s (Galster, 2005; Jargowsky, 2003), arguing that growth, combined with targeted urban policy can help overcome the challenges that the urban underclass faces, but that other problems may have emerged. Such neighborhood improvements are largely based on business cycles (Ong, Spencer, Zonta et al., 2003), however, and periodic recessions threaten to knock these poor inner city and inner suburban neighborhoods back out of the mainstream economy.

The evolution of the American urban underclass can be seen as historically unique, based on a history of slavery, Jim Crow laws, and wide open spaces for urban sprawl. This view, however, dismisses some potentially important frameworks for understanding the rapid urbanization processes currently underway in much of the rest of the world. Such an unlikely comparison can reveal important urban life-cycle implications as globally relevant urban industrialization occurs. While not all cities have followed the same trajectory, there are some common American themes.

Stage 1:  industrial development of the Northeast and Northern Midwest;
Stage 2:  mass in-migration from agrarian regions to rapidly expanding cities and the creation of racially segregated neighborhoods;
Stage 3:  the loss of low-skilled occupations in the northeast and northern Midwest manufacturing industries;
Stage 4:  the development of residential segregation by race/ethnicity and economic status.

Figure 1 places the underclass in broader context and underscores the emphasis I place on the relationship between income and place-based assets in a market economy. In general, one must distinguish income and wealth. While they often move together, many have pointed out that it is
important to classify the sources of livelihoods, and whether they are related to income or wealth (Jencks, 1991; Oliver & Shapiro, 1995). In general, poverty can be the result of low income or low wealth. Figure 1, for example, shows that the middle class are those with high income and moderate wealth, the working poor are those with moderate income but few assets, and the underclass are those with neither assets nor income. Wilson (1996) and others show that the continued lack of both income and assets in urban neighborhoods can lead to the deterioration of social, family, and other psychological assets. From this point of view, then, an underclass is formed through the continued interaction of instability in the labor market, instability in access to assets—and in particular homeownership—and the reinforcement of these instabilities over time through negative socialization of spatial and proximal effects, as shown in Figure 2.

Combined social and economic disadvantages become cemented into urban spaces through the re-segregation of cities as high-achieving members of the residentially segregated poor achieve the goal of residential mobility. Thus, ironically, as poor people achieve social mobility they gain the rights and abilities of spatial mobility, thereby contributing to the challenges that poor neighborhoods face. This additional challenge of neighborhood ‘creaming’—in turn—reinforces neighborhood economic and social instabilities.

These socio-spatial dynamics of the urban business and residential marketplace, however, were historically enabled by public policies. Most importantly, the institutionalization of

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**Figure 1.** The underclass and the poor.

**Figure 2.** A general theory of underclass formation and persistence.
‘redlining’ practices of poor and minority urban neighborhoods that restricted the urban poor’s access to credit systematically excluded minority neighborhoods from affordable homeownership (Massey & Denton, 1993). Additionally, federal subsidies for automobile transit through the prioritization of highway construction at the expense of public transit alternatives facilitated middle-class suburbanization and self-segregation (Jackson, 1985; Orfield, 1997). Finally, environmental laws regulating urban development projects, paradoxically, pushed new business developments away from urban core ‘brownfield’ sites into far-flung new towns and developments in ‘greenfield’ sites, to which most urban poor had little access (Greenberg et al., 2001).

This very brief overview of the historical development of neighborhood poverty in the United States, and the important role of public policy in regulating and incentivizing the spatial distribution of urban residential and business markets can be illustrative of some of the long-term issues that industrializing cities of Southeast Asia and other areas transitioning from agrarian to urban societies may face.

Table 1. Global growth in urban share by region, 1990–2005.

<table>
<thead>
<tr>
<th>Region</th>
<th>Southeast Asia</th>
<th>Sub-Saharan Africa</th>
<th>Latin America and Caribbean</th>
<th>Europe</th>
<th>North America</th>
<th>Viet Nam</th>
<th>Thailand</th>
<th>Indonesia</th>
<th>Cambodia</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 share (%)</td>
<td>43.8</td>
<td>35.2</td>
<td>47.8</td>
<td>77.4</td>
<td>72.2</td>
<td>80.7</td>
<td>26.4</td>
<td>32.3</td>
<td>48.1</td>
</tr>
<tr>
<td>1990 – 2005 Urban Share Growth Rate (%)</td>
<td>38.6</td>
<td>25.3</td>
<td>40.5</td>
<td>9.2</td>
<td>2.3</td>
<td>7.0</td>
<td>29.6</td>
<td>9.9</td>
<td>57.0</td>
</tr>
</tbody>
</table>


Unmanaged Urbanization and the Underclass in the Developing World

Some scholars of globalization and urbanization have usefully drawn the connection between contemporary urbanization in the developing world and historical urbanization in the West (e.g. Abu-Lughod, 1991). The UN estimates that the world has become over 50% urban in the past several years, with the share of the world’s population living in urban areas growing by 13.2% between 1990 and 2005 (United Nations, 2005). Table 1 shows the extent to which urbanization in Southeast Asia, China, and Sub-Saharan Africa has outpaced all other regions of the world.

Such rapid changes have placed unprecedented pressure on existing city infrastructure and the built environment. In particular, the housing stock in developing cities cannot keep pace with immigration, and new urban residents are forced to find shelter in the interstices of the existing urban footprint or build out on the edge of existing urban areas. While this process presents numerous problems regarding the state’s responsibilities in providing basic infrastructure such as water and sanitation (see Spencer, Meng, Nguyen, & Guzinsky, 2008), it also has led to unplanned and uncoordinated settlement and the creation of new towns and neighborhoods outside of the management authority of the state.
Some have called this kind of urbanization in the developing world peri-urbanization (Mbiba, 2002), and scholars have come to recognize that the patterns of uncoordinated development can lead to serious problems of equity in the distribution of basic infrastructure (Orfield, 1997; Spencer, 2007a). While this consequence in access to basic services is important in the relatively short term, there are longer-term socioeconomic consequences that may be more difficult to mitigate. In particular, the uncoordinated development of new settlements risks the creation of a form of social and spatial residential segregation immune to the capacities of state antipoverty policies in the future.

If the long term socioeconomic impact of the process of peri-urbanization shares characteristics similar to the residential segregation that occurred in the US during the twentieth century, then analysts of the long-term prospects for urban development in Southeast Asia should attempt to draw out the lessons of the US. In particular, leaders in these cities might consider where their region falls in regard to the four stages outlined above. Metropolitan regions in Southeast Asia have seen rapid industrialization and settlement growth since 1990, which largely continues today. On the leading edge of this development trajectory are Manila, Bangkok, and Jakarta, while cities such as Ho Chi Minh City, Ha Noi, Phnom Penh, and Surabaya have seen more recent spurts of growth. The former group have already found their way well into Stages 1 and 2, as globally integrated industries have led to very high rates of in-migration and urbanization, which has led to a 2005 national urbanization rate of 32.3% in Thailand and 48.1% in Indonesia, for example. Regions such as Ho Chi Minh City and Phnom Penh, for example, remain relatively lower in urbanization rate, but are now beginning an industrialization and in-migration trend that seems likely to continue along the same trajectory for the foreseeable future. Neither category seems further along than the middle of Stage 2, where in-migration into major metropolitan areas leads to the creation of differentiated and segmented neighborhoods along socially constructed—not economically constructed—lines. Because of this stage of urban development, it is not clear exactly how cities in Southeast Asia will socially segregate themselves. In most cases, there is no obvious marker of socially/culturally constructed differences upon which to base settlement choices—as race, immigrant status, ethnicity, and other social classifications were in the US context.

On the other hand, there are likely other sociocultural structures for urban differentiation. Religion, for example, may be one way that urban communities self-segregate in a market economy, as is likely the case with urban Muslims in Bangkok (Omar Farouk Bajunid, 1992; Scupin, 1998). Similarly, immigration and language status may be an axis for the creation of social segmentation, as with the Cham, Khmer, or Chinese immigrants to Ho Chi Minh City, similar to the residential segregation experienced by the Cham minority in the Mekong Delta’s ‘cosmopolitan periphery’ (Taylor, 2007). Finally, provincial and ‘hometown’ forces may be pulling different categories of residents into socially identified urban neighborhoods, as may be the case with Isan (Northeast Thailand) residents not only of Bangkok (Jampaklay, Korinek, & Entwisle, 2007), but also of Singapore (Kitiarsa, 2006). While little empirical work has been done on these patterns, they may be setting the stage for the creation of a residentially segregated urban underclass in the future.

Scholars of the region have begun to debate the development of urban communities facing stigma of agricultural practices in modern cities (e.g. Bunnell, 2002), and have long made the case that as cities grow in size, residents need to find community- and neighborhood-level social identities to make urban landscapes places more ‘human-scale’ as long-term sites of residence—a process that Friedmann (2007) and Martin (2003) call ‘place-making.’ In short, as residents of a new, larger, and more industrial city commit to long-term residence, they...
search to create those forms of social differentiation and identity. Initially, as is the case today, these identities function to fill the economic and social gaps with increased opportunities that come with urban development and rapid change. If one is to heed the example of the US underclass, this residential differentiation and segregation may not be an unqualified good in the future, however. Rather, they may evolve into the gated communities and urban ghettos and barrios seen today in the US. In this way, the process of the development of urban ‘communities’ may outlive its function as a mechanism for promoting social equality.

**An Alternative Scenario for Viet Nam**

Since 2000, Viet Nam has been a noted example of market globalism based in non-market philosophies and ideologies (Arkady & Mallon, 2003; Fforde & deVylde, 1996). In part because its history of Socialist planning provided a relatively clean opportunity to create new market structures with the passage of Doi Moi in 1986, and in part because of its insulation from the financial crisis of 1997, which hit its Southeast Asian—in particular Thailand and Indonesia—neighbors particularly hard, Viet Nam has grown and industrialized production of export commodities at an astonishing rate through the use of market reform. For example, in 1993, through simple changes in land laws, the country went from a net importer of rice to the world’s third largest exporter. In 2000, with the signing of a Bilateral Trade Agreement with the US and the loosening of regulations on the growth of enterprises, Viet Nam became one of the world’s leaders in seafood processing export. The country’s entry into the WTO in 2007 suggests that these major changes in the economy and settlement will continue into the foreseeable future.

It is also clear that Viet Nam will urbanize rapidly over the next several decades, as China has done within its own communist government structure, and Indonesia and Thailand have done within a structure of lightly regulated markets. Consequently, the local change in Ho Chi Minh City and Ha Noi will face the challenges only now emerging in Beijing, Shanghai, Bangkok, and Jakarta sometime within the next 20 years. To wait until 2029 to address emergent urban differentiation and the formation of structural and intergenerational inequalities risks cementing a permanent urban underclass into the social fabric even before it is clear which socio-cultural group this may be.

If the cautionary tale of urbanization and industrialization of market development in the US is placed into the Southeast Asian context, one might think about how to simultaneously nurture an urban identity and a sense of mutually supportive urban society, taking seriously the assertion that the urban physical environment is the only visible representation of social and political dynamics (Mumford, 1937). Over the next 20 years, informal settlements in Vietnamese cities will have had a chance to span at least two generations, thus producing the conditions and evidence for an intergenerational cycle of urban place-based poverty. Vietnamese citizens will likely become increasingly afraid of this intergenerational urban poor, whether their challenges have led to explicit unrest and protest or not. Additionally, cost of living increases in urban Viet Nam will have put an affordable urban lifestyle out of the reach of many new and old residents. Finally, the creation of an urban real estate market will nurture a class of urban landowners controlling the cost of housing and other daily needs whether they live there or not.

These trends argue for a much broader vision of ‘public space’ that focuses on the spheres of public co-dependence. In particular, they argue that attention to both the physical and institutional backbone of Viet Nam’s urban areas need to be strengthened. Without such strengthening of this socio-spatial public sphere, three aspects of industrialization and development in Viet Nam are particularly worrying: the development of a market economy without coordinated state
structures for the management of new institutions and settlements, residential and economic segregation of the major cities, and the development of new towns and gated communities.

New Institutions and Settlements

The Mekong Delta regions of Viet Nam illustrate the dilemma posed by the first aspect. Since 2000, the Mekong Delta’s provinces have become one of the major economic engines driving Viet Nam’s growth. In particular, the export of fish and agricultural products has transformed the growing and raising practices of local farmers (e.g. Thanh, 2003), focusing their efforts on international markets. These economic changes, I suggest elsewhere (2007a), have been accompanied by new market institutions such as business associations and brokers that lie largely outside of conventional regulatory practices of the state, and have led to haphazard settlement based on highly localized arrangements for the provision of services. In the water sector, for example, the peri-urbanization of Can Tho has led to a highly decentralized governance structures that hinders regional planning for environmental and likely social objectives (Spencer, 2007b). In short, the marketization of the Mekong Delta’s economy has concentrated new economic activities in one of the major settlements (Can Tho City), creating pressure for in-migration in the absence of effective government planning for urban expansion that provides sufficient incentives for the creation of new communities. In the absence of these incentives, in-migrants will move to live with family members, ‘dong que’ (shared hometown) acquaintances, or religio-ethnic compatriots. This lack of centralized coordination of new settlements places the burden of urban services on local community actors interested primarily in their own viability. At this stage these communities will be largely socially differentiated, though not necessarily economically differentiated.

Residential and Economic Segregation

At the same time that Can Tho and the Mekong Delta are centralizing economic production in urban settlements and creating a high likelihood of socially differentiated urban communities, Ha Noi is developing by expanding outward. As of 1 August 2008, the City of Ha Noi included what had been until then the neighboring province of Ha Tay. This incorporation of a formerly rural administrative unit is an attempt to rationalize the administrative structure of the region with the actual location of residence and economic activities, since prior to the recombination, the settlement and economic activity of Ha Tay was largely indistinguishable from Ha Noi. As with US cities such as Albuquerque, New Mexico, such an effort was partly designed to limit inter-municipal ‘races to the bottom’ that occur when different administrative units offer increasingly lucrative competing packages for investment in the same metropolitan region. Such competition tends to eliminate any cross-subsidy of poor neighborhoods or other spatial characteristics (e.g. tax rates, environmental conservation burdens, public education, etc.) seen to be unattractive to investors. This administrative move, however, is small when compared to the overall growth of the Ha Noi regional economy, in which traditional industrial economies associated with Craft Villages increasingly compete with new industrial development in global production chains. Global investment usually happens in the areas just outside of the Ha Noi City limits, where land is cheaper and access to cheap labor may be easier. This suburbanization of the economy is well underway, and provides jobs for migrants from rural areas. Over the next 20 years, middle-class residents will likely soon follow these jobs into outlying areas. Today, there are many housing development projects in Bac Ninh and other surrounding provinces of Ha Noi,
whose intent is to house mid-level managers and other upwardly mobile workers in the global investment economy. To date, however, these developments have not proven sufficiently attractive to Ha Noi residents. As the cost of housing increases in central Ha Noi, and as traffic becomes increasingly time- and money-consuming, the incentives for middle-class out-migration from downtown Ha Noi is likely to increase. If urban fear and insecurity accompany these barriers to a comfortable urban life, and if outlying administrative districts are able to provide adequate basic services, the conditions for a collapse of the urban middle class will have been set.

New Towns and Gated Communities

Finally, the creation of private new towns and gated communities risk exacerbating the socio-spatial patterns emerging within Can Tho, Ha Noi, and other cities. Economic growth powered by private investment (both domestic and global) in Viet Nam has led to a churning of existing socio-spatial identities. Both new and old urban residents are engaged in a competition for upward social and—to an increasing degree—spatial mobility. The booming economy has facilitated the former, but state action has been slow to manage the latter. In the absence of a strong state hand in either the provision of or management and regulation of new communities, the private sector will continue a monopoly in creating opportunities for that spatial mobility. To date, the largest new town projects have been undertaken by private corporations. In particular, Ciputra in Ha Noi and Phu My Hung in Ho Chi Minh City have secured large tracts of urban land to construct large residential developments targeted at the growing Vietnamese and foreign middle classes. While important in providing improved and comparatively affordable housing options for the upwardly mobile urban middle class, these developments facilitate economic differentiation, and likely socio-cultural differentiation. In the absence of regulations against discriminating on socio-cultural or economic grounds, such developments will increasingly house a differentiated and influential middle class. Moreover, since their services (transportation, water, sanitation, etc.) are provided—as is the case in Can Tho—on a local basis, their shared interests with the larger city and the less well-off, either economically or socially, are limited, thereby creating the conditions for a socio-spatial urban under-class to develop.

Policy Dilemmas

Attention to the slow progression of these three related trends suggests at least two policy dilemmas. First, as urban and peri-urban economic actors have taken advantage of national market reforms, an increasingly complex and differentiated array of local economic actors has evolved to play a more significant role at the local level. Simultaneously, the national government has decentralized decision-making authority to some degree, but failed to allocate sufficient financial, human, and other resources to allow local government to manage and plan the increased role of market actors at the local level. In the absence of such governance capacity, local officials have become market actors themselves in some cases, taking a market—and perhaps overly entrepreneurial—approach to the provision of government services.

Secondly, the new settlement patterns emergent from industrialization in Viet Nam have called into question the basis for national governance. To date, the citizenry of Viet Nam has had a limited direct relationship with the national government due to the government reliance on local representatives to implement central decisions. In large part, this relationship was
established during the post-1975 period, during which financing for local projects came largely through international sources such as the Soviet Union, which worked through ministries based in Ha Noi, but with representation down to the commune and ward level. With the withdrawal of Soviet assistance in 1991, the national authorities lost influence as their ability to fund local governments diminished. In the absence of a national income tax code for individuals, this weakening of the local—national state relationship meant the loss of centralized state authority over local state, economic and individual actors. Viet Nam’s major social support systems have always been based on local government, or ‘places’. For example, antipoverty programs are always implemented through local commune or ward people’s committees who decide which families meet the criteria for living in poverty. In the absence of ‘people-based’ policy tools comparable to a national income tax code, there is no way to achieve social objectives without a cooperative and empowered local government. Thus, at precisely the moment when local government is asked to play a more independent and sophisticated role in managing local economic actors and public services, its ability to understand and react to local issues is diminishing, as is its ability to act as an independent authority.

Precursors to Cementing Inequalities: Four ideological Cages

The preceding argument is by definition speculative. However, if my depiction of Viet Nam in 2030 is at all accurate, there are some ideological cages that planners and policymakers are caught in that will likely seem increasingly constrictive over time. In particular, conventional notions about the market, policy targets, communities, and planners—I believe—will need to be re-evaluated in the coming years.

Historically, there has been a conflation of market and state actors in Viet Nam that has become increasingly unwiable with respect to the development of persistent urban inequality. Since independence, Viet Nam has had state-owned enterprises and agricultural collectives and co-operatives that managed production of goods and services. Since the mid 1990s, these quasi-state entities have been increasingly opened up to competition from domestic and international competitors, thereby undermining the social and public functions that they historically played. While there remains an often tight relationship between state-run economic institutions and local governments, there is a growing need to establish independence among local government institutions that allow them to regulate for the creation and preservation of basic public goods. I have argued elsewhere that new settlements have created new kinds of incentives and relationships between the local state, public goods, and the private sector that do not conform well to conventional understandings that the state exists to place bounds on the private sector (Spencer, 2007a).

Additionally, the assumption that local, place-based government is the primary vehicle for the relationship between the state and citizen may limit options for addressing the evolution of an urban underclass. The theory of governance in Viet Nam must address the mobility of people across and within the conventional spatial structures of local authorities. Historically, the existence of a Ho Khau system for household registration has required local residence as the basis for receiving any state services such as education, health care, and housing. As migration continues, and the social differentiation of communities develops in cities, local governments will have an increasingly difficult time determining who is ‘local’ and who is ‘non-local’. Without clarity on this categorical definition, the connection between public decisions at the local level and the populations they affect will become increasingly tenuous. Moreover, this lack of clarity on the beneficiaries of local public goods will force local officials to resort to personal connections.
and haphazard allocation of resources potentially divorced from social objectives such as limiting the evolution of an urban underclass.

Finally, conventional notions of what an urban planner is and does need to evolve in Viet Nam to adapt to the changing circumstances and challenges defined above. In particular, the institutions overseeing the economic development and settlement of cities and their neighborhoods seem mismatched to the tasks they are asked to address. In particular, architects and engineers will be asked to manage the socio-cultural differentiation of urban Viet Nam with tools unsuited to the task, while economists and sociologists focus on national-level issues.

Inattention to dilemmas such as these risks the—literal—cementing of socio-spatial inequalities into the Vietnamese urban landscape. In particular, a failure to consider the policy choices that drove the historical urbanization and industrialization of other market-based urban transitions places the larger socio-spatial public sphere at risk. The ways in which housing, transportation, and environmental policy choices create physical spaces that either integrate or segregate cultural and economic communities in urban Viet Nam are particularly important. They are also the most complex urban landscape questions that planners must face in the coming decades.

References


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