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Ideology and Power: impact on the shape of cities in China and Vietnam

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How ideology and power shape cities?

It is often said that large cities tend to look more and more alike. Starbucks, McDonald's and Prada shops are now found everywhere. Globalization shapes the urban landscape into a uniform savorless blend without identifiable local content. Or so is the usual lament that has become the favorite cliché of travelers and urban commentators.

Nothing can be further from the truth. Cities are developing very differently. The international brand names found in most cities are just anecdotal. While the global brand names have a high visibility for the casual visitor, they have no influence on the structure of a city and have little impact on the way urban citizens live, move around and enjoy urban life or, still too often, suffer hardships in the pursuit of their daily activities.

The faster cities develop the more different they become. And nowhere do they develop as fast as in Asia! The urban population of China has increased by 437 million between 1990 and 2011 or by more than twice the total population of Brazil in 2010! Yes, a few more McDonalds may have been added in the process but this is completely irrelevant to the shape taken by this massive urbanization expansion. What forces are shaping Chinese and other Asian cities? And what differentiates them?

Ideology justifies and distributes political power; political power allocates land between users; land users build and shape cities. This simplified chain of postulates will guide us on the path that links ideology to urban shape. While using the urban development case studies from two countries with similar ideology – China and Vietnam – we will see that a slight difference in the way power is exerted results in startlingly different patterns of city development.

The current ideology in China and Vietnam and its impact on land use rights

There are not many ideological differences between the two communist parties that rule China and Vietnam. In both countries the legitimacy of the party rule is now justified by technocratic efficiency rather than by Marxist revolutionary ideology as it has been in the past. It is not by chance that most members of the China politburo are engineers rather than revolutionary ideologists. Both regimes are now ruled by the dictatorship of capable and self-confident technocrats rather than by the dictatorship of the proletariat.

The constitution of both countries, however, still stipulates that " the land belongs to the people". This slightly misleading statement means that the States owns the land. Practically, the state ownership of land means that a number of state bureaucrats manage land in the name of the people. But because people need land to work and to live the State is willing to lease them the right to use the land for a fixed period.

Ideology: the land belongs to the people

During the period of reforms that started in China and Vietnam during the eighties, urban housing units , which used to be under various forms of rental public housing, were privatized and given to their occupants free of charge or for a nominal fee. The new owners were in a later period authorized to rent or sell their property at market price. However, the land on which the property is built remained under state ownership. The security of fixed private investments made on the land depends therefore on the good will of the owner of the land, i.e. the bureaucrats managing the land leased to households and firms.

The rights to use the land (not its ownership who always resides with the State) are different depending on a household geographic location. The populations of China and Vietnam are divided into two groups with distinct land use rights: peasant and city dwellers. Peasants have permanent collective land use rights while city dwellers are only long lease tenants on the land their dwellings occupy. Peasants cannot sell their collective land use rights but they can rent it to outsiders who are not part of the collective. The state can get back the land it has leased at any time but must compensate land users for the cost of buildings and in the case of farmers for the lost revenue from crops. However, because the State is the owner of the land it does not have to compensate land tenants for its market value.

Urban dwellers who are owners of their housing can sell it to other urban citizens at market prices. The transfer of the property includes the land lease from the State. The market price of an apartment in China and Vietnam reflects its location and, therefore, includes not only the value of the structure but the full market value of the land on which it is built, although the land itself is not sold; only the building is.

Farmers own land use rights collectively and contrary to city dwellers cannot sell this right without the state being an intermediary and fixing the compensation price. However, farmers have much more freedom to build whatever they like on the parcel of land allocated to them by the village collective.

Another particularity of the system is that a number of villages are enclaved within the municipal boundaries of large cities and their inhabitant works in urban industrial or service jobs and not in agriculture. Even in this case they are still considered to be farmers in terms of land use rights. I will discuss below the planning implications resulting from these village enclaved in cities (urban villages).

How one becomes a farmer or city dweller? One is born that way. In China, each household is registered in a specific location, village or city; this registration is called "hukou". A farmer immigrating to a city and wanting to become a city dweller requires a special change in registration. An urban "hukou" may or may not be obtained after many years of work in a city; it is not a right but a special privilege. Sometime it is obtained as part of a relocation agreement when a farmer's house is demolished. A city dweller cannot become a farmer, under any circumstances.

In Vietnam, a similar household registration system exists (Hộ khẩu). However, since the economic reforms made in 2008 it is not as constraining as it is in China. In both countries the hukou system was created to control migration by the centrally planned economy. City managers are in general reluctant to provide hukou to migrants because it requires the city to provide social services and old age pension to all resident. Keeping urban migrant labor under a rural registration saves a lot of money for the city.

How does the political power allocate the land?

Municipal governments in both China and Vietnam have an amazing power over land development and land use compared to their counterparts in traditional market economies. First, land conversion and land development is a state monopoly. The municipal government, as proxy for the State, is alone able to convert land from rural to urban use. In addition, the State can revoke any urban land use lease it has already given, irrespective of the date of the lease expiration. However, it has to pay compensation for the investments made on the land by the land user.

How is this astonishing power over existing and prospective land use exerted in Chinese and Vietnamese cities? So far, we have seen that the ideological and political power contexts were very similar in China and in Vietnam. By contrast, the way the absolute power over land development is exerted is quite different in the two countries. To illustrate these differences I will describe through two case studies how local governments in China and Vietnam approach land development, first, in existing built-up areas in central parts of cities and second, in green fields where land has first to be converted from rural to urban use before being developed.

Divergence in the redevelopment of inner cities in China and Vietnam

At the start of the economic reforms, the historical core of Chinese and Vietnamese cities was occupied by dense traditional courtyard housing on one or two levels mixed with government buildings and small industrial sheds. In addition, the immediate periphery of the urban core contained rental housing estates built by state enterprise for their employees. In both countries very little investments had been done in these areas between the revolution and the reform period of the eighties. As a result, the inner cities were overcrowded with poor sanitary conditions and few amenities. The enormous additional resources generated by the economic reforms after the eighties allowed both the government and the recent owners of buildings to transform these inner cities areas in a way that is unique to the region. While the State is still the owner of all land in both countries, the redevelopment of inner cities has followed a completely different path in China and Vietnam.

In China, massive demolition and reconstruction of inner city areas by large developers

The center of Chinese cities have been redeveloped at a large scale since the beginning of the urban reforms of the 80s with initially very little interest in historic preservation, except for buildings inside which an historical revolutionary event took place. However, interest in preserving ancient historic architecture has been increasing recently. From the 80s to the mid 2000s the large scale demolition of ancient neighborhoods has been conducted with abandon and extreme speed as will be shown in the Tianjin case study below. What has been the process used and what has been built to replace these ancient neighborhoods?

Tianjin - Land recycling in 4 census districts in the city center
(Xi bei Jiao, Dong bei Jiao, Dong nan Jiao and Xi nan Jiao
Source : Google Earth

Figure 1: Tianjin: the redevelopment of the walled city

In China, the local government has been responsible for the massive demolitions, relocation and reconstruction of the dense inner part of cities. Millions of people have been displaced and relocated. In a typical project, the local government relocate current inhabitants, clear the land and allocates or auctions the now vacant land to a developer that can be a private company or a state own enterprise. There is a prior agreement over what can be built very similar to a building permit process. However, the developer, whether public or private can propose a project that differs markedly from the master plan and zoning plan. Because, clearing already built land is expensive and because there is an economy of scale in doing so, developers who bid for the land have to be large and well capitalized enterprises. These large enterprises financing large projects tend to build large megastructure. The destruction and reconstruction of the ancient walled city of Tianjin illustrates this point.

The old walled city of Tianjin covered an area of 200 hectare with a population of 106,000 people according to the 2000 census. The area of the walled city is shown by a red dotted line on *Figure 1* . In 2000 the area was still occupied by a dense maze of courtyard houses with a few shopping streets with petty commerce and restaurants (top image on Figure 1).

In January 2004, the area had already been entirely cleared of its population, relocated in flats in the periphery (middle image on Figure 1).

In Aug 2011, the area had been entirely rebuilt with large high rise apartment buildings on the periphery of the site, community facilities and low rise residential building in the more central locations. In addition, a "cultural street" had been built along the North South axis, reproducing "à l'identique" the restaurants, theaters and shops of ancient China.

This massive redesign of the historical part of Tianjin illustrates the power of the local government in managing urban land use, even when it involves displacing more than 100,000 people in the process. The project resulted in a complete transformation of the urban landscape from a dense fabric of small individual lots served by mostly pedestrian streets to large estates of "cite radieuse" like skyscrapers. The original land use rights fragmented between about 25,000 households in 2000 has been consolidated into about 16 lots of about 12 hectares each auctioned to developers, who then sold apartments, offices and shops to the new occupants.

The speed of implementation and the absence of phasing demonstrate the logistic skills and the flawless coordination between the many municipal departments that must have been involved in the project, such as social services, utilities, legal services for land use rights auction, valuation, etc.

In Vietnam, the government let current users of land redevelop their lot in inner cities

Contrary to the bulldozer-happy Chinese, the Vietnamese government has been very reluctant to demolish any existing residential buildings on a massive scale. The demolitions have been restricted to some modest street widening projects and some reconversion of obsolete industrial land replaced by isolated skyscrapers or by department stores. Simultaneously, the rapid increase in households' income since the start of the economic reforms has allowed land users to redevelop their own buildings with a minimum of regulatory constraints.

In the downtown area of Hanoi, for instance, owners of land use rights are allowed to redevelop their lots, often not larger than 5 meters wide on a depth of 20 meters. The example in downtown Hanoi shown on *Figure 2* is typical of the policy and its physical outcome.

Figure 2: Hanoi: redevelopment of small lots with high floor area ratio

The building of *Figure 2* was originally a typical shop with an apartment above built on a lot of about 100 m2 on two levels. The owner of the plot's land use rights, took full advantage of the high land value in downtown Hanoi and built an 8 level structure on this small plot. The building includes a woman fashion shop on 3 levels and apartments on the upper levels. The design is striking by its celebration of individuality, originality, and includes in its details hints of past cultural traditions.

This type of building representing a large investment by an individual household demonstrates the confidence that people have in Vietnam that the power on land conferred to the government by the political system will not be abused.

As can be seen on the picture of *Figure 2*, not all lots in downtown Hanoi are developed in a similar fashion. Some land users have been able to consolidate several plots to build more traditional structures on 3 or 4 levels. Some blocks have been entirely redeveloped to build a skyscraper, but no large scale project in the downtown area has involved the large consolidation and auctioning of land use rights as shown in Tianjin walled city or in many other land redevelopment projects in other cities of China.

The development of land in the city periphery

The fast rate of urbanization in China and Vietnam requires developing large areas of land in the periphery of cities. The way it is done and the type of project developed show the divergence of approach in the two countries, in spite of their similar ideological background concerning land ownership.

The countryside in the immediate periphery of large cities of China and Vietnam is already densely populated by a network of compact villages. The density is such that a significant number of farmers are absorbed into urbanization without having to migrate to cities. The city comes to them rather them moving to the city. The presence of large rural population in the periphery of large cities of Asia presents challenges and opportunities. With their wide land use control powers, China and Vietnam have responded to these very differently.

In China mega projects and demolition of villages is the usual practice

In China, the extension of cities in their periphery is constrained by land conversion quotas established by the central government since the early 2000s. The central government is concerned that the conversion of large area of arable land into urban use might one day results in national food shortage. For this reason, the government has established yearly quotas on the conversion of arable land that severely limit the spatial extension of cities. The power of a central government to fix the area of land to be developed yearly is of course clearly dependent on its ideology.

The land use conversion quota system greatly influences the shape of urbanization in several ways. The area currently occupied by the housing of farmers living in the villages that surround cities is not considered under agricultural use and therefore is not limited by quotas. The collectively owned village land has therefore acquired a higher value since the quotas were imposed because the quotas affecting vacant agricultural land are not applied to them. In the 80s before the quotas were imposed, Chinese planners carefully avoided the areas occupied by villages and developed only the unbuilt agricultural land to avoid the relocations cost that would have been involved if the villages had to be demolished. With

the enforcement of the land conversion quota, planners do the opposite and redevelop existing villages at much higher densities as the cost of relocation has to be absorbed by the sale of apartments.

The picture of *Figure 3* shows a typical farmer's courtyard house in Tianjin just before demolition.

Figure 3: Tianjin: Farmers housing before demolition (2005)

The aerial views of successive Google Earth images taken in 2004 and 2011 show the transformation of a suburb of Tianjin further illustrating, first, the preference of Chinese planners for large projects built by large well capitalized developers, and second, the influence of land quotas on urban shape in China.

The view on the left of *Figure 4* shows the land use in the northern suburbs of Tianjin in 2004. A large part of the land is still agricultural with some industries and apartments projects built along the main radial road leading to the center of Tianjin to the South. Most of the built-up area is occupied by villages shown surrounded by a red line on the view. The houses in these villages are similar to the one shown on *Figure 3*.

The view on the right of *Figure 5* shows the development in 2011 with high rise apartment projects covering most of the areas occupied by villages in 2004.

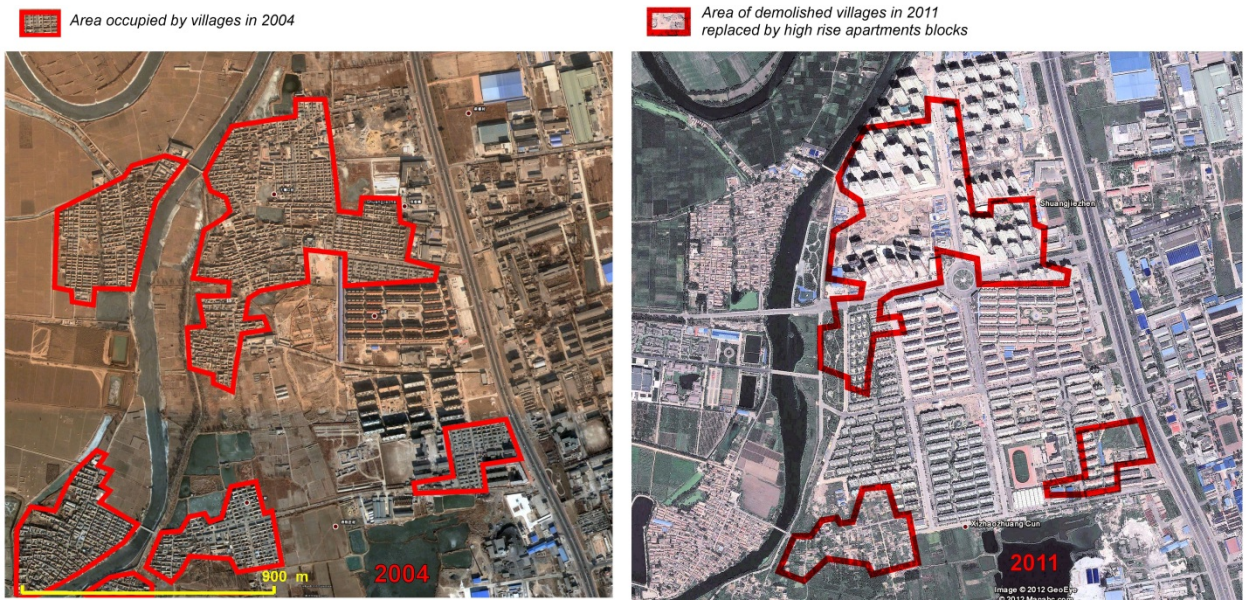

Figure 4: Tianjin: Land development at the North of the third ring road

Some of the large high rise apartment buildings are similar to the ones shown on *Figure 5* built on seven levels. The newer residential projects still being completed in 2011 located near the top of the image shows apartments buildings of 32 floors. As the city expands and the land conversion quotas become tighter, land as a result becomes more expensive and therefore the density has to increase. This is not what would be expected in a market economy where densities would be higher closer to the city center than in the periphery but in China, the land conversion quota system has this side effect.

Figure 5: Tianjin: new housing built North of the third ring road

In China, the extremely high power exerted by the government in controlling land use, whether by imposing land conversion quotas or by displacing residents, results in a changed urban form and probably in the long run into a donut shape density profile that would results in longer commutes than would have been the case in the absence of quotas.

In Vietnam mega projects and skyscrapers coexist with individual townhouses in preserved but densifying villages

As in China, the countryside at the periphery of Vietnamese city is heavily populated by farmers who inhabit large villages. The government auctions formerly agricultural land to developers to build megaprojects, but, contrary to China, they carefully avoid already built village areas and integrate them in the new development by providing increased access and community facilities.

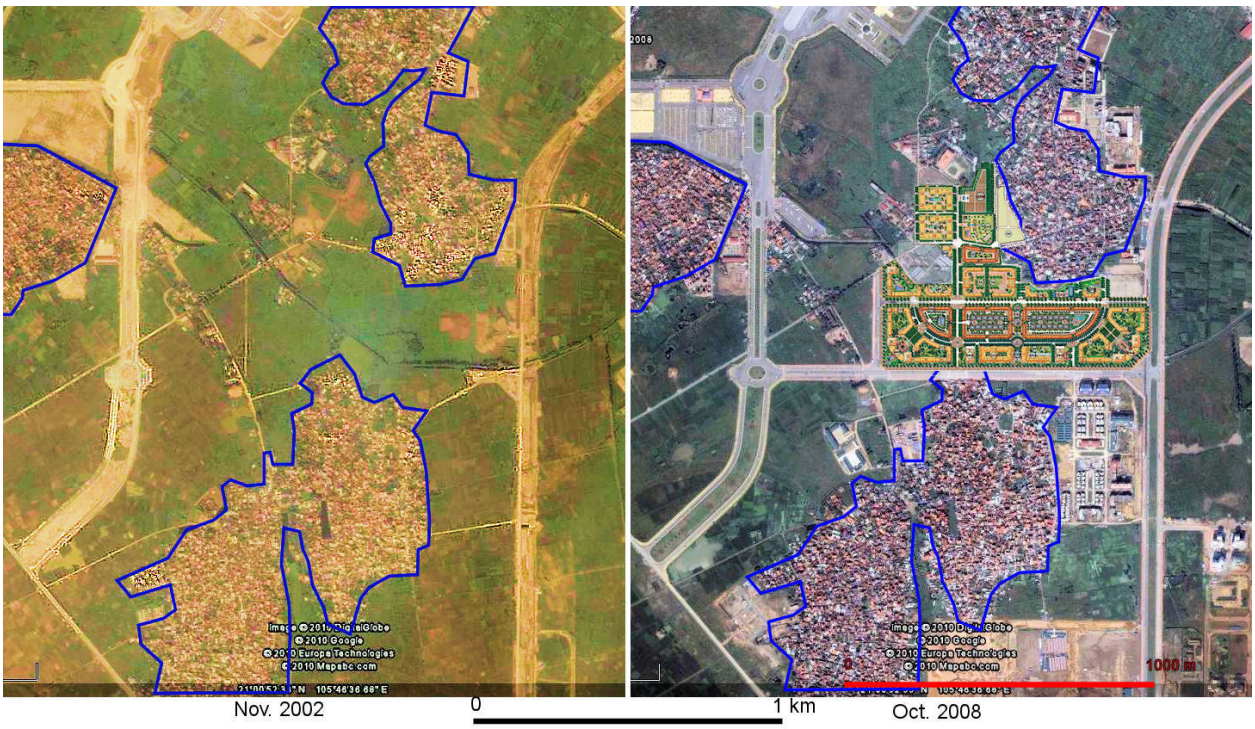

Figure 6: Suburban development in the Western part of Hanoi

The development of the periphery of cities in Vietnam is quite different from the one just shown in China as can be seen on the two chronological images shown on *Figure 6*. On the left image, showing the land use in 2002, we can see the initial construction of major trunk roads that will structure the new area which is entirely occupied by fields and dense villages. The right of way of major roads carefully avoids encroaching on existing settlements.

On the image on the right we can see the completed major roads together with two large developments with high rise buildings filling the space between villages but without encroaching on them. A number of smaller extensions can be seen around the villages and corresponding to new community facilities.

As in China, the land development process seems extremely efficient, in particular the perfect coordination between the construction of large infrastructure projects and the land development itself.

Figure 7: Hanoi western suburbs- view of large formal project from a major suburban road

The large formal projects being built in the area shown on *Figure 6* includes mixed development consisting of luxury apartments, shopping centers and large individual houses. This formal development is directly connected to the new primary infrastructure network from which the picture shown on *Figure 7* has been taken.

Meanwhile inside the villages, the infrastructure has been upgraded and farmers have usually built additional floors. Contrast the width and design of the new major roads shown on *Figure 8* with the narrow pedestrian lanes inside the adjacent farmers' village. The bold trade-off made between street space and private plots reflects the demand driven and not regulations driven land use in the urban villages of Vietnam. Like in China, land within urban villages is allowed to follow traditional patterns. The tall town houses often include rooms that are rented to new urban migrants, contributing to a new flow of housing affordable to low income households.

Figure 8: Inside an upgraded urban village in Hanoi

Contrary to China, new formal land development projects outside urban villages often include small lots whose land use rights are sold to individual households who build modern versions of the traditional townhouse found in the older parts of the city (*Figure 9).*

Figure 9: New individually developed town house in a suburb of Hanoi

Ideology matters, but the restraint in using political power is more important in shaping cities

In China and Vietnam an identical ideology legitimizes political power. The logic of the ideology includes land state ownership for the entire nation. As a result, the political power invested in local authorities allows them a control over urban land use that completely dwarfs the zoning and planning power invested in Municipalities in traditional market economies in the Western World.

In reality the way the power over land is actually used is very different in China and in Vietnam in spite of a similar ideology.

In China, an obsession with efficiency leads to ruthless decisions over massive relocation and large mega projects where full control over land use and complete coordination can be achieved. The government through the land development process takes away the fragmented land use rights of current users, consolidates these rights into the hands of few large developers who in turn redistribute those land use rights to housing and commercial buildings end-users.

The impact this development process has on urban form is not hard to guess: it results in efficient and well-coordinated infrastructure and community facilities in large megaprojects with few designers and little opportunity for self-expression or differentiation. Individualism and the idiosyncrasy of urban forms are sacrificed to efficiency at the scale of the project. The result is impressive on the ground and in aggregated statistics. However, as I have hinted in my comments over the resulting densities of Tianjin Northern suburbs, I am not certain that project efficiency results in overall city efficiency. Possibly, following Adams Smith, in large cities the sum of individual initiatives may results in a self-organizing growth process may result in a more diverse, a little messy but still efficient city. In the case of Chinese cities it is too early to decide. We must however admire the incredible logistic effort that has allowed the orderly urbanization of 437 million people in less than 20 years.

In Vietnam, by contrast, the same power over the control of land has been exerted with much greater restraint. The power of the state has been used mostly for the creation of primary infrastructure. Much more regard and respect has been given to traditional urban form. Households, endowed with the same type of land use leases than in China, have enough confidence in the government's restraint in the use of its power that they are able to invest and build on their lots the structures that best please them. This was done within the framework of benign land use regulations that many traditional western market economies might envy.

It is still too early to pass an overall judgment on the quality and efficiency of urbanization in Vietnam and in China. Urban transport is still a challenge that has not been answered for the very large and very dense cities of Asia. However, urban planners from the rest of the world should monitor and admire the extraordinary vitality and invention that is contributing to the orderly urbanization of hundreds of millions of people.

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