

# **Restructuring driving force of change**

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## **1. Introduction**

Over last decades developing countries have received many grants to improve their planning capacities. Planning paradigms transferred to the South have widely used in the 'North' such as strategic planning, participatory planning, enablement/empowerment, public private partnerships, decentralisation, land regularisation, etc to developing world. It seems that those are enticing choices for developing countries since technical assistance packages are heavily equipped with advanced techniques and international expertise.

There have been many discussions on localising new knowledge and skills in the new context. Optimistic views are confident with information retrieved from surveys and experience. Local needs and contextual constraints assumed well collected via feed back with local experts, and international consultants. Those supported certainty in applying new concepts, new techniques or new systems/new procedures to the South. However, there are integrated and effective views besides applicability. Materialisation of concept is always more complicated than raising debates or planting concepts. Generating effectiveness in operational level requires more than individual capacity. It requires concerted efforts and a capacity to sustain the change in planning system.

Besides, the capacity building itself has several folds. The newly published development book released last month in World Urban Forum in Vancouver defined: 'Capacity building must embrace all three aspects: human resource development, organisational development, and institutional development' (Hague Chris et al., 2006, p 90). At that notion, capacity building embraces not only individual competence, but also organisational and institutional ones.

Those imply thinkers paying attention to the institutional change in planning system. From that perspective, a series of logical questions raised. Firstly, what kind of change capacity building aims at? Which level(s) of change: individuals, organisation or institution? Further, if change goes over one project cycle, then how to identify 'step changes' for each project. Secondly, any change, though big or small all associates with synergetic efforts from different sides: local authority, international assistance, and civil society to facilitate initiatives. So, how to achieve synergies, or how projects are coordinated? Thirdly, the question is ho to make change be sustained with improving capacity?

There are different approaches to answer above questions, however, there is an answer of 'who' present in all problems. For example: whose capacity to target at? Who should be target first? Who will play coordinating role? And who are able to ensure those kinds of changes? Interestingly, who can design capacity building project that really make sense?

As matter of fact, we normally don't have different people, but we have different capacity, and especially different rule of the game, or different incentives. Therefore, to answer above questions, it might go back to very basic question: who benefits and who doesn't from those changes? Basically, it implies: whether the most influenced parties of change have incentives to change or not?

Therefore, this paper raises a question if we have paid enough attention/ more assertion to change the incentives of affecting groups in the capacity building process. This paper does not tackle directly to capacity building projects, however, it uses an analysis on

performance of development control to illustrate how changing incentive structure affecting outcome of control in transitional period. This will give more understanding for possible capacity development projects in paying attention to changing incentives of influenced players for building capacity in urban management.

## **2. Development control performance in transitional economy, the case of Hanoi**

### ***a. Background***

#### *Urban development situation in Vietnam*

Over last 15 years, Vietnam has gone through a transitional period, which transformed comprehensively and profoundly the society. *Doi Moi* (Open door) policy has affected the urban sector remarkably. The urban population has grown was at 3.5% annually, geared up with GDP growth in urban areas reached 10%. The spatial growth was fuelled with large capital resources to investment on infrastructure. The influx of foreign investment, increasing domestic investment, and household's savings<sup>1</sup> resulted in a 'capital switch' to housing and property sector. In Hanoi alone, over 5.6 millions of square meter of new housing have been built in just last five years, equal to the total housing stock in Hanoi before 1990.

Urban management became a major concern with fast urbanisation and changing context. Cities have been facing to many difficulties on pressing demand for growth. Average urbanisation growth rate 3%<sup>2</sup> may not reflect the actual situation in the suburb of Hanoi and Hochiminh city, where growth rate reached to 7% to 10% annually. Those stretched municipality's capacities to meet the pressing need on multiple issues such as lack of developed land, run-down housing stock, infrastructure degradation, poor physical and social environmental management. Besides, the transitional magnified the complexity of control during a comprehensive restructuring process. New legal bases for governing development have compelled public organs continually renew their management capacity.

#### *Planning and control system*

The current Vietnam planning system has a socialist tradition. Previous system principally functioned to allocation resources (land, investment on infrastructure/building), which subscribed to 5 year planned socio- economic development program. The old subsidy economy undermine the role of development control, since most arranged development has been settled in budget planning and economic development plan. Spatial plan and control became a follow-up or State's investment implementation.

By the time country opened up its economy, the development control system has been upgraded to address private development initiatives. Since early 1990, legal system on planning and control has been supplemented and adjusted several times. Old master plan (from old subsidy economy) was replaced by general plan turned planning system to integrate with international physical planning. Delegation of planning from central (Ministry of Construction) to provincial authority speeded up foreign investment at local level.

However, there design of planning system was still embedded in State budget plan to allocate State's resources. Approval and justification was still questionably slow. It seemed that the private sector still has a trivial presentation in the development program. Even nowadays, most plans have vague recognition of private sector (Wilson & Van, 2005).

## ***b. Development control performance in transitional period***

### *Concept*

According to Cullingworth, the traditional concept of development control is **controlling development activities** which **result in the change** of the built environment (Cullingworth & Nadin, 1997). Performance of development control is the performance of the planning system in effectively fulfils the policy, plan ordinances to protect public interests and law. In this paper, the performance of development control is measured by how development conforms to planning schemes and zoning ordinances, indicated by statistics measurement; and how local people satisfy with development and development control activities, including opinions against public nuisances such as aesthetics, encroachment, congested, overcrowded, overshadow problems.

### *Some features*

There are some features of development control in Vietnam. Western countries used statistics and case analysis to measure different aspects of the planning system. Punter and Bell (2000) used number of planning applications, number of violations, time processed and disputes or resolution for appeals as indicator for performance. McKay and Berry (2003) chose qualitative analysis like case study, document content analysis to explore effectiveness of development control. Preece (1990), and later, Gilg and Kelly (1996;2000) used a combination of observation and interview to analyse performance of development control via the decision making processes on licensing and appealing procedures.

However, developed countries differ from developing countries in the type of violation. In UK, development rarely proceeds without a planning permit. The most common infringements of planning control involve failure to respect the conditions attached to a permit and failure to seek a permit for small projects where it may be unclear whether a permit is actually needed (McKay, Berry, & McGreal, 2003, p 328). Developing countries supposed more attached to squatting, or deliberate actions against regulations due to weak enforcement, and/or vague legal framework (UN habitat *et al*). Therefore, the analysis should focus more on why and how it was enforced, who was evicted, who was not, and the actual outcome of control with comparison along historical dimension or spatial dimension.

The transitional context also influences the approach to development control performance in Vietnam. Literature in both East and West emphasized transitional economies in Eastern Europe and China as changing property rights structure (Harloe, 1996; Marcuse, 1996; Zhu, 2004; Zhu, 2002). The change of society in development activities therefore have been perceived as changing incentive of developers: from public to private, and incentives of controllers to protect public interest: from State corporation's plan to conflict resolution. To understand development control relationship, it is useful to apply property rights approach, especially when development control deals with addressing development rights of developers and affected parties by State's authority under regulations and planning ordinances.

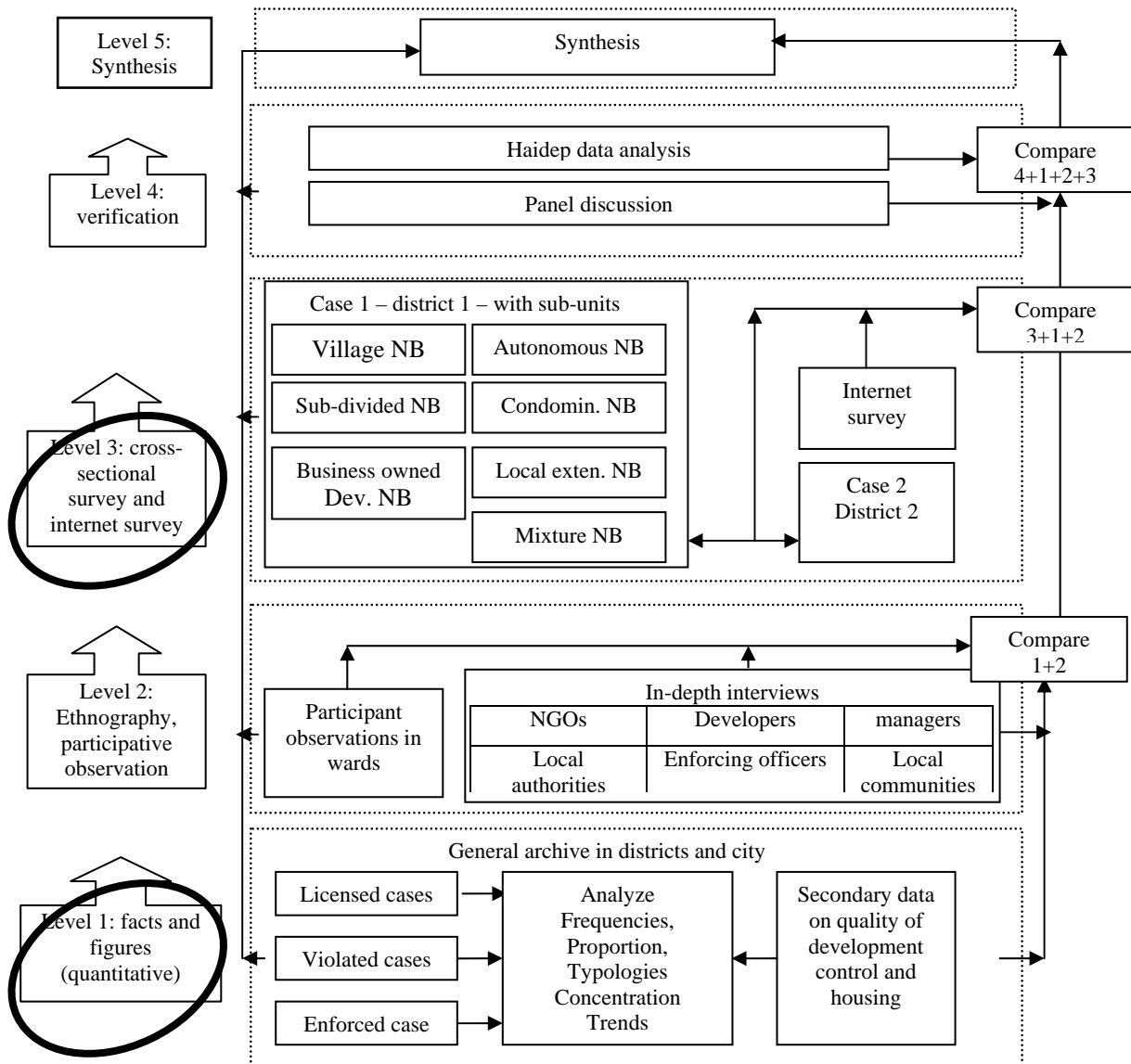
Besides, Vietnam situation request the approach to acknowledge an immature system of control. In Hanoi, for example, there was insufficient archive statistics and unequal planning quality especially for newly set up Districts. It needs the approach to recruit multiple cross-checking measures to support arguments. Further, the performance of development control should have positioned in a changing context, which requires flexible interpretation, with combination of indicators to localise the issue.

*c. Hanoi case study*

*Introduction*

This paper uses data from a survey on development control performance in Hanoi taken in 2005 and 2006. The design of that survey is shown in a diagram in Figure 1 below. This paper exploit data from level 1 and level 3 as marked in the figure. Level 1 (longitudinal analysis) used statistical archive and documents to analyse development control situation for the whole city. Level 3 (cross-sectional) dealt with only two districts, approximately 20% of population of the whole city.

The level 3 relied on a cross-sectional survey on households in 8 wards of Thanh Xuan and Cau Giay in Hanoi. These considered as the ‘hottest’ development areas over last decade. The Figure 2 shows how development concentrated over different periods. The left map tells that Cau Giay had the highest growth during 1989 – 1999, while the right map shows that Thanh Xuan had highest record during 1999 – 2003.



**Figure 1 Data collection design diagram**

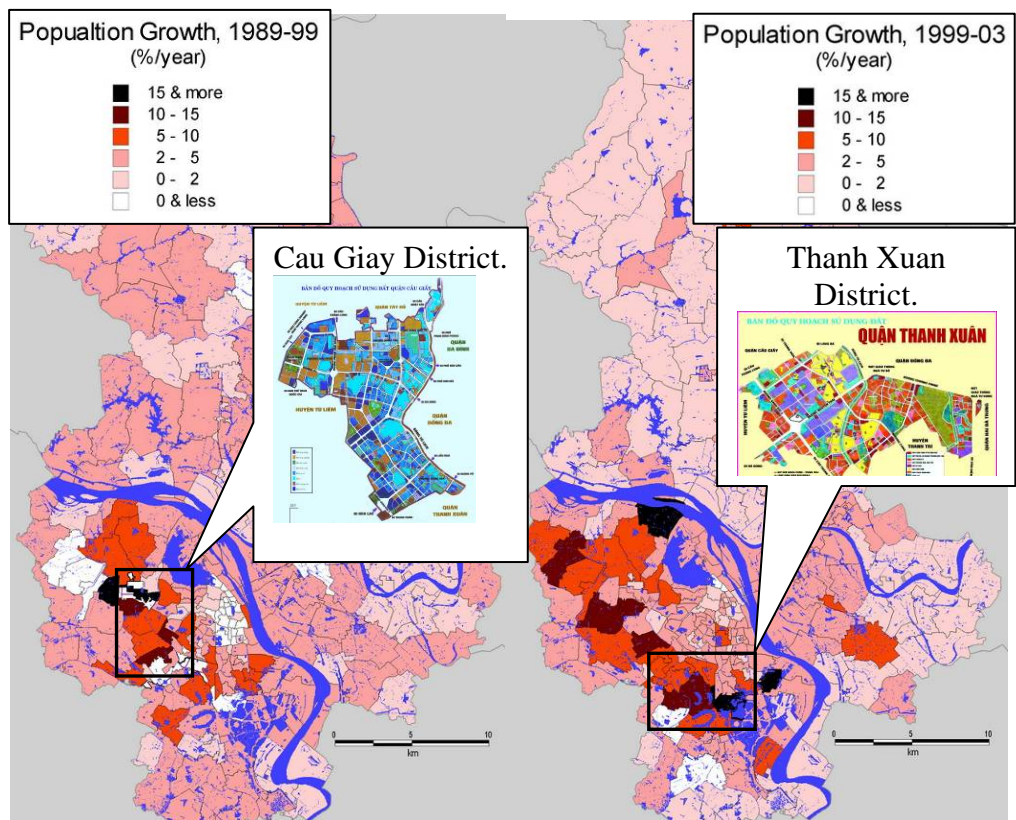


Figure 2 Growth rates in Cau Giay and Thanh Xuan District (Hanoi) over 15 years

*Performance of development control in Hanoi, longitudinal dimension*

Over last 10 years, there were several major institutional changes on development control in Hanoi. The table below summarises key milestones of policy change associate with by-law documents.

	1994-1997	1997-2002	2002 - 2006
<b>Legal bases</b>	Decision 667/Hanoi	Decision 12/Hanoi	Decision 126/Hanoi
<b>Key features</b>	Joint forces	General inspector, localised	Two levels, special inspector

Table 1 Key institutional changes in controlling development in Hanoi last decade

The continual re-assigned functions and re-organised authorities revealed how city had struggled to renew his subordinates to deal with development control. In 2002, Hanoi has introduced a new force of construction inspectors (specifically to keep the orderly development), named ‘*Thanh tra xay dung*’ organised in district and city level (2 levels). This was a ‘leap forward’ measure, as no other city in Vietnam has that similar organisation. This reform considered as more drastic than previous introduction of Joint Inspectors in 1994, and urban Infrastructure General Inspector applied for the whole country since 1997.

Besides new ‘special force’, other administrative adjustments were introduced. The notion of Decision 126 (see Table 1) is delegating most development control duties from city

level to district and grass-root level; reassigned responsible agency to implement planning at city level from Planning and Architecture Department to Department of Construction.

Resources have also been consolidated. The human resources for enforcement team increased from 200 in 2002 to 550 in 2005<sup>3</sup>. The monitoring capacity assumed higher, with more resources, more authorities and power at the lower level to cope with emerging needs.

However, what actually changed within re-organisation was a more accountability of the authority dealing with violations. Grass-root authority is now responsible for recognising violations and initiates control procedure. Failure of initial procedure then blame wholly on grass root level, which never had been clarified from previous regulations. District level bears most of managing the control responsibility including enforcement. Also, District level now has revenues from land auction and small development projects. According to survey, this has been interpreted as better assignment of property rights or incentive to control development.

Analysing statistical archive shows a changing pattern of performance corresponding to the shift in the institution. There are 3 diagrams showing how development control performance has changed for the whole city during last ten years.

The diagram presented in Figure 3 shows that performance of development control has changed significantly corresponding to the adjustment of administrative system. For example, there was only about 50% of total number of violations from 1995 to 1999 had been resolved. That figure increased significantly to 90% in 2002, and over 95% during the last 3 years 2002-2005. However, since 1998, the percentage of enforcement cases reinforced remained the same or even lower. Those represents for a weak assertion against violation. After 2002, the ratio of cases using enforcement increased significantly to the previous time, from less than 10% to above one third of violations recorded. That situation has never happened before.

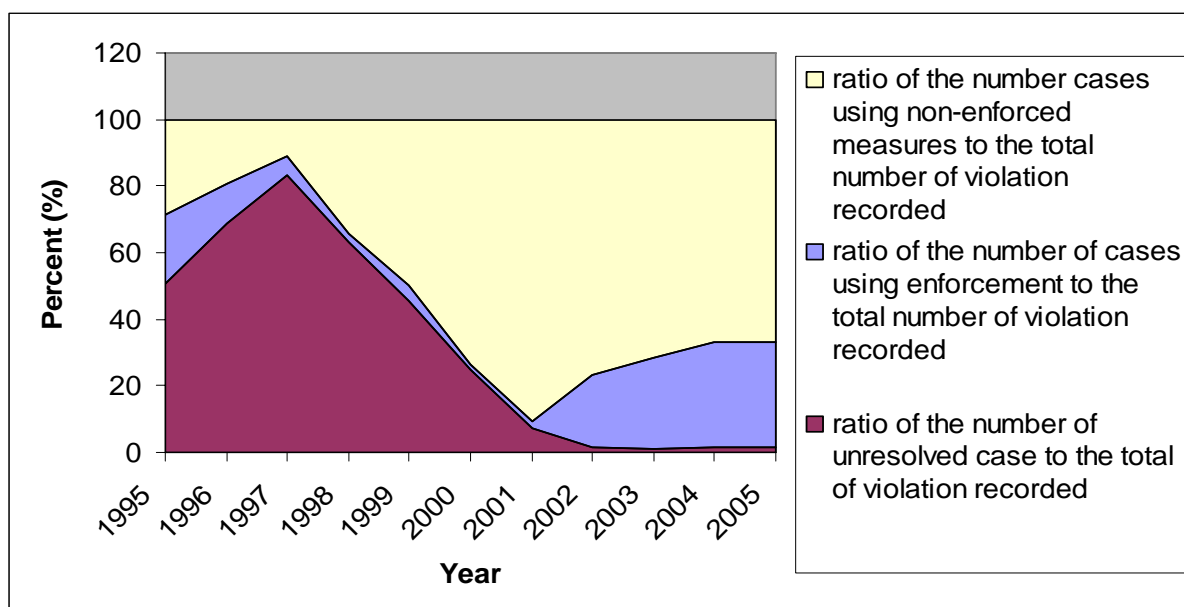


Figure 3 Change in types of measures in enforcing violation in Hanoi since 1995

However, a counter argument may question the weight of changing in types of development to performance of development control (see Figure 4). If development shifted to large scale significantly, then not only the policy itself, but the form of development

contributed to better performance by easier arms to control in large scale professional development. As shown in Figure 4, if we assume that the development made by mass developer can be controlled much more effectively with and very low violations, then the reduction of violation should heavily accounted for effect of changing modes of construction to large scale and high order development, rather than better improvement of institution change. Let's see if it is true when we compare professional development figures and number of violations.

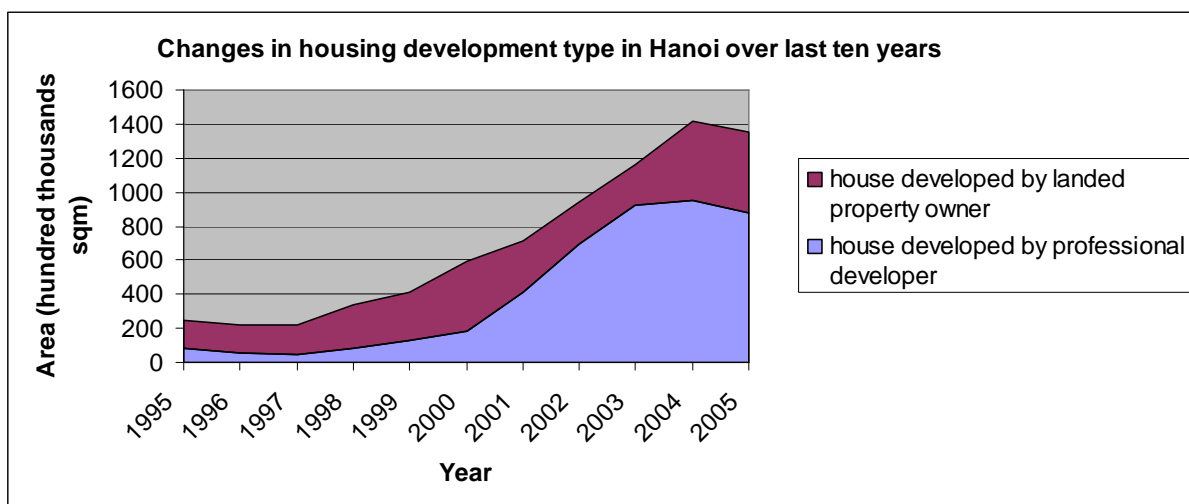


Figure 4 Changes in the housing developer structure in Hanoi since 1995

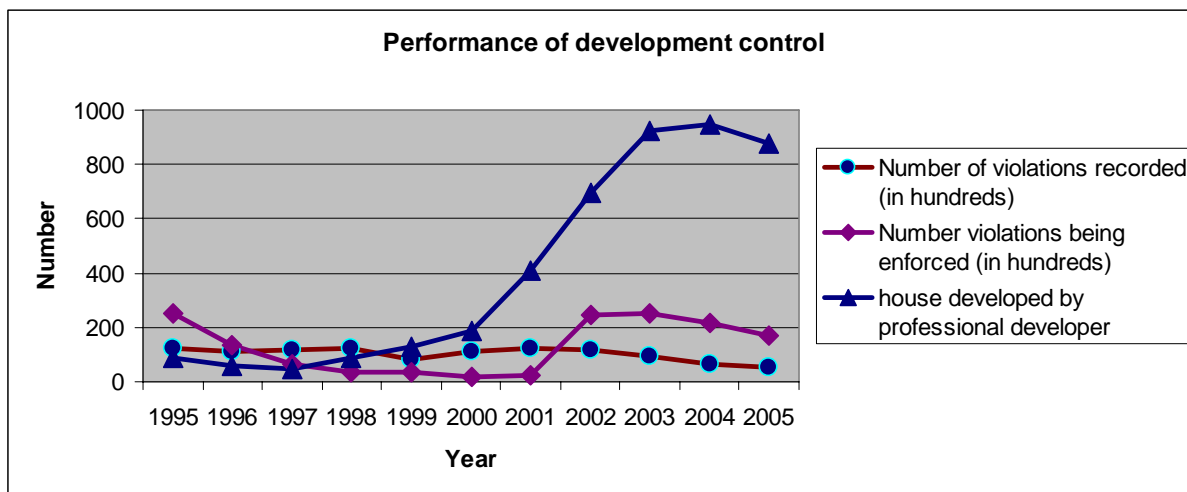
In Figure 5<sup>4</sup>, adversely, there are two indicators supporting policy's effectiveness. Firstly, it is the difference between the time when large scale development thrive and up-lifting point of performance of development control. In fact, the shift of large scale projects 'turned on' earlier, since 1998, and especially in 2001. However, the number of enforcement correlated with the amendment of the policy only rose since 2002, when new enforcement measures and re-organisation schemes were introduced. Secondly, the volume of housing production actually did not keep up with number of violations. In the same figure, we see a poor record of performance during 1996-2001 unmatched with the high growth of housing development at the same time. New houses developed in the 2002 to 2004 onwards still increase, but the number of violations actually decreased. As a consequence, those series data support to association of institutional change effect on performance of development control rather than changing type of development.

In short, longitudinal series data has shown how development in Hanoi changed significantly over the last decade. Filtering out effects of mass development projects, we still observed sudden lift in performance of control base on statistics of enforced cases. Adjustment within hierarchy assumed a bigger success more than ever, represented by more assertive against violations.

These facts raised several questions: why until that period the municipality spent a large effort to pursuit that goal? Why not earlier, and why that level of seriousness, but not lower? There were several events correlated to this momentum as follows:

Firstly, it was the new introduction of Hanoi Act. The key ideas of this Act were central Government delegated, and devolved more authority for Hanoi municipality to make decisions on planning, budgeting and personnel. Revenues from land/property rent have no longer been sucked to central budget, but retained in Hanoi's budget for infrastructure investment. Meanwhile, the development control performance directly linked to how land

and property (both public and private) managed. Municipality therefore, possibly had higher motivation to compel more efforts on maintaining spatial order for raising its revenues.



**Figure 5 Variation of performance over ten years compared with number of development**

Secondly, the better enforcement was expected helping the city to address more efficiently the messes in land for development in major infrastructure development projects. The turn of 21<sup>st</sup> century marked with over a billion US\$ transport and sewage upgrading projects, which resettled and removed approximately 10'000 households per year. A large percentage of the resettles faced to pay their price on illegal encumbrances not only along the lakes, rivers, roads, railways, but also within territories occupied by State's inattentive organisations. Many of them had been pending for enforcement/eviction for years, potentially raising a lot of conflicts over compensation and eviction. While basic infrastructures have been heavily reliant from abroad via ODA<sup>5</sup>, the slack on site clearance for infrastructure both incurred high cost for city's budget and disrepute Hanoi's administration system from the eyes of central Government, and international donors. This is a factor continually compelling municipality to improve its effectiveness of control.

Probably that specific context leads us to conclude changing incentives associates with development control. Municipality and their subordinates now had obvious impetus to speed up the re-structure the construction inspection force. However, there are some counter arguments on the contribution of other factors. For example, there might have an explanation that raising effectiveness was an outcome of learning process when people's awareness has been improved. Besides, there were some doubts on reliability of record system. For example, how to know if statistics were biased just to please the leaders; or increasing 'beautiful' numbers were just stemmed from changing record methods?

Of course there are other contributions to improving situation, however, there should not have had an upsurge pattern coming from learning process. The change of statistical methods or the changes in classifying violations might have resulted in different volumes of violation and recorded cases. However, it should not have been a consistent tendency before and after 2002. Also, the number of violations can hardly sustained with a large number of violation and increasing percentage of processed and enforced cases over consecutive years. By and large, there was certainly a qualitative improvement in efficiency and effectiveness of control in connection with motivation of change from municipal level.

However, the above interpretation only looked at longitudinal dimension with top-down approach. If the evidence of changing incentives affected the performance of development control, we should have found other evidence in different location, where different regulations applied. The following section describes how changing incentives affect development control performance in neighbourhood level.

### *Performance of development control, spatial dimension*

This section describes how spatial order matched to the changing incentives of development control. A household survey designed to test a hypothesis that if variation in quality of control associates with areas having different incentives represent for differing in development rights. This survey used a combination of clustering and stratified sampling frame. It scanned over 74 clusters randomly selected in 8 wards to reflect development in 2 Districts. Of the 401 forms collected, 391 samples were screened appropriately for analysis.

There are three findings gave rise to support changing incentives have resulted in improvement of development control. Firstly, there was a confirmation of overall improvement of the development control performance in most of neighbourhood bases on opinions of households on development state during the last 4 years. Secondly, there was statistically difference and correlation amongst observations in neighbourhood, where different development rights applied. Thirdly, there were statistically difference in opinions of people living in neighbourhood which had transferred rights to local bodies (implied that changes incentives) with the remaining those incentive unchanged. Each of findings is elaborated as follows.

The figure 6 shows how improvements have reflected by household's opinions throughout 74 neighbourhoods surveyed. A 'Likert scale' questionnaire was designed to ask if people agreed with statement of better quality of control recently 3-4 years. The ratio of people answered 'positive - better' rated approximately 70% (equals 268/391 responds). Of the non-positive answers, only less than 7% respondents had negative opinions towards current situation.

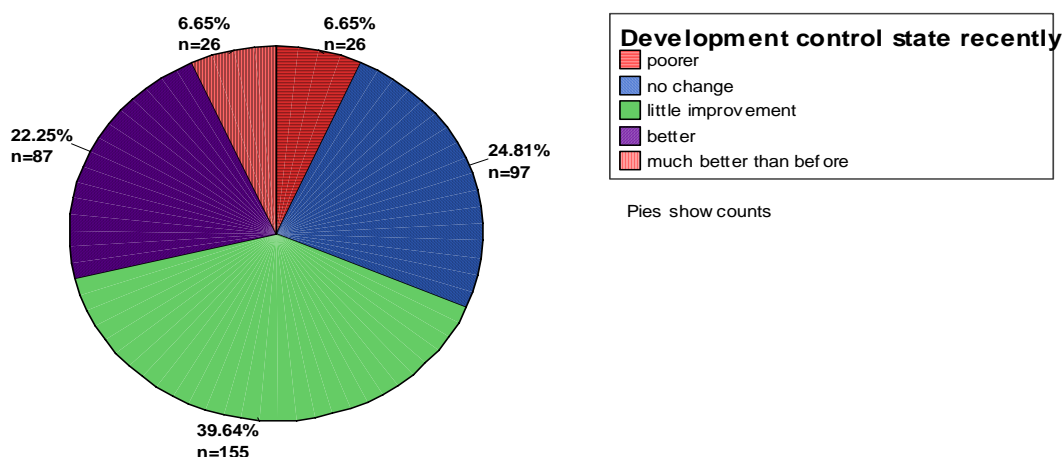
A closer look on the improvement of performance shows more details. In Figure 7, 5 pie charts differentiate how performance in neighbourhoods associates with their managing authority. In the areas managed by '*local authority*', people tended to be more satisfied than other types of neighbourhoods. The worst situation is in the neighbourhood managed by '*autonomous occupied organisation*'. Under management of local authority, there was almost 27% people valued efforts control the development as 'better', and 9.2% voted 'much better'; while the opinions in autonomous occupied organisation were (by order) 14.15%, and 1.89%. We saw the area categorised '*combined manage*' between local authority and autonomous organisation had a situation somewhere between above two poles, with the rates in order were 20.83% and 4.17%.

The above evidences supported improving effectiveness of control. However, the effect was somewhat unequal due to the existence of 'ghettos', where resilient forces remained. The variation assumed to correlate to neighbourhoods where responsible authorities having different incentives of change. In the next sections, we will discuss if findings from other sources of informants: surveyors and household owners if they give support to this statement.

The design of observation survey is to collect actual facts representing for quality of development control at random positions in each development cluster (assuming having the same control regulation). The controlling quality was measured by 4 indicators: house facade equality, use of space above the ground floor quality, equality of elevation, setback and

building position, aesthetic of construction. Ranking of each indicator used a Likert scale varies from 1 (lowest) to 5 (highest quality). The average mean of four above indicators was used to represent quality of control in each position in a cluster, representing for a neighbourhood.

#### Improvement by the authority to control development in neighbourhoods



**Figure 6 Opinions of people on recent improvement on performance of development control**

Actually, there might have some limitations with this design. Firstly, since rich households normally build their houses in higher quality, which may affect observer's justification. That problem was neutralised by using less likely income-generated indicator. Secondly the mixture of types of development in one neighbourhood might cause sampling errors. Those might reflect in the difference scores rated within each neighbourhood with the same quality of control. And analysis should acknowledge that situation. Thirdly, using average mean value of four variables means using aggregated data. This might reduce the variation of each variable in each location. However, the central concern is qualitative measurement rather than actual numerical score. Fourth, it is the effect of time and learning effect. One neighbourhood might have developed under different regulations and different managing styles of specific manager. Besides, early developers have less legal knowledge to abide by law; or the discretion of law enforcement to specific developers might all result in different qualities of control in any neighbourhood. The score ratings therefore might be large. However, the survey had to accept those theoretical errors, and assume they present in the range of ratings in each category.

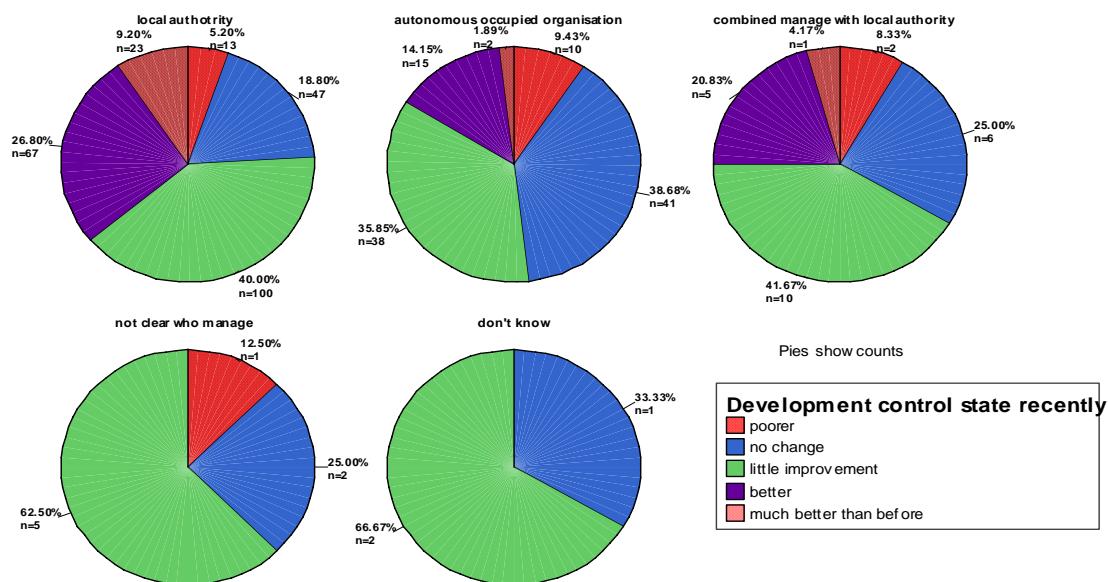
#### *Observation rating*

The following section describes the analysis of observation data:

In order to verify that the rating scores are differing amongst neighbourhood was not by chance, we supposed that they are the same, and use statistical test to reject that null hypothesis. There are seven groups to compare: village, non-professional, collective owned, professional, condominium, new extension and mixture neighbourhoods. Theoretically, they are all different. Village had no control before annexed. Collective owned neighbourhood stemmed from agricultural collective transformed or work-units occupied land and subdivide it for their staffs. Professional developer has its vested interest on profit and commercial

brand. Non-professional developer managed development not for profit. Extension areas normally extended from villages, where adopted by rural District and directly managed by grass root authority. The mixture neighbourhood normally

**Improvement comparison by the authority control development in neighbourhoods**



**Figure 7 Improvement of development control by type of authority**

developed along major road, where governed by city or district authority.

Each type theoretically assumed differs in incentive of control rights. If the chance of no difference of quality amongst them are lower than a confidence level (here is 5%), then the null-hypothesis is rejected. As scores are used as ordinal data, with assumption that data were not normally distributed, we use Kruskal-Wallis test with the help of SPSS package version 12 to process the data.

The result (*see* Table 2) shows that there was statistically significant difference between them ( $p=0.00 < 0.001$ ,  $df=6$ ,  $N=391$ ). So we reject null hypothesis and be confident that was by chance they have different score.

**Rank**

	Type of neighborhood with specific development	N	Mean Rank
performance without width access by 4 indicators	Village	104	153.42
	legal subdivided, non-professional dev	38	250.71
	collective, autonomous organization	99	186.29
	professional developed	42	279.42
	Condominium, state owned	24	106.65
	new extension from existing neighbourhood, local admin	30	239.88
	mixture, major ad-hoc development along new road	54	207.75
	Total	391	

**Test Statistics(a,b)**

performance without width access by 4 indicators	
Chi-Square	70.313
df	6
Asymp. Sig.	.000

a Kruskal Wallis Test

b Grouping Variable: Type of neighbourhood with specific development

**Table 2 Kruskal-Wallis test result**

To demonstrate the difference, it is useful to use graphical technique. In Figure 8, an error bar diagram shows how difference in scores is distributed amongst types of neighbourhood. The centre of the bar presents for the mean of score jump up and down across all types of neighbourhood. The bar height represents for range of scores also varies. Noted that only 95% of variation in the range was presented, the 5% extremes considered as outliers have been trimmed out.

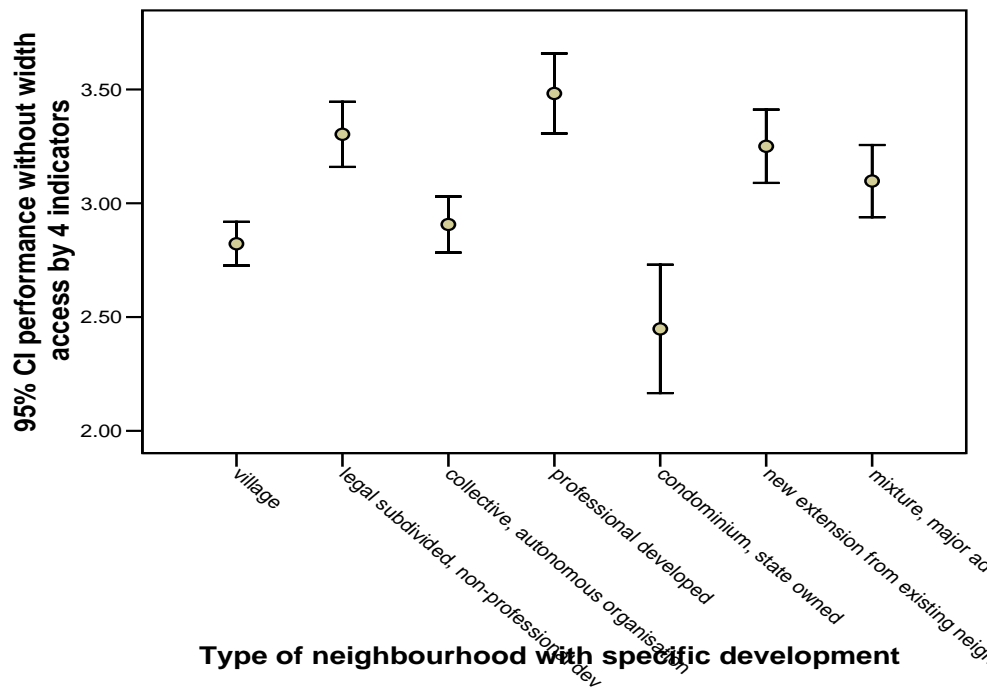
We diagram revealed how different setting of development rights and control rights associated with different control quality. Visually, there was a significant difference between categories of neighbourhood. The lowest quality observed was in condominium areas, where a 'vacant' state has been dominating over the years. While village neighbourhood was still a low profile areas to live, the extension areas also suffer poor conditions. The highest controlled quality areas were marked with non-professional and professional development.

Also, scores vary in each type and amongst types of neighbourhood. The range is high in the neighbourhood having opposite types of incentives (condominium: socially based; and professional: profit based); and low found in the rest. The interesting things discerned here was professional-developer had wide range of values. This is probably due to the survey has taken only in the areas where individuals built houses themselves. Those excluded the projects fenced by developers, where local authorities and the house owners had no involvement during the establishment of neighbourhood. The quality of control there supposed to be more consistent, and matching the development standards.

The diverse score found in condominium neighbourhood can be interpreted as diversity in ownership of condominium apartments. With half of them had been sold gradually to renters, the management responsibilities differ from this condominium to another. Besides, some condominium neighbourhoods developed later might have been managed individually with higher renter's participation, which is regarded as higher monitor of development rights.

In short, observation data backed the notion of different outcomes of control associated with different settings of property rights and incentives.

**performance of development control base on observation  
score average of 4 indicators**



**Figure 8 Performance of development control by observation amongst neighbourhoods**

*Opinions rating*

The opinions of households on development control amongst 74 neighbourhoods were presented by the same graphical tool (error bar). The error bar diagram shown Figure 9 uses the same sampling frame, but opinions of household were collected directly via question has replaced aggregated indicators justified by observers. The scale of opinions ranked from 1 – low to 5 as high performance similar to the scale of observation using 4 indicators.

We found that the distribution pattern of people’s opinion score is similar to that of previous diagram. Comparing to observation, only village and collective types exchanged their position from 3 to 4. Also, the variation of opinions differs, but not significantly.

In short, the pattern of household’s opinion scores over performance of development control once again verifies the variation in the effectiveness of each controlling style.

*Discussion of the relationship*

From both graphical analyses presented above, we have evidences that each neighbourhood type shows a range of neighbourhoods’ qualities, and some ranges are larger than others. Those fluctuations possibly resulted from different contributing factors such as sampling errors (since the sample size is comparatively small to the population) and theoretical errors. In fact, there have been diverse conditions affecting each neighbourhood development process, which the development rights feature could not cover. Those can be historical development, demographic difference, household income, people’s awareness, local authority capacity difference, and time period difference. All of them might affect the outcomes to some extent and become limitations of the survey method.

### Comparison of performance of development control

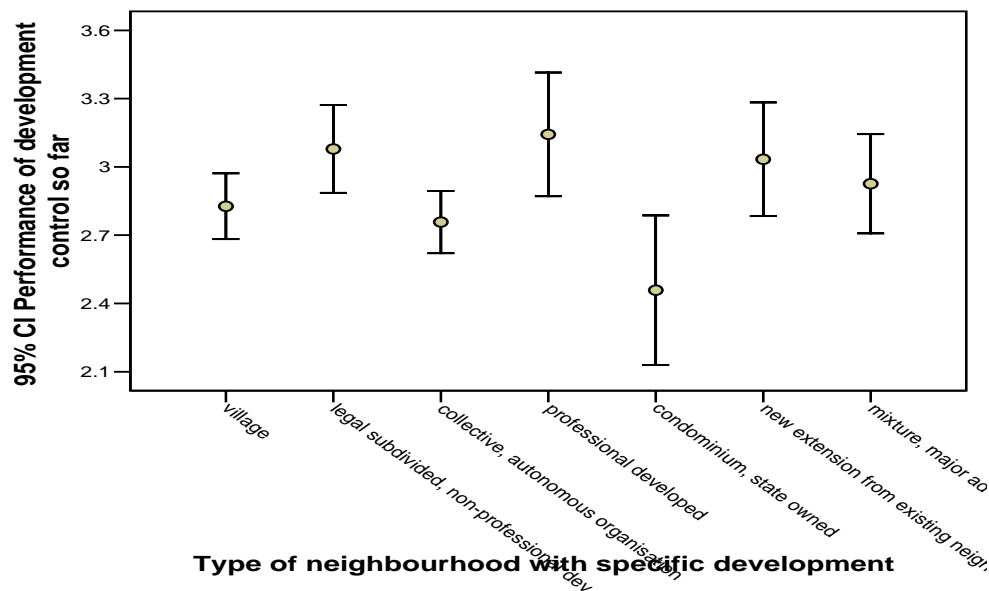


Figure 9 Opinions of households amongst different types of neighbourhoods

Although there are some limitations, the household survey data has supported the correlation between incentives to exercise control (base on property rights assignment) and their actual outcomes. The use of triangulation of both cross-sectional and longitudinal data has consolidated the validity of method and objectivity of the findings in Hanoi case study. The finding implicated that without attaining the change in the driving force of agents in the hierarchy (both decision making and operational levels); a limited real improvement could be reached.

This Hanoi case study verified a statement of ‘changing incentives featured for transitional period’. We observed to some extent how organisations and ghettos were resilient for changes with their own incentives structures, and consequently have hampered the development quality.

### 3. Conclusion

This paper has supplied evidences of the relationship between changing player’s incentive and planning control outcome in transitional economy of developing world. Changing agent’s driving force within administrative hierarchy in Hanoi had shown their alignments to the performance of planning control. It can be inferred that as long as institutions merge those in position to deliver the change with those benefit them, it would further sustain the effectiveness of change in planning system.

This simple conclusion is probably not a new discovery for planning and development literature. However, it might be one of the answers to the report ‘Country evaluation assessment of development results in Vietnam’ recently published in 2006:

‘With regard to ‘replicable’ pilot projects, in many cases the expected replication did not actually take place. There was not enough analysis or application of what worked and did not work. Some replication has indeed taken place, but some of the excellent pilot projects could have had greater influence with more systematic treatment and better coordination and dialogue.

Projects with local effects should demonstrate micro-macro linkages. What happens at the individual, household, and community level, where development take place, should be linked to national policy framework and decisions, and vice versa. However, expectations that localized projects will influence national policies cannot always be realized without more systematic efforts to ensure that this happens. More rigorous systems of measurements, such as time series analysis or longitudinal surveys, are required to track such linkages'. (UNDP evaluation office, 2006, p 5).

Hanoi case study might not directly address the capacity building development projects, not yet represent for the whole Vietnam situation, or for international context. However, it delivered a message to the wider networking aids with hard evidence from transitional context. That might be invaluable for those in designing similar projects, either more insisting on institutional change, or targeting incentives as well as considering for a longer vision and strategy in working with transitional economy in the South.

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<sup>1</sup> Foreign investment to infrastructure in largest 3 cities mounted to 3billions of US dollar in the last 10 years. GDP income in urban has been quadrupled, and 40% of household savings in 5 largest cities over the last two decades were invested in housing, rated over one US \$ billion/year.

<sup>2</sup> Comparative urbanisation, (World Bank, 2006)

<sup>3</sup> Hanoi Department of Construction Reports from 2002 to 2005.

<sup>4</sup> The values in some variables of diagram have been multiply 10 or 100 to make easier comparison.

<sup>5</sup> Official Development Assistance