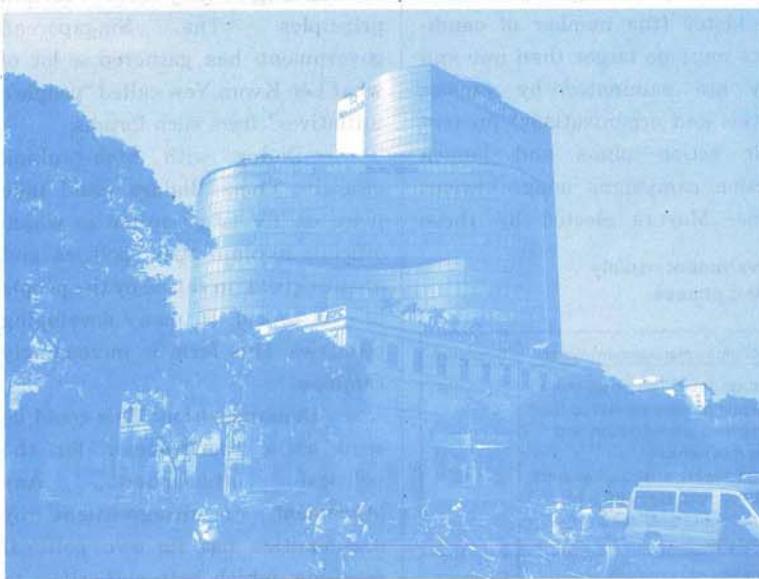


# Urban Management in HCMC from the Aspect of Economic Control

by Ass. Prof., Dr. PHƯƠNG NGỌC THẠCH



**T**he industrialization forces laborers to move from countryside to towns and adopt an urban lifestyle. The increasing army of immigrants is not prepared to become townspeople after leaving their villages.

HCMC belongs to the class of special city, among six classes of city according to Vietnamese classification. The urban management means exerting control over different domains: traffic, social security, construction, religions and ethnics, environment, population and immigration, economy, administration, and socio-cultural life.

Of these tasks, the control over economic activities is of the greatest importance because it affects the other tasks and determines performance of urban authorities.

In developing the economy in HCMC, engineering and automation, information, biology and new

materials production are selected as four key industries that serve as dynamic of the whole industrial sector. In fact, however, these four industries have developed very slowly in comparison with labor-intensive and low-added-value industries (such as clothing, footwear, furniture, food processing, and assembling). This means that the growth rate of this sector could be high but not sustainable.

In developing the service sector, the local government wants to turn HCMC into a trading, financial and technological center. But in fact, too much attention has been paid to traditional services, such as commerce, retail banking, tourism, and real estate, instead of high-end ones, such as banking-financial, transport, depot, telecommunication, insurance, scientific research, etc. with the result that these high-end services still account for a small share in the HCMC gross

output.

With a low starting point, the economic policy must aim at working out a reasonable tract suitable for existing conditions: after a period in which priority is given to labor-intensive industries, necessary resources should be allocated to technology- and capital-intensive industries. The first stage, however, has lasted for a too long period (over 30 years) with the result that it becomes less developed in comparison with big cities in Southeast Asia.

These shortcomings in economic management have produced bad effects on other managing tasks.

a. Immigration management: Development of the industrial and service sectors has attracted laborers from other provinces, which made urban population rise quickly in recent years (according to the 2004 census, the flow of immigrant made the HCMC population rise by 2.33%). Most immigrants can easily find jobs in labor-intensive industries but their wages were rather low in comparison with the average personal income. Up till now, HCMC authorities have spent a lot of energy and money dealing with bad consequences of booms in population and the situation is only improved to a certain extent.

The HCMC government had better encourage development of high-end services and industries to attract experts and skilled workers instead of manual laborers and imposing higher requirements on immigrants who want to work and live in HCMC – a measure that has been applied effectively in Canada and Australia.

b. Environmental protection: The city dumps some 350,000 cubic meters of effluent and 4,000 tonnes of solid waste everyday. Most factories in labor-intensive industries are of small sizes and they only pay a little attention to the environmental issues because waste treatment works

require big investment, which certainly reduce their profit. In addition, the size and organization of IPs in HCMC haven't met international standards and they usually lack centralized waste treatment works.

Poor public awareness of environmental issues makes it difficult for authorities to protect the urban environment. To deal with this problem, strong measures must be taken to enhance the public awareness and force economic concerns to apply eco-friendly processes.

c. Construction management: This business has enjoyed a boom in recent decades in both civil and industrial construction and its developments have sometimes gone beyond control of authorities.

The old town planning programs were worked out for a city of three or four million people and they failed to manage a city of eight million residents. Development of labor-intensive industries brings businesses to all residential areas, sidewalks, and alleys because small enterprises have no financial strength to buy land needed for their factory buildings.

The building of IPs is not linked with the plans for urbanization, which damages the urban landscape. Increases in the flow of immigrants lead to formation of 33 residential areas of poor income earners, and some 100,000 families living in slums because most of immigrants are workers in labor-intensive industries.

Many construction works are of poor quality and they degrade quickly because of embezzlement and corruption. Loss in the public works is estimated at 30% to 50% and no measures, up till now, have produced intended results.

d. Traffic control: In the past decade, HCMC has attracted a lot of foreign and domestic investment

because it enjoys better infrastructure, especially networks of roads and waterways, than most other provinces. But roads and bridges can't increase as quickly as the population and number of private vehicles with the result that there are only 160 square meters of road per 1,000 residents. Small shops and hawkers usually occupy sidewalks and part of roads to display their goods, which easily causes traffic congestion, especially roads to IPs. Roads and traffic control quality have degraded seriously constituting an obstacle to production and distribution of goods. In a few years the road network in HCMC will not be able to house existing 2.9 million means of transport and some 500 new ones that come into use everyday. Most of new means of transport are motorbikes because they are appropriate to crowded streets, personal income and lenient rules. Disobedience towards traffic rules and poor network of roads lead to more and more traffic accidents. Many people are also of opinion that the traffic accident costs as many lives as a war.

To improve the traffic control, the authorities should deal with three problems simultaneously: traffic infrastructure, system of public transport, and strict enforcement of traffic rules. For the time being, strong measures should be taken to limit the number of motorbikes in order to encourage the people to use public transport and reduce the dense flow of traffic.

e. Socio-cultural life: The industrialization forces laborers to move from countryside to towns and adopt an urban lifestyle. The increasing army of immigrants is not prepared to become townspeople after leaving their villages.

Sidewalks have become the worst aspect of the urban life and urban management. Sidewalks become increasingly narrower.

Shops, stores, restaurants and hawkers turn sidewalks into parking lots or places for displaying their goods. Others even turn sidewalks into dumping ground or their restrooms. And as a result, pedestrians can't use the sidewalks and have to step into the road, which makes the traffic more disordered. Urban authorities should restore order on sidewalks because they are places that reflect most clearly the state of disorder in big cities.

f. Administrative management: The press has given voice to land clearance, unfair compensation, poor resettlement, damaged roads, poor sewerage, complicated and time-consuming administrative procedures, but no improvements are seen but many governmental bodies have reported a people satisfaction ratio of 90%.

The urban government has issued many rules and regulations on urban management but embezzlement, corruption and bribery are widespread among civil servants, especially high-ranking ones, which make the people put less and less trust in laws. To enhance public awareness of urban civilization and make the urban management more effective, the authorities should develop high-end industries and services, reform the administrative machinery, struggle against the corruption among civil servants, develop the human resource and enhance the rule of law and order, thereby changing the urban lifestyle in townspeople.

Before 1975, HCMC, called Saigon then, was one of the most civilized cities in Southeast Asia beside Bangkok and Singapore. To deserve the position as the biggest city and an industrial and service center of the country, and preserve its historical position, the urban management should be constantly improved with a view to facilitating the socioeconomic growth ■