

Problems With Economic Development in HCMC

by ĐỖ PHÚ TRẦN BÌNH

Fast development usually leads to damage to the environment, poorer living condition and wider gap between rich and poor. That is why sustainable development has become the highest aim for all countries and a global trend in the past two decades.

1. On the sustainability of economic growth in HCMC in the past few years

HCMC is the most active economic center in Vietnam. Its growth rate rose from 7.4% in 2001 to 12.2% in 2007. The average growth rate in the years 2000-05 was 11% compared with 10.2% in 1986-95 and 10.4% in 1996-2000. Its high growth rates encouraged other provinces to develop faster and contributed remarkably to the national growth rate, but it has to face some serious problems with its way to the sustainable development.

a. Traffic congestion

At present, the traffic congestion has been a nightmare for residents and investors as well. According to the HCMC Service of Communication and Public Works, the traffic congestion costs the HCMC economy some 14,000 billion a year equaling some 50% of the HCMC budget income in 2006,

or damage caused by the bird flu in 2005 or the cost of the irrigation system for the Mekong Delta in 2006-2010, not to mention other consequences, such as various diseases and mental disorder caused by this problem, that couldn't be estimated exactly.

Trần Quang Phương, Director of the HCMC Service of Communication and Public Works says that up to August 2007, the number of vehicles registered in HCMC topped the 3.5-million mark and 90% of them were motorbikes, not including some 700,000 motorbikes and 60,000 cars registered in other provinces and some two million bicycles in use in HCMC.

The most basic and profound cause of the traffic congestion is slow development of roads and bridges. This city also suffered consequences of many years of urbanization without town planning that left vast areas in suburbs with small density of roads. Big investments have been put in public works but many of them have been carried out very slowly. There is almost no measures to control and sanction slow construction of many works, such as the project to improve the environmental condition along the Nhiêu Lộc- Thị Nghè Canal.

Other projects to build or enlarge roads also make the traffic congestion more serious.

When the number of vehicles rises fast, there is no program to build new parking lots. In 2000, the number of vehicles was only about 2,000,000 and it rose to 3.5 million in 2007. There are some 35,000 motorbikes and 2,500 cars registered every month. Within some years, HCMC will be flooded with personal vehicles and local residents will have to pay penalty for the lack of town planning and right policies on construction. People have to leave their motorbikes on sidewalks and their cars on roads, which causes more congestion.

b. Poor drainage system

This system is causing sufferings for both people at home and those who are on the roads. Rains make water spring from sewers. Flow tide also push water up to roads. Dealing with this problem seems beyond reach of HCMC authorities. Over 60% of HCMC area is below the flow tide level. At present, the highest level of water at the flow of the tide reaches 1.44 meters; 4cm higher than the level registered in previous years. This worrying situation leads to more pollution in the near future.

According to reports by the HCMC Service of Communication and Public Works, there are 78 sites regularly and seriously affected by the flow tide and rain, not to mention other new sites in suburbs. It's worth noting that many construction works in the inner city in the past few months caused damage to drains and made this area flooded during rains.

Four ODA-financed projects to deal with flood are carried out at a very slow rate although the Director of the HCMC Service of Communication and Public Works has said that these projects would get rid of all floods in HCMC by the end of 2007. According to the plan, these projects are completed in 2005 or 2006 but the project to deal with the Nhiêu Lộc- Thị Nghè Canal in order to save districts 1; 3; Bình Thạnh; Phú Nhuận and Tân Bình from flood only finished 32% of its work, and the project to upgrade canals Tàu Hủ, Bến Nghé, Tẻ and Đò, to save districts 1; 5; 6; and 10 has just completed 37% of its workload.

c. Ecosystem, treatment of waste and water supply

Pollution is the biggest challenge to big cities in the South, especially HCMC where industrial production has developed in an un-

ruly manner for nearly three decades. Chimneys of factories emit some 578 tonnes of dust; 78 tonnes of SO₂ and 84 tonnes of CO₂ into the air every year. Around industrial concerns, density of dust and level of noise have long passed the allowed level. Besides dust, there are many toxic substances in the air, such as SO₂, CO, NH₃, H₂S; and poisonous gases containing lead, cadmium, antimony, etc. Besides industrial production, high density of personal vehicles and heavy traffic also pollute the air severely.

According to statistics gathered by HCMC People's Committee and Management Board of VIE1702 Project, there are some 800 factories and plants and over 30,000 small-size manufacturing concerns situated in residential areas; and 260 out of them are causing pollution seriously. The main source of pollutant is their obsolete machines and equipment. But more importantly, most company owners pay no attention to environmental issues and most factories have no facilities to treat waste and effluent. And as a result, water in all canals and rivers, including underground water, and the air are polluted heavily. According to the HCMC Service of Science, Technology and Environment, there are 10 industrial operations that emit the most poisonous gases into the

air, such as metal processing and coating, electric transforming station, fuel and gas, thermoelectricity, insecticide, paper and pulp, textile and dye, footwear, leather, electronics, chemicals, pharmaceuticals, car repair, and waste from hospitals. They are key industries of HCMC and they emit some 260 tonnes of waste every day, and some 36 tonnes of them are hazardous waste that may cause serious pollution if not treated properly.

There are over 7,000 tonnes of waste every day (6,000 tonnes from households and 1,000 from industries) and treatment of this volume cost some VND235 billion a year, along with 250,000 cubic meters of untreated effluent. Technology for waste treatment is very obsolete and 98% of waste is buried. There are five dumping grounds in HCMC. The Gò Cát Ground is design to receive some 3.6 million tones of waste but it was covered with 6 million tones in the first half of 2007 and it was closed now. Phước Hiệp and Đa Phước Grounds can handle 6,000 tonnes a day but the volume of waste rise to 6,800 tonnes per day and is increasing by 10% or 15% every year.

There are hundreds of canals, streams and rivers in HCMC and they receive over one million cubic meters of effluent from households and some 400,000

cubic meters from industries. Some untreated 5,000 tonnes of solid waste from households and seven tones of waste from hospitals, after being buried, keep polluting sources of water. The water pollution is so serious that handling this problem may take some decades. It has been on the agenda for the HCMC People's Council but no solution was worked out.

Untreated industrial waste pollute rivers that flow through HCMC and Đồng Nai while the Đồng Nai River is the main source of water for the HCMC Water Supply Company. This sources is filled with organic and biologic pollutants, and even oil spilling from ships and boats operating in Nhà Bè District. The water pollution may damage both public health and economic growth.

d. Other social problems

- High cost of living and price hike: Inflation rate in Vietnam has shown an upward tendency in recent years; 8.3% in 2005 and 7.5% in 2006. Rise in the CPI is estimated at a two-digit figure and the price hike gives no sign of slowing down in spite of efforts by the central government. This situation leads to various consequences in the economy.

In HCMC, the price hike continues, especially prices of essential goods, creating a hard time for the poor. The gap between the rich

and the poor becomes wider and inequalities get clearer. According to the HCMC Institute of Economics, differences in income of various groups of residents are large and show no sign of decline. The average income of the richest 20% is 11 times higher than that of the poorest 20%.

- Strike by workers become widespread and complicated causing bad effects on the socio-economic life and the business climate. Some 50% of the number of strike takes place in HCMC. For example 435 out of 987 strikes in Vietnam in the years 1995-2005, or 44.48%, took place in HCMC. Up to June 2007, there were 1,281 strikes in Vietnam and HCMC accounted for 552 cases (40.4%) Bình Dương 279 cases (21.8%) and Đồng Nai 255 cases (19.9%).

In recent months, strikes became more frequent when the price hike made the working class find it difficult to make ends meet with the result that the difference between classes in ability to benefit from the economic growth becomes greater. The quality of life of workers in HCMC has declined remarkably.

2. Some measures to ensure a sustainable development for HCMC

a. On economic growth

Authorities must pay full attention, and give top priority, to eco-friendly and tech-

nology-intensive industries; such as ones in Quang Trung Software Park, High-Tech Park and Biotechnology Center; and improve their economic efficiency.

Pollution-causing concerns must be moved away from the inner city; business license shouldn't be granted to projects that fail to employ eco-friendly technologies; and strict control over import of second-handed electronics goods must be beefed up to prevent flow of industrial waste from developed countries.

b. Development of communications

Introduction of public-service vehicles of high capacity is a matter of great urgency. Communication is only one of variables of the problem of city communication but authorities are slow to identify and deal with it timely.

Nine measures suggested by HCMC leadership, in my opinion, are only shotgun solutions. In the long run, I think the HCMC government should develop systems of communications, including:

- Accelerating the building of the Tân Sơn Nhứt - Bình Lợi belt way.

- Building cross-center roads, especially six metro and monorail lines.

- Building Long Thành - Dầu Giây expressways to connect HCMC with surrounding industrial parks in order to reduce the traf-

fic on national routes crossing HCMC.

- Moving the Saigon Railway Station away from the inner city because trains running across HCMC always cause congestion from time to time.

- Limiting the construction of high office buildings and apartment houses in the inner city and building more tunnels and overpasses.

- Traffic wardens should be present at crossroads and sites frequently affected by congestion. Schools and hospitals could be moved to suburbs. Many services, trash collecting or tree watering, could be carried out at night.

c. Satellite towns

There are plans to build three new towns: Thủ Thiêm, South Saigon and Northwest Củ Chi in order to meet the demand for housing and reduce the traffic congestion. However, these plans are carried out too slowly. Until recently, there have been projects to develop land in both the inner city and suburbs, but they are scattered because investors selected sites by themselves instead of taking part in projects devised by authorities. Satellite towns can help attract both residents and factories to suburbs thereby reducing population density and traffic congestion in the inner city.

d. Social problems

At present, the best way to alleviate the pov-

erty is to create more jobs. To achieve this aim, I suggest the following measures:

- Beefing up and enhancing vocational training supplied to laborers and the poor, by supplying free training courses for example, and encouraging all classes to taking part in this training service.

- Supplying low-interest loans to help the poor to start self-employed businesses, and help producers of small scale expand their businesses, thereby creating more jobs.

In short, to ensure a sustainable development, HCMC government had better encourage all classes and sectors to protect the environment by adopting bold policies to support projects to develop the human resource, infrastructure for communications and reduce poverty. ■

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