Urban Land Governance

Extended synopsis

Daniel Hayward

August 2020

Contents

Overview ........................................................................................................................................... 1
Key trends and dynamics .................................................................................................................. 2
Key actors and interests .................................................................................................................... 3
Key contestations and debates ......................................................................................................... 4
Key differences and commonalities among CLMV countries ....................................................... 5
Key links and interactions across borders and across scale ......................................................... 6
Key reform issues and strategic openings ....................................................................................... 7
References ....................................................................................................................................... 7

Overview
Rapid urban expansion raises a host of land governance issues. Conversion of farmland for residential, industrial, commercial and infrastructural purposes tends to encroach on fertile agricultural areas and fosters issues of food security. The large profits to be made from non-agricultural uses of land that was previously farmed creates winners and losers among those displaced and those benefiting from new economic activities, raising questions of compensation. Increasing demands for land impact upon slum dwellers, who live in precarity through insecure tenure. Within urban areas, loss and maintenance of public space in the form of parks and other recreational areas is a key issue. Booming real estate markets in cities promote land speculation, with related issues including transparency in zoning, permits and other public-private interactions. The financialization of land, using a variety of digital technologies, disconnects and de-localises land in and around urban areas, affecting community and agricultural zones. Urban expansion increasingly involves regional cities as well as the main metropolitan centres.
Key trends and dynamics

In the Mekong Region, as elsewhere, urbanisation can be understood in many ways. A traditional perspective defines an urban area in terms of the absolute size and density of its population. Studies have tended to focus on the largest urban areas in the region, particularly Bangkok, Hanoi and Ho Chi Minh City. Yet some of the most dynamic pictures of change can be found in medium-sized or secondary cities (Nguyen Quang Phuc, Westen, & Zoomers, 2014). Furthermore, it is problematic to speak in terms of clear boundaries between the rural and the urban (Srinivas & Hlaing, 2015), the alternative being to understand the density of, and interactions between, people, infrastructure and services as a continuum. Urbanisation is also not just about conglomerations of people and their activities. It can be seen as a ‘way of living’ that through commercial value chains, migratory practices and modern media technology pervades even the most remote of settings.

In each country of the Mekong Region, the quest for rapid economic development has resulted in policies to stimulate FDI and the generation of capital. One established means to achieve this aim is the promotion of industrialisation and urbanisation in order to concentrate economic activities. Nguyen Van Suu has published extensively on the impact of Doi Moi reforms in Vietnam and how they have led to the conversion of agricultural land for such development on the edge of cities (Nguyen Van Suu, 2009a, 2009b). Labbé (2016) labels this process as a ‘Third Land Reform’ under support of appropriate market controls and decentralised powers of expropriation. Frequently, both for Vietnam and other countries, this means that smallholder land is acquired to feed new ventures. Conversion processes have been a significant source of conflict, where state agencies act to facilitate private sector ventures, and farmers are told to give up their land (Gillespie, 2011). Legal reform may contribute to disputes, with land titling not always providing the necessary stipulations to regulate against conflict (Gillespie, 2013). Indeed, looking at Vietnam, Gillespie and Kim both highlight the confusion wrought by a pluralistic legal system at work, where dispute resolution often relies on administrative and localised norms and practices over statutory rights (Gillespie, 2013; Kim, 2004). Indeed, statutory rights leave open the option for the state to acquire land in order to serve national economic interests, over-ruling the claims of local users.

Evictions also affect not only farmers on the peri-urban fringes, but also those living within cities (Bugalski & Pred, 2010; United Nations Committee on Economic Social and Cultural Rights, 2009). Phongsiri (2019) notes the case of Mahakan Fort in Bangkok where after a 26-year stand-off, a centuries-old community was forced to move out to make way for a public park. Evictions disproportionately affect slum dwellers who face land tenure insecurity and are excluded from basic urban services such as access to water or sanitation (Archer, 2012). There may be little participation or consultation with those who are evicted, and insufficient resettlement packages (Amnesty International, 2008). An article from 2010 claims that 150,000 Cambodian urban residents, including both relatively recently arrived squatters and long-time residents, were at risk of being forcibly evicted, lacking the necessary legal safeguards to protect their presence on urban land (Mgbako et al., 2010). There is also a body of work looking at the particular impact of evictions upon women. As well as a lack of a legal framework and support services, the suffering of women may be compounded by the influence of structural and social power relations, as found in Cambodia (Centre on Housing Rights and Evictions, 2011). However, a counterpoint study suggests that living in urban areas in Vietnam can actually provide improved land and other rights for women, through increased
access to information and legal services (Hoang Cam et al., 2013). Women and youth also have an important role in social movements emerging as a reaction to forced evictions (Rose-Jensen, 2017).

The influence of migration is an important one when considering land rights in urban areas. Land scarcity and a lack of affordable housing for those arriving to find work in cities can lead to the growth of urban slums with its corresponding threat of land insecurity and eviction. A report by the Cambodian Rural Urban Migration Project highlights this fact, along with the need to provide infrastructure services (water, electricity, transportation) and social services (health, education) to such groups (Cambodian Rural Urban Migration Project, 2012). Migratory populations provide a core source of income to relatives continuing to live in rural areas, resulting in a variety of profound social shifts at their village of origin (Diepart, Pilgrim, & Dulioust, 2014; Locke et al., 2014). Agricultural tenure security in rural areas can have a significant impact on the decision to migrate. Chankrajang (2012) highlights how in Thailand secure rights facilitate rural communities to hold onto their land yet have the option to migrate and participate in urban-based activities, particularly when they live in areas with poor transport networks.

As a site of concentrated activity and human settlement, urban areas can maximise their use of land and generation of capital through an integrated planning system. Yet in the Mekong Region planning frequently takes place in a haphazard way, lacking coordination between the numerous government agencies responsible for the multifarious aspects of urban life (Thiel, 2011). Instead, land markets frequently rule over changes in the urban landscape. Rising prices define land conversions where evicted communities make way for lucrative residential, commercial and infrastructure projects (Mgbako et al., 2010; Löhr, 2011). This can make land inaccessible to all but the wealthiest. The financialisation process risks stripping land of its social value, becoming a commodity for speculators and developers. At the same time, the use of e-technologies in land markets can create further marginalisation for communities.

Peri-urban areas have attracted the attention of numerous studies (Hall, Hirsch, & Li, 2011; Labbé, 2011; Nguyen Van Suu, 2009b, 2009a). It is here that some of the most varied and highly concentrated activity can be found, mixing commerce, industry, agriculture, and housing, and with multiple forms of migration present (Labbé, 2016). Wells-Dang et al. (2016) highlight how developers actively look for agricultural land in and around urban areas in Vietnam to convert for commercial uses, a pattern repeated throughout the region. These fringe urban areas still have land availability that can be acquired and converted for other uses, often at lower prices and with great potential for high added value (Shatkin, 2016). As a result, some of the greatest pressures on land can be found in peri-urban areas (Zoomers, 2010). Nghiem et al. (2018) observe some of the effects from industrialised use of land in the Red River Delta around Hanoi, Nam Dinh and Hai Phong, noting a profound loss of rice-growing land, polluted soil and water sources, and a large influx of migrants. The availability of peri-urban land is also attractive to FDI, with such areas showing most clearly the application of land acquisition policies (Nguyen Le Phuong & Nguyen Mau Dung, 2015).

**Key actors and interests**

**State**

The state has played an important role in countries around the Mekong Region, setting the regulatory frame by which land can be utilised for urban and industrial purposes (Nguyen Quang
This ties closely with acquisition policies, justified as acting in the public interest, and with the aim to stimulate both domestic and foreign investment in development projects (Nghiem et al., 2018). The role of the state in land markets may vary, minimised in a country such as Thailand but remaining strong in the planning of a socialist state like Vietnam. In Lao PDR, the policy of ‘Turning Land into Capital’ has been applied in the context of urban development, such as acquiring land for the 450 Year Road project in Vientiane (Pathammavong, Kenney-Lazar, & Sayaraj, 2017). Nevertheless, there are different strategies for urban land governance within different state agencies, such as in the approach of an investment-related ministry compared to those involved in agriculture or forestry (Hoang Linh Nguyen, Duan, & Zhang, 2018). This disconnect is one reason why state-based urban planning is frequently ineffective, where informal land markets then emerge to fill the governance gap (Hoang Linh Nguyen, Duan, & Liu, 2018).

**Civil society**

Access to land in urban areas frequently displays a lack of equity in terms of socio-economic status and gender (Thiel, 2010). This can involve both those moving to cities and those occupying areas incorporated into urban systems. For those losing their land to urban-related projects, communities have found themselves pitted against state and private sector actors, and they are unwilling to accept the terms on offer for land acquisition (Nguyen Van Suu, 2009a). While many smallholders find themselves powerless against the regulatory conditions of expropriation, others have actively fought to keep their land. Even if not always successful, expressions of grievances may have a significant impact upon the ability of urban projects to proceed, as in the case of delays to the 450 Year Road project in Vientiane, Lao PDR (Pathammavong et al., 2017).

**Private sector**

Urban development goes hand in hand with the presence of private capital, benefitting from an often close relationship between the state and corporations (Guttal & Chrek, 2016). This involves both domestic and foreign investment, although in the less wealthy countries of the Mekong Region FDI is seen as critical to stimulate growth. In the context of urbanisation, the private sector plays a prominent role in all developments, whether linking to industry, infrastructure, or real estate.

**Key contestations and debates**

Much debate in urban land governance revolves around a tension between private gain and the public good. There are concerns that the rapid rise of land values is driving less wealthy urban residents to the outskirts of cities, where they suffer from limited services and long journeys to work. Land is often bought for low prices from their owners, and do not reflect the potential for added value once that land has been developed (Pathammavong et al., 2017; Truong Thien Thu & Perera, 2011). Under inequitable compensation schemes, smallholders are at risk of significant livelihood loss. For example, in two districts around Hanoi, farmers have come off the worse in the conversion of their land, not only missing out on a share of the benefits, but lacking sufficient compensation to guarantee a successful transition into non-farm activities (Thi Ha Thanh Nguyen et al., 2016). This debate around fair compensation continues to dominate land disputes in many countries. Fearing these outcomes, many farming households and also speculators have impeded projects, refusing to give up their land, as has been seen in Vientiane, Lao PDR (Pathammavong et al., 2017).
With an emphasis on foreign investment into property around Southeast Asian cities, the urban poor may be expelled from their homes to make way for urban development projects. In particular, those in informal housing are under threat of forced eviction and resettlement. There are many research studies on the plight of the urban poor, and yet the financial attraction of urban projects continues to supersede concerns for their status. Talocci and Boano (Talocci & Boano, 2018) document one attempt at a land sharing project in Phnom Penh, and how difficult it can be to solve insecure urban land tenure. The study cites widespread criticism of the project, noting how it unfairly labels the urban poor as a single group. Rather than cater to differing needs, the project has upset existing power relations, and points towards the private sector prevailing in new National Housing Policy to maximise growth from land markets.

An implication of these scenarios is the debate on how to promote and actualise coordinated urban planning that accounts for multi-stakeholder needs. For example, in the case of Vientiane, Vongpraseuth and Gyu (2015) look at the disconnect between urban growth and its management. They identify contestation and a lack of organisation between different interest groups involved in managing this growth, compared to a strong desire to attract both FDI and domestic investments. Beringer and Kaewsuk (2018) highlight the example of flood risks in the north-eastern Thai town of Khon Kaen. They explain how a lack of planning for new developments leaves the city open to the risk of flooding, increasing the vulnerability of local communities. Indeed, environmental concerns are increasing in cities, as intensified land use, including for industrial purposes, infrastructural work, and use of motorised transport, are impacting upon the health of residents, such as through poor air and water quality. Both in Bangkok (the construction of Suvannabhumi airport) and Vientiane (development in That Luang), there have been recent developments on marshlands and yet there has been little study on the impacts of landscape conversion in this way. These marsh areas help to regulate the underground water system of both cities, and conversion risks a detrimental effect upon the natural processes at work. The conversion of peri-urban agricultural land to other uses also has the potential to undermine food security for increasing urban populations.

**Key differences and commonalities among CLMV countries**

While the Mekong Region is relatively under-urbanised, the extent of land area and population classed as urban around the region varies by country. Data from the World Urbanisation Prospects (UN Department of Economic and Social Affairs, 2020) highlights the following proportions of urban residents (out of the total population) in each country in 2020:

- Cambodia: 24.2%
- Lao PDR: 36.3%
- Myanmar: 31.1%
- Thailand: 51.4%
- Vietnam: 37.3%

The two countries with the highest proportional urban population also have the region’s largest cities, namely Bangkok in Thailand with a metropolitan population approaching 15 million people, and Hanoi/Ho Chi Minh in Vietnam (both towards 10 million inhabitants). A difference is highlighted here in the dominance of a single urban centre in Thailand (which could also be claimed for Phnom Penh in Cambodia) as opposed to more than one primary urban centre in Vietnam. Since 2000, the rate of urbanisation is decreasing in Thailand and Vietnam to under 2% per annum for Thailand in
2020 (which fits with the overall global trend) and under 3% in Vietnam (UN Department of Economic and Social Affairs, 2020). Cambodia and Lao PDR have relatively higher growth rates at over 3% per year. Meanwhile, Myanmar maintains a low urbanisation rate, staying at under 2% by 2020, with no signs of an imminent urban explosion. However, one must be careful with such figures, which emphasise an urban-rural divide rather than close linkages between these areas. For example, the growth of urban areas might result in assumptions that rural to urban migration dominates regional mobility practices, when in fact rural to rural population movements are more extensive (Ingalls et al., 2018), and urban growth may in fact be fuelled by internal dynamics. Further, when migration to urban areas take place, households display a diversified livelihood strategy that transcends urban-rural boundaries, combining both farm and non-farm work in multiple locations.

Concerning the production of literature on urban land governance, there have been certain trends in different countries. The bulk of literature contained in the Mekong Land Research Forum online resource involves cases from Cambodia and Vietnam. In the former country, attention is predominantly place on urban evictions. For Vietnam, there is a focus on land acquisition to convert agricultural land to urban development projects, and the many disputes that have arisen over compensation packages on offer (for example, see Hansen, 2013; Kim, 2011; Phuong Anh Bui, 2009; Sun Sheng Han & Kim Trang Vu, 2008).

The region lacks integrated and long-term strategies when it comes to land-use planning. This can compound the vulnerability of populations who lack secure access to land. However, each country, sub-region and city carries its own particular dynamic. For example, Kim highlights an internal disparity in comparing the evolution of property rights in Hanoi and Ho Chi Minh cities (Kim, 2007). One must also recognise differences in historical approaches, where the ascension of socialist regimes in Cambodia, Lao PDR and Vietnam for many years turned to anti-urban policy (Labbe & Musil, 2013). South (2007) provides evidence on the forced relocations of communities away from urban locations in Myanmar, such as a ‘cleansing’ of Yangon in late 1980s/early 1990s.

**Key links and interactions across borders and across scale**

Urban development has attracted foreign investment both across borders within the region, but, frequently also from countries outside. This has been both welcomed and encouraged through growth policies in all Mekong countries. Taking the example of Vientiane, Vonpraseuth et al. (2015) demonstrate the high levels of investment arriving from Singapore and China. Bangkok has built itself into a megacity, setting itself up as a source for global finance and a regional hub for multinational companies and a host of international governmental and non-governmental agencies. The setting up of Special Economic Zones is of particular interest, in their ability to stimulate urban areas or act as a source for new concentrations to emerge. These can also contribute to the growth of border towns as sites of increasing cross-border trade. For example, Aung (2018) looks at how the SEZ at Dawei, southern Myanmar, is bridging the gap between the urban and the rural. A new road will link the SEZ to Thailand, and countries further east as part of the Southern Economic Corridor in the Greater Mekong Subregion. In Lao PDR, SEZ status has been given to urban projects, highlighted in the example of Vientiane Long Thanh Golf Course, which is a Specific Economic Zone. As well as the journey of finance, urban developments also catalyse the migration of populations both within and across borders to participate in employment opportunities within the construction, industrial
and service sectors. This movement in itself is having profound effects upon land use and household activities at the origin sites of migrants.

**Key reform issues and strategic openings**

- The provision of equitable compensation policies and services to support the livelihood reconstruction of smallholders in peri-urban areas
- Improved rights against insecure land tenure, and access to services for slum dwellers
- The retention of green spaces to support burgeoning urban populations
- Activating new legal provisions to achieve coordinated urban planning across multiple government departments
- Taxation and fiscal policies to produce a more level playing-field between developers and local land users
- Avoiding undue land speculation in order to create options for affordable housing

**References**


