

URBANIZATION IN VIET NAM: EVIDENCE FROM THE 2009 CENSUS

Based mostly on data from the 2009 Population and Housing Census, this fact sheet presents key highlights of the current urbanization situation in Viet Nam. It also summarizes policy implications and includes recommendations for how Viet Nam can address the challenges posed by the country's rapid urbanization.

ISSUE

Over the last 20 years, Viet Nam has undergone a dramatic period of urbanization and the national urban system has been experiencing many changes. In 1990, there were only about 500 urban areas nationwide, but by 2000 this figure had increased to 649 and by 2003 it had reached 656¹. The current urban system consists of 753 urban areas, including the two special urban areas of Ha Noi and Ho Chi Minh City, nine urban areas of grade I, 12 urban areas of grade II, 45 of grade III, 41 of grade IV and 643 of grade V². The population growth in Viet Nam has been concentrated in urban areas. This is mainly due to migration flows. Urban residents tend to have higher living standards than rural residents³ as they have greater access to essential services. This contributes to the attractiveness of big cities and fuels the population growth in these areas.

MAIN FINDINGS

1. Viet Nam has a relatively low level of urbanization

Although the number of urban areas has been increasing during the last decade, Viet Nam's comparatively low urbanization level is due to a number of factors. For instance, many cities have been planned and developed as administrative rather than as economic centres and have therefore attracted fewer migrant workers compared to similar cities in other countries. The development of cities in Viet Nam is impeded by both a lack of job opportunities

FACT AND FIGURES

- At only 30%, Viet Nam has a relatively low level of urbanization, and comparable to the average rate in Southeast Asian countries ten years ago.
- Urbanization in Ha Noi and Ho Chi Minh City accounts for approximately one third of the total urban population of the country.
- About 8% of the rural population aged 15 years and older have professional/technical qualifications while this proportion in urban areas is 25%.
- The proportion of unemployed people among those aged 15 years and older in urban area is 4.6%, while in rural areas the rate is 2.3%.
- The proportion of households with access to safe water in urban areas (96.8%) is significantly higher than in rural areas (86.6%).

¹ GSO and UNFPA (Forthcoming) Migration and Urbanization in Viet Nam: Patterns, Trends and Variations

² According to Decree 42/2009 ND-CP, dated 7th May 2009 and put into effect July 2, 2009, urban areas in Viet Nam are divided into six grades as follows: special grade (including the two specialized cities of Ha Noi and Ho Chi Minh City), grade I, grade II, grade III, grade IV, and grade V. The highest level of urbanization is found in specialized cities, followed by grade I down to grade V.

³ The "urban resident" in the Population and Housing Census of Viet Nam is defined as "those living in inner cities and town centres." All people living in other administrative units are defined as rural residents

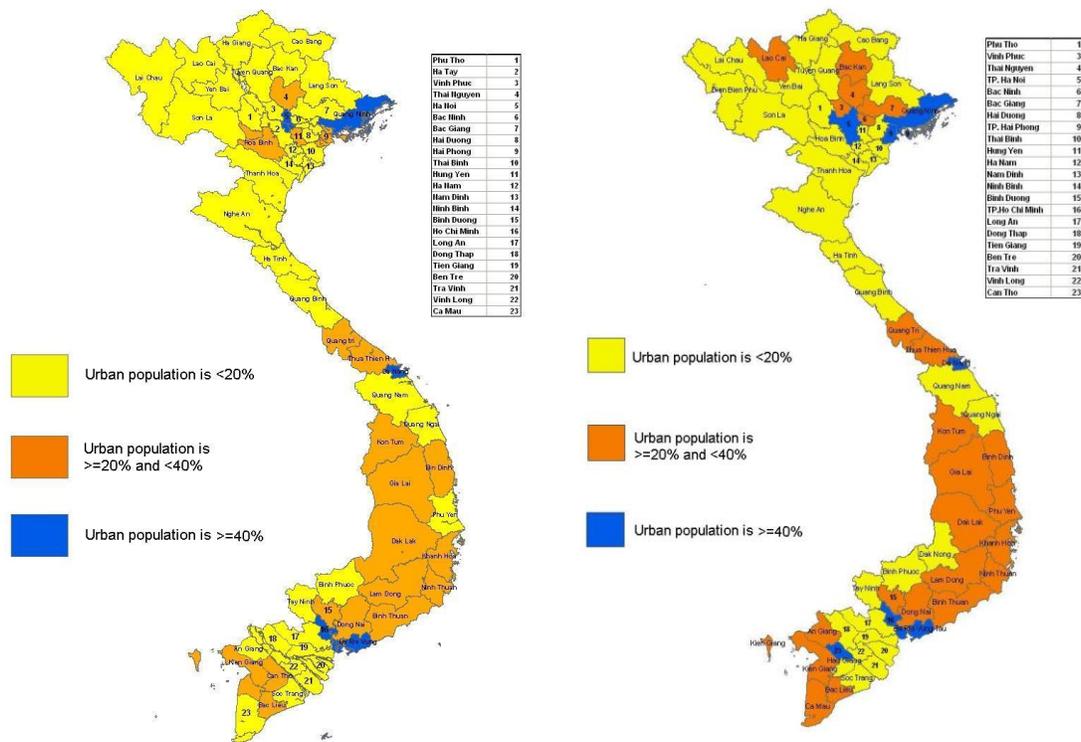
as well as poor infrastructure and social services – including housing, water supply, electricity, transport, hospitals and schools⁴ - which do not fully meet residents' needs.

According to the recently approved government 'Vision of Urban Development to 2050'⁵, the aim is for the urban population in Viet Nam to reach 38% of the national population by 2015 and 45% by 2020. With the current urbanization growth rate, this target may be difficult to achieve.

2. Urban growth in Viet Nam is mainly in large urban centres

According to census data, during the last decade the proportion of people living in urban areas increased from 23.7% in 1999 to 29.6% in 2009. This translates into a total of 25.4 million urban residents out of a national population of 85.8 million in 2009. The main increase in urbanization took place in the already large urban areas with 200,000 residents or more. The total number of these urban centres has increased from 9 in 1999 to 15 in 2009.

Map: Proportion of the population living in urban areas in 1999 and 2009⁶



3. Urbanization is uneven and is concentrated in southern provinces and in special urban areas

The census data shows that the northern part of Viet Nam has a significantly lower urban population rate than the South. In the southeast region, the urban population rate is nearly 60%, significantly higher than in other regions (where it ranges from about 20-30%). Furthermore, the urban population of Ha Noi and Ho Chi Minh City accounts for about one third of the total urban population of the country. Taking into account the ongoing rapid socio-economic development of the southeast which will result in an even higher population concentration and the potential future impacts of climate change on the low-elevation coastal zone of the Mekong Delta, this region may encounter significant challenges in the future.

⁴ Ministry of Construction 1992; Ministry of Construction 2010.

⁵ Decision 445/QĐ-TTg issued by the Prime Minister dated 7th April 2009 on Approval of Adjusting Orientation for General Planning to Develop Vietnam Urban System until 2025 and Vision to 2050.

⁶ Migration and Urbanization in Viet Nam; Patterns, Trends and Differentials, GSO, Hanoi 2010

4. Disparities in living standards between urban and rural residents

In general, urban residents appear to derive more benefits from the national development process than rural ones. This is clearly reflected in housing quality, hygienic water supply, sanitary conditions and consumption of household goods by urban compared to rural residents. The disparity between urban and rural areas becomes more pronounced with the level of urbanization. For example, while in rural areas 4.3% of households still do not have electricity, only 0.2% of households in the two special urban areas of Ha Noi and Ho Chi Minh City lack electricity. Similarly, the proportion of households with access to safe water in urban areas is significantly higher than in rural areas: 96.8% compared to 86.6%. This has increased the attractiveness of big cities and thus explains the population movement towards these areas. The 2009 census data, however, also shows that a small proportion of urban residents still do not have access to basic requirements like hygienic water and sanitation.

5. Disparities in living standards between urban areas

The 2009 census data illustrates a disparity in living conditions between urban centers. For instance, ownership of certain appliances are more common in the special urban areas than in all other types of urban areas. In special urban areas, the proportion of households using computers is twice as high as in grade IV and grade V urban areas, while the proportion with a washing machine is twice as high and the proportion with air conditioners is three times higher. This illustrates why larger, specialized and grade I cities are attractive for residents and draw in a larger number of migrants.

6. Significant gaps in education and professional qualification levels between urban and rural residents

There is a significant difference in the education levels between urban and rural areas, especially in terms of higher education. In 2009, 27.4% of urban residents aged five years and older had acquired an upper secondary level education, 15.3% had a college/university education and 0.7% had a postgraduate level education or higher. This compares with rates of 16.9%, 3% and 0.03% in rural areas, respectively. The fact that people migrate to urban areas to gain more and sometimes better quality education explains part of the significant disparities described above.

There are also urban-rural differentials in professional and technical qualifications. Only about 8% of the rural population aged 15 and older have professional/technical qualifications of technical worker or higher levels (college, university or higher). The proportion having junior college and university or higher levels is only about 3%. Meanwhile, the proportion with professional/technical qualifications in urban areas was 25.4%, of which junior college and higher levels accounted for 13.4%. This indicates a serious imbalance in the distribution of the professional and technical workforce between rural and urban areas.

7. Some urban residents face high unemployment rates

The unemployment rate in urban areas is higher than in rural areas. The proportion of unemployed people among those aged 15 years and older in urban areas is 4.6%, while in rural areas the rate is 2.3%. In both cases the unemployment rates are especially pronounced among younger age groups (the rate among people aged 15–19 in urban areas was 11.2%, while for the age group 20–24, it was 8.9% overall). These alarming figures reflect the situation of an increasingly young workforce and a national economic structure that is unable to sustain adequate job provision for these young labour market entrants.

8. Migration and urbanization contribute to widening gaps between origin and destination areas

Migration is a significant contributor to urban population growth and the census data shows that there is a clear positive relationship between migration and urbanization. The census data confirms that areas with a high proportion of migrants also have a higher urban population rate. While this trend is fuelled by existing disparities between poorer and more developed areas, migration and urbanization also contribute to widening these gaps between the areas of origin and areas of destination.

IMPLICATIONS FOR THE FUTURE

It is important to ensure that the process of urbanization is managed in a cohesive and sustainable manner in order to guarantee the continued socio-economic and human development of the country. Appropriate policies need to be put in place to facilitate a more geographically even, urban development across all regions. The census findings support the objectives of the government's Urbanization Vision to 2050: a number of major urban centres in each region acting as the core driving force of development, creating a geographically balanced development foundation for the whole country. Emphasis should be placed on developing employment and technical training opportunities, production and transport infrastructure, and industrial zones in a sustainable manner. This could ensure that all Vietnamese residents, whether living in urban or rural areas, equally benefit from the development process. Some provinces which currently lag behind will need an increase in human and socio-economic development in order to create an area which offers more educational and employment opportunities.

A special emphasis must also be placed on the more vulnerable groups in both the highly urbanized and rural areas. According to the census data, increasing numbers of the younger generation are facing unemployment. This will have long term economic and social ramifications for Viet Nam. Unemployment figures from the census data clearly demonstrate that policy initiatives are needed to provide opportunities for the growing numbers of young workers entering the labour market. An increase in the skill level of young people is vital if they are to gain full employment in future years.

If the current level of urban growth, which is focused primarily in a few large urban centers, is not matched by adequate and effective national urban management and planning, Viet Nam will face significant challenges resulting from the urbanization process. It is therefore important that policies and initiatives are directed towards the competitiveness and attractiveness of smaller urban areas in order to reduce the growing gap between highly urbanized and less urbanized areas. Such initiatives could include the development of satellite urban centers around large city centers such as Ha Noi and Ho Chi Minh City. Alternative initiatives could also focus on supporting the development of rural areas in order to reduce the gap between urban and rural areas, which drives urban population growth in the first place.

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