

Privatized vs. Community-Based Neighborhood Governance in the Context of Economic Renovation in Vietnam: Case Study of Ho Chi Minh City

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Abstract

Rapid economic growth, as a result of economic reforms, has commonly brought unintended outcomes of increasing socio-spatial differentiation and unequal neighborhood development in post-socialist cities. Through two case studies in Ho Chi Minh City, Vietnam each corresponding to a residential area with adverse socio-economic conditions, this paper argues that since economic renovation began in the country in 1986, coupled with the housing segregation in urban development, neighborhood governance has become increasingly differentiated with the emergence of the private sector and more active communities as well as civil society organizations in dealing with neighborhood issues. Their level of involvement and effectiveness in governing the neighborhood depends on the background of the communities and the loosening role of local government. Although more privatized neighborhood governance brings better quality to urban neighborhoods in association with better socio-economic conditions for the residents, the level of the residents' participation in neighborhood governance and the sense of community in such cases is weaker than that in the case of a community-based approach, which results in poorer neighborhood conditions due to the lower socio-economic profile of the residents.

Keywords: economic renovation (*Doi Moi*), housing segregation, neighborhood governance, private developer, local government, community, civil society organization.

1. Introduction

Transition from centrally planned to market-oriented economy, in the context of globalization, has increasingly affected the scene of urban development in transitional countries (Wu, 2001; Blinnikov et al., 2006; Stoyanov and Frantz, 2006). Although the experience of so-called transition economies has been diverse, the tendency towards increasing spatial polarization has become more visible as sharpened urban fragmentation takes place in post-socialist cities (Kovacs, 1998; Ruoppila and Kahrik, 2003). In parallel with economic reforms, changes also took place in the housing sector with a move towards privatization and commercialization (Clapham, 1995; Daniell and Struyk, 1997; Wang and Murie, 1999), in governance and institutions towards decentralization of power and private property rights (Howell, 1994; Palda, 1997) in addition to enhancing grassroots participation in decision-making (Jones and Xu, 2002; Mattner, 2004).

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Vietnam, one of the world's socialist countries, could not escape these trends as it engaged in the process of economic reform. Since 1986, the economic renovation (*Doi Moi* in Vietnamese)² has brought rapid economic growth to the country that has significantly improved the living conditions of the people. However, one adverse impact of *Doi Moi* has been a wider gap between the rich and the poor, which is especially noticeable in urban areas. In addition, reforms in the housing sector have created a strongly developed housing market with more choices and many different levels of quality. In that context, as people who have comparable income prefer to live together, socio-spatial segregation has arisen as a new phenomenon in Vietnam's cities. At the same time, in circumstances of institutional reforms moving towards decentralization and grassroots participation, several changes have taken place in the governance process in urban neighborhoods with the involvement of different actors. The ways these actors, both state and non-state, take part in and govern their neighborhoods are different from place to place which has created diversity in urban neighborhood governance.

The complicated contexts of transitional countries have received the increasing attention of researchers in recent decades. On one side, several papers have given useful insights into urban development and socio-spatial segregation in post-socialist cities (Wu, 2002; Ruoppila and Kahrik, 2003; Blinnikov et al., 2006), while other studies have looked at governance and state-society relations in the context of transition economies (Howell, 1994; Palda, 1997; Mattner, 2004). However, they did not specifically focus their research on the governance of urban neighborhoods. Those researchers who examined neighborhood governance focused on the role of social capital and the importance of community participation in neighborhood development in general (Purdue, 2001; Grant, 2001; Docherty et al., 2001), or in a multicultural context (Allen and Cars, 2001), but not in the context of transitional economies. Particularly for Vietnam, Luan and Vinh (2001) provided a useful analysis of the socio-economic impacts of *Doi Moi* on urban development and housing, Waibel, et al. (2007) brought more critical analysis of urban spatial fragmentation to the discussion. Nevertheless, there has been no research yet on the differentiation in neighborhood governance in *the Doi Moi* context of Vietnam, which brings in different levels of neighborhood quality and sense of community.

This paper, therefore, particularly focuses on understanding how neighborhood governance has been differentiated in the context of housing development during economic renovation and institutional reforms. By examining two different residential communities in Ho Chi Minh City (HCMC) which have adverse socio-economic conditions, the paper describes major characteristics of neighborhood governance in these two areas in which one is privatized and one follows a community-based approach. The participation level of residents in neighborhood governance and the sense of community are also examined as a part of the differences in their neighborhood governance approaches.

² In December 1986, the economic renovation (*Doi Moi*) was introduced at the Sixth National Congress of Vietnam's Communist Party as an effort to transform the economy from a centrally planned to a market-based model guided by socialist ideology.

2. Literature review

Neighborhood and community

The concept of ‘neighborhood’ can be defined in different ways. Galster (2001: 2111) defines neighborhood as a “place with physical and symbolic boundaries”; Morris and Hess (1975: 6) labels it as “place and people, with the common sense limit as the area one can easily walk over”; some others have attempted to integrate social and ecological perspectives of neighborhood such as Hallman’s (1984: 13) definition of “a limited territory within a larger urban area, where people inhabit dwellings and interact socially”; or Downs (1981: 15) who sees neighborhoods as “geographic units within which certain social relationships exist”. From these definitions, Galster comprehensively defines a neighborhood as “*the bundle of spatially based attributes associated with clusters of residences, sometimes in conjunction with other land uses*” (Galster, 2001: 2112).

A neighborhood, therefore, provides a useful scale for studying the social relations of ‘*everyday life-worlds*’, as a key *living space* through which people get access to material and social resources (Meegan and Mitchell, 2001: 2171). This definition clearly has both social and spatial dimensions, in which the neighborhood’s spatial accessibility refers to the ease with which residents of a given neighborhood can reach the neighborhood amenities.

In addition, Davies and Herbert (1993: 1) make a useful distinction between ‘neighborhood’ and ‘community’, where “community is related to the term ‘neighborhood’ for which it is sometimes used as a synonym; however, usually neighborhood is much more restricted in spatial dimensions; while community refers to people who engage in neighboring”. In this paper, the author will use this distinction to separate the terms community and neighborhood. The term ‘community’ will be used to refer to the local residents living in the specific area or neighborhood, while the term ‘neighborhood’ will be used to refer the place they live or the physical area associated with different amenities.

Neighborhood as a governance domain

In contemporary urban policy and research, the neighborhood concept is prominent since it can be seen as a cellular component of the urban environment. As a “*bundle of spatially-based attributes associated with clusters of residences, sometimes in conjunction with other land uses*” (Galster, 2001: 2112), neighborhood provides a useful scale for studying social relations of ‘*everyday life-worlds*’, ... as a key living space through which people get access to material and social resources, across which they pass to reach other opportunities and which symbolizes aspects of the identity of those living there, to themselves and to outsiders (Meegan and Mitchell, 2001). Especially in developing countries, neighborhoods of poor communities become critical since they exacerbate the city environment, increase diseases, and create more social problems. As a place of different matters and different actors involved, the neighborhood is an essential domain for governance. Since it has considerable significance, neighborhood governance becomes an important component of urban governance (Allen and Cars, 2001). “*In a system of multilevel governance, the neighborhood forms the foundation upon which the other levels of governance must depend*” (Kearns and Parkinson, 2001: 2108).

3. Theory

Economic renovation (*Doi Moi*) and institutional reforms in Vietnam: Context of change in housing development and neighborhood governance

In order to shift from a centrally planned economy to a market-based model guided by socialist ideology, the Sixth Congress of Vietnam's Communist Party in December 1986 marked a very basic turning-point by giving out a comprehensive renovation policy which includes everything from renovation in ideology to renewal in organizational structure and leadership methodology, and includes the hope that economic renovation will bring renewal in all other aspects of the society (Dang, 2006-a: 25). Among others, the most important theme was that the government has recognized the role of the private sector in long-term economic development and allowed private enterprises to join the economic arena with the same legal status as public ones. In addition, there were several changes moving towards decentralization and public participation by loosening the role of the central government and enhancing the meaningful role of local governments, the private sector, grassroots organizations, and civil-society organizations (Dang 2006-b; Trong, 2006).

In addition, the Vietnamese government recognized that it is necessary for the country's development that some of the citizens must become rich, thus, while not accepting the rich-poor disparity, it has started to encourage citizens to legally enrich their lives financially (Phuong, 2006). As a result of this ideological change, some of the people who could obtain the benefits of economic renovation have gained more income and become part of a better strata of the population. However, poverty still remained as a social problem that needs to be addressed (Luan and Vinh, 2001). In that context, the rich-poor disparity has increased significantly in Vietnam's cities not only in terms of income but also across occupations and educational levels that has led to the greater differentiation among urban residents (Quan, 2006; Quy, 2006).

Housing reform and residential development in HCMC

Together with *Doi Moi*, the housing policy in Vietnam has undergone different reforms including eliminating housing subsidies, selling state-owned houses to occupants, encouraging self-supported housing construction, and more importantly, being aware of the private sector's role in housing production (Luan and Vinh, 2001). For instance, the Housing Ordinance promulgated on March 26, 1991 opened a new era for housing development by encouraging all institutions and individuals to participate in housing construction; Decree 60/CP on housing ownership and land-use rights, and Decree 61/CP on housing sales and trading, both issued on July 5, 1994, were fundamental policies of the government addressing private property development (MOC, 2004). Especially, Decree 71/2001/ND-CP on October 01, 2001 specifically gave favors and support to domestic private as well as foreign-invested enterprises which produce housing of different quality for sale or lease, in order to respond to market demands or different preferences and people's purchasing power. (ibid.)

As a result, housing in HCMC has rapidly developed in that the number of property enterprises quickly increased and housing quantity continuously accelerated. For instance, if in 1991, there were nearly 300 housing enterprises (mainly public enterprises), in 2006 the city had 4,195 enterprises, both public and private sector (Kich, et al., 2006). In terms of quantity, within 7 years after *Doi Moi* (1986-1993), the number of newly built housing units increased six times in comparison to the ten-year period before (1975-1985); and the total

area of housing increased from 31 million m² in 1990 to 52 million m² in 2000 (HCMC PC, 2004). Table 1 shows the significant increase of housing area per head.

Table 1: Housing area per head in HCMC

Year	1990	2000	2010	2015
Housing area per head (m ²)	5.8	10.27	14.3	17.0

Source: HCMC PC, 2004 and DOC, 6/2015

However, while overall housing development produced good results, slum settlements still remained in some areas of HCMC, especially as a result of the rapid migration flow into the city. Although the city government had made many efforts to improve the living quality of poor citizens through various housing programmes and projects such as slum upgrading, social housing, housing for revolution-dedicated families, etc., the number of slums in the city still increased. Table 2 shows that number of slum units and households increased faster after *Doi Moi* (with 3,351 units and 3,619 households within only 5 years from 1986-1990) and continued to increase in the following years until 2006. The housing of low-income migrants, either in the form of private rental rooms or as squatters, was commonly poor and that also created more slums.

Table 2: Slum-houses on and along the canals in HCMC

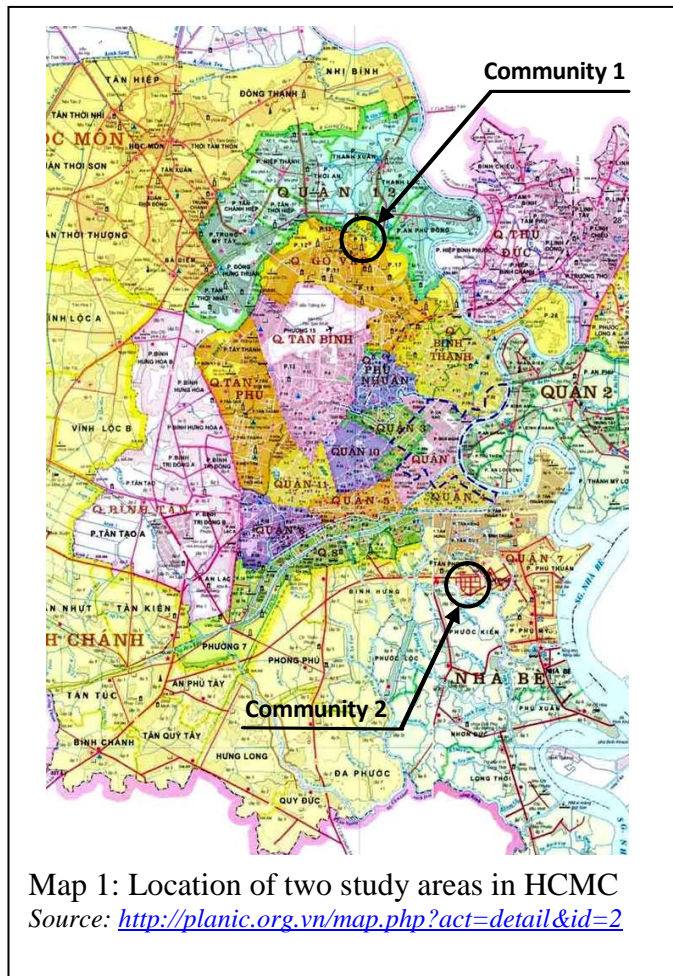
Time of construction	1976-1980	1981-1985	1986-1990	1991-1995	2006*
Number of units	1,872	1,731	3,351	4,303	10,600
Number of households	2,208	2,116	3,619	5,214	15,000

Source: DOC, 1996, and Association of Vietnam Urban Development Planning, 2010 (*)

In short, as a result of housing policy reform, housing development has segregated urban neighborhoods since high-income and middle-income residential areas have gradually grown to be, but no less sharply, distinct from slums or low-income settlements.

4. Methodology

In this paper, two residential communities which have differing socio-economic conditions, differing housing quality, and differing historical backgrounds were selected to examine their neighborhood governance. The 1st case is an old and poor community in Go Vap district (Community 1) which has existed since 1954 until now; the 2nd case is a new and rich community in district 7 (Community 2) which has been developed recently by a joint-venture company (FDI-driven housing estate) (See Map 1). These two communities also represent the emerging changes in governance of city neighborhoods compared with the typical model before economic reform began in 1986.



The background of these two communities, their neighborhood quality, and characteristics of neighborhood governance were withdrawn from an analysis of both qualitative and quantitative data collected through unstructured interviews with key informants, on-site observations, and a questionnaire survey in 2008. Data collection covered all major actors involved in neighborhood governance including households, community leaders, neighborhood management committees, housing developers, local authorities, and civil-society organizations.

The questionnaire survey was conducted with 120 households in total, of which 60 households from each community were randomly selected based on their career characteristics, i.e. home-based (retirees, self-business, housewife) and office-based (government officials, employees in public or private companies)³. The reason was that these households had differences in free time (quantity and frequency) that affected their level of involvement in neighborhood activities. In addition to that, as nearly 50% of residents in community 2 were foreigners, the author intended to select about 25-30 households for the questionnaire survey, however, due to their limited English (most of them are Korean, Taiwanese, and Japanese), only 20 foreigner households responded to the survey and the rest of 40 households were Vietnamese. This sampling size of 60 households per each community was manageable and rational to compare two communities in order to examine

³ The same method was applied for both communities

the differences in neighborhood governance. It was also relevant for using the SPSS program to analyze the data.

Unstructured interviews were carried out with 18 key informants including local government officials, community leaders, representatives of private housing developers, representatives of local civil society organizations, and key households in the two communities.

Background of two case studies

Case 1: Slum community with poor neighborhood quality (Community 1)

The first community selected is Tu Dinh Catholic parish in Ward 15, Go Vap District (called Community 1 in this paper). It has 470 people living in 76 households⁴. People live along the Vam Thuat River and their main livelihoods are fishing, vegetable plantations, and small trade such as selling fish, vegetables, food, etc. at the community market. The community has poor neighborhood quality and substandard living conditions. No public facilities are available and most alleys regularly suffer from stagnant water. Garbage is thrown on alleys, into rivers and lakes, or even into drainage systems causing an even more serious problem with stagnant water in rainy season. Children have absolutely no playground, thus they usually play around community alleys, which are dirty and unsafe due to motorbike traffic. (See Figure 1)



Figure 1: Quality of Community 1 (Tu Dinh Catholic parish)

Source: Author

Case 2: High-income community with luxury neighborhood quality (Community 2)

The second community selected is Hung Vuong 1 (called Community 2 in this paper), which is a gated condominium complex in Phu My Hung (PMH) New City Center in District 7. PMH New City Center was developed by PMH Corporation, a joint-venture company established on May 19, 1993⁵. It is a high-standard property project in an area of 443 hectares with mixed land-use including different housing complexes, schools, hospitals, entertainment centers, recreational parks, and playgrounds. Among the housing complexes, Hung Vuong 1 gated condominium complex has 354 households and about 1300 people living there, of

⁴ Document from Urban Management Office of Go Vap district.

⁵ It is a joint-venture between Taiwanese Central Trading & Development Group (CT&D) and Vietnamese Tan Thuan Industrial Promotion Company (IPC) representing the People's Committee of HCMC in which CT&D holds a 70% stake in the legal capital and IPC share the rest 30% through the form of lands and human resources.

which nearly 50% are foreigners and the rest are Vietnamese⁶. Livelihoods of residents are quite diverse including businessmen/women, non-state sector employees, retirees, artists, etc., whose income is from upper middle to high in the city stratum. Inside the complex, there are 9 condominium buildings and different neighborhood facilities like parks, playgrounds, toys, stone-chairs along internal alleys, etc., creating a very good living environment for residents. It is also enclosed with a fence and a 24-hour security gate in front creating a very high security neighborhood. (See Figure 2)



Figure 2: Quality of Community 2 (Hung Vuong Condominium)

Source: Author

Based on a questionnaire survey conducted in 2008, socio-economic conditions of residents in these two communities were drawn out and presented in Table 3, in which Community 2 has a far better income and educational level compared to that in Community 1. Especially in terms of income, the average monthly income per head in Community 2 is more than 10 times that in Community 1 and nearly twice as much as the city's highest income quintile⁷.

Table 3: Socio-economic condition of residents in the two study areas

Parameter	Community 1 (Study area 1)	Community 2 (Study area 2)
Monthly income per head (VND)	572,046 VND per person	6,502,244 VND per person
Education level of household's head	- Below high school: 58.9% - High school: 33.9% - Bachelor: 7.1%	- Bachelor: 58.3 % - Master or upper: 23.3 % - High school: 18.3 %

Source: Questionnaire survey in two communities in 2008, sample size is 60 households per community

5. RESULTS

5.1 Main actors in neighborhood governance

To begin with, it is necessary to briefly explain the government structure in Ho Chi Minh City which includes three levels: the City People's Committee (CPC), the District People's Committee (DPC), and the Ward People's Committee (WPC). In this system, the WPC is the lowest unit of government (referred to as the local government in this paper) and it is responsible to implement all strategies and policies of the Communist Party and the government at the local level. Under the WPC, the street-community group (i.e. *To Dan Pho*

⁶ PMH newsletter January 2005 and an interview with leaders of Hung Vuong community in 2008.

⁷ According to the Statistics Yearbook of HCMC in 2006, monthly income of the 5th group in the city's quintile is 3,448,900 VND per head.

in Vietnamese) is the typical group of residents organized for government administration. As defined by Regulation 130/TCCQ on March 16, 1993 of the City People's Committee (CPC), To Dan Pho (TDP) is not a governmental unit but a self-management group of residents living in the same residential area (i.e. a neighborhood). TDP, hereafter called "community" in this paper, is administered by WPC and is a commonly defined residential area for circulating and implementing all policies, decrees, instructions, ordinances, etc. that relate to the city's citizens. It is also the grassroots community where local officials can receive people's claims, complaints, and requests for reporting to the higher-level governments.

In order to carry out its functions, each community has one chief and one vice-chief⁸. These two people are directly selected by voting of all community residents and then approved by the WPC through an official letter sent to the community⁹. Therefore, they are the representatives of all community's residents and, at the same time, they represent the WPC in carrying out the administrative work in the community area. Every month, they receive a small, subsidized salary from the government budget¹⁰. In addition, each community can also have self-established groups such as a women's group, an elderly group, etc., to support the community leaders (chief and vice chief) in their activities in neighborhood governance.

Main actors in Community 1:

Like other common communities in the city, official actors in neighborhood governance in Community 1 include local government and community leaders who represent all residents in the community. However, as it is a Catholic parish community, to a certain extent, the Church also takes parts in neighborhood governance with the role of a civil-society organization. The functions and responsibilities, as well as cooperation among these three actors in the neighborhood are as follows:

Local government: Ward People's Committee (WPC)

Being the lowest unit of government at the local level, the WPC is in charge of administrative works within its boundaries. In local neighborhoods, it is responsible to provide, as well as protect public facilities and ensure sanitation in these public areas. Especially for neighborhood improvements, under the general direction and instruction of the city and district governments, the WPC develops its own working agendas and then initiates upgrading activities like cementing community alleys, improving drainage systems, etc. through collaboration with community leaders.

Community leaders

Community leaders (including one chief and one vice-chief) are representatives of people in the community and at the same time are responsible to help the WPC carry out some administrative work in their community. In the neighborhood, they play a very important role in mobilizing local residents to participate in or contribute to upgrading activities. As a 'bridge' between the WPC and local residents, community leaders play a major role in governing their neighborhood.¹¹

⁸ These two positions are referred to as community leaders in this paper.

⁹ Source: SGGP Newspaper on July 08, 2002 (p.3)

¹⁰ Source: SGGP Newspaper on April 06, 1985 (p.1&4)

¹¹ Unstructured interviews with leaders of Community 1 in 2008.

Civil-society organization (Tu Dinh church):

Officially, the Church is responsible for its religion only, however in practice, it plays a significant role in the neighborhood governance process due to its high influence on people in the community. Significantly, it can mobilize a lot of people to participate in neighborhood upgrading activities initiated by the WPC or can directly organize some neighborhood improvement activities like sweeping and cleaning neighborhood areas, circulating drainage systems, collecting solid waste from public areas, and so on. In addition, the Priest of the Church also educates and reminds people to take care of the environment and keep public areas sanitary, protect public goods and facilities, to be concerned about security, etc., in the neighborhood.

Major actors in Community 2:

Different from Community 1, in the whole PMH New City Center including Community 2, the PMH Corporation plays a major role in neighborhood governance in cooperation with local government (WPC). While this private developer takes key responsibility for neighborhood quality and amenities, the WPC is in charge of administrative works as usual. Their separate responsibilities, as well as cooperation with each other, in the neighborhood are as follows:

PMH Corporation

Being the developer and property manager, PMH Corporation is a major actor in neighborhood governance. It is in charge of managing the whole area through different functional teams including Customer Service Center, Security Team, Planting Team, Cleaning Team, Technical Team, etc., who regularly do their assigned tasks in neighborhoods. It also sets up different developer-led regulations and principles for neighborhoods, such as building regulations, park-use regulations, a ‘no waste touching the ground’ principle, solid waste separation guidelines, waste collection times, and so on. This is very much similar to many gated communities in other countries where the developer “controls all aspects of the area, from the control of the built form of the area (e.g. architectural controls, landscaping features, recreational amenities) to the conditions of acceptable behavior within the development, to the control of resident-eligibility and ownership” (Townshend, 2006, p.105).

More than that, PMH Corporation applies customer-care mechanisms through its Customer Service Center which is in charge of helping residents in all aspects from their homes to the neighborhood. This center is a one-stop service location where residents can contact the developer for all of their needs, and of course, they have to pay for many of the services provided. Every month, all households must pay a management fee which is clearly set up in the property contract. The fees range from 10-50 USD per household, depending on the area or their housing unit and on what services and which level of services they are receiving.¹²

¹² According to PMH’s newsletter Vol 1/2005 (p.32), this fee is used for 7 items: electricity and water consumption in public spaces, salary and administrative fees for the service staff, subsidized salaries for the self-management committee’s members, security, solid waste collection in public areas, small maintenance and repair, and landscape and environment protection.

Local government: Ward People's Committee (WPC)

Similar to the case of Community 1, the WPC is in charge of administrative works within its boundaries. However, in this case, these functions are carried out in cooperation with PMH Corporation through its Customer Service Center and Security Teams. Again, the Customer Service Center works as one-stop service location even for administrative matters because the WPC assigns one official to work in this Center one hour per day and residents can contact this official for their needs¹³. Regarding security, the Security Team is responsible for regular protection of the whole area, while the Ward's police officers mainly provide overall guidance. Quarterly, the police officers hold a meeting with the Security Team and representatives of PMH Corporation.

In short, neighborhood governance, in this case, has been privatized and local government has delegated several tasks and responsibilities of neighborhood governance to the private developer, which in return, and to a certain extent, has some interventions in the administrative process of local government through cooperation.

5.2 Participation level of residents in neighborhood governance

With different socio-economic backgrounds, participation levels, and willingness of the people in these two communities, the resulting neighborhood governance is also varied. In Community 1, residents have a high level of participation in planning and decision-making for neighborhood matters, especially when the Priest help inform them, explain the issues, and call for residents' participation. In the survey, up to 69.5 % of respondents regularly participated in planning and 67.8 % were involved in decision-making for neighborhood improvement at least two times per year. They are also very willing to contribute their assets to neighborhood improvement, whether in the form of money, land, or labor, etc., depending on their specific situation and the affordability of the project. In contrast, residents of Community 2 have a much lower level of participation in neighborhood work as PMH Corporation does everything and their contribution is in the form of compulsory payment of the management fee, not through willing participation. The survey showed that up to 75% of residents in Community 2 prefer to pay management fees and let PMH Corporation do all tasks, while only 25% of them wanted to participate in neighborhood matters if possible and if available in terms of time.

5.3 Social cohesion and the sense of community

The most important feature of Community 1 is that the sense of community is very strong with high identity. There are several reasons for this. First, a cohesive relationship has been enhanced due to the common religious affiliation of residents and the dominant presence of the Church and its religious and civic activities. Second, the homogeneity of socio-economic status and livelihood activities of residents generate commonness of problems and issues faced as a community. The residents are generally poor, and they are commonly engaged in the fishing profession, thus creating the need for mutual support between households and families. Third, certain spatial and physical characteristics of housing arising from the poor socio-economic status of residents encourages close and frequent face-to-face encounters between neighbors. The neighborhood area is comprised of a system of alleys around Tu

¹³ While in other areas of the city, citizens have to go to WPC office to do administrative works. This is also the common practice throughout Vietnam before economic renovation in 1986.

Dinh Church, and most of the houses are located along the alleys. There is an open-door life-style and close propinquity in the community that gives people more chance to interact with one another in the form of chatting, sharing information, as well as having and watching their children play together. With such tight connections and a good sense of community, the residents in Community 1 are very enthusiastic about attending community meetings and have a high consensus in improving their living conditions.

In contrast, the sense of community in Community 2 is not as high as in Community 1 mainly due to their life-style. In this community, the dominant life-style is 'closed-door' apartments, especially for those who are very busy with their work and have no time for interaction with their neighbors or for those who prefer more exclusive time with their family, over spending much time outside their houses or chatting with neighbors. Low interaction among neighbors is also related to the diversity of nationalities and careers, especially between local Vietnamese people and foreigners. Moreover, since residents do not want to get into trouble or have tension with their neighbors, if tension arises over inter-household matters, they generally do not complain directly to the concerned households but inform the Customer Service Center about the issue. Since they commonly bring their issues directly and individually to the Customer Service Center, communication and open relationships between neighbors are not fostered. For any matter related to their neighborhood, the residents in Community 2 prefer the Customer Service Center, putting all announcements or information on bulletin boards rather than organizing resident meetings. Since all activities in management of neighborhood public amenities are done by the Customer Service Center (or in some cases, service-supply companies), the residents here are not involved directly in neighborhood improvement activities, but simply pay management fees to the responsible agencies.

6. Discussions and conclusions

After examining two different residential areas which have diverse socio-economic conditions, this paper finds out that in the trend of housing development and segregation in a *Doi Moi* context, neighborhood governance has become quite diverse with the involvement of different actors.

In the period of a centrally planned economy before *Doi Moi* (before 1986), housing was planned and mainly provided by the government through a subsidy policy. The government also undertook all maintenance tasks and again, had to subsidize the cost of housing maintenance. Not only housing, the governments were also in charge of supplying and maintaining the neighborhood facilities and amenities. In that context of centralization, neighborhood governance showed the state's dominance and exclusive control (either city, district or ward governments were in charge depending on type and scale of the tasks) while the role of other sectors were overlooked. At that time, the residents were passively involved in neighborhood activities under the initiation and leadership of the government and there were no civil society organizations or groups to be involved in neighborhood governance. During that time, in the private sector, neither individuals nor enterprises, were allowed to construct housing for trading, this sector certainly also had no role in neighborhood governance.

Since the new housing policy has moved towards privatization and commercialization, the private sector not only provides housing and neighborhood facilities but also manages them

with market principles of user charges for services. In addition, the new policy climate of urban governance towards decentralization and enhancing grassroots participation has created chances for better collaboration between local governments, the grassroots, and civil-society organizations in improving urban neighborhoods. The extent to which these new actors are involved in neighborhood governance is different from place to place depending on community backgrounds as well as the loosening level of the government's authority in neighborhood governance in each particular location.

In a more specific sense, while neighborhood governance in Community 1 follows a community-based approach through effective cooperation between local government, the residents of the community, and a civil-society organization (the Church); in Community 2, it is privatized to the PMH Corporation which not only provides the housing facilities, but also manages all neighborhood facilities and services. However, although the quality of the neighborhood in Community 2 is much better than in Community 1, the level of participation and willingness of contributions (not in terms of paying user-fees) by residents in Community 1 are higher than that in Community 2. It is because there is no such property management service in Community 1 and its residents have to engage in all neighborhood matters by themselves under the leadership of community leaders and the mobilization of the Church, both of which plays a significant role in forging community identity and solidarity among the residents. On the contrary, with better incomes, residents of Community 2 prefer paying management fees and letting a private developer govern their neighborhood. They just rely on the developer for all neighborhood tasks and matters and their contribution to the neighborhood is not in the sense of willingness but in the sense of compulsory payment for the facilities and services they use (user-fee principle). In such a context, the social cohesion and the sense of community in these two communities are also different. As its residents fully engaged in neighborhood matters, the social cohesion in Community 1 is stronger and residents have better sense of community compared to that in Community 2, where all neighborhood matters are left on the hands of a private developer.

This paper has shown the complex development of urban neighborhoods in Ho Chi Minh City in the transitional economy context of Vietnam. It affirms that the transition from a planned to a new market-oriented economy, in the context of globalization, has increasingly impacted the urban development in transitional economy countries. Although the changes have occurred with different styles and speeds, to a certain extent, there are some similarities across post-socialist countries in which, one of the most visible features is the increasing phenomenon of social differentiation and urban segregation or fragmentation (Wu, 2001; Blinnikov et al., 2006; Stoyanov and Frantz, 2006).

In such changes of neighborhood governance, there is a chance for future research to find out how to mobilize more significant roles for the non-state actors (either private developers like PMH Corporation, civil society organizations, and community residents) in neighborhood governance for improving the quality of the neighborhood. While different actors may play different roles in neighborhoods, the most important point is how to enhance the cooperation among them so that the role of citizens become more meaningful, not only relying on private developers and market principles in neighborhood governance.

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