

THE U.S. ROLE
IN THE
DEVELOPMENT OF METROPOLITAN SAIGON

by
John H. Nixon

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This report is based on preliminary briefings in Washington, observations and discussions in Saigon, and some examination of basic literature. The observations are necessarily impressionistic, and I make no claim that any particular one is new. I have tried to pull together the elements of the problems of Metropolitan Saigon in an intellectual framework derived from urban economics, city planning and public administration. Comments on the relation of these problems to the United States' purpose in South Vietnam are derived from official documents and my own general analysis.

The first basic assumption is that the welfare of the civilian population is a key factor in winning the war. The urban working class population and the country peasant population have not been observed to have strong convictions about the goals of the war and the desirability of great personal sacrifices to win. Rather their primary concern appears to be for survival. This is quite understandable in the light of Vietnamese history and culture.

Deterioration of their lot which they can attribute to the VC incline them to accept the necessity of supporting the Government. Deterioration of their lot which they would attribute to failure or deliberate action of the Government would provide fertile soil for VC propaganda.

In an urban economy many aspects of the standard of living of individuals are beyond the control of individual effort exercised

through the private market. The public sector plays a crucial role in controlling inflation and influencing the availability of jobs. It also provides water, sanitation, hospitals and medical care, garbage collection, streets, traffic control, and control of land development for housing.

The influx of refugees seeking safety and of people seeking work into the Saigon Metropolitan area has practically doubled the population in three years. This has imposed burdens on the public sector beyond the capacity of the public sector to meet under wartime conditions. The dangers of continuous deterioration of the welfare of the working population are serious. Such a deterioration would play into the hands of the VC and might undermine a newly elected democratic government.

One can assume that the low point in the lives of refugees was when they left their villages.

The first step of improvement would be security. The second step would be shelter. The third step would be a job which would make them self-supporting. The fourth step would be the establishment of some adequate routine of life in the new environment.

Succeeding steps would include: inoculations against disease for their children and themselves, schools for their children, adequate consumer goods, adequate transportation, improved living conditions, better drainage, better sanitation and adequate permanent housing.

The Ministry of Information has a large number of representatives scattered throughout the administrative districts of Saigon to find at first hand the concerns of the population. I am informed that the priority of concerns is as follows:

1. Cost of living
2. Housing
3. Garbage collection, and
4. Street repairs.

A FUNDAMENTAL COMMITMENT

It is necessary for the U.S. Mission to decide that the adequate functioning of the public sector in the Saigon Metropolitan Area is essential to the conduct of the war.

The public sector, involving both the Prefecture of Saigon, the Province of Gia Dinh, and the various GVN ministries with active programs in Saigon, cannot meet all the wartime needs adequately by itself. The experienced management echelon is too thin, the experienced middle-management and skilled worker level has been depleted by the draft, the various administrative processes of budget, civil service and contracting are not structured to cope with this emergency, and the fiscal resources are probably too small.

The U.S. Mission needs to decide that it will give attention, skill and resources to supplement the public sector in order that the combined GVN-US effort will be adequate.

To this end the U.S. Mission should set goals to be met immediately by advice, research, feasibility studies, commodity aid, U.S. dollar aid, or outright taking over of functions. Other, longer-run goals should be set and met through the proper combination of methods.

It is necessary to have top level machinery for establishing goals, deciding the proper GVN-US mix, and using the right combination of U.S. tools to do our part of the job. The machinery should also involve measuring and evaluation of performance.

The proposed U.S. Mission Saigon Policy Board would perform this function.

Priorities given to some projects would have to be higher than that now given Metropolitan Saigon assistance.

The overall goal should be an improvement in the performance of the public sector and in parts of the private sector, so as to provide a steadily rising standard of living for the masses of people in the Saigon area for several years.

LONG RANGE DEVELOPMENT OF THE SAIGON METROPOLITAN AREA

The Saigon Metropolitan Area can serve human, economic and governmental needs best when it develops according to a rational plan that provides for good inter-relation of the many activities which must take place in the area.

Development of the Metropolitan Area takes place over many years, but it is the result of many day-to-day decisions in the public and private sectors on location and capital investment. Significant decisions affecting the future and particularly the nature of the Metropolitan Area occur every year. They have been particularly rapid in the last three years.

Wherever short run decisions and investment actions can fit into a long range plan, the result is much more efficient than when short range decisions prove to be obstructive to a long range program. Since flexibility is necessary to adjust to changing circumstances, a long range program is generally not a rigidly-fixed plan, but a continuous planning process which has achieved certain functional and geographic guidelines to help shape day-to-day decisions.

The program for development of the Saigon Metropolitan Area would contain at least the following six elements:

1. An economic base analysis and a forecast of this economic analysis for five, ten and twenty-five years hence.
2. A land use plan for five, ten and twenty-five years ahead, and an effective control of land use to channel development according to the plan.
3. A metropolitan government structure for the Metropolitan Area able to carry out a plan and meet its own responsibilities.
4. The development of private institutions to channel middle income savings into extensive housing development.

5. The development of private institutions for channeling upper income savings into industrial development.

6. Improvement of housing technology and administrative devices to provide adequate high density dwellings for lower income workers who need to walk to work.

A health program and an educational program are also necessary, but I have not discussed them since USAID has already made a strong start on them.

A fiscal program for GVN, and for the U.S. Mission, to carry out the essential programs is obviously necessary. Since there is ample awareness of this in the U.S. Mission, I have not discussed it.

I. Economic Base Analysis and Forecast

A long range development plan must start from a well-informed hypothesis about the future functions and population size of the Saigon Metropolitan Area.

The functions of the Metropolitan Area can be divided roughly into three categories: the Export Sector, the Local Service Sector, and the Public Sector. The Export Sector produces the goods and services which are sold outside the Metropolitan Area and which provide income to the Metropolitan Area with which it can buy goods from the rest of the country and the rest of the world. The Local Service Sector meets the need of the inhabitants of the Area through wholesale and retail distribution of food, clothing,

consumer goods, through the real estate markets, and through the provision of financial and personal services. The Public Sector, here represented by the local governments of Saigon and Gia Dinh and by the functions of the GVN ministries which directly serve the Saigon Metropolitan Area, provides the public works -- streets, wharves, electricity, water supply, sewerage system -- and the services of government in maintaining order, operating schools and hospitals, and regulating business and trade essential to the Export Sector, the Local Service Sector and the population.

Military expenditures are considered to be part of the Export Sector since they serve the national defense to a greater extent than they serve the preservation of law and order within the geographic boundaries of the Metropolitan Area.

An increase in employment in the Export Sector provides jobs and income which increases the demand for employment in the Local Service Sector and both increase the demand on the Public Sector. The impact of military expenditures in the Saigon Metropolitan Area in the last three years is a vivid illustration of this relationship. A permanent decline in the Export Sector would cause unemployment and loss in income which would reverberate in the Local Service and Public Sectors and probably eventually lead to some outmigration of population.

I have encountered a substantial difference of opinion among officials as to what will actually happen to the Export Sector of

the Metropolitan Area and its total population size after hostilities cease.

Two issues may require resolution at the time analysis is made of the future of the Metropolitan Area. These are (1) the present and future urban-rural balance in South Vietnam as a whole, and (2) the distribution of population in urban areas among Saigon and other cities and provincial capitals.

In previous times of peace the rural-urban population balance has been approximately 80% rural, 20% urban. Of the urban population approximately half or 10% of the population has been in the Saigon Metropolitan Area. Under today's conditions, there are no exact figures, but estimates range from 60% rural-40% urban to 50% rural-50% urban. Again the Saigon Metropolitan Area is assumed to have one half of the urban population or between 20-25% of the national population.

In the opinion of a high GVN official with considerable responsibility for formulating programs affecting migrants, the restoration of peace will result in a restoration of the old 80% rural-20% urban distribution with only 10% in the Saigon area. This should result in a vast outmigration from the Saigon area to agricultural areas. Various American observers on the scene, however, do not believe it possible to restore the old rural-urban balance, nor are they sure it would be desirable.

The worldwide trend to greater urbanization in developing countries has been further stimulated in South Vietnam by the war.

Improvement of agricultural yields provides farmers with more income to spend on goods purchased in cities. Improved roads and motorized sampans will strengthen the role of larger market towns and weaken the role of smaller places. Small agricultural processing plants and small assembly or manufacturing plants tend to develop at small or intermediate size urban centers.

The infrastructure constructed for military purposes - airfields, port facilities, highways - are far beyond what would have been developed in peace time. The economy has been motorized to a far greater degree than before with the widespread use of motorbikes, outboard motors on sampans, and motor driven irrigation pumps. Knowledge of motors and motor maintenance is developing rapidly and a distribution system for fuel, parts and new motors and pumps is being built up. There is a further problem, particularly for the younger generation: "How're you going to keep them down on the rice paddy after they've seen Saigon?" All of these factors suggest a larger proportion of urban population in the peacetime future.

If a long period of guerrilla warfare should follow settlement with North Vietnam, then the additional factor of security would influence the rural-urban balance. Saigon and other cities and provincials capitals offer greater security, and some good agricultural and forest land would probably be under VC control. Population of the urban centers possibly would be as great as or greater than under conditions of complete peace. While there would

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be a smaller amount of rice for export and a smaller amount of trade with farmers than under complete peace, there would be heavier military expenses and demand for urban services by the military.

Recommendation: That a detailed analysis of the economic base of the Saigon Metropolitan Area, and also of other urban areas throughout South Vietnam be undertaken in this Fiscal Year. The tabulation of the Establishment Census in Saigon made last spring, and the completion of the Sample Population Census of Saigon this fall, will provide valuable basic information to add to what is already available. The analysis and projections of the Lilienthal Group and the GVN Post War Planning Committee will be extremely helpful. I would recommend that an experienced and well-qualified American firm or academic urban center with experience in this kind of analysis be engaged to conduct an inquiry into the present structure of the Saigon Metropolitan Area and its future prospects. Results would be helpful to the U.S. Mission in making judgments about appropriate participation and would help to enlighten the debate which must inevitably take place within the GVN over the role of Saigon and other urban areas and on all policies that grow out of such decisions.

II. Land Use Plan and Control of Land Use

A long-run plan for the physical development of the Saigon Metropolitan Area is the responsibility of the Director General for Reconstruction and Town Planning, but in fact decisions made by the

Prefecture of Saigon, and by the Provincial Government of Gia Dinh and even by the U.S. Mission will have great impact upon its direction.

The future population size and the nature and size of the export sector functions and local service sector functions will be developed in the economic base analysis. It is then necessary to determine the space needed for housing the population and for all the economic functions - export sector, local service sector and public sector. The appropriate geographic relation of one function to another also must be determined in detail.

The best place to start is with a detailed survey of the present situation. This type of detailed knowledge is essential in order to determine how most easily to move toward a desired future condition. Future plans must grow out of the present plan and present conditions.

The Doxioudas Report of 1964 suggested that future growth of the Metropolitan Area would be along the axis of the Saigon - Bien Hoa Highway. Others have suggested that the more immediate growth may be towards and around the Ton Son Nhut Airport. A program is underway for developing the peninsula across from the wharves which has just recently been annexed and is now District 9.

What is needed is some system of staged, planned development that will provide a proper relation of functions, such as residential, commercial, industrial, governmental and transportation.

The future plans must include proper provision for land development, water supply, sewerage, streets, traffic flow, power and schools.

These public investments generally must be accompanied by some form of control of land use such as an elemental zoning program that could be enforced. American zoning regulations are undoubtedly too closely related to the American technological conditions to be of much service in South Vietnam, but they give some indication of what might be done. Zoning regulations are meaningless unless there is enforcement. Particularly important in Saigon is protection of the rights of way of streets and highways. Construction of squatters' shacks or other buildings on a right of way immediately creates a problem since to remove the construction without reimbursement imposes an economic burden on the squatter, while failure to remove it may permanently shut off a potential lane of traffic. Prevention of such construction is essential.

In the distant future, after peace has been restored and a large quantity of adequate housing has been provided in newly developed areas or by high rise working-class apartments, it will become appropriate to consider tearing down squatters' shacks in some areas to develop more appropriate land use. This should not be undertaken until a significant out-migration from the locality has already taken place and the remaining residents can be transferred to an appropriate residential area.

Recommendation: A land use survey conducted by an American firm in cooperation with the Vietnam Director General for Reconstruction and Town Planning and the administrative officials of Saigon and Gia Dinh should be started in Fiscal Year 1968. This, together with the population survey and the establishment survey, should result in some detailed land use maps of all parts of the Metropolitan Area. Some sampling method would have to be used together with fairly rough visual measures in many areas.

Approximate time and cost: one year and fifty to seventy-five thousand dollars.

Also, the present program to bring three land use planners on board, one as an advisor to the Director General for Reconstruction and Town Planning, one as an advisor to the Prefecture of Saigon, and one as a staff member for USAID in the Staff Office of the Metropolitan Saigon Development Board, should be carried out.

If the Director General and City officials should desire the advice of an American firm in preparation of long-range development plans, USAID should be willing to assist in the financing. Responsibility for preparing such a plan, however, cannot be given to an American or other third country firm.

III. Metropolitan Government Structure

It is generally recognized that the Metropolitan Area of Saigon includes the substantially urbanized sections of Gia Dinh Province. Further growth will extend farther into Gia Dinh and may eventually connect with the rapidly urbanizing area around the City of Bien Hoa.

A governmental structure that could provide long-range planning and development and also municipal services for the entire Metropolitan Area would simplify and speed the process of growth.

Power now lies with the Central Government to affect annexation or consolidation with far less difficulty than would be possible in the United States.

Since several ministries of GVN - Police, Education, Health, Social Welfare - provide services in Saigon and the rest of the Metropolitan Area, it would not be difficult for them to arrange their services to accord with any new municipal or area governmental boundary lines.

Recommendation: The U.S. Mission should support any reasonable plans for annexation or development of a metropolitan wide government. Through its advisors, USAID can encourage GVN ministries to take a similar approach. The establishment within USAID of the Metropolitan Saigon Development Office, and the establishment within the U.S. Mission of a Metropolitan Saigon Development Board would facilitate U.S. advice and action on a metropolitan basis.