

# Urban upgrading and resettlement of slum dwellers in the Mekong Delta – Long-term sustainability or vulnerability pitfall?

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## Abstract

Resettlement programmes and (forced) relocation have over the last years become an important element within Vietnam's urban upgrading initiatives. These programmes include relocation made necessary by new infrastructure projects as well as the removal of slum-like dwellings with sub-standard living and housing conditions, often along rivers or canals. Resettlement projects can, hence, be understood as simultaneously being manifestations and drivers of urban "modernisation" and socio-economic transformation on a wider scale. However, the short- and long-term effects, comprising of opportunities as well as constraints, for the affected population are not well understood scientifically and underemphasized in the political arena.

Against this background, relocation dynamics and resulting response mechanisms of affected households are explored using, in particular, the example of Can Tho City in the Mekong Delta. Based on empirical fieldwork in 2009 and 2010, the paper argues that the degree of direct financial implications as well as indirect livelihood changes determine whether a household is able to gain a long-term livelihood upgrade from the resettlement or whether it fails and experiences a downward movement in livelihood conditions and vulnerability. The latter can result, for example, in the need to move out of the designated resettlement cluster and back into other areas with substandard living circumstances. The main factors regulating these development pathways were, in detail, found to be the configuration of compensation schemes and land title holdings, duration and timing of the resettlement process, livelihood changes particularly related to income generation, access to information, regulative and procedural knowledge and socio-political relations. The paper calls for increased attention towards the dynamic mid- and long-term implications of resettlement on the micro-economic and socio-cultural sphere in order to supplement the current emphasis on physical infrastructure upgrading, thereby, fostering the socio-economic sustainability of resettlement projects.

*Keywords: Urban upgrading, resettlement, vulnerability, political economy, Vietnam*

## Introduction

Strong urbanisation is one of the most prominent dimensions of Vietnam's comprehensive socio-economic transformation process. Since the official commencement of the renovation reforms (*doi moi*) in 1986, which formally introduced a policy shift from a centrally-planned to a market-based economy, the country has experienced annual GDP growth rates of 5-10% (World Bank 2010a), making it one of the fastest growing economies in the world. Resulting from this growth has been an overall improvement in living standards and a reduction in poverty rates, but also regional differentiation (Revilla Diez 1999) and strong increases in socio-economic disparities and fragmentation (Taylor 2004). The latter is in part due to reduced regulation and the individualisation of social security nets (Smith and Scarpaci 2000).

Urban areas play a central role for this economic growth (c.f. McGee 2008). Urbanisation can, hence, be understood as simultaneously being a prime manifestation as well as a driver for wider socio-economic transformation. With the growing importance of the secondary and tertiary sectors (each contributing roughly 40% of the GDP) and with industrial zones and service enterprises mainly being located in cities or their outskirts, the country's urban areas account for 70% of the total economic output and attract the bulk of foreign direct investment (Yeung 2007: 269; McGee 2009: 230). Attracted by formal employment opportunities or informal labour prospects and the desire for improved living standards, Vietnam's cities have been experiencing a strong in-migration from rural areas. Between 1999 and 2009, 77% of the total population increase in Vietnam can be associated with urban areas (GSO 2010: 85). Given that crude birth

rates in rural areas have exceeded the rates in urban areas in most of those years, with crude death rates being almost identical, these figures reflect a substantial population movement from rural to urban areas, amounting to a rural-urban migration of almost 2 million people between the years 2004 and 2009 alone (GSO 2010: 86). In total, the country's urban population has more than doubled since 1989 (from 12.5 to 25.3 million people, accounting for 19.4% and 29.6% of the total population respectively)<sup>1</sup> (GSO 2010: 85) and is expected to again double by 2040 (UN/DESA 2010).

As a result of these developments, there has been an enormous demand for urban housing particularly in the low price segment in the last decades. However, with high housing demand and real estate markets driving up housing prices and rents, with poorly implemented social housing schemes and with private real estate developers focusing mainly on the upper market segment, large portions of the population have been obstructed from access to formal low cost housing (Yip & Tran 2008; Waibel et al. 2007; Hien 2002; Thoa Nguyen 2009; VBN 14.09.2010). Similar processes can also be observed in other countries in Southeast Asia (Kraas 2004; Vorlauffer 2009: 106).

As a result, large shares of urban low-income dwellers have been forced to resort to makeshift housing on marginal lands such as the banks of rivers or canals where the lack of land is often compensated through dwellings built on stilts above the water. In most cases these dwellings lack sufficient infrastructures especially in terms of water supply, latrines and waste disposal, leading to substantial health risks. Given their location on marginal lands, makeshift dwellers often face increased exposure to natural and man-made hazards such as flooding or river bank erosion. Their vulnerability is further increased by the deteriorated physical resilience of their habitation owing to a generally low quality of building materials and improvised structures. The lack of formal legal status, including particularly the lack of land use titles, creates additional problems as it impedes access to utilities and inhibits the inhabitants from mortgaging their land or using it as collateral to obtain bank loans. The lack of land title further implies that the dwellers will receive no or limited compensation in the event of relocation, e.g. within the framework of urban upgrading projects.

UN-HABITAT estimates that around 9 million of Vietnam's urban inhabitants are living in such slum-like conditions<sup>2</sup> (UN-HABITAT quoted in VNS, 27.10.2009). The Vietnamese government has long since recognized that these conditions hamper social development and run counter to the proclaimed vision of modern and "beautiful" cities (compare, for example, the Orientation Master Plan for the Development of Vietnam's Urban Centres Till 2020; SRV 1998). Hence, urban upgrading is advocated, implemented either directly through governmental upgrading schemes, other international organisations such as the World Bank or private investors who then have the official concession to convert the land-use and to implement their development projects (be it for housing developments, commercial or industrial uses). These upgrading initiatives often imply the former inhabitants' eviction and resettlement and/or financial compensation. However, global case studies suggest that the intermediate and long-term effects on the relocatees' livelihoods can be highly controversial as relocation can create substantial new risks mainly in the domains of income generation, other financial implications and social networks (e.g. Werlin 1999; Mukhija 2002; Viratkaplan et al. 2004; Davis 2004). Therefore, questions addressing the political economy and long-term sustainability of urban upgrading and resettlement projects arise. This paper draws on empirical research on upgrading and resettlement projects in Can Tho City in order to explore how benefits and drawbacks emerging from such projects are distributed and progress over time.

## Urban Upgrading and Resettlement in Vietnam

Urban upgrading is in some form or another part of a large number of recent, current and future development initiatives in Vietnam. Giving a precise overview of all projects is, however, difficult

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<sup>1</sup> While the major part of this increase can be attributed to natural population growth in urban areas and in-migration, it needs to be noted that administrative reforms (turning rural communes or district into urban ones) also play a role. The precise contribution of this minor factor is, however, difficult to trace.

<sup>2</sup> Kraas (2004) calls for using the terms "slum" and "squatter settlement" with care in the Southeast Asian context. Slums in the sense of degraded residential quarters abandoned by the original inhabitants do virtually not exist in Southeast Asia. Similarly, the percentage of entirely illegal squatter settlements is comparatively low and grades of informal or illegal status can be much more differentiated than in other parts of the world.

as funding mechanisms and project scopes range from official development assistance (ODA) to national programmes or even local initiatives. Implementing actors may encompass international organisations like the World Bank, the national government, local governments, local cells of unions and the Fatherland's Front or locally acting NGOs. Further, urban upgrading may be an underlying dimension to different sectoral activities not only within the Vietnamese government but also within the international development cooperation landscape, complicating a clear-cut accounting of upgrading initiatives even further.

In June 2009, the Prime Minister's approval of the National Program on the Upgrading of Urban Centres During 2009-2020 in June 2009 gave for the first time a comprehensive policy framework explicitly addressing urban upgrading (SRV 2009). Next to ambitious targets with respect to the provisioning of clean drinking water, sanitation infrastructure, solid waste collection and improved waste water treatment, the program envisages that all houses built in areas being "unsafe or unsuitable to people's life" will be relocated and housing conditions improved by 2020. In addition, financial mechanisms shall be established to provide households in low-income areas with loans for housing renovations. The improvement of capabilities amongst administration and planning staff as well as increased community awareness and participation are focused upon to promote the successful implementation of the upgrading targets. During the first half of the program period, priority is given to pilot projects and the upgrading of higher grade cities. During the second phase, lower grade cities are addressed. The total costs are estimated at 175 trillion VND (roughly 9 billion USD) which shall be financed by state budget funds, ODA and other internationally and domestically raised sources of capital. The prioritized projects during the first years are designated to be heavily based on ODA funding, especially from the World Bank; during the second phase other sources of funding are envisaged to gain in importance.

The largest and most comprehensive initiative focusing explicitly on urban upgrading is the World Bank financed Vietnam Urban Upgrading Project (VUUP) – which in fact comprises the preparation of the above-mentioned National Program as one activity and carries out the pilot projects indicated therein. Having been approved in 2004, the project has embarked on the second phase in 2009 while continuing its upgrading activities in the four original case study cities of Hai Phong, Ho Chi Minh City, Can Tho City, and Dam Dinh. The project is scheduled to continue until the end of 2014. Both phases comprise of hard components including the upgrading of physical infrastructures such as water supply systems, drainage infrastructure, road structures, bridges or electricity networks (compare figure 1). In addition, soft components including, for example, loan programmes for housing improvements, vocational training or capacity building amongst administrative staff are incorporated. The total project costs were originally estimated at 418 million USD (World Bank 2004) with an additional 160 million USD of IDA funding having just been granted in order to make up for the price inflation of building materials and the loss of parallel ODA which did not materialise (World Bank 2010b).

The majority of the upgrading activities have been concentrating on upgrading the existing infrastructure within the given location, meaning that the population did not have to move to other places. This way, around 600,000 people are envisaged to benefit from the in situ upgrading planned for the second phase of the project alone, notably through alley and street upgrading, improvements in sanitation and drainage infrastructure or improved access to land use certificates.

Yet, despite this successful focus on in situ upgrading, a considerable proportion of the target communities has been and will be affected by resettlement within the framework of urban upgrading. Initial appraisals prior to the commencement of the first phase concluded the need to resettle 5,363 households in the four pilot cities during both project phases (World Bank 2004). After the completion of the first phase and the calculation updates in preparation for the second phase, it becomes evident that this number will greatly increase (which is also supported by own calculations for the Can Tho City pilot).

According to project documents and interviews with the head of the project management unit (PMU) under the People's Committee of Can Tho City and other experts, the VUUP differs from conventional governmental upgrading projects given the social and financial criteria imposed and monitored by the World Bank. These refer in particular to the compensation scheme which is claimed to be more accurate to the market prices of land and building materials and which is allegedly designed in a way that also enables households lacking official land use and/or building ownership title to be eligible for sufficient compensation. In addition, the project documents put

emphasise on a participatory process, information sharing and other soft factors such as vocational trainings. Exploring how far these criteria are implemented and whether they make a considerable difference allowing for long-term livelihood improvements will be part of this paper.

Fig. 1: River bank in Can Tho City before and after upgrading



Source: M. Garschagen 2009

Next to the World Bank project, a number of other large-scale projects have been conducted over the last years or are currently ongoing. In HCMC alone, there have been more than 38,000 people resettled in 191 projects since 2005 with another 38,500 expected to follow in 307 pending projects till 2015 (VNS, 22.01.2010). Wust et al. (2002) assessed the governmental Nhieu Loc-Thi Nghe canal project in HCMC in the framework of which the approximately 40,000 people who had populated the canal banks have been moved and partly relocated since 1995. The authors argue that forced relocation caused a drop in income, a steep rise in housing costs and a disruption in social networks. Reviewing the same project, Lang (2006) concludes that while the environmental conditions of the canal and basin could be improved, “not everyone – especially not the very poor – had benefited from the project” due in particular to compensation shortcomings in relation to land titling and timely provisioning of resettlement clusters (Lang 2006: 392). An earlier investigation of a much smaller upgrading project, with a NGO-supported bottom-up approach in HCMC’s District 4, illustrates the difficulties for community participation in upgrading endeavours and particularly the structural discrimination with respect to the empowerment of women (Coit 1998). Similar deficits still seem to be prevailing in today’s upgrading projects. For example, the implementation of the Tan Hoa-Lo Gom canal upgrading under VUUP is significantly behind the original schedule due to widespread discontent amongst households to be relocated based upon a compensation scheme which is regarded as insufficient and unfair (VBN, 29.07.2010).

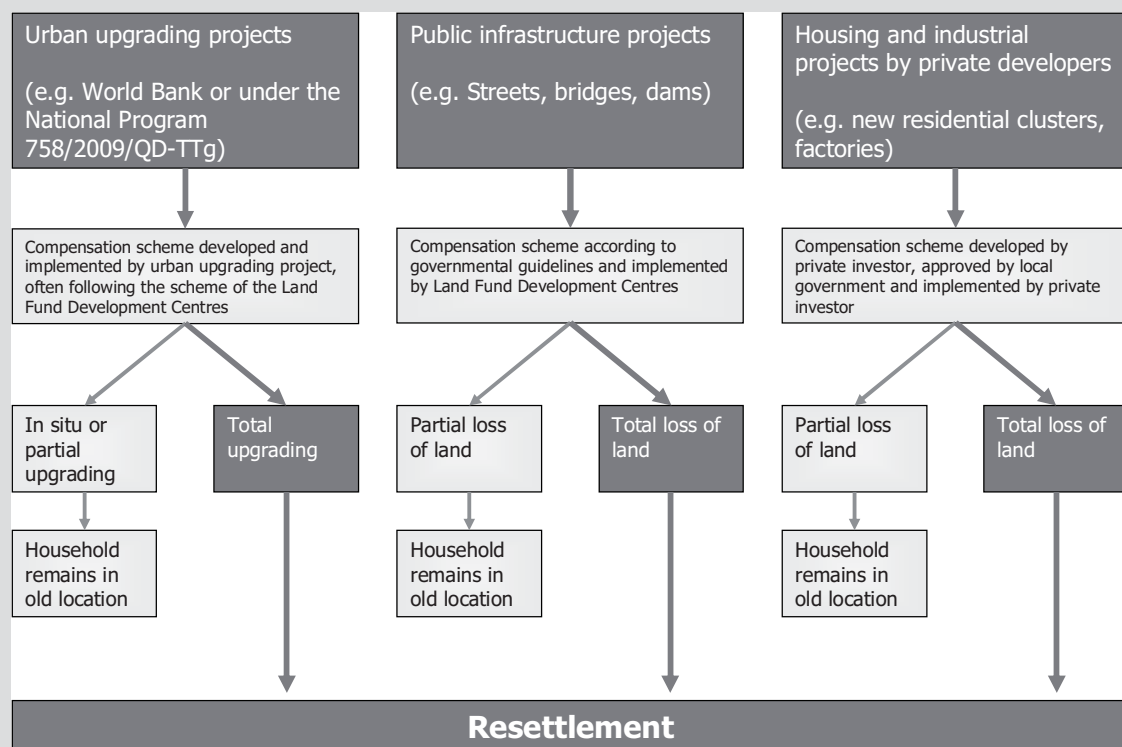
## Case Study Can Tho City

For a number of reasons, Can Tho City makes a relevant case study offering opportunities for comparative analysis of formerly poorly investigated dimensions of urban upgrading and resettlement. Being the economic and socio-cultural centre of the Mekong Delta, the city has been experiencing substantial growth and expansion over the last years. This has been coupled with comprehensive modernisation and upgrading initiatives in connection to the recent upgrading of Can Tho into a class I city. The administrative entity of Can Tho City currently hosts 780,000 urban inhabitants and another 406,000 people in its rural districts (Statistical Office of Can Tho City 2010). According to its long-term construction master plan, Can Tho is expected to grow to a population size of 1.6 to 1.8 million by 2025 with up to 1.1 million thereof living in the inner city (SRV 2006). Next to growth in the central district of Ninh Kieu, the largest share of this population increase is envisaged to take place in new medium- and upper-market residential developments in the adjacent districts of Binh Thuy and particularly Cai Rang (c.f. SRV 2006; Garschagen et al. 2010). These districts also host major industrial parks such as Tra Noc I+II and Hung Phu I+II as well as the newly established deep water port of Cai Cui.

Considering these development projects in combination with the World Bank urban upgrading project in Can Tho City, there is high current and future (forced) resettlement activity (compare figure 2). The World Bank project alone accounts for more than 250 resettled households during the first half of the project and an expected 1,136 additional households during the recently initiated second phase (World Bank 2009a,b,c).

Against this backdrop, Can Tho City can be considered one of the most dynamic urban areas in Vietnam. It allows not only for longitudinal studies on upgrading, modernisation and resettlement projects but also for comparison between different resettlement schemes. The case study gains in additional value, considering the fact that most appraisals of upgrading projects in the past have focused on Vietnam's largest cities, predominantly HCMC. Raising the question if and how resettlement conditions may be different in emerging large cities and whether or not lessons learned from HCMC are considered seems, therefore, to be useful. Investigating urban upgrading and resettlement in the Mekong Delta further appears important given the increased political and scientific discussion on (urban) climate change adaptation particularly in the Delta (c.f. Birkmann et al. 2010; Garschagen 2010). In this discourse the resettlement of people away from places of high hazard exposure has taken a prominent role.

Figure 2: Types of urban upgrading and development projects that may lead to resettlement



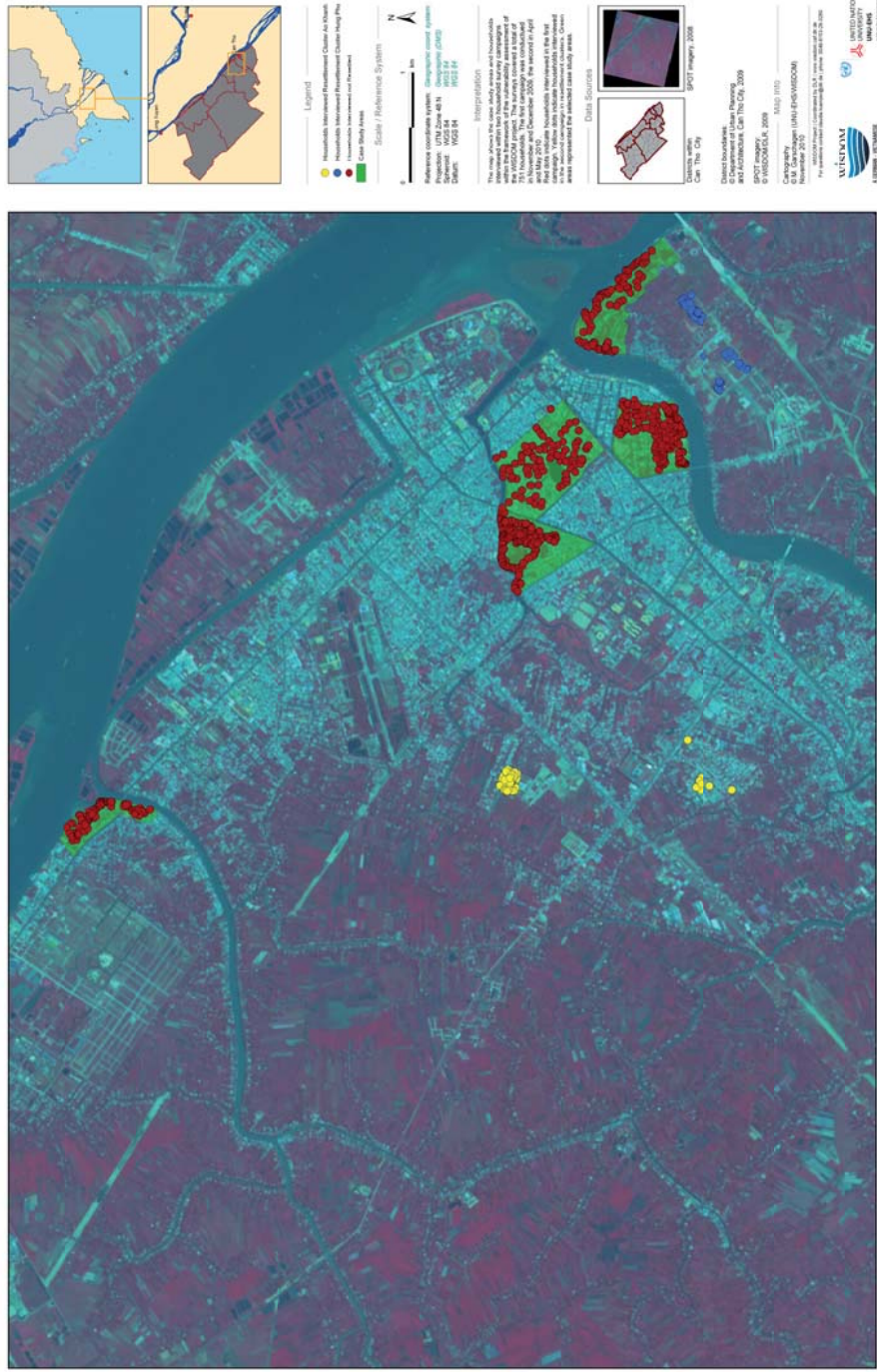
Source: own draft M. Garschagen

### Methodology

The case study analysis in Can Tho City is based on the review of policy and project documents as well as on empirical data collected in 2009 and 2010. Narrative and semi-structured household interviews were conducted with resettled as well as to-be-resettled households in Ninh Kieu, Cai Rang and Binh Thuy Districts. Based on those interviews, two questionnaire-based household surveys were conducted applying a stratified random sampling. The first campaign comprised of 588 households in areas due for upgrading. The second campaign captured 154 households which had already been resettled (compare figure 3). In addition, semi-structured expert interviews with decision makers within province- and district-level planning agencies, research -

Fig. 3: Case study areas and households interviewed

**Wohnmobilität und Haushaltsentwicklung in der Stadt - Research Sites and Households Interviewed**



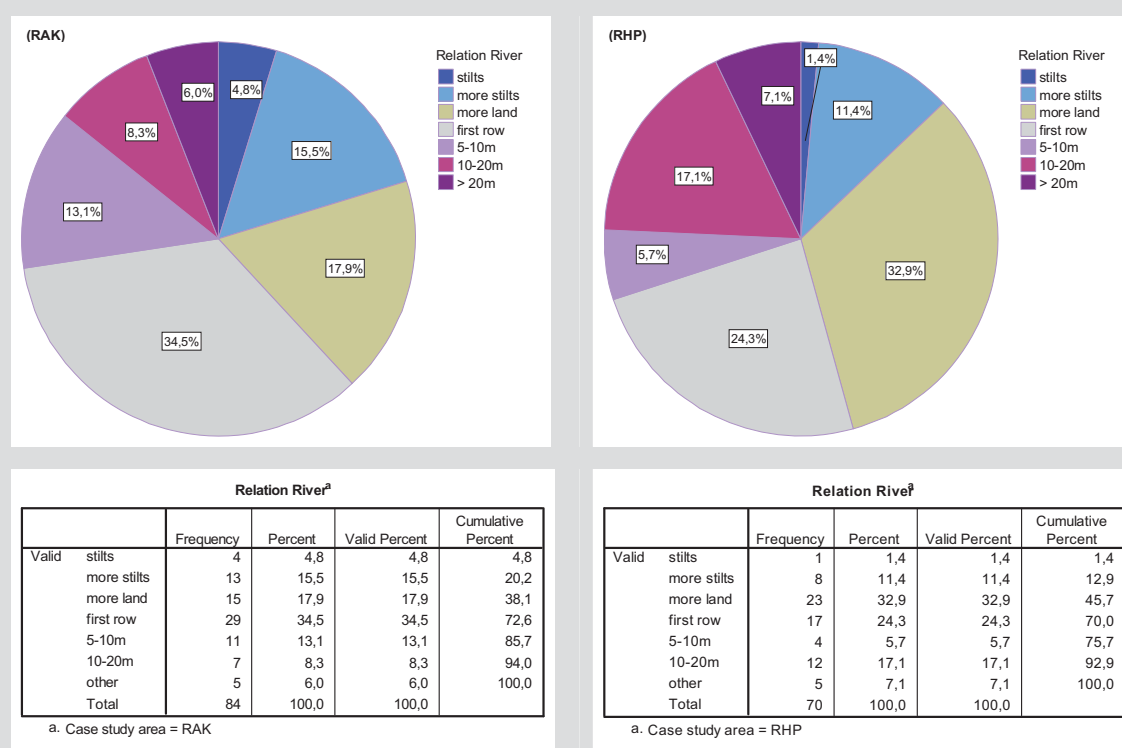
Source: own draft M. Garschagen 2010

institutions and project management units were conducted. Qualitative content analysis was applied for the expert interviews as well as the explorative household interviews. The analysis of the standardised survey presented here mainly draws on descriptive statistics. The resettlement site in An Khanh Ward (RAK), Ninh Kieu District, is the main resettlement cluster for the World Bank project. Resettlement sites in Hung Phu Ward (RHP), Cai Rang District, hosts resettled household from governmental infrastructure and private sector development projects.

#### Housing Conditions and Physical Assets

Figure 4 illustrates that the majority of the households interviewed in An Khanh and Hung Phu had been living on or directly next to water prior to resettlement, meaning along the banks of rivers or canals. This observation matches statements made in different expert interviews claiming that waste lands along waterways have long since provided opportune conditions for the development of slum-like settlements. These have over the years turned into hot spots of social vulnerability and risk not only for the inhabitants themselves but through the pollution of the water bodies for the wider population. In this context, figure 5 points towards the particular role of flooding especially during high tides and heavy precipitation in the rainy season. More than 50% of the resettled households stated that their old habitation had been entirely or partly affected by flooding in those situations. Slum-like areas on or close to water-bodies are, hence, treated with priority when it comes to urban upgrading in Can Tho City.

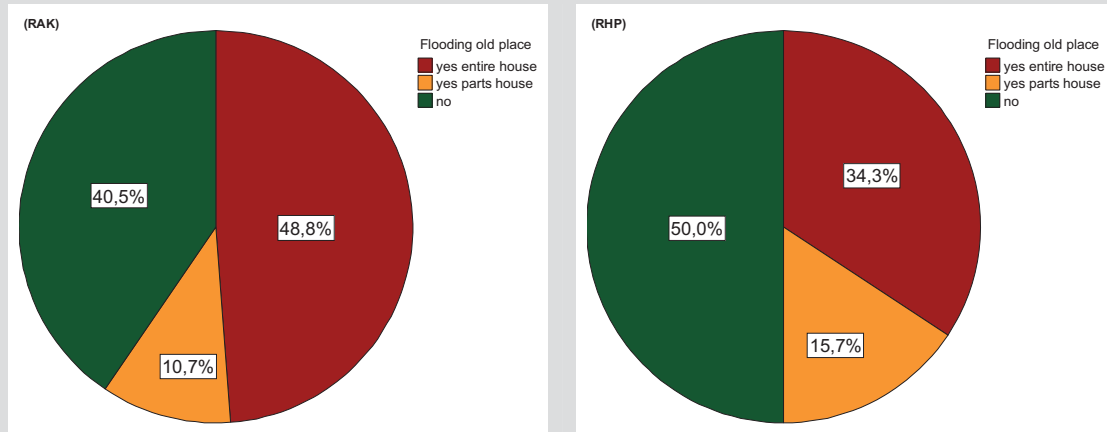
Fig. 4: Location of old house in relation to river or canal



Source: own draft base on household survey 2010

Under all the resettlement schemes represented in An Khanh and Hung Phu, the resettled households are in charge of constructing their new house by means of the financial compensation they received. Comparing key elements within building structure before and after relocation, figure 6 hints towards the generally improved housing conditions amongst resettled households (in both RAK and RHP). For example, around 32% of the households interviewed had the walls in their old dwelling primarily constructed of leaves, wood planks or corrugated iron due to lacking financial resources for bricks and cement or mortar. After relocation, however, all houses were equipped with brick walls.

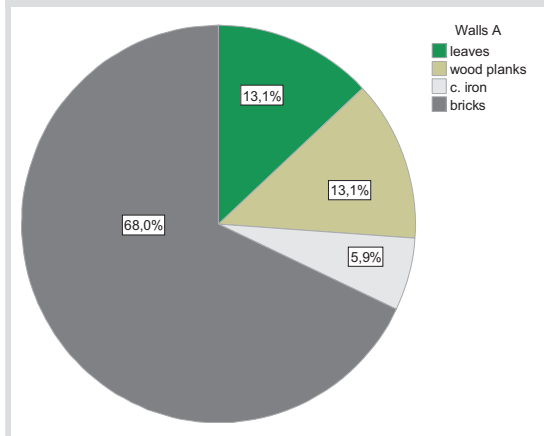
Fig. 5: Stochastic and period flooding in old location



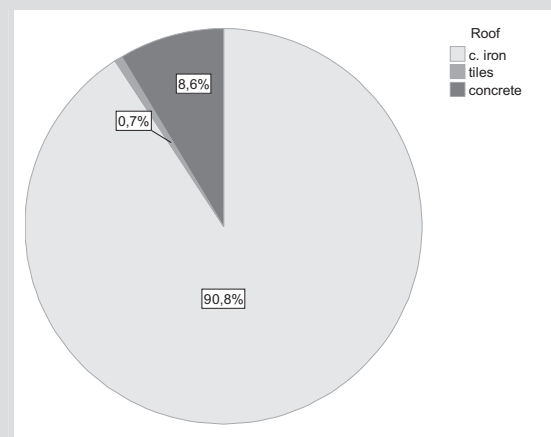
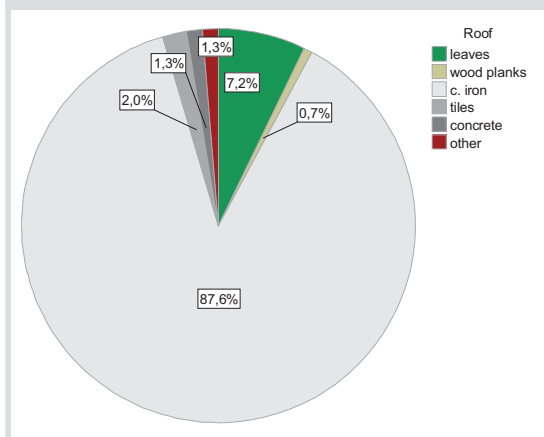
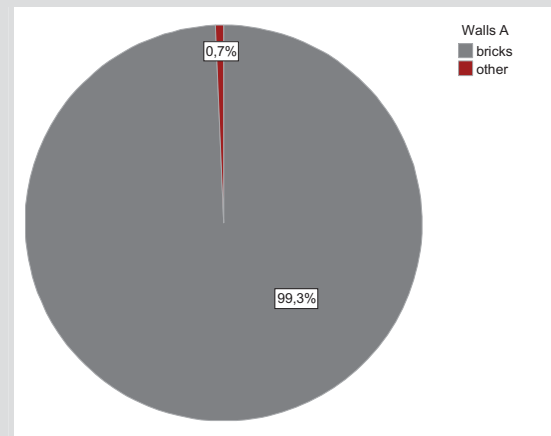
Source: own draft based on household survey 2010

Fig. 6: Main building materials before and after resettlement

Old place



New place in resettlement site (RAK & RHP)



Source: own draft based on household survey 2010



As all resettled households have been able to move their belongings from the original place, no losses in household assets such as electronic appliances or furniture have been reported. On the contrary, depending on the balance of compensation and costs for the new housing (compare next section), a limited number of households was able to use their compensation surplus to upgrade or extend their asset stock, e.g. for kitchen appliances or air conditioning units which 18% of the households in RAK stated to have now.

#### *Public infrastructure and amenities*

The sufficient and timely infrastructure provisioning for water, electricity, schools, kindergartens, waste water disposal and transportation was stated to be the issue of most concern in both the household and expert interviews. In Hung Phu, more than 90% of the interviewed households had electricity and water connections right from the beginning. In contrast, one third of the respondents in An Khanh maintained that they had experienced delays of several months or did not yet have any connection at the time of the interview in April and May 2010, with most households having resettled in 2006 or 2007. Most of those delays were stated to be caused by problems in relation with the issuance of land use and housing certificates.

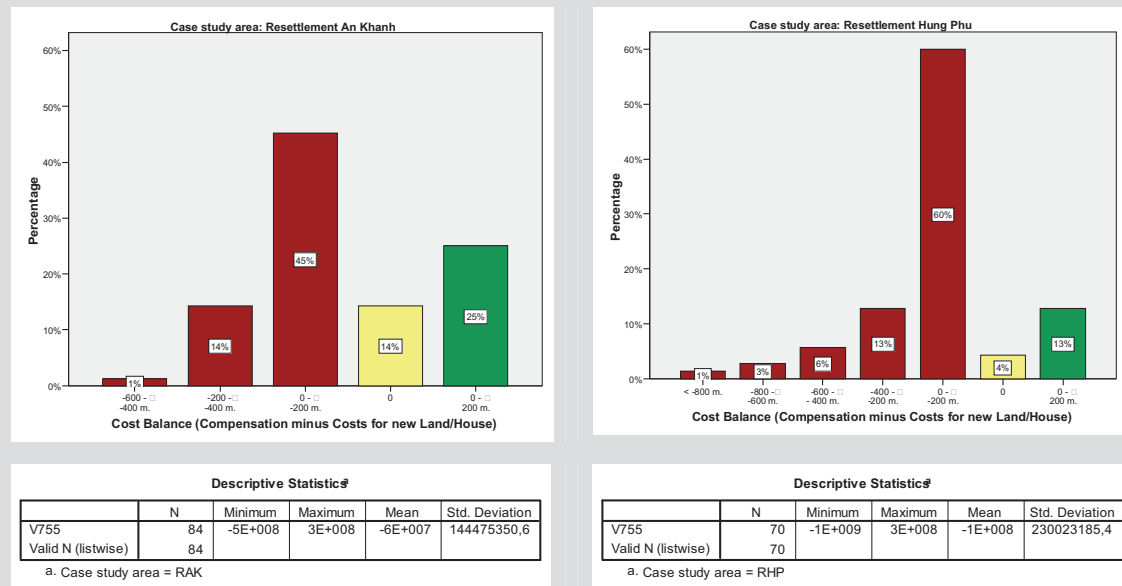
Road infrastructure had in both resettlement clusters been completed prior to the resettlement. At the time of investigation, the resettlement cluster in An Khanh was not yet connected to other parts of the city via a public bus line.

Given, however, that the resettlement sites in An Khanh and Hung Phu are comparatively close to the original location (compare figure 3), the geographical access to schools and kindergartens as well as to other service providers and shopping infrastructure appeared not to be overly problematic. However, subtle problems remain. More than 85% of the interviewed households with children stated that they did not transfer their children into a new kindergarten or school. The reasons were either a lack of alternatives in the new place (with only one new kindergarten being established in An Khanh so far) or the good reputation and existing social networks at the old facility. Many households stated that for this reason, they are not interested in transferring their official residency status (locally often referred to as the “family book”) to the new ward in order not to lose their entitlement to their old school and kindergarten places. Yet, this implies certain administrative problems, e.g. regarding the access to utilities. In addition, the same households complained about an increased amount of driving as most children now have to be carried by the parents or other relatives on motorbike. Similarly, the access to markets, shops or other service facilities became more tedious, yet not impossible, from a demand point of view. 75% of the respondents in RAK and 56% in RHP, therefore, agreed or strongly agreed to the statement that the resettlement cluster is too far away from the old place. The situation for (former) suppliers at such markets and shops is discussed in one of the following sections.

#### *Financial Implications*

Repeatedly stated as being more important than infrastructure shortcomings were negative financial implications resulting from resettlement. Affected households and many experts raised concerns during in-depth interviews that the financial compensation is not sufficient. Deficits are mainly caused by the fact that compensation lacks behind the market prices for construction materials, workforce and particularly land (even in cases where the new land lots in the resettlement areas are subsidised under the resettlement scheme). Given that the compensation schemes of all upgrading and development projects in some way discriminate along the official land use or housing certificate, even greater deficits occur for households not holding those papers. Further, all projects investigated restrict their compensation to the actual land area. This means that those parts of dwellings which are with stilt constructions extended onto the water are not considered. However, the entire housing structure is included when calculating the second component of compensation which is for re-constructing demolished buildings. Overall, the majority of resettled households interviewed face a balance deficit when accounting the compensation received against the cost for the new land and construction (compare figure 7).

Fig. 7: Cost balance after relocation



Source: own draft based on household survey 2010

In order to negotiate those deficits, the vast majority of households stated to revert back to own savings, loans from relatives or loans from friends and neighbours. In-depth interviews, however, support the assumptions that also “own savings” eventually equal loans from relatives and friends to a substantial share. Only twelve households in total reported to draw on bank loans. Others stated that lacking collateral impedes access to bank loans – a situation which in many cases was accredited to pending official certificates for the new land plots which have not been provided in due time, in turn inhibiting to mortgage the land.

### Social Implications and Income Effects

While the distance to the old place of living can be overcome for certain purposes as shopping or commuting to school, it can pose far greater problems for income generation. Similarly to the condition in the to-be-upgraded ward of An Nghiep, many of the households relocated from An Cu, An Hoi and Hung Phu had earned large parts of their income through running small businesses in their shop houses (i.e. by utilizing the house simultaneously for living and working purposes, the latter, for example, as trading place, workshop, atelier or office). Others worked as mobile or semi-mobile vendors within the close vicinity or maintained water-bound transport or trading businesses given their direct access to water ways. Those activities are not only dependent on the place-specific production assets (e.g. the canal, the boat, the workshop, the market) but also on the proximity to established networks of customers and trading partners. They are, hence, greatly challenged by resettlement.

In RAK almost half of the interviewed households reported changes in the job profile of either all or some household members, incurred by the resettlement. In RHP the reported figures are lower, yet amounting to 37%. In most cases, those changes couple with a substantial decrease in overall income, mainly ranging between 1 and 4 million Vietnam Dong per month and household. Regarding the impact on social networks, the majority of respondents did not experience significant changes caused by the resettlement (55% in RAK and even 81% in RHP), with the remaining household perceiving that social networks have suffered. These figures only partially reflect the strong concerns raised by some critical experts. Yet, they are in line with the in-depth household interviews which, however, also hinted towards the fact that the situation for immobile household members, especially elderly and children, is usually more accentuated.

## Discussion, Conclusions and Outlook

Comparing the above results between different upgrading projects and juxtaposing the actual effects of resettlement against the targets laid out in the project plans and policies, a couple of conclusions can be drawn. Based on project documents and expert interviews, a strong primacy of physical infrastructure upgrading can be asserted in all projects. This is reflected by the analysis at household level. While the physical housing conditions could in general be improved (e.g. figures 4 and 6), the balance sheet with regard to other financial, social and economic livelihood factors looks more contested. The proclaimed emphasis on adequate and fair compensation mechanisms in the World Bank project lead to slightly lower debt levels amongst resettled households compared to the purely governmental infrastructure projects and private sector development initiatives in Hung Phu. However, as most households still have to negotiate substantial debts, the figures also show that even within VUUP the compensation rates are not sufficient. This problem is expected to even intensify in future, given that VUUP is planning to use the official governmental compensation amounts in the second phase. These, however, are already today lacking behind the actual market prices for land and building costs – a trend which is likely to intensify in future given the high inflation rates particularly in the real estate market coupled with funding shortages amongst governmental institutions like Can Tho's Centre for Land Fund Development.

VUUP proved more generous than private real estate developers in Hung Phu to acknowledge records in local People's Committee books as proof of land use titling besides the official certificates. In cases where still no sufficient proof of the land affiliation could be provided, the VUUP scheme allows for compensation at 60% of the normal rate. However, with the majority of the former houses built partly or entirely on water (compare figure 4) the general problem of not compensating for informal, yet actually used and needed, shares of housing ground remains also for residents covered by VUUP.

At the same time, the fact that bank loans are not considered an accessible option for the vast majority of households interviewed indicates that the development of VUUP's envisaged loan system is lacking behind or does not provide mechanisms accessible for the respective households. Contributing to the inaccessibility of bank loans, are also delays and administrative barriers in issuing the official land use certificates in the new location which would be needed as collateral. While this problem occurred predominantly with projects implemented by private real estate developers in Hung Phu, some cases were also reported in the VUUP resettlement site in An Khanh.

Even though none of the projects resettles people more than three to four kilometres away from the original places, the shift out of the old neighbourhood can have substantial negative impacts on income earning activities. This is particularly true for people working in small scale informal businesses which are immobile or semi-mobile and linked to localised customer or exchange networks. Transferring people into formal employments is seen as a solution to this problem. The official VUUP documents, therefore, put great emphasis on the project's component on vocational training and other income restoration assistance (e.g. World Bank 2003). While similar schemes are largely lacking in private real estate development projects in Hung Phu, also the implementation within VUUP has been poor so far. Only two household members in An Khanh and none in Hung Phu reported to have received vocational training of any type. A major problem in this respect seems to be that those trainings are not conducted with additional project resources. People who are by the Project Management Unit identified to be in need of such training are reported to the Department of Labour, Invalids and Social Affairs (DoLISA) under the People's Committee. This department then includes them into its regular training courses. High ranking officials within the province level DoLISA in Can Tho, however, expressed their discontent during expert interviews since they are not involved in the planning and design phase of resettlement projects. This precludes them from raising social and micro-economic concerns in a preventive manner and adjusting their mid-term planning accordingly.

In conclusion, the question whether resettlement in the framework of urban upgrading results in a sustainable improvement in living conditions or whether it can turn out to become a vulnerability pitfall does not evoke a clear-cut but a very differentiated response. On the one hand, the improvement in physical housing conditions reduces vulnerability towards natural hazards (notably flooding), mitigates health risks, eases economic pressures resulting from constant renovation needs and (potentially) gives security due to official residency and land use titling. On

the other hand, resettlement can imply significant financial pressures threatening the household in the long-run. In combination with often occurring income degradations these pressures substantially challenge the achievement of improved living standards in the long run and increase vulnerabilities.

Related to the latter point, an important problem and the need for further investigation evolves from the fact that those households living in the resettlement sites only represent one segment of the evicted people. Expert interviews as well as the household survey in the to-be-upgraded wards suggest that in fact a significant proportion of households is not able to obtain and sustain a land lot and house in the resettlement cluster given the political economy of land titling, compensation and pricing. Officials of the VUUP and the province and district level People's Committees repeatedly claimed that households who do not move to the resettlement sites do so because they "prefer" to live somewhere else, not for financial but for private reasons. However, more critical voices as well as to-be-resettled households argue that financial pressures are usually the main reason. Interestingly, neither VUUP nor the local People's Committees compile – or at least are not willing to share – statistics on households moving out of the resettlement site or selling their priority rights to resettlement cluster land lots immediately. Estimates by former VUUP staff members, local scientists and ward officers range from 40 to 50 percent for Can Tho City. However, appraisals on projects in HCMC find sell-on rates of up to 90 percent (oral communication Le Van Thanh, HCMC Institute for Development Studies, 11.11.2010; VNS, 22.01.10). Yet, it is still poorly understood how the political economy behind those cases looks in detail, what thresholds exist, how financial and social factors precisely interact and, last but not least, where these households move to. Given the financial pressures and lack of land title, it seems reasonable to assume that a large share of them eventually ends up in other places with poor housing and living conditions, for example, in other urban slum-like areas. A survey has just been initiated in Can Tho to compile an overview on the numbers and movements of such households in order to then be able to trace them to their new location and to conduct interviews.

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