

# The role of the State in night-time economic development in Hanoi

Assoc. Prof. Dr. Vu Van Phuc

*Scientific Council of Central Party Agencies*

Dr. Ho Kim Huong

*Vietnam Youth Academy*

***Abstract:*** Vietnam, with its favorable conditions, is a promising ground for the development of the night-time economy. The State's role in this development is crucial, as it is being increasingly strengthened to unlock the potential of the night-time economy in Hanoi. This article meticulously examines the State's role in the development of the night-time economy in Hanoi and proposes measures to enhance the State's management of this economic sector, underlining the significance of their work.

***Keywords:*** Role of the State; development; night-time economy; Hanoi city.

## 1. Introduction

The concept of the “night-time economy” in Vietnam encompasses all service activities between 6 p.m. and 6 a.m. the following morning. These activities include cultural services (such as art performances and music), entertainment, cuisine, shopping, and experiential activities at tourist destinations operating exclusively at night-time. In Vietnam, the night-time economy has gained attention, and several popular services are being implemented in major tourist cities such as Hanoi, Ho Chi Minh City, and Hoi An (Quang Nam). Typical forms of the night-time economy in these cities are night-time markets, night-time food streets, 24-hour convenience store chains, walking streets, and food service streets.

Resolution No. 15-NQ/TW, dated May 5, 2022, by the Politburo, sets forth clear directions and tasks for the development of Hanoi by 2030 with a vision to 2045. The resolution aims to rapidly, effectively, and sustainably develop Hanoi's urban economy. It seeks to innovate the growth model, mobilize and effectively utilize all resources to continue promoting the role of Hanoi as a growth engine, leading the rural and capital economies, and contributing significantly to making Hanoi an “Antique - Civilized - Modern city”, a hub driving the development of the Red River Delta, the national and Northern Vietnam key economic region; a city with deep international integration, high competitiveness in the region and the world, comparable to the capitals

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of developed countries in the region' (Politburo, 2022).

## **2. Overview of the type of night-time economy and the role of the State in night-time economy management**

According to Bergs (2016), the night-time economy encompasses all economic activities occurring during the night time. Most countries, such as the United Kingdom, the United States, China, Japan, Australia, and France, recognize the night-time economy as an integral part of their economy. The night-time economic period generally consists of two main time frames: from 18:00 to 24:00 (evening) and from 00:00 to 06:00 the following day (late night-time). The State's role in developing the night-time economy includes fundamental tasks such as devising strategies and development plans, establishing guidelines and orientations, regulating activities, and facilitating, encouraging, and supporting development. The State also uses legal tools and policies to achieve objectives and strengthen inspection and supervision activities (Andreina, 2018).

Li et al. (2018) emphasize that state management at the provincial and city levels should focus on strengthening the inspection and control of service quality and managing tourist areas. In addition, Seijas (2018) suggests that night-time economic activities at these levels need improved policies, administrative procedures, and efforts to create a favorable business environment for organizations and individuals in this field. On the contrary, local authorities play a crucial role in ensuring the safety of tourism activities, resolving conflicts, and ensuring economic security to create a sustainable tourism environment (Tam, 2020). Provinces and cities should also establish tourism development support funds to enhance infrastructure, train human resources, and promote tourism branding (Ma et al., 2014).

Moreover, for state management activities in night-time economic development to be highly effective, provinces and cities need to consolidate their management systems for night-time economic activities to ensure synchronization and efficiency. They must establish support funds to attract investment in night-time economic development or focus on developing typical models of night-time economic products. Similarly, according to Li et al. (2018), provincial and municipal governments should concentrate on sharing information, improving managerial capacity, and raising awareness of the value and benefits of adopting a proactive approach to developing and managing night-time economic activities. Quynh (2017) also emphasizes that state management at the provincial and city levels should prioritize the inspection and supervision of service quality and ensure the safety and security of participants in night-time economic activities, given that these activities occur from 6 p.m. to 6 a.m.

In general, the role of the State at the provincial and city levels in night-time economic development involves concretizing the functions and tasks of the State through the following stages:

(1) **Planning:** Provincial and city governments develop a night-time economic development strategy, set out action plans, create policy mechanisms tailored to local conditions, and facilitate the growth of the night-time economy.

(2) **Organizing and operating:** Local authorities take specific actions to create an environment conducive to night-time economic development. They support various models and products, build support funds, enhance management efficiency, promote the role of associations, and encourage the development of market and tourism establishments.

(3) **Monitoring and managing conflicts:** In this phase, local authorities implement

measures to monitor and resolve conflicts, ensure security, and maintain order in night-time economic activities.

Thus, the process of night-time economic development involves these stages to ensure the effective operation and support of the state. The planning phase allows local authorities to devise appropriate strategies, while the organizing phase focuses on creating the necessary environment and infrastructure for development. Finally, the monitoring phase ensures security and stability, enhancing the trust of citizens and businesses while promoting the sustainability of the night-time economy.

### **3. The role of the State in night-time economic development in Hanoi city**

In an increasingly competitive and volatile business environment, the State's role is both a prerequisite and a proactive factor in promoting and developing a city's night-time economy. Hanoi, the capital of Vietnam, exemplifies the State's initiative and creative spirit in fostering a vibrant business and entertainment environment in the evening. The State has played a pivotal role in promoting night-time economic development through specific policies and programs, significantly benefiting local people and the economy. The State's role in promoting Hanoi's night-time economy is reflected in the following main points:

*Firstly, the State creates favorable conditions for night-time business operations.*

Hanoi has created walking spaces and extended business hours for service establishments at night-time. The city has issued several documents to facilitate night-time business and entertainment activities, from organizing cultural events to extending business hours for service establishments. These include Program No. 03-CTr/TU dated March 17, 2021, by the Hanoi Party Committee on "Urban embellishment, urban development,

and urban economy of Hanoi for the period 2021-2025"; and Decision No. 3195/QĐ-UBND dated June 13, 2023, by the Hanoi People's Committee on approving the urban economic development plan for Hanoi; Additionally, Hanoi has piloted the expansion of walking spaces around Hoan Kiem Lake and the southern part of the Old Quarter. This facilitates night-time tourism and shopping activities, attracting both residents and visitors.

Additionally, Hanoi organizes night-time markets and pedestrian streets in the Old Quarter area, where business activities are conducted until 2 a.m. The pedestrian space in the Old Quarter is connected with Hoan Kiem district and surrounding areas such as Hang Ngang, Hang Dao, Hang Bong, Ta Hien, Ma May, Luong Ngoc Quyen, and Hang Chieu. The main business activities here include dining, clothing, convenience supermarkets, hotels, spas, bars, taxis, cyclos, entertainment programs, festivals, events, music, and dance performances on the pedestrian streets, all contributing to Hanoi's distinctive night-time atmosphere.

According to the Hanoi City People's Committee reports, the pilot program initiated by the Hoan Kiem District People's Committee in September 2016 has been a resounding success. The program, which extended business hours to 2 a.m. for service establishments in the district, attracted 65 eligible and registered establishments, including 31 in the Old Quarter, 20 in the Old Street Quarter, and 14 outside the Dike area. These included 33 establishments using music, 17 karaoke service businesses, and 15 dining service businesses. This initiative has created additional recreational space and significantly boosted tourism in the capital and Hoan Kiem district. It has met visitors' entertainment, socializing, and night-time exploration needs, especially international tourists, thereby increasing their stay duration and expenditure. These figures testify to the positive impact of

extending night-time operating hours, significantly benefiting businesses.

*Secondly, the State organizes cultural and entertainment events and activities.*

Hanoi has organized numerous nighttime cultural and entertainment events, attracting residents' and visitors' interest and participation. These events include the culinary space at Dong Xuan Night-time Market, the culinary space on Tong Duy Tan Street - Hang Bong Alley, the Tay Ho Night-time Flower Market (Au Co Street, Quang An Ward, Tay Ho District), and the Hanoi Night time Economy Product Display and Introduction Point at the My Dinh National Sports Complex (Nam Tu Liem District). This initiative demonstrates Hanoi's proactive and dynamic approach to fostering an evening entertainment environment. Regularly organized cultural and entertainment events have enhanced Hanoi's cultural atmosphere and attracted significant participation from locals and tourists.

The volume of visitors, both domestic and international, is substantial, with an average of 3,000 to 5,000 people during the day and approximately 15,000 to 20,000 people in the evening (Hoan Kiem District People's Committee, 2021). These activities not only promote tourism and entertainment but also generate new sources of income for the community and contribute significantly to the economy of Hanoi.

*Thirdly, the State supports and encourages businesses.*

By extending business hours for service establishments and facilitating night-time business activities, Hanoi has attracted investment and created a positive business environment. The stable growth and income of restaurants, bars, and spas evidence this. Extending business hours to 2 a.m. on weekends for service establishments has increased operational flexibility and attracted more customers. The implementation of

supportive policies encouraging businesses to operate at night-time has not only enhanced the competitiveness of these enterprises but also contributed to the sustainable development of the local economy.

According to the Hoan Kiem District People's Committee (2021), these measures have created a positive business environment, attracted investment, and generated numerous new job opportunities for workers. The number of businesses and households participating in the night-time-tourism sector has increased significantly, including 53 establishments in the Hoan Kiem Lake pedestrian area, 301 indoor businesses, 405 street businesses in the Old Quarter pedestrian area, 230 establishments at Dong Xuan Night time Market, and 54 establishments in the culinary space of Tong Duy Tan Street – Hang Bong Alley. These developments highlight the dynamic growth of Hanoi's night-time economy and its positive impact on local economic sustainability.

*Fourthly, the State strengthens its control and management over the night-time economy.*

Although night-time economic activities have some benefits, controlling and managing them is necessary to ensure security, order, and environmental sanitation. Control measures include the application of business timelines, noise management, and conflict resolution. The control of conflicts arising in the management of night-time economic activities still has some limitations. The impact on residential areas living in the area, especially the pressure of noise pollution, security and order, food hygiene and safety, and the environment from night-time tourism activities.

Several subjects and young individuals have concluded their consumption of food and beverages after participating in and supporting illegal racing events, which disrupt public order. Numerous incidents stem from conflicts at nocturnal business venues, escalating into

violent confrontations involving shootings and stabbings, often resulting in severe repercussions. Moreover, specific services, including the Internet and other sensitive activities, operate illicitly, contravening established norms and legal regulations. Concurrently, entertainment venues that cater to the nocturnal clientele, such as restaurants, karaoke bars, and discos, utilize loud music to significantly contribute to the allure of the nightlife. However, according to the provisions of Decree No. 54/2019/ND-CP dated June 19, 2022, by the Government, karaoke and disco services have restrictions on operating time (Karaoke is not allowed to operate from 0 a.m. to 8 a.m.; disco is not allowed to operate from 2 a.m. to 8 a.m.). At Point c, Clause 1, Article 6 of Decree No. 167/2013/ND-CP dated November 12, 2013, by the Government stipulating "Selling food, drink and beverage products overtime as prescribed by the People's Committees of provinces and centrally-run cities, a warning fine or a fine of from VND 100,000 to VND 300,000". With the above penalty, more than the regulations are needed to deter. At the same time, the City People's Committee has yet to issue a document regulating the time of selling food, drink, and refreshments. Although the People's Committee of Hanoi is piloting for 3-star hotels and above, bars and specialty restaurants in Hoan Kiem district can do business for up to 2 hours on Fridays, Saturdays, and Sundays.

According to the Ministry of Culture, Sports, and Tourism (2022), there are no regulatory guidelines for managing various night-time services and businesses. These include massage establishments (874 establishments), bars with loud music (33 establishments), internet cafes (2,834 establishments), hot and cold baths (133 establishments), budget lodgings (939 establishments), and food service points (279 establishments). Also, although Decision No. 1129/QĐ-TTg stipulates that refreshment shops

are allowed to operate until 6 a.m. the following day, there are no specific regulations on operating time, operating area, allowed items, and handling mechanisms for authorities at all levels to handle practical issues. Besides, there are no unified solutions and regulations for security, safety, traffic, entertainment, and entertainment activities at night.

Thus, the State's role in night-time economic development in Hanoi is both active and crucial. Various measures and policies have been implemented to create a vibrant business and leisure environment in the evening, contributing to the development and prosperity of the capital and the country. However, the control and management of night-time activities still require improvement to ensure security, order, and a healthy living environment for the community. Additionally, appropriate policies are needed to foster a positive business environment for enterprises while attracting domestic and international tourists to Hanoi. These efforts contribute to the sustainable development of the local economy and create numerous new job opportunities.

#### **4. Some recommendations for the State's role in developing the night-time economy in Hanoi city**

For the night-time economy to truly develop and contribute effectively to the socio-economic landscape, thereby improving income for businesses and residents, the Hanoi government needs to address several existing issues impacting night-time tourism development as follows:

*The first* is to strengthen the planning for the city's economic development. Proper and strategic planning for night-time economic development is essential. Promulgating specific policies and planning will help create a favorable and attractive business investment environment. However, the implementation must be flexible and keep up with the market development trend. The planning should focus on:

(1) Promulgating plans and policies of investment attraction.

(2) Promulgating a separate master plan for night-time tourism development, effectively exploiting the values of natural resources and local culture, cataloging the development of night-time tourism products and services, and providing a standard model to develop night-time tourism products based on successful models worldwide, creating night-time tourism spaces.

(3) Having policies to encourage, support, and attract investment in night-time tourism development associated with services such as bars, karaoke, and award-winning entertainment clubs.

(4) Simplifying investment procedures and implementing specific policies to attract investment in night-time tourism development (including operating time, scale of operation, type of service, labor policy, security and order, tax, and finance).

*The second* is to enhance the capacity to create an environment conducive to night-time economic development. This entails enacting policies, managing urban centers and tourist zones, and establishing a regulatory framework or specific guidelines for night-time economic development and related products. The issuance of policies and management of the nocturnal business landscape is imperative to ensure safety and orderliness in nocturnal business activities. Establishing a clear regulatory framework and offering precise guidance on night-time economic development policies will enable businesses to operate legally and sustainably.

*The third* is to propose practical solutions to minimize risks and challenges. Security and order, environmental pollution, and public space management are significant obstacles to night-time economic development. Addressing these issues effectively is essential to ensure the sustainable growth of the night-

time economy. Throughout the process of night-time economic development, various challenges must be addressed, including enhancing security and order, ensuring local social safety, mitigating noise pollution, improving lighting, managing waste, preventing fires, combating illegal occupation of public spaces for commercial activities (such as encroachments on sidewalks and roadways), and curbing disruptive behaviors that may deter tourists and detract from urban aesthetics. Additionally, establishing a dedicated management team for night-time economic activities, particularly involving regional police, security personnel, and order maintenance authorities, is crucial. Furthermore, enhancing the capacity for inspection, supervision, and conflict management during the night-time economic development process in Hanoi is essential.

*The fourth* is to strengthen promotion and marketing strategies. Effective promotion and marketing of the night economy are essential for attracting tourists and encouraging investment. This should be conducted professionally and strategically, mobilizing relevant resources and economic sectors to participate effectively. Establishing mechanisms to incentivize and differentiate the roles of state management and tourism promotion is necessary. Hanoi should also conduct communication and promotional activities to increase the visibility and economic value of night economic products, such as visiting historical and cultural sites (temples, pagodas, museums, etc.).

*The fifth* is to strengthen infrastructure investment. The urban system plays a pivotal role in facilitating the development of the night-time economy. Investing in technical facilities and urban infrastructure meets the evolving needs of the night-time economy and ensures a conducive living and working environment for the local community. The

critical technical facilities and urban infrastructure for developing night-time economic products in Hanoi include lighting, transportation, healthcare, fire prevention and firefighting, and environmental sanitation.

### 5. Conclusion

The night-time economy plays a crucial role in the overall economic landscape of Hanoi, contributing to tourism, job creation, urban vitality and the city's cultural vibrancy. Hanoi should implement various synchronized solutions to achieve these goals, including renovating the growth model, restructuring the economy, and improving economic competitiveness's productivity, quality, and efficiency. By addressing challenges and leveraging opportunities, Hanoi can further enhance its night-time economy, making it a more attractive destination for both locals and visitors.

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