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LAND USE PLANNING CONCEPTS, POLICIES, AND PRACTICES:

A BACKGROUND STUDY

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LAND USE PLANNING CONCEPTS, POLICIES, AND PRACTICES:
A BACKGROUND STUDY

I

INTRODUCTION

The majority of the population in most developing countries is still rural and will be for some time to come. Nevertheless, the rate of increase of cities - the small communities as well as the capitals - and the sheer masses of people involved are perhaps greater than what occurred in the developed world at the height of its industrialization period. The movement to the cities presents extraordinary opportunities for economic growth and social development. There is ample evidence that, despite the continuing importance of agriculture to national well-being, the chief influences and activities of modernization occur in an urban setting.

At the same time migration places enormous strains on a nation's ability to provide the facilities, services, and institutions which an urbanizing population requires. Although urbanization brings industrial growth and increased per capita income, it brings also the attendant evil of slums, and heightens the tensions between cities and their rural hinterlands. Shortages of housing and other services along with widespread human misery too often characterize the urbanization process.

Land plays vital roles in urban growth and development in the developing world. Rapid urbanization rates in practically all countries in every region of the world are leading to an unprecedented transformation of urban land. One facet of this transformation is quantitative. Huge quantities of additional land are being brought under urban uses by cities which are continually gaining population and are expanding their productive and supporting infrastructure bases through the dynamics of development and population concentration. A large number of villages are becoming urban, and new urban areas in the shape of new towns or townships are being created. Quite often the additional urban land requirements are being met at the cost of valuable agricultural lands. In several countries, especially in Asia and Europe, where total land resources are inadequate in relation to present demographic pressures and/or current productivity levels, this aspect causes considerable concern. Even in the United States, Canada, and Australia, where man-land ratios are quite comfortable and resources are not as scarce as in the developing nations, the task of procuring and preparing the huge amounts of land needed for urban uses poses serious practical difficulties arising particularly from prohibitive land values, the nature of land tenures, and legal, political, and organizational impediments.

Another and equally important facet of this transformation is qualitative. Land under existing urban uses is proving inadequate, while rising space standards and new activities are making their own competing demands on urban land. Advancing technology, the expanding productive apparatus, widening and deepening infrastructure and diversifying economic bases necessitate nothing less than a drastic restructuring and realignment of urban land use patterns. With few exceptions only a small fraction of the present urban land needs is being met and rather unsatisfactorily, especially if the provision of services and environmental qualities are taken into consideration. It is this fractional fulfillment of the urban land demand which largely explains the unabated spread of slums and squatter settlements, increasing overcrowding and congestion in "core" city areas, haphazard substandard scatter and sprawl outside the urban limits, and the steep rise in urban land values. The de facto and de jure expansion of the urban frontiers and the changes in existing land use patterns within the cities occur in a manner which is not conducive to the creation of a better physical environment, to improvements in functional efficiency, to levels of living, or to ecological equilibrium.

Unfortunately land uses are presently being determined by numerous incoordinated and even inconsistent piecemeal private and public decisions. Decision-makers rarely are concerned with the fact that establishing a use at a particular location seriously commits for a very long time not just that piece of land but the whole community to it. If this commitment is wrong, its social and economic costs have to be borne by the community until the initial mistake is corrected. Being highly interrelated in themselves and in relation to urban activities, land uses need to be allocated and arranged with their multiple interlinkages in mind. Ad hoc land use decisions ignore this vital aspect and cause serious imbalances and other problems.

No wonder the urban land situation is worsening! It is exemplified universally by the vast haphazard sprawl at and around the city peripheries, gross underutilization of land in some city areas, and by intolerably high densities, slums, blight, squatting, and lack of community facilities in other city areas. It is incredible that new land use planning, zoning, and urban renewal measures, being ad hoc and biased, frequently tend to solve fewer problems than they create.

This paper summarizes briefly the history and concept of land use planning, sets forth some of the critical urban land issues, notes the importance of land to national development, reviews various concepts and patterns of land ownership in different geographical regions of the developing world, looks at some of the constraints to effective land use planning in developing countries, and concludes with an inventory of the forms and purposes of "negative" and "positive" measures of land controls and development devices in developed and developing countries. The study is intended as background and as an initial step leading to the discovery of practical and adaptable approaches to land use programming for developing countries.

II

BACKGROUND

Historical Antecedents. Although planning the use and development of land has been practised in various ways throughout many centuries, some basic aspects of the present situation cannot be grasped fully unless their historical antecedents are understood. Contemporary physical and spatial planning - that is, public control of land use and land development - sprang from the conditions of early nineteenth century industrialism. The philosophy underlying this development was based on a belief in the balancing and optimizing power of the market. Specifically, it was believed that the free interplay of market forces would result in an optimal allocation of resources regardless of whether this involved the production of commodities or the shaping of land used and the development of the built-up environment. Since public intervention seemed only too likely to disturb this process, it was confined to averting dangers to safety and order.

During most of the nineteenth century, the scope of such intervention was restricted largely to reserving the necessary land for streets. A plan of this time consisted basically of two elements, streets and city blocks, and this differentiation

was largely equivalent to public and private property. What happened behind the building lines was determined mainly by the market.

However, it became increasingly evident in the closing decades of the nineteenth century that this limited conception had produced some unsatisfactory results, since the uncontrolled use of private property had created a mixture of land uses which in turn created many nuisances. Thus the notion of zoning appeared and in most industrialized countries led sometimes to quite elaborate legal prescriptions for spatial separation of uses as well as for quantitative limits on the bulk and height of buildings. By the turn of the century fixing building lines, zoning, and subdivision controls were the main tools of planning, which were applied in each particular area according to local conditions.

About that time there developed a concern to take a more comprehensive view of the whole urban area, and master plans and land use plans were introduced in order to guide development within this more comprehensive framework. This new approach was significant because the substantive content of planning was enlarged and a different attitude was indicated toward the market as being society's mechanism for allocating resources. The master plans indicated those areas within the overall city

structure in which development should occur, as well as those areas which should not be developed. Clearly the market, given the fragmented distribution of land ownership, was not in a position to provide for open space as well as other public goods, so planning had to be added. It was not always successful because of a lack of power to control land values and to harmonize them with planning goals. This is still one of the main problems of comprehensive development planning.

Another problem which first became apparent in the early decades of the twentieth century was that spatial planning needs transgressed the boundaries of urban jurisdictions. In many cases, the annexation of adjoining villages or municipalities temporarily helped, but it became increasingly clear that in densely populated areas some form of regional coordination was necessary. This too is a continuing problem.

Concept of Land Use Planning. Land use planning may be interpreted as serving two basic objectives: to correct the shortcomings of the market which arise because ideal market conditions do not prevail, and to safeguard certain social goals and priorities which even a functioning market cannot be expected to do. Land use plans, provided they are prepared with a proper comprehension of time, space, and socio-economic considerations, ensure a socially optimum utilization of the land resources. The planning function should not be confined merely to the preparation of land use plans, but also to their enforcement, implementation, revision, and review on a continuing basis. The enforcement and execution of such plans generally are achieved through zoning, subdivision and building regulations, development permits, licenses, public works programs, and capital budgeting.

As is well known, most of the cities and towns of the developing countries do not have any land use planning activity whatsoever. Other necessary supplementary measures, such as zoning and subdivision regulations, municipal building bylaws and adequate licensing systems, also do not exist. Where they do, they are not only out-of-date but also rarely or adequately enforced.

In the few largest cities of the developing countries for which some land use or "master plans" exist or are being prepared, the planning activity is being governed by town planning laws based largely on western (especially British) town planning legislation of the period from 1917 to 1947. The concepts of "plan" (as being purely a land use plan with an accent on civic design) and of "planning area" (as being confined to municipal limits) which these outdated laws represent are unable to take care of many of the problems of urban land that include land within the urbanized limits and in the city-region.

The concept of "plans" is also inadequate because master plans seldom emerge from or reflect the policies, priorities, and programs of national economic development plans. The exceptions, of course, are found in the centrally planned countries. Nevertheless, generally speaking, typical master plans do not spell out the tools of enforcement and implementation (for instance, zoning and sub-division regulations). Such plans do not give any priority ratings or phased programs for the development of areas or in respect of public works. Capital budgets and financial plans seldom form an integral part of these plans.

Another major factor responsible for the present critical situation is that the urban land problem has not been viewed in its broader social setting or in terms of the social consequences of private land use decisions. Except in a few centrally planned countries, land (especially urban land) has been treated most often as a piece of freehold over whose use and dispensation the individual owner virtually has full command.

III

CRITICAL URBAN LAND ISSUES

Underlying land use planning policies and practices are two key problems affecting urban land. If they are understood clearly, it will be easier for developing and developed countries to assess the effectiveness of existing measures, adapt them appropriately, and devise new policies and control mechanisms to deal more competently with urbanization.

Land Supply for Urban Development. Crucial urbanization problems center around the apparent shortage of urban land, which is caused by low densities and land vacancy.

There are a number of cities in all the regions of the world in which sizeable proportions of land are vacant or have low densities, yet, paradoxically enough, the bulk of the population in these cities lives in small compact areas under conditions of extreme congestion and insanitation. Low densities and land vacancies represent gross underutilization and waste of land resources. They also diminish the supply of land, thereby exerting pressure on urban land values and

providing the most fertile ground for land speculation and subdivision. The social costs of low densities and land vacancy are very high because they lead to an unwarranted extension of the urban physical space and services networks with the attendant increases in costs of public utilities, transportation, and other services.

Another cost of low densities and land vacancies is manifested on the peripheries of metropolitan areas of South American countries where the number of empty subdivided plots sometimes exceeds the number of built-on plots. For example, it is estimated that in the metropolitan area of Buenos Aires there are three empty plots to every built-on plot. A similar situation exists in Kingston and other cities of Jamaica. Urban development is at a very low density, and vacant land and unutilized open spaces are apparent in urban areas of Africa, Asia, the Middle East, and the Far East. Low densities coexist with incredibly high densities in certain parts of cities.

The fantastically high and rising land values in all major cities of the world are some of the most serious impediments to housing and urban development. They underlie the distortions in urban land use, density patterns, and premature land conversions.

Thus, the shortage of urban land refers to the difficulties of obtaining the use of the available land in desired locations. Many kinds of difficulties create the shortages. There is the unwillingness of land owners to release vacant and underused land for urban development. Fragmented land ownership patterns prevent the assembly of parcels of suitable size and shape. Needed and available land often exists, but lacks access or public services. The high prices of land, particularly in conditions of speculation, are a special and potent barrier.

Some economists claim that the price system is effective in allocating urban land to diverse uses, just as the price system is said to be best in other market situations. The market system is supposed to assure that each parcel of land is put to the economically "best" use, or land is allocated according to relative earning capacity. Under the free market system, therefore, money is the sole measure in the competition for the use of urban land. By implication the land speculator is performing a useful market function.

The market in land, however, is imperfect. Competition is not open; parcels of land are not equal (in shape, size, location, quality, etc.); above all, public actions, public investment, and simply public decisions affect the usefulness and value of land. Therefore, the free market system in land produces rather than resolves urban development problems. The system as a

self-balancing system is being interfered with by public decisions; it is unable to function properly by the nature of the inequality of land as a commodity.

What is required under a system of private land ownership are measures which make land needed for urban development available at the right time, in the right locations, in the right quantity, and for the required community purposes, and also allow owners and investors in land a reasonable return.

Cost of Land for Urban Development. Even when suitable land is on the market, its price often distorts the rational allocation of land and resources. At the extreme land becomes prohibitive for most of the essential urban land uses, forcing development to less suitable and distant locations, or inadequately serviced land, or demanding extremely high densities.

Land costs represent a growing proportion of urban development cost in both developed and developing nations. Land values inevitably rise with more intensive use. While urban land prices rise everywhere there are significant differences between developed and developing nations. In the developed countries, the proportion of land costs to urban housing costs ranges from a low of 20% and under to a high of 40%, whereas in the developing countries the proportion often exceeds 50% for well located city land.

Developing and developed countries suffer also from the various forms of land speculation. In addition, however, the new nations or older nations with less developed economies are burdened with several other problems which cause increased land cost; among them are often such basic difficulties as the absence of public land acquisition activity, credible land taxation, cadastral survey, and valid record on land ownership.

Although in land costs as in land supply the primary issue is the use of land, it is not possible to deal with the problem of high land prices without affecting in some measure the rights of land ownership. The ownership question is important in most urbanizing areas, because under a free market system private land ownership by definition will raise land prices to the maximum consistent with prevailing conditions unless there is some public control.

IV

THE IMPORTANCE OF LAND TO NATIONAL DEVELOPMENT

Underlying all of our thinking is the assumption that there is a physical thing we call land and that it must be owned. However, there is more to it than the physical land. Much more important for land problems and the implications for urbanization are the abstract aspects or attributes of land. Ownership of property in land is fundamentally the ownership of bundles of rights, estates, or interests. These bundles vary enormously. There may be a few laws which affect adversely the physical nature of land, but as far as land use and patterns of ownership are concerned, the incidence of laws on the abstract attributes is more decisive. There may be no "taking" of the physical land from the owner in the legal sense, but the ownership of property can be so circumscribed with sanctions and other legislation as to restrict greatly the ownership rights. Conversely, land ownership can be so absolute and land use legislation so lacking as to render any orderly development impossible.

The ownership of land is an extremely complicated affair in any society. It is not only a question of the ownership of land in relation to economic development, industrial location,

urbanization, urban development, and all land demanding activities, but land also has implications that affect social groups and individuals. There are complicated rules of ownership; inheritance, disposition, use, and non-use of land among groups and individuals.

In all communities land has been vitally important, and ownership patterns and rights have very deep roots in a nation's culture or history. All societies have rules and regulations to govern the conduct of their members, including the conduct of man-land relations. While land ownership patterns and rights in all societies are varied, in most societies individuals can own land once they satisfy certain rules, social customs, and laws. A society's whole attitude toward land control measures and land use controls will depend generally on how that society at large views its land resources.

SOME CONCEPTS AND PATTERNS OF LAND OWNERSHIP
IN THE DEVELOPING WORLD

Africa. The land tenure systems on the African continent are as complex and diverse as its climate and social groups. They differ in accordance with socio-cultural histories of the different tribal groups, stability of traditional kingdoms, density of population, the impact of colonial administration, and the degree of modernization and industrialization. The significance of these factors will become more evident as the major land tenure systems on the continent are described.

1. Sub-Sahara Africa. Neither communal nor private ownership land holding is common throughout a greater part of Sub-Sahara Africa, but more of a corporate landholding practice which ensures that the rights of individual members coexist with those of the group at large. In other words, individuals are permitted to possess parcels of land for farming, building, etc., but they do not have the absolute right of ownership. Furthermore, customary practices permit the direct descendants of a landholder to inherit rights without losing them to the larger group. The "permissive individualistic aspect" of the

customary land tenure practices is contrary to the misconception that African chiefs and community leaders have absolute control over community lands. Most customary land codes in different parts of sub-Sahara Africa dictate that the chiefs, as traditional heads, serve in administrative capacities to ensure that various clans and kinship groups, families, and individuals receive their due share. The basic tenurial framework could be understood better by realizing that in African jurisprudence there is no clear-cut division between property and possession as is the case in English jurisprudence.

It should be emphasized that the emergence of proprietary ownership of land vis-a-vis "corporate" ownership, is the result of the high economic value currently attached to land and the population pressure on land. Due to the proprietorship in "imported" land laws, especially in the English Common Law and in the Napoleonic Land Law, and the ever increasing value of land as a major source of wealth for all classes of land-holders, customary land-holding practices are giving way fast to proprietorship as a more convenient tenure system.

2. Former French Colonies. During the 19th century and the first half of this century, French colonial administrators

adhered to the "Napoleonic property doctrine," founded on absolute individual property right. The administrators held that the State should control all lands except those owned individually and registered.

The French colonies passed through three major phases of land reform before independence. The first phase was started in February, 1907, when the French West African Court of Appeal ruled that customary rights and interests in any price of land were not valid unless land was registered. The second phase began in November, 1935, when dissatisfaction in the colonies over the 1907 ruling compelled the Court to rescind its previous decision; it declared that land left unused or unoccupied for ten years automatically reverted to the State. The third land tenure reform was the Statutory Order No. 55-580 passed in May, 1955. It consolidated previous acts and court rulings, and provided that:

(a) customary rights exercised collectively or individually over land not owned or controlled under a written civil statute should be recognized;

(b) compensation should be paid for individually or collectively owned lands acquired for public utilities and other public uses;

(c) land concessions were permitted to be granted to all developers or users, if a public hearing did not reveal the existence of customary rights, or if holders of these rights desired to do so;

(d) all rural and urban concessions were to be granted provisionally, under the condition that the stated purpose of use would be fulfilled within a given period. Further, concessions were to be treated as a transfer of property and must be registered.

The 1955 ordinance remained in effect in the French colonies until independence. Since then, some have embarked upon massive land reform programs.

3. Predominantly Moslem Countries. The land tenure system in a majority of North African countries and in some sub-Saharan Moslem countries and regions cannot be fully understood unless they are placed within the context of Moslem land law. Nevertheless, in almost all instances the Moslem land law has had to adjust itself to local customs. The ownership of large estates, according to the Moslem religion in some of these countries, is attributed to the basic Moslem philosophy that land is the property of Allah to whom sovereignty belongs. However, the religion, in accommodating customary landholding practices, has had to accept the principle of land proprietorship

and alienation. Some of the highlights of the Moslem land law are as follows:

(a) Land may be resold previous to seizure or possession by the first purchaser including all trees, but excluding grains and crops unless specified.

(b) Leasing of land (ijara) is regarded by the Moslem law as analogous to a contract of sale. After leasing the land, buildings and crops are not regarded as part of the land, the lessor can trespass on the land.

(c) When land is lent, the borrower may build on it, but when the lender receives back his land, he can compel the borrower to remove his house and trees.

(d) When land is used as a pledge for money-lending, the pledgee has the right to use the land, according to one school of Moslem law (Hanafi and Shafi), so in essence second mortgages are not permissible under Moslem law. But according to another school (Maliki), a pledgor can continue using the land pledged by arrangement with the pledgee.

(e) Land used as a mortgage is considered as a conditional sale and the property is automatically transferred to the mortgagee in case of default. The mortgage may lease back

to the mortgager and obtain rent, or what amounts to interest on his loan.

Whereas land legislation recognizes Moslems in some Moslem countries (e.g., the Gambia Zanzibar), in others the recognition is indirect (e.g., those who marry Moslems may follow the Moslem law of property inheritance). Where Moslem land law holds sway, its impact on landholding patterns has been very significant. For example, under Moslem law in the Maghreb states a roughly tripartite tenurial system exists: there are habou lands which are unalienably religious property leased out to individuals; malik lands which are individual freeholds; and arch lands held in varying forms of communal ownership. In Morocco it has been estimated that 10% of freehold proprietors hold 60% of the agricultural land, while 60% of rural residents are peasant sharecroppers. Before independence in Algeria there were said to be nearly three-quarters of a million landless. In Eghpt before the revolution 1% of landholders possessed 45% of the land under cultivation.

The Caribbean. The culture of most of the nations in the Caribbean had its origins in Catholicism, Protestantism, and in Spanish, Portuguese, British and other influences. Some of the nations had slavery with extreme economic, social,

and psychological connotations, all of which are reflected in their land ownership patterns. The land owners in most of these countries were either large plantation owners or land speculators who after the abolition of slavery took to real estate.

Although most of these nations have experienced a revolution in some form, it has not resulted in any significant diminution of the power of landowners. Indeed, in many places the large landlords have continued to be backed by their traditional allies. Thus they have been able to retain considerable influence to resist the implementation of land reform measures in rural and urban areas. In these countries the institution of private property has been well established; only Cuba after 1960 has provided a contrast and a break with past traditions.

Speculation in both urban and suburban lands is rife because of the monopolistic nature of the urban land market and because of the failure of governments to break the power of the traditional land owners. In Haiti, for example, while the state has redistributed some land to private individuals, these efforts are viewed as tokenism since they have not been

accompanied by building loans. In Jamaica government agencies (e.g., the Ministry of Housing) have to compete in a free-for-all land market. Such agencies have powers to acquire, manage, and dispose of land within any designated area, but once the primary development in infrastructure is ready, such lands will be sold to private developers.

The Middle East. Most of the Middle East countries have common cultural legacies. This is reflected in their tenure legislation which is based on the Ottoman Law of 1858. Although policies have been and continue to be adopted for solving the contemporary urban problems, evidence suggests that these policies often are designed to accommodate inherited patterns of land ownership without affecting traditional practices. Basically, there is land owned by an individual and over which he has full ownership rights (mulk), land which is owned by the State and which carries usufruct (tassruf or miri). This right of enjoying the property may be sold by the usufructuary or it may be let, mortgaged, or even given away; it may also be transmitted to the usufructuary's heirs, although the land can not be divided among them. The State retains ultimate ownership, and if there are no heirs, the property reverts to the State.

The State also has the right of supervision over all transactions pertaining to the transfer of usufruct, and any such transfer has to be certified by the State. Waff land is land which cannot be divided or alienated, but continues in perpetuity to the descendants of the original owner. Musha land is land which is owned collectively. The distinction originated from the tribal practice of dividing the arable land on which the tribe settled between its members.

Two of these land institutions, namely waff and miri are of particular importance in understanding urban land problems and policies in the Middle East. Past policies followed by the Ottoman rulers to make most land either waff or miri succeeded in preventing the fragmentation of property. These policies had the undesirable effect of immobilizing urban land which, in turn, has resulted in mixed and incompatible land uses.

South America. All the countries of South America, like those of the Caribbean, have lived through long periods of political and economic dependence. The foundation of their land ownership patterns also is rooted in colonial times, and the current situations are modifications or replicas of the policies of past colonial powers. With the exception of Chile, the trend has been for public ownership of both urban and

suburban land to decline; nevertheless, national ownership patterns are quite varied. In Argentina, for example, much of the urban land is held in private hands for speculative purposes. A few of the nationalized industries (e.g., the railways and the armed forces) own tracts of land, but heavy operational costs and the need to raise capital force these agencies occasionally to sell their lands on the private market for private development.

In Bolivia, a land reform law exists which seeks to acquire land compulsorily. In the absence of a national policy on compulsory acquisition of land the State itself must buy land from private owners to meet its legitimate requirements. Much the same picture exists in Brazil. Private ownership is the dominant form of ownership, and some of the cities have had to sell land to raise capital.

Chile stands as an exception where a government agency, the Corporation for Urban Development (CORMU), can buy land from the private sector and transfer it to the Housing Corporation. This enables the Chilean Government to acquire land through purchase to meet urban needs.

In many of the other states charitable organizations seem to be the only owners of urban land in addition to private

owners. Everywhere private ownership of land is favored at the expense of city, municipal, or state ownership. This unfettered private market has resulted in deficiencies in the supply of land for public bodies and municipalities, and has aggravated the speculative trends in the urban land market.

Asia. Most of the Asian countries do not have any national land policy. The exceptions are Hong Kong, Singapore, South Korea, Japan, and the Philippines; all are experiencing high rates of urbanization which produce a great demand for urban land. The consequences of this demand for land are manifested in all cities of the region in high densities, squatter problems, intense land speculation, galloping land values, and sharp increases in property rents.

CONSTRAINTS TO EFFECTIVE LAND USE PLANNING IN
DEVELOPING COUNTRIES

Absence of Urban Land Policies. Much of the blame for the disorder of urban development is due to the failure of nations to define and adopt urban land objectives and policies. Most countries suffer from the lack of a clear framework of policies regarding national, regional, metropolitan, and urban growth. The detailed country studies on land use control experiences provide considerable evidence for the contention that the lack of precision in defining the purpose of land use controls has been partly responsible for the failure of controls, for their abandonment in some cases, and for their halfhearted enforcement or misapplication in others. Controls often are introduced without understanding their consequences on existing regulations; underlying policy issues are ignored or avoided. Even in those countries with more clearly defined statements of purpose, it does not always follow that the control measures used are suitable or adequate for the purpose, or that they are helpful in moving toward the achievement of the purpose.

In most developing countries, many requisite land control measures such as land use planning, zoning, and subdivision regulations do not exist. The few existing control measures -- for instance, municipal building and health bylaws and highway regulations (ignoring their obsolescence and inadequacy)--are not seriously enforced. There are few instances where any serious or successful effort has been made to hold in check the fast rising land values and land speculation. The lack or inefficient enforcement of the requisite land planning and control measures to curb high land values, reckless land conversions, subdivisions, and speculation unwittingly permits private land use decisions to push physical environment toward the chaotic state in which most capitals, metropolises, and large cities find themselves.

Lack of Government Commitment to Planning. This is an issue linked to the policy question. In the cases where vague policies guide the action of governments, they often do not reflect a strong commitment to planning as an instrument of policy. There are several reasons for this lack of commitment, especially in the developing countries which face many urgent and difficult problems. Their leaders often take the view

that land use planning does not rank among the top priority concerns. In addition to ignoring the usefulness of land use planning, most developing countries have no formal structure for development policies and for relating development measures to action. Another reason for want of commitment is the realization by some influential people in these countries of the implications of land use planning. They tend to oppose the introduction of firm planning measures because they are fearful of their effects. The political leadership often feels that a strong planning structure reduces political flexibility. In the private sector there are some who benefit from weak or no planning controls; they naturally will oppose governmental commitment to planning.

To the extent that land use control measures are exercised in developing countries, they often fail to be related to the normal political decision making process. Planning and planning control frequently are regarded as being purely technical questions. Planning principles may not be considered in the context of political debate or of general public policy issues.

Technical Inabilities. The issue of technical inabilities -- i.e., the shortage of technical skills -- is not confined to ,

to any particular field in the developing countries but exists in all aspects of public administration. The land use controls in force in these countries often fail to achieve significant results for lack of technical competence. The required expertise and know-how are deficient in two respects, human and tools and procedures. Human deficiencies relate to technical education, technical experience, and acquired skill, the absence of the full range of skilled persons from the top professional levels to the sub-professional grades. Inadequate tools and procedures include mapping, land registration, and land assessment. To administer land use control measures clearly requires records, knowledge, and updating procedures about urban land. Use, ownership, platting, value, and constant changes in any of these aspects of land have to be recorded and must be available for ready reference. Most developing countries do not have these rudiments for the efficient administration of planning controls.

Another aspect, both human and procedural, which inhibits land use planning in developing countries, is the absence of an experienced civil service for the technical and administrative work involved in land use controls.

Planning Process Divorced from Mass of People. In most countries the planning process traditionally has not related directly to the general public nor identified with those views. In the developing countries and particularly in the ex-colonial countries, the habit of government to make decisions without popular consultation is well established. Although this is changing in planning as well as in other fields of public administration, there is an additional problem. The planning skills in developing countries are largely imported from the developed countries. The imported techniques are based generally on living conditions and aspirations of the economically more advanced countries, and are quite unrelated to the circumstances and life styles of the less advanced countries. There is, therefore, a gap and sometimes a conflict between the planners and the planned for which is difficult to bridge.

VII

LAND CONTROLS AND DEVELOPMENT DEVICES

(Note: This section is an excerpt from a paper prepared by Malcolm D. Rivkin for the United Nations Centre for Housing, Planning & Building in 1971.)

Controls over the use of urban land have taken many forms and have been introduced for a variety of purposes. The forms range from density restrictions to public construction of infrastructure and from land purchase to denial of building permits. The purposes vary from protection of existing property rights and values to requiring specific development in accordance with a plan. This section reviews land controls and their purposes that have been used in the developed and the developing world. The object is to identify techniques for providing an adequate supply of urban land at prices reasonable to the nation's economy, for the needs of development at a given point of time and in the future. The focus is on development-oriented controls and techniques, and is defined further by the two basic types of measures which fit into this category as follows:

- (a) Negative measures: These are measures adopted by a government to prevent development which is counter to the goals of the government and the society and measures which while restraining in character may be used also to further positive purposes of the society.

- (b) Positive measures: These are controls or techniques adopted by a government to create new development in accordance with the goals of the community.

As was stated above, each of these types may or may not be applied within a framework of an overall plan which sets down policy objectives. There has been little investigation of whether or not a given control or technique actually has achieved the objective for which it has been applied. The country studies upon which this paper is based have for the most part cited the existence of control measures but, with few exceptions, have been unable to state how well or poorly they have been operating--apart from the nation's overall success or failure in directing its urbanization process. In order for accurate prescriptions to be made on the suitability of various techniques of land control, such research should be conducted and should be a matter for priority consideration. Such research requires a depth of data gathering and analysis which is beyond any activity hitherto performed in the field.

The basic charge is to outline measures and techniques that may be suitable for application in newly developing countries. The discussion will deal with both negative and positive approaches which appear to have some applicability

to situations of rapid urban growth, where land speculation is a significant economic activity, and where a nation's resources are severely limited.

I. Negative or Preventive Measures.

The discussion here will concentrate on a range of approaches which have been applied to stop those aspects of urban growth which may be considered incompatible with a community's needs or objectives.

A. The Plan as the Control:

In some countries the plan does have direct power to prevent development which is incompatible with its prescriptions. It may be utilized effectively to prevent steps counter to its recommendations on desirable densities or locations of land use.

This is the case in most Eastern European countries, and the Polish Planning Act of 1966 explicitly states that any development incompatible with a duly drafted and approved city plan may not take place.

In Singapore, under the planning ordinance of 1959, the Singapore Master Plan is itself a statute and all proposals to develop land must comply with its provisions. The

Planning Authority must review all development requests and must give or deny permission in writing. Reasons for denial must be explicit and an appeal procedure is available--but the intent of the law is clear. This is a system fairly common in the Commonwealth and similar to that in Britain and in certain northern European countries. In Britain, the greenbelts around communities have been secured through this device.

The West German planning law goes further and states that any land not used in accordance with a plan can be expropriated by the governing body. This has proven impossible to enforce and points up one of the basic weaknesses of negative control measures. While a law or provision may be eminently reasonable in its intent, and while its substance may be adapted to the requirements of the society, unless sufficient manpower and funds are available to enforce its provisions, it is useless as a control device. Indeed, this is a situation that has occurred often, particularly in developing countries where the plan is established as a controlling instrument. There may be enough planners to prepare the plan--but no inspectors to assure its implementation. This difficulty of enforcement is a principal reason why negative or prohibitive measures may not

be as effective as positive techniques which clearly require actions on the government's part to achieve a planning objective.

Singapore, along with a few other countries, also possesses a technique which limits permission to develop according to a plan to a fixed period of time. In Singapore that period is two years to be extended at the discretion of the authority. The rationale is:

"It has been found that many of the written permissions granted prior to 1964 were never, in fact, implemented as, of course, many of the landowners and developers were only interested in speculation . . . resulting in the wastage of planning officials' time, and in freezing the use of land for the future." ^{1/}

A time limitation on permission provides the government with flexibility to adapt its planning to constantly changing conditions within the city.

A similar approach is applied by public authorities in certain parts of the United States. In suburban Maryland, outside of Washington, D. C., when a public agency announces its intention to construct a public work (i.e., a road or school) in accordance with the Master Plan, the Planning

^{1/} Singapore Report pp 5-6.

Agency puts the subject land "in reservation" for a three-year period. This freezes the price of the land and allows the relevant agency to acquire the site with some flexibility as to time. Taxes are waived for the owner during this period. If the agency does not acquire the land within this time, and if no extension is granted, the land reverts to its earlier use and no condemnation can take place at the earlier, favorable price.

Thus, some countries have adopted measures which serve both to prevent development not in accordance with a plan and to encourage desirable development to take place within a reasonable period.

B. Zoning and Subdivision Control:

These techniques which developed in the United States to "protect" the community from poor or adverse development have been emulated to some degree within the developing world. In practice, they have often substituted for a plan.

Zoning divides the community into a series of districts designated by their predominant use (e.g., residence, commercial, industrial). The zoning ordinance spells out in precise detail what uses are allowed within each district and those which are

excluded. It establishes the minimum size lot in each district. Furthermore, through a complex set of prescriptions dealing with floor space, height, bulk, access to light and air, it regulates the density of development which may prevail in each district.

The normal form of zoning includes a map of districts and an ordinance spelling out provisions. The agency which enforces zoning may or may not be the same as has prepared the plan if one exists. While zoning is strictly enforced, there are appeal procedures to higher governmental agencies.

Subdivision control is a further refinement applied mainly to residential areas. When an individual divides a parcel into more than one lot, he is subject to subdivision regulations which enforce standards on lot size, shape, width, utilities availability, size and standard of access and service roads. The intent is to prevent development from occurring below a standard of amenity or service which the community has set for itself and enacted into law. Thus subdivision control is most commonly enforced to prevent septic systems on too-small lots and other abuses which might result in poor quality development.

Zoning in the United States has a greater effect on the rise and fall of land value than the plan itself because of its legal character. The number of requests for zoning changes and for variances due to "hardship" is quite large in most jurisdictions--as developers discover they can acquire land not zoned for intensive or commercial use more inexpensively than that so designated. It has often resulted in circumventing a plan, and has been the source of much corruption, although it does have merit as a device for implementing plans where they exist.

Zoning has also been used to exclude lower income families from suburban areas. If the minimum lot size is set too high (say two acres), modest priced houses or apartments cannot be placed on the land and the poor are relegated to deteriorating areas in central cities. This abuse has been widespread. However, it is being challenged in the courts.

Properly used in accordance with a plan, both zoning and subdivision control can be powerful tools to order the development process.

C. Withholding of Permits:

Withholding of permits for certain types of construction has most commonly been used as a control technique to foster national

urbanization policy. Thus, in both France and England, national policy required attempts to slow down industrial expansion in the main center and stimulate it in less developed areas. Both governments have withheld building permits for new or expanded industrial structures in London and in Paris. This has normally been coupled with bonuses for locating in other communities, with some success in diverting investment. In England it was not initially applied to restrict growth of office buildings which are the primary source of London's new development. Permit withholding has been applied to offices in Paris. At the same time, however, the French Government became complacent about being able to divert public investment elsewhere and severe infra-structure shortages occurred during the 1950's and the 1960's in the Paris region--requiring that the government, through the Fourth Plan, adopt a more comprehensive view of growth needs in the capital.

French and English experience--echoed in the developing world by the Indian Government's unsuccessful efforts to halt industrial growth in Calcutta and Bombay through the denial of industrial permits--again points up the limitation inherent in

negative or preventive measures as the basis for achieving development objectives.

In the Socialist countries the device of withholding residence permits in the capitals is a technique of reducing undesired population growth. While it has served to slow down migration to the chief centers, the technique has been circumvented in many ways by determined migrants and by the government itself for certain skilled categories.

D. Tax Penalties for Construction:

Sometimes taxes are levied for the express purpose of discouraging development where it is not desired. Thus in Paris, special taxes were levied on construction to slow down the rate of growth, more than to raise revenue.

As a technique of preventing development on the fringe of metropolitan areas, some states in the U.S. have established assessment practices that provide benefits to landowners who maintain their properties as farms. Property is taxed on the value of its present use, rather than its potential use as urbanization land. Abuses of this system have occurred, as it has been a vehicle for land speculators to amass holdings at little cost. The State of Maryland, therefore, is considering a law that would levy a stiff tax retroactive for several

years on any specially assessed farmland which is subdivided for development.

E. Taxing of Unused Land:

One of the basic urban problems has quite different manifestations in developing as contrasted with developed countries--that is the holding of land for speculative purposes in an undeveloped state. In the United States, most land speculation of this kind takes place in suburbs--forcing urbanization to "leapfrog" over parcels which provide utilities and better access. In developing cities, often large tracts of land are held empty in the core while the owners try to drive the price upwards. If a degree of seriousness can be cited, the situation is most severe in the latter case--as basic urban services and housing must be found in more costly or less convenient patterns elsewhere.

A few countries have taken steps short of expropriation and direct government action to force development of these tracts. Cuba, for example, has instituted a heavy tax on unutilized land, making it unprofitable to hold, and--along with Spain--can use expropriation if development according to a plan does not occur within a firm period of time.

F. Preemption:

Under preemption, areas are identified--usually on the urban fringe, but sometimes within an already urbanized district--where government has the right to purchase any land offered for sale, at a pre-determined or a negotiated price. In this way, the public can prevent speculation in critical development areas. At the same time, it is not forced to make outlays of funds to purchase critical tracts until or unless some speculative activity does begin. Japan, while not undertaking preemption itself, has recently instituted legislation to announce what government considers a fair price for particularly important tracts, hoping to influence the market without actual purchase.

The preemption approach has been utilized extensively in France, where the National Government after consulting with local authorities can establish two forms of development zones: (1) "Zones to be urbanized by priority" (acronym ZUP) and (2) "Deferred development zones" (acronym ZAD).

"In its priority, or ZUP, zones, the municipality or other authority has a prior right to purchase all land offered for sale during a four year period after the official announcement. The seller must first offer to sell to the municipality. If the municipality chooses to buy, but considers the price too high, it may resort to the price determination process used in condemnation proceedings.

In deferred development zones, or ZAD's, the same rules apply, but the time limit is extended to eight years after the official announcement. In this latter case, if the land is not developed within the eight years, or if the zone has not in the meantime been declared a priority zone, the previous owner of the property has a right to reclaim the land." 2/

The factors involved in setting equitable prices for preemption are complex, as is the system for monitoring and administering the regulations. Unfortunately, in this, as in many other of the control devices, we do not have sufficient recording of experience to make accurate judgement on effectiveness.

G. Purchase of Development Rights:

This technique is of increasing importance in the United States. It is used primarily to protect important parcels whose long run value as open space or lightly-developed land is deemed in the public interest. One approach is for the government to purchase a scenic easement for a fixed period of time or for perpetuity. In return for cash or for an abatement in taxes, an owner agrees not to develop his property or not to develop sections of the property (such as those in a flood plain or abutting an area of special scenic beauty) or to restrict construction to a certain height, preserving a view.

2/ op cit HUD Report pp 131.

This approach is used more often in suburban and rural areas rather than central cities. While it has merit--in principle, allowing development control at a modest cost to the government--unless the rights are voluntarily offered by the property owner, purchase price of the easement is often almost as high as it might be under condemnation.

Government in the Netherlands and the United Kingdom effectively has control of development rights through their ability to enforce the master plan's provisions on any land in process of development.

H. Nationalization:

The ultimate in preventive or negative land control is the nationalization of urban land. In this manner the government can eliminate speculation and development incompatible with public plans and policies. Nationalization has been made only in the Socialist countries, and even then there are exceptions for individuals who own land on which they maintain their residences. They cannot sell or transfer their ownership without permission from the government. Normally, however, this individual protection applies to longstanding ownership and domicile and may not apply to new transactions. Since most of the Socialist countries emphasize apartment rather than single

family houses in new construction, individual ownership rights are encouraged through the formation of cooperatives, where the land is vested in the cooperative association or the state.

Even through nationalization, theoretically, eliminated conflicts, in practice, conflicts do occur. Individual state industrial or commercial enterprise or a housing organization may compete for given areas of land. Resolution of conflict may result in a change or violation of the original master plan.

I. Land Banking:

One technique or control that is commonly applied has both negative and positive characteristics. For this reason, it has particular promise as a means of effectuating plans and controlling urban development: that is, outright land purchase by government. There are many different approaches to, and rationales for, land purchase. The approaches range over the following:

--Purchase of land reserved to prevent development from extending beyond a designated urban boundary land, at the same time, ensuring availability of sufficient land for all purposes in the future at a reasonable price.

--Purchase of land either within or outside an urban boundary to ensure adequate future sites for housing whether

provided by public or private reserves.

--Purchase of land in a selective **manner** to have adequate, reasonably priced sites for future public works or open space.

--Purchase of land when needed through expropriation to accommodate a specific public purpose.

1. Land Reserve:

Of all the techniques employed in a market economy, the purchase of land reserves is the most effective means of halting undesirable growth and establishing flexibility for future development. This has been brought to a high level in Sweden, where Stockholm and smaller municipal corporations have bought surrounding land for many years. Stockholm began its acquisition program in the early 1900's, and now the resources of the individual municipalities are supplemented by loans from the state. Much of land reserve is held for public facilities, but over 70 per cent of the land designated for future housing is held by the municipalities. Once plans have been made for final disposition of the sites, the land may be transferred to private ownership. However, a leasing approach is common and much of the reserve is kept in perpetuity under public ownership and control.

A similar land reserve program has been started in New Delhi. There, in accordance with the requirements of the Calcutta Plan, the government expropriated over 60,000 acres of land to be held against future needs. Much of this land is leased back to former owners.

In the Australian capital of Canberra, government has purchased all the land, both developed and undeveloped, and maintains effective control by leasing to both business and residence--on a short and long term basis with periodic adjustment of ground rent.

In Chile, a national development corporation with planning powers (Cormu) has embarked on acquisition of land reserves around Santiago and other major cities. One early effect of Cormu's program has been a sharp drop in the price of land--demonstrating that speculation in a developing country can be stopped when government, with condemnation powers, becomes the principal purchaser.

Many other developing countries have government ownership of land adjoining urbanizing areas--Turkey, Ecuador, Korea, to name a few. While this tends to halt speculation, it may also have some negative effects on the urbanization process through

the advent of squatters. Thousands, even millions of peasants have come to the outskirts of cities to settle on public land and have not been dislodged by the government through fear or compassion. Often the government has, after the fact, installed utilities and services to make habitable the squatter colonies.

Land reserves are critical--but in and of themselves, are no panacea.

2. Sometimes reserves are limited to or concentrated on providing land for housing. Most housing land in the Netherlands--even for eventual sale or private enterprise--is purchased by the government in advance of need. This policy has contributed to the Netherlands' relative stability of urban land values. Indeed, for one of the densest and most rapidly urbanizing nations of the West, the rise of land values in the Netherlands has been surprisingly low. A similar approach is utilized in the United Kingdom through the Land Commission, and in Singapore, Hong Kong and other Commonwealth countries where the public sector has primary responsibility for housing, special condemnation laws prevail for housing-designated land.

Land banking for housing has not been applied very much in North America--except in parts of Canada. In Saskatoon, Saskatchewan, practically all housing land is provided through advance public purpose--with the following results:

... You will note particularly that the larger scale plan shows some significant areas of land referred to as City tax title holdings in 1945. These were properties which had been subdivided around the turn of the century and which came back to the City for tax delinquency reasons during the depression and early years of the World War. As a result of this land bank, which came to the City more by accident than by design, we realized the significance of such land holdings and were able to convince the City Council of the day, and all subsequent Councils, of the wisdom of maintaining such a land bank and of being able to control the direction, rate, and type of growth.

As a result, the City on its own account has adopted a continuous program of land purchase on a progressive basis. We usually try to stay anywhere from five to ten years ahead of development with our purchases and although we have not attempted in any way to develop a complete monopoly, we have, because of our ability to pay cash normally for these properties, been able to forestall significant private participation in the development field in Saskatoon. Some of the more obvious gaps on our land purchase pattern are the result of the City not attempting to purchase land which had already been acquired for private development purposes. We have found that because of our major role in land development, private developers are very cooperative and adapt themselves very quickly to City standards and criteria.

As a result we have been able to eliminate conflicts in major land use patterns and in matters related to staging or the timing of growth. All growth since the Planning Department was established in this City in 1954 has been related to the City's ability to provide services and we have been able to establish a very strong Technical Planning Board philosophy wherein

the opinions and criteria laid down by each of the technical agencies providing utilities in the area is considered before any area is schedule for development.

As mentioned, we have found the private developers of land to be very cooperative in this regard and in the infrequent circumstances where a developer has tried to develop out of sequence or in a land use manner which would conflict with the overall provisions of our Community Planning Scheme, we have been very successful in securing the cooperation of City Council in ruling in favour of our Community Planning Scheme and the criteria on which it is based. There have been several major tests of these criteria, particularly as they relate to the sequence of development, but because of the close relationship which we have been able to establish with our technical agencies, and in particular the City Engineering Department, we have been able to remove thus far any danger of uncoordinated or out of sequence development, primarily by relating it to the City's ability to provide the services in a logical sequence.

Our land purchases within the last four years have ranged in price from \$200 per acre to a top of \$1,780.00 an acre, for land scheduled for residential development. The top price which we have ever paid, and in this particular instance the future land use was for industrial purposes, was \$2,100.00 per acre approximately three years ago. We have found on the whole that the average price of the property which the City has purchased for future development purposes of all types, excluding the long term regional park provisions, has averaged approximately \$600.00 per acre.

One rather unusual observation in this regard is the fact that for some reason the City has been able to establish much more favourable price relationships with the former owners of the land than has the private development sector; since almost invariably private developers are paying significantly higher prices for their land than are being asked of the City." ^{3/}

At least one community in the United States, Winston-Salem, North Carolina, is considering the institution of land banking for low to moderate income housing.

3. Land banking for future utilities, public facilities, and open space is the most common form of advance acquisition--particularly in North America, but also in Europe.

Under Federal legislation passed during the 1960's, American cities and states receive loans and grants to rescue open space from development--when that open land is deemed essential to the area's future park system or recreation requirements.

Public utilities, e.g., power companies, normally try to acquire the sites for reservoirs and transmission lines long in advance of need.

^{3/} Excerpts of Report to National Capital Commission, Ottawa, from H. E. Wellman, City Planner and Building Director, City of Saskatoon, December 12, 1968. As quoted in "Urban Land Use Policies and Control Measures in North America," by Peter W. Amato. P. B 9-11.

The principle is the same as for land banking in housing. If land is acquired and reserved in advance of need--through negotiated purchase or through condemnation--the price of the land is much less to the public than would be the case if and when urbanization reaches the designated site. In the long run, the public saves a great deal.

But the fact remains with all schemes to bank land in advance, government must have the cash or the bonding capacity to effect the acquisition. This is, of course, the great difficulty in developing countries--where a careful judgement as amongst priorities must be made. In view of the continual increase in land cost over much of the world, we believe that such advance acquisition warrants a high priority.

4. Without advance acquisition, communities are forced to take the most common and often most expensive step of all--condemnation with or without full compensation--when the need for the housing or public facility occurs. Almost all countries have condemnation laws, coupled with techniques of providing fair compensation to original owners. Given the possibility of advance land banking, this is a more costly way of inducing or preventing development.

II. Positive Measures

Governments in many nations have employed positive, directive techniques to channel the use of urban land. These techniques and controls may be categorized according to two types-- Development Guidance Measures, whereby the government establishes a framework within which certain actions by government and private enterprise are encouraged; Development Action Measures where government itself takes steps to mobilize the use of urban land according to prior stated objectives.

A. Development Guidance:

1. The Plan

Once again the versatility of the plan may be noted. By setting forth desirable land use and prescriptions on the location and character of public works, the plan may guide the use of urban land in positive directions--if, as previously stated, it does have a measure of power and if the various agencies and developers are prepared to accept its provisions. A plan can orchestrate the urban development process, and has done so effectively in such countries as the Netherlands and Israel, and in England.

2. The Capital Budget

The capital budget is perhaps the most powerful tool for shaping a city short of direct government action. Indeed, one of its functions is to order government action in scale and in sequence to make the most impact from scarce resources in the short run. The short run nature of the capital budget gives very specific directives for the use of public funds over a 1-5 year period. It is formulated according to the following process:

- a. The development goals of the city or region are assessed, and the goals of each public agency responsible for public works are identified.
- b. The specific projects which each agency wants to work on over the five year period are identified and priced.
- c. All of the projects are identified on a map of the urban area so that complementarities and conflicts are revealed.
- d. Decisions are made, by the budget authority or planning agency, as to which land areas are critical for short term development or improvement and which of the areas or projects are appropriate for the purpose.
- e. The budget authority or planning agency then rejects or defers the projects which are incompatible with the land development objectives or each other.

f. The chosen projects are then scheduled in sequence over the time period and provisions made for the necessary appropriation of funds for each agency.

g. The governing body approves or modifies the budget and it is enacted into law.

One of the most serious urban problems--regardless of a country in state of development--has been the unwise scheduling of public investment--the premature opening up of areas for growth before or without adequate services. Thus, in many developing countries industrial areas were established without adequate electric power or transportation of workers. In developed nations, such as the U.S., sewer and water mains were extended to new suburban land, followed by housing, without provision for schools or adequate road systems. A firm capital budgeting process, conducted at the scale of the urbanizing area, can prevent these dis-economies and premature growth from occurring. Even more important, however, it can serve to direct public investment and allied private activity to growth areas that are deemed desirable by the governing body--areas where sufficient services can be provided.

In developing nations, where the scale of capital expenditures is modest, the lack of coordination among those expenditures

which are made is legendary. Thus, the capital budgeting process can be of extreme importance. It demands disciplined growth and coordination. It appears to have worked effectively in Great Britain, other European countries and the United States-- and is one of the most adaptable tools which exist.

3. Bonuses for Appropriate Development

Government has frequently used "the carrot" rather than "the stick" to channel the use of urban land in desirable directions. Approaches to bonuses vary, but they all include the aspect of public manipulation of land costs and the market mechanism. Some of the commonly used types are the following:

a. Planned Unit Development:

Planned unit development is a technique used in the United States to encourage a more intensive, a more environmentally or socially beneficial use of land than the normal land control regulations allow. It is most commonly used on undeveloped land or as a technique of renewing central cities. We have seen that land costs are related to the use designated in the plan or zoning document. If an investor can legally and legitimately put more floor space or houses on the land than is normally allowed, he stands to gain a greater profit. In Planned Unit Development,

government mobilizes this desire and exacts a public benefit in return. Thus, provisions are enacted to allow higher intensities of use, or a more flexible and less costly arrangement of utilities and structure than the regulations permit. In return, the private developer must submit detailed plans in advance to the public agency (often with public hearings) for its approval. The developer may have to provide more public open space or landscaping than is normal. He may receive extra bonuses for providing social housing or commercial facilities and social services. The principle, however, is more profit to the builder for constructing high quality or publicly desirable facilities in places where the government deems it appropriate.

b. The Tax Benefit:

As part of national policy to decant growth from the metropolis, many developing countries have instituted tax benefits for industry, commerce, and residence. Thus, if a plant has a choice of locating in the large central city or in a new town or smaller sized city, a government may direct its choice to the latter by providing tax exemptions for--say a 10 to 20 year period. This policy has been applied in Puerto Rico and in Israel, for example, and has led to commercial development of outlying centers. Often it is combined with special programs to train a labor force, or with publicly-subsidized housing for workers.

It may also be combined--as in England and India--with negative techniques of denying building permits at the capital center.

After World War II, many smaller, depressed, American communities undertook to establish and to publicize the tax benefit approach to attracting industry. For a time this worked quite effectively in certain areas and--combined with lower wage rates--succeeded in drawing the textile industry from its concentration in cities of the Northeast to the cities of the South. But soon so many smaller communities across the country were offering tax incentives that each tended to nullify the other and the technique lost its effectiveness. This experience illustrates the need for selectivity in applying a technique such as tax exemption.

c. The Land Benefit:

Some nations have offered land itself, with services--free or at a sharply reduced cost--to attract investment. Some of the African countries and smaller Latin American nations with weak central cities have utilized this approach. The government prepares the land and installs the utilities. In the early years of Turkey's urbanization, the government

offered sites for private factories adjacent to large state enterprises with power plants and rail access that had been located in smaller interior cities. India has tried similar approaches in encouraging the growth of industrial estates. While this and the tax benefit approach has been frequently used for decentralization objectives, we know of no case where it has been employed to encourage more appropriate use of land within a given city--i.e., as a technique of ordering land uses in accordance with a plan.

d. Land Readjustment and Pooling:

In this technique, adaptable to underutilized land in fragmented ownership, government provides incentives to adjacent and neighboring property owners to pool their land holdings. Thus more usable sites are effected and development which had not been advantageous before can now take place. In many American cities this is used as strictly a technique to influence private enterprise. Combined with planned unit development concepts, it permits much higher densities than could normally be planned on the land. This is incentive for a single owner to acquire diverse parcels, or for several adjacent owners to take shares in a development corporation proportionate to the value of their land.

In Japan and Korea, under the land readjustment laws, the technique is used for both suburban and inner-city areas.

"In some cities such as Nagoya, Osaka, Hiroshima, and Yokohama, land readjustment has played a particularly remarkable part in urban development. In Korea, about 60 percent of the habitable land within 10 to 15 km. belt around Seoul and 50 per cent of such land in the peripheries of Taegu city have been developed through land readjustment projects.

The land readjustment method in these countries is an emulation of the German "Lex Adickes." Briefly described, the method consists of the pooling together of all plots in an area with a bad layout or not yet built upon. The area is replanned with provision of all necessary services and facilities (water-supply, sewerage, drainage, roads, parks, etc.). Land required for public uses in accordance with the new layout plan and some additional land to meet part of the project expenses are deducted from the total pool. The remaining land is redistributed to the land owners concerned in proportion to their original share in the pool. Two assessments of land values are made one prior to the initiation and another after the completion of the project. Any excess or deficiency arising out of the difference in the value of the original and the re-allocated plot is settled through payment in money. The relevant laws permit both the public authorities and the associations of private land owners formed for the purpose to undertake these projects. Where a prescribed majority of land-owners wish to readjust the area, the project is authorized and the remaining owners are legally bound by it.

Some of the important reasons for the popularity of this method are that it does not drastically affect the rights of the land owners nor does it lead to their displacement from the locality. Public authorities gain land for public uses without resort to expropriation. The land owners' loss of land is fully or largely set off by the gain in terms of a better environment, services and amenities all of which go to appreciate their land values immediately and in the long run. Thus the financial burden of both the public authorities and the private land owners is minimized." (ECAFE report p. 28)

e. The Non-Profit or Limited Divided Corporation:

This is a technique of mobilizing private capital to construct socially motivated housing on accessible land where such housing would not normally be constructed. It has been used primarily in the United States but has applicability in some developing countries where wealthy individuals or corporations are beginning to have social consciousness. It is again a tax concession approach--whereby associations who agree to construct housing for low-to-moderate income families can derive a tax exemption if the facilities are not built for a profit--or if the amount of profit (e.g., 6 per cent on invested capital) is stipulated as a maximum. It has proven very effective for inner-city housing in some American communities.

It is also utilized as a renewal technique for commercial and industrial land where the government determines it is in the public interest to have such land, normally available at only a high cost, assembled by private persons for redevelopment.

f. Mobilizing of Public Savings for Housing Estates:

This technique is being applied with greater frequency in Latin American countries and in others such as Turkey. On the one hand it provides an alternative to hoarding--which occurs frequently in developing countries in lieu of opportunities for secure investment--and on the other, it provides incentives for housing construction on available urban land. It may be done through the establishment of savings and loan associations who pay depositors at a very high interest rate as they accumulate resources to buy into cooperative projects. On the other, it may work with a lottery system--in which the government receives funds earmarked for housing construction and the lottery prizes may be apartments.

g. Guarantee of Bonds for Development:

This is a technique now being tried in the United States and has great applicability to developing countries as a means of offering secure investment alternatives to land speculation.

In New York State an Urban Development Corporation is empowered to borrow up to \$1 billion secured by the full faith and credit of the State. The projects financed under this method range from social housing to commercial and industrial facilities which are planned as part of the developments. Other states are using the technique for housing.

h. Forced Development:

We have already cited the cases of Cuba and Spain where land owners must develop in accordance with a plan or face taxation or expropriation--and the case of Singapore where development permits are granted for a fixed duration of time to prevent speculation. Mexico is one country which has carried the principle further. It requires all industrial enterprises with over 100 employees to make investments in housing--thereby assuring in principle, adequate relationships between residence and work place. We do not know how effectively this is working, or whether other countries have followed suit.

B. Direct Government Action:

The most direct means for the government to channel the course of urban growth, to provide land for facilities and service

at reasonable prices, is for government to do all or part of the job itself. In Socialist countries this is a matter of ideology and political system. There, government has traditionally done most of the development job and the degree of effectiveness has depended on the degree of inter-agency coordination and the ability to mobilize sufficient resources to deal with problems at the appropriate time. There is evidence, moreover, in the rapid growth of the capital cities of most Socialist countries that even complete public control over the development process has imperfections in restraining the agglomerating process of a modern economy and in providing sufficient housing, amenities and services.

Resources--regardless of ideology--are the key to direct public intervention. If they exist, if government can mobilize the taxes and the manpower, it has great potential to direct the course of urban land development.

Direct government intervention may be categorized along the following lines:

- Provision of infra-structure
- Provision of housing and productive enterprise
- Mixed public-private corporations
- Creation of new cities and towns

We have already discussed the provision of land reserves which carries with it both positive and preventive connotations.

1. Provision of Infra-structure

Infra-structure provision is the single powerful urban shaping tool short of actual development. In the same way that a capital budget is a strong technique of guiding growth, the provision of roads and utilities actually can produce such growth.

The many country studies reviewed for this paper all presented information on this subject. All--regardless of developing or developed countries--demonstrated that rise in land values occurred due to public betterment such as sewer and roads. Once the basic services for development were installed, the opportunity to bring development into new areas was assured. Sometimes this high rise in land values was followed by the actual construction of housing, shopping centers, etc. Sometimes the speculative forces prevailed -- but the opportunity to grow in these locations versus others without the services was made real. Most countries try to recapture the financial advantage occurring to property owners as the results of infra-structure by levying some form of benefit tax--although the collection of these taxes in developing countries is spotty and the extent of the levy may not be very great.

Other than the availability of funds, the key element in infrastructure provision is coordination; coordination directed by advance planning and budgeting. The number of examples of roads being built to areas for development without attendant electrical power and sewer--both responsibilities of public authorities--are legion.

Infra-structure provisions can take two forms--the basic transport and utilities systems which lead development and the service facilities such as schools, health and community centers which support development when it occurs. Both are the responsibility of most governments--both require planning and coordination to achieve their purpose.

2. Provision of Housing and Productive Enterprise

To achieve its objective for social and economic development, government often steps into areas where private enterprise normally operates. Even the most capitalist of countries now have at least limited government participation in these areas--primarily housing.

a. When government constructs housing directly it is normally for the poorer economic classes. However, experience ranges from complete monopoly over housing by government, practiced by the Socialist countries; to construction for the middle and lower ranges of income as practiced in many European countries, Israel and Singapore; to the U.S.

commitment to house only the poor. By entering into housing construction, government can utilize expropriation power to hold down the cost of housing land and to select locations high in amenity and accessible to jobs, services, etc. The skilled use of these powers in accordance with plans has been a factor in easing the urban land shortage for Scandinavian countries and the Netherlands. Some of the finest examples of implemented urban planning have dealt with publicly constructed housing estates.

Yet the opposite has also occurred, with the prime examples being many Latin American countries and the United States. There, despite the availability of public power, poor quality, badly located land was often selected for housing.

The power of public intervention in the housing market as a means of shaping urban development has been dramatically illustrated in the United States. By the use of a financing mechanism rather than direct construction, government wielded extraordinary influence over suburbanization. In fact, the ease with which the great central cities were suburbanized in the 1950's and the 1960's may be directly traced to the Federal Housing Administration's mortgage guarantee program. Through FHA, mortgages became almost

impossible to obtain in core city areas and extremely easy to obtain for middle income housing in underdeveloped suburbs. This led directly to the sprawl that characterized so much of contemporary urban America.

b. It is less common for government to construct productive industrial enterprise. But several developing countries of mixed economies do so and thus possess another city shaping tool. Turkey was one of the first to utilize state industrial enterprise as a means for directing population and development areas from the metropolis. Given the national policy of growth center development in the 1920's and 1930's, the Turks located new public-sponsored industries and attempted--with only modest success--to attract private enterprise to the now existing base of infra-structure and services. This approach did work in the new national capital of Ankara where industrial land was selected for state enterprise and functioned adequately until the migration of population during the 1950's dwarfed expectations.

By constructing both housing and industry when considered appropriate under the political systems--governments can hold down land prices, select adequate locations for crucial facilities, and recapture for the public the benefits of its infra-structure provisions.

3. Mixed Public-Private Corporations

This approach is being used with increasing frequency in both developed and developing countries. The principle is to utilize the best features of both public and private enterprise in achieving special economic or urban development objectives. These features may include:

From the public side: Expropriation power
Bond guarantees
Operating capital

From the private side: Managerial efficiency
Existing land holdings
Operating capital

In Turkey and Venezuela, the public-private cooperation has been used to create large units of productive enterprise-- such as steel mills--as well as housing and commercial facilities. It is a particularly attractive device for utilizing foreign capital and minimizing the risk for foreign investors.

In France, the concept of the public-private corporation is brought to bear in the "priority" development zones cited earlier. Landowners who pool properties or agree to participate in programmed development according to the plan can join the government corporation. These corporations have the power to consolidate land holdings and to build.

In the United States, such interest is being expressed about the use of such devices for the redevelopment of central areas. Such institutions as the New York Urban Development Corporation cited earlier, the West Virginia Housing Development Fund, and proposed Central Business District associations in Florida have some joint public-private characteristics. Use of these devices has been too new to make any valid assessment of effectiveness--and we can say little except that the principle is a good one.

4. Creation of New Cities and Towns

More has been known and written about this aspect of direct government action than any other. We will, therefore, say little here except about the principles and high points and refer the reader to the many published analyses of British, Dutch and Israeli experiences and the present assessment of new towns being made by the OECD.

New towns created by government have involved public purchase of land, provision of infra-structure, housing, productive enterprise and community services. In many cases, as in England and Israel, government does not do the entire job, but provides incentives to private enterprise in the way of tax or land benefits, assistance in job training, etc. Normally, new town development is a tool to achieve a

deconcentration policy when that policy can be fostered by no other means.

England, the Netherlands, and Israel have created networks or systems of new communities in accord with national policy.

Turkey, through Ankara; Brazil, through Brasilia; and Pakistan, through Rawalpindi, have utilized the principle to create large new capital centers in the interior.

Few generalizations can be made about the new towns process except that it seems to function when sufficient resources are devoted to the task, when new towns are limited to a few with the objective of building in viable centers quickly, and that the success of any given community is dependent on the presence of "humanizing" social and community services early in the game. Scandinavian countries have located new towns as satellites to the larger centers so that the full battery of city industries and services are not required, and the advantages of lower land costs for metropolitan development are maximized. Developing countries have used the technique to open up less developed areas and the limited experience indicates that the larger, more complex planned communities which replicate characteristics of major cities (e.g., Guayana, Ankara, Beersheba) have the best chance

of survival.

To undertake a new towns policy and program must represent a major commitment of fiscal resources on the one hand, and a major commitment of skilled personnel and with agency coordination on the other. Without both commitments made over a long term period, it may be better for government to concentrate on improving the situation in existing cities rather than risk costly failures.

Concluding Note

The type and number of land control and development devices are extremely diverse as are the situations in which they are applied. Both negative and positive measures on the part of government appear to have merit. How these measures are adapted to a particular community and country--in view of the infinite variety of urban centers--be a matter for decision appropriately by each nation or society concerned.

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