Housing convention in Istanbul 08-09 April 2006.

Contribution by Geoffrey Payne to Session VI: New trends in urban transformation and redevelopment of squatter areas.

I am delighted and honoured to be invited to contribute to this important convention and, of course, to be able to return to Turkey and meet longstanding Turkish friends and colleagues! It is not much exaggeration to say that I had the most important research experience of my career here in Ankara where I started doing research with local colleagues in 1974 – 32 years ago! I still keep in touch with one family who first migrated to Ankara in 1969 and whose grandchildren are now well established in the city. Their experience is typical of the process by which millions of people in Ankara alone, not to mention throughout the world, are arriving in the cities by birth or migration.

Today, I hope you will allow me to recall my experience on housing research in Ankara as a basis for some general comments about trends in urban transformation and the redevelopment of squatter areas. More information on research referred to in this short presentation can be found at: www.gpa.org.uk

Introduction:

If you type the word globalization into Google you will be offered 96,200,000 weblinks! It is impossible these days for governments, corporations or communities to do anything independently of outside influences. Even successful countries do not know from one week to the next what the price of oil or gas will be. How therefore can they make long or even medium term plans for social, economic or environmental policies?

The impact of globalization is particularly felt in the towns and cities of countries, where a large proportion of foreign direct investment flows (FDI) are channelled. Cities around the world are competing for the trillions of dollars which move daily from one part of the world to another. Whilst it has been argued that international economic integration is actually less at present than it was before 1914, nonetheless the impacts today are dramatic and visually unavoidable, if only thanks to the media and particularly the internet. We may not all be one world, but we can at least see everywhere and everyone else more than ever before, so the processes are more evident.

It is not just money that is on the move. People also are moving – from villages to towns and cities and from poor to more affluent countries. Whist barriers and less obvious constraints exist, peoples' desire for a better life for themselves and particularly their children creates an irresistible force. It is also incredibly impressive to see what people with almost no resources except determination and ingenuity have achieved. As more privileged observers and actors in this process we have an obligation to see how we can help them to realize their aspirations.

How can urban planning achieve this? In my experience, the key feature of a successful urban land and housing market is diversity in terms of supply options. The most effective way of achieving this requires that government – at national and local levels – should focus on attracting inward and promoting local investment and regulating the activities of suppliers to protect the public interest in terms of the environment, public health and safety. The actual

provision of land and housing can best be achieved by the private sector and local communities, leaving the State to provide community facilities such as schools, police, health facilities, etc.

Key issues in urban transformation and redevelopment of squatter settlements:

I suggest that housing and urban development policies need to address three key issues, namely how to transform rural or raw land into urban use, why it is advisable to review the regulatory framework and what to do about illegal or informal development.

1.   Partnership arrangements for transforming raw or rural land into higher value urban land

Several examples exist of public-private sector partnerships in developing land, including:
*   Joint venture companies in which public authorities and private developers create joint ventures to contribute land, finance and expertise to the development of new sites or existing urban areas in need of regeneration. The approach has been successfully used in many towns and cities in the UK.
*   Planning briefs, in which a local authority prepares a set of requirements and guidelines to which proposals by private developers must conform in order to obtain planning permission. Success requires that conditions permit developers to make a reasonable profit and help achieve social and environmental policy objectives by reducing uncertainty, since developers know in advance what is required to gain permission. The approach has been widely applied in the UK.
*   Requests For Proposals (RFPs). These involve the public sector inviting proposals based on a set of mandatory project components to which all proposals must conform, together with an additional set of preferred elements. Developers seeking the contract to develop the selected area need to provide all the mandatory elements and the greatest number of additional elements. The approach encourages competition and therefore maximises the public benefits to a scheme at no cost to the public sector – providing they don't ask for too much! The approach has been applied in Bulgaria and Russia
*   A fourth option is Land Pooling/Land Readjustment (LP/LR). This involves the amalgamation of a number of individual private land holdings, usually in peri-urban areas under pressure for development, into one large parcel for its comprehensive development. The development agency then sells a proportion of the new urban plots to recover its costs and the remainder are distributed to the original landowners according to the value of their original contribution. The approach has achieved efficient land use levels, though access by lower-income groups has been limited due to the need to maximise returns to landowners. The approach has been applied in many Asian countries.

Whilst each of these approaches has its strengths and limitations, they have demonstrated an ability to transform either rural land into urban use, or regenerate old industrial sites into contemporary mixed-use developments[1].

2.   Regulatory frameworks to facilitate the entry of new development into the legal planning framework

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[1] For further details on these and other examples of a partnership approach to urban land development, see Payne G (Editor) 'Making Common Ground: Public-private partnerships in land for housing' Intermediate Technology Publications, London 1999.

Recent international research, including a case study of Ankara, has demonstrated that the regulatory framework of planning regulations, standards and administrative procedures often represents a significant constraint to entering the legal housing market, particularly by lower income groups. Administrative procedures have been shown in many countries to impose costs and uncertainty on the part of both corporate and individual developers and such costs are inevitably reflected in higher building costs. Regulatory audits in several cities have identified options for reducing such constraints and encouraging legal land development[2].

In Ankara, the research found that administrative procedures were a constraint on access to legal housing for lower income groups and that it was difficult in practice to change these. Land use controls, floor area ratios and setbacks also represented costs which impeded legal development for the poor. In practice, however, the pragmatic application of such norms and procedures did not impede access to land and housing, though it often required major changes when informal developments were later incorporated into formally approved developments.

3. <u>Tenure and property rights regimes which facilitate the redevelopment or transformation of informal settlements into the formal city.</u>

International debate on the role of land tenure and property rights in reducing poverty and improving the functioning of land and housing markets have recently been brought into focus by the launch in September 2005 of the High Level Commission on the Legal Empowerment of the Poor (www.undp.org/legalempowerment/html/commission) and www.landrightswatch.net) and the UN Global Land Tools Network also in late 2005 (www.gltn.net). The High Level Commission is co-chaired by the Peruvian economist Hernando de Soto, whose book 'The Mystery of Capital: Why capitalism triumphs in the West and fails everywhere else' has promoted home ownership.

De Soto argues that if the poor living in informal or squatter settlements are provided with titles to their properties, they can use them as collateral to access credit and use the funds to establish businesses to lift themselves out of poverty. Empirical evidence in support of these claims is extremely weak, yet although the Commission Director Naresh Singh has stated that titling programmes will not be the main focus of their approach, many international agencies and national governments continue to embark on land titling programmes. There is an urgent need to review the social and economic impacts of titling programmes in urban and peri-urban areas and a proposal to review selected examples is presently being considered by a number of funding agencies.

Home ownership and land titling programmes undoubtedly have a role in urban housing policies. The real question is to what extent they are relevant under all conditions and for all social groups. For example, it may be more appropriate for the very poor to rent, so that they are free to move according to changing livelihood opportunities. Ownership should therefore perhaps be one of a number of options. There are many alternatives to ownership, including:
- Communal/customary ownership
- Communal titles
- Community Land Trusts
- Land leases
- Co-operative ownership

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[2] For further information on the research and methods for undertaking an urban planning regulatory audit, see Payne, G and Majale, M 'The Urban Housing Manual: Making regulatory frameworks work for the poor' Earthscan, London 2004

- Private rental
- Community Land Trusts
- In Kenya, they have a tenure system called 'Temporary Occupation Licenses' and in Trinidad and Tobago, they even have a tenure system known as a 'Certificate of Comfort'!

International experience suggests that these alternative options also have an important contribution to make in creating a range of options for households with different or changing needs. However, even in cases where ownership is appropriate, changing existing settlements from an existing informal or illegal status to a formal one may best be achieved by adopting an incremental approach. This will minimise the risk of distorting expectations and give poor tenants time to adjust to gradually increasing rents or find alternative accommodation. Such an incremental approach has been recommended for application in Cambodia and Ethiopia[3].

Urban transformation and the redevelopment of squatter areas in Turkey

My personal experience in Turkey suggests that it has one of the most successful records in urban transformation and the redevelopment of squatter settlements. Since undertaking initial research on gecekondu housing and urban development in Ankara in 1974, I have kept in close touch with many colleagues in Ankara. I have also become good friends with a family which originally migrated to Ankara in 1969 and built a typical squatter house in Dikmen, south Ankara. I now know four generations of this family and have seen them establish themselves in the city's economy and housing market. Most of the children of the original couple are now the proud owners of valuable apartments. For them, and countless other households, housing has been the means out of poverty and into the middle-income group.

This impressive achievement was the outcome of a pragmatic approach by the municipality towards informal land and housing development over many years. This allowed local communities, or mahalles, to occupy a central role in identifying and meeting local needs. The initial driving force was socially based as migrant families settled in areas where they could find people from their own villages who could therefore help them find land and work. Later, as market forces led to the commercialisation of land markets and this eroded the social basis for its allocation, so gecekondu residents sold their properties to developers who replaced them with legalised apartment blocks based within officially prepared redevelopment plans. In these new blocks, the gecekondu residents were able to transform their investments into the ownership of one, two or even three legal apartments.

It seems to me that the process of ad hoc planning adopted consistently by different local government administrations has, in fact, contributed to the growth of Ankara's economy and helped it to absorb a massive increase in population, despite very limited public sector resources. Of course, this is not to advocate squatting or illegal development. However, what was achieved in the past is something I have been advocating to other countries facing similar challenges and is something that Turkey should proud, not ashamed, of. In recent years, the supply of formal housing has increased as a result of co-ordinated private sector and co-operative housing programmes, in which Turkey is a pioneer. The need for informal development has therefore declined as the formal market has adapted to meet needs.

Reflections on the Convention:

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[3] For details of these and other related projects, see: www.gpa.org.uk where many materials can be downloaded.

How far has the formal market adapted to meet present needs and what role are government, the Housing Development Authority (TOKI) and private developers and contractors playing in these processes? This Convention has highlighted an impressive commitment by government to address the needs of low income groups and by TOKI to identify and commence new developments in 78 provinces. Developers and contractors have responded to this challenge with large-scale projects intended to meet the needs of different income groups, including the poor.

Whilst such commitment and ambition is commendable, I hope that, as a long-standing friend of Turkey, I may be permitted to express some concerns regarding the forms which proposals presented at the Convention appear to be taking:

- First, the demolition of gecekondu settlements previously took place in areas and at times which local developers considered suitable for redevelopment. Gecekondu owners entered freely into agreements and both parties, together with the city, benefited. The process was not only self-financing, but succeeded in lifting millions of people out of poverty. The present approach is extremely expensive and treats housing as a welfare burden on the economy rather than a dynamic contribution to it.
- TOKI has less experience in market management than the many small-scale developers which have been active in redevelopment schemes for many years and there is no evidence of support for the programmes from gecekondu communities for the demolitions and specific redevelopment schemes which the government and TOKI are promoting.
- The forced relocation of communities destroys social cohesion and mutual support structures vital to the well-being of poor households. It also makes it difficult to recreate this in developments which may not reflect their needs or aspirations and over which they appear to have little, if any, design influence.
- The planning and design of schemes varies widely from good to what can only be called extremely depressing. Many bear no relation to the best qualities of Turkish urban form and appear unrelated to the topographical features of the sites in which they are related. The use of computer graphics presents a seductive image of children playing in communal open spaces, but experience from other countries, including France and the UK, suggests that, in reality, such large spaces invariably become neglected areas in which anti-social behaviour flourishes.
- The location of many projects for low-income groups on the urban periphery isolates communities from areas where they can generate or obtain employment and increases the time and cost of travel to such locations. Such isolation can also breed resentment and create social tensions.
- Finally, it is not clear why new projects invariably force people out of single storey gecekondu houses, which enable families to enjoy private gardens, into multi-storey units above ground. Even assuming that the multi-storey apartments proposed for the majority of projects are designed to withstand earthquakes, it is not clear how people on upper floors would be protected in the event of fires breaking out on lower floors.

I would like to end by urging caution in concentrating on the top-down approach promoted at this convention and encourage all parties to return to the pragmatic approach and diverse set of options which has served Turkish cities so well in the past. In the UK and France we realised too late that large public housing estates might increase the housing stock quickly, but at the

expense of creating major social and economic problems in the future. I urge Turkey to learn from our mistakes and not repeat them.

Thank you.