

Cairo University
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Intervention in Urban Land Use

**Approaches , Tools , & Actors ;
in the Egyptian context**

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I-I Background Considerations and Study Problem :

Like most developing countries, Egypt has been undergoing a rapid urbanization movement which resulted in 44% of the total population living in urban areas (1980) a percentage that is expected to rise to 50% by the end of the century.¹

In response to unceasing rise of urban population, rural settlements on urban fringes are being absorbed into urban domain, agricultural area are being converted to urban use, often in wasteful and environmentally damaging ways. Other problems faced by urban areas include squatter settlements with many poor people living on public or private land, contravening land use controls and similar laws and regulations.

Resolving the problems of urban areas to insure adequate urban settlements that are important for the nation's economic, social and cultural development requires an effective management of land through the formulation of effective realistic planning strategies, the choice of suitable land use tools of intervention to both Egyptian context and local and institutional constraints and the commitment of different actors in urban land use.

To insure better of urban settlements, government officials, whether politicians judicial, financing, or executive have to chose among an array of alternative means of intervention to promote the mitigation of urban problems. However, these officials in taking their decisions have no evidence as to the comparative effectiveness of the alternative tools of intervention and how the use of one tool may affect the use of another tool (complementary or contradicting).

Most sholars concerned with urban land use intervention and management focused on either the overall Master plan of cities, that is on the Planning Approach and whether it was implemented or not and which part was. While other scholars focused on relatively small size urban areas, that is neighbourhoods whether historical, commercial or housing and how such neighbourhoods develop or deteriorate.

¹ Serag El Din, Ismail, 1985, Large Housing Projects, Aga Khan Program for Islamic Architecture p 114.

This study is focused on the operational level ; roles, assignments, tasks allocated and accomplished by various officials and actors in the intervention operation are studied in the chosen case study areas. Special care is given to studying the existing Egyptian government strategy of urban planning, if any, the existing tools and the different actors who play a role in urban areas whether officials, or private actors.

An evaluation of the general concepts and values involved in urban land use intervention methods, as well as, in government management system is undertaken to reach the objects of the study which is effective intervention and management of urban areas so that it can respond to the Egyptian socio-economic, and legal context as a whole, especially after the introduction of privatization policy to many public utilities and real estate companies.

1-2 Potential value of study:

There are four basic aspects asserting the importance of effective urban intervention. These are :

1- Quantitative problems, the magnitude of the urban problem is represented in the high percentage of land that is used in environmentally polluting activities, or land that is misused or under used or that is used in activities that could be transferred outside the urban boundaries (ranges from 10%-20%)² of the total area of the Egyptian cities. Hence the ability of these lands to solve the problem of already existing cities by far exceeds the accommodation ability of the new cities that are very costly to build.

In housing, as a land use, 80% of the existing stock is informal housing that is outside the limit of government control or intervention.³ As to the qualitative side of urban problems, it is apparent that Egypt's urban settlements quality of environment has reached an unprecedented point of degradation.

² Faculty of Urban and Regional planning , Cairo University, 1989, The salient features of Egyptian cities by year 2000 vol 2, p 18.

³ Rageh, Abu-Zeid, 1984, The changing pattern of housing in Cairo, in the Expanding Metropolis, Proceedings of Seminar "9", Aga Khan Award of Architecture p 139.

2- The volume of investment needed to execute projects of direct intervention in urban land use through the execution of projects of housing, service or infrastructure is tremendous, while Egypt's resources are limited. The preparation of plans and the execution of projects (direct intervention) requires financial and political support, while there is little evidence that these achievements led to any real change in urban environment to justify the allocation of budgets to such alternative of direct intervention.

Thus, there is a need to investigate new methods or tools that are more effective. Effectiveness being fulfilling the same objective of direct tools but having less budgets as they depend on the users willingness to respond. But the notion that the government must intervene directly still conditions the attitudes of politicians and urban dwellers.

3- The implementation of plans or change from plans to executive projects needs an informed and enlightened flexible administration together with strong political support. Thus, it is better to find means of intervention that are suitable to the existing context. Which includes, resources (financial, personal, institutional and time) and socio-cultural aspects, than to try introducing or promoting a complete new tool of intervention from another country that needs a complete new context or setting to yield the desired outcome.

The importance of the study is also driven from its global view; For the United Nations principles and global plan of action as is stated in the report of the Secretary General of the conference on Habitat 1995 includes :

A- Good governance makes a difference "Good governance" is about leadership, management and enablement. It seeks to achieve a balance between competing and often contradicting forces; between , as in none example, enforcement of legislation to protect the health and safety of citizens and lowering the costs of doing business. A review of conditions and trends among the world's urban centres reveals a great variety of accountable and effective city and municipal authority along with the other extreme of poorly and often corrupt management.

B- The "Market's good, government bad" polarization is not helpful. There is a growing understanding that "enablement" does not mean a retreat by government, but rather a new role for government, part of this role is ensuring there is a

competitive market in land, finance and building materials. Another is ensuring that official rules and regulations governing development do not constrain the supply of housing, infrastructure and service.

C- "Much of the city is built from the bottom up". In most cities annual investment by individuals, households, communities, voluntary organizations excludes the annual capital investment per person by the city and municipal authorities.

A key issue is what kind of "enabling" institution is needed that better complement the effort of individuals and ensures more coherence between them all, so they all contribute toward city wide improvements.

D- "Cities do have advantages". Cities have enormous potential for combining high living standards with remarkably low energy, low resources use and, minimum waste lifestyle. For high densities means lower costs per capita.

E- "City and country side are not enemies". They are two parts of the same social and economic system. Which can be understood and integrated through national and sub national policy.⁴

1-3 Objectives of the study :

The study is concerned with the nature (existence and direction and level) of government intervention in urban land use within the Egyptian context. The period from 1800-1952 is studied historically to illustrate the roots and background of the urban development of the Egyptian cities and their administration. The Egyptian context since the Revolution of 1952 is studied from all its aspects.

This question may be divided into 3 questions, why intervene? How and when to intervene? And who intervenes? Or who are the participants in the intervention system? To answer these questions the study sets forth three objectives. There is an ascending order of complexity and dependency implied in these objectives.

1- The first objective of the study is to verify the need for government intervention in urban land use. Market forces can not be left as the sole determinant of land use. The study will also argue or try to set forth the difference between market

⁴ Habitat, 1995, Draft statement of principles and global plan of action, preparatory committee for the U.N. Conference of Human settlement, Nairobi.

forces as a determinant of land use where an activity is located, where it can maximize profit, but within permissible laws and what is going on now in urban areas where there is illegal activities, or building outside what is lawful to gain profit or more profit.

2- The second objective focuses on the human aspect of intervention, that is actors or participants involved in intervention. The purpose of intervention is to control human beings and human behavior. We are all very different and we are also manifestly alike. That is why we have our different values, beliefs.. etc., and we are alike in needs and desires of human bodies and minds. The study tries to investigate the role of different actors in urban intervention, how they see their role, how they fit together, formal and informal relation, and last but not least how to improve their collective roles.

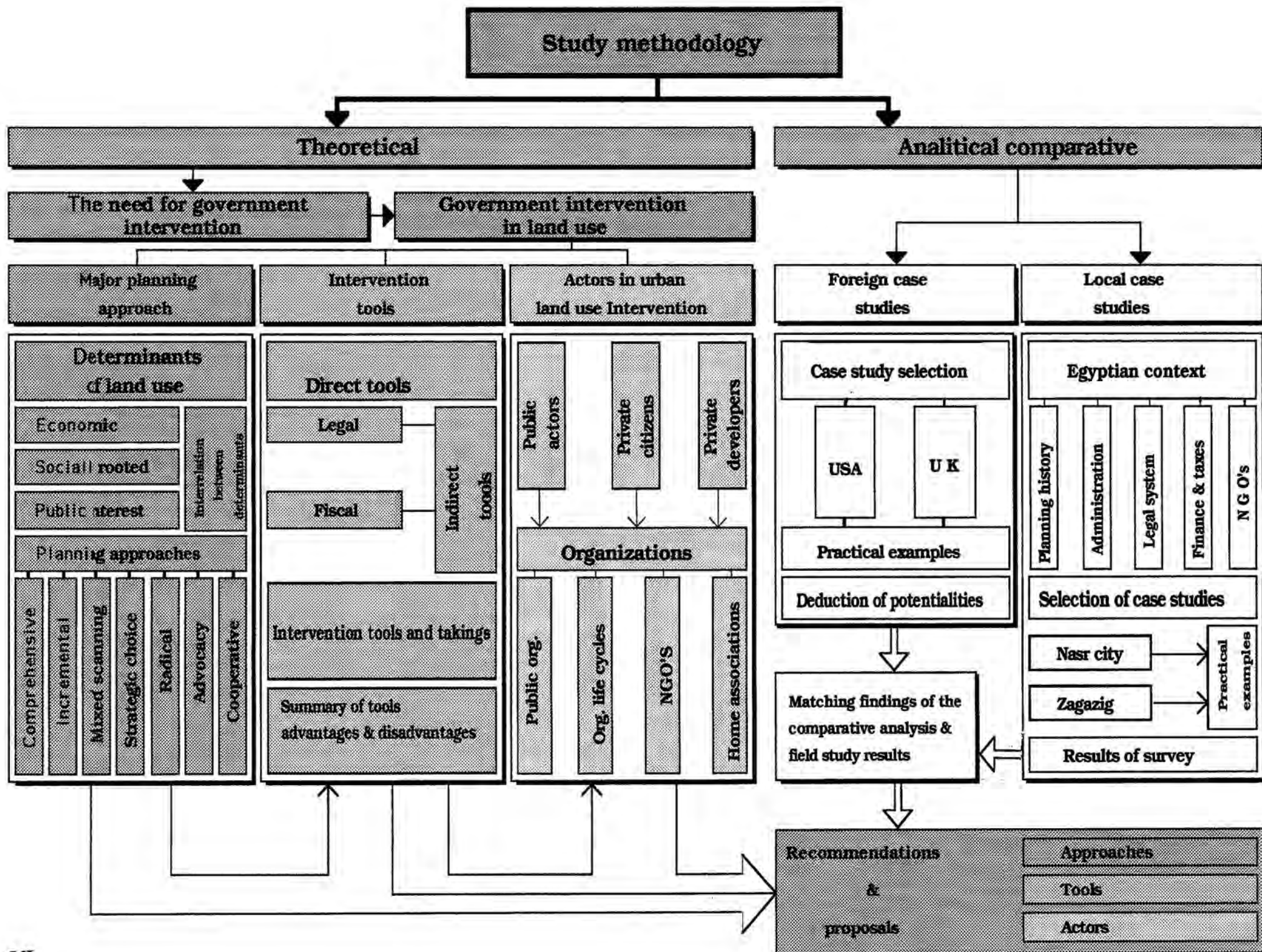
3- The third objective focuses on the level of intervention, and whether it is suitable or compatible to each intervention too. The community level as defined by a number of inhabitants is the most effective level of intervention. This implies a kind of transformation from governmental bureaucracies to smaller close to home new institutions or agencies or homeowners associations. The objective implies that the government, as currently organized, is as verified in the first objective, needed but cumbersome and ineffective. It has major responsibilities but should carry out much of its work through institutions close to home, through communities and through the commitment of all available actors in urban areas.

1-4 The Study Methodology :

The methodology used to investigate the problem under consideration and to meet the main objective of the study is divided into two parts

- 1) Conceptual (theoretical)
- 2) Analytical (operational)

In the first part literature is reviewed to clarify the need for government intervention in land use, and how the government in intervening has to treat land as it should be treated differently in the market. Planning theories, approaches and new trends in planning are also reviewed, concentrating on new public participation trends and public/private participation in development. This is also emphasized when discussing tools.



In the second part two foreign case study countries are chosen, UK and USA. In each country the urban development and problems faced are studied along with its socio-economical and legal context. Practical examples of effective intervention in urban areas is illustrated. In Egypt, urban development and socio-economical and legal development are studied since 1952 and until now. Also two local case studies are chosen giving reasons for such choice. Data sources are stated along with problems faced in conducting such a study. Two surveys are conducted in case study areas including both interviews of personnel and intended observation of urban area. Through analytical and comparative studies, the advantages and disadvantages of the means of intervention in both case studies are defined.

At the end of this part recommendations of the study are given as a proposed means of intervention in land use within a defined administrative unit or self sufficient unit, how its boundary is to be stated and what population is to be its inhabitants, what suitable strategy of planning may be used and who are the active actors in such a unit, taking into consideration the new trend of privatization of many companies and several service and utilities agencies.

1-5 Data Sources :

The information gathered for this study came from different sources: published literature, development plans and published reports, maps, census, along with oral information from interviews, questionnaires, pictures, and observations from several visits to case study areas.

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Chapter 1 :

Public intervention

Introduction

This chapter has two objectives. First it identifies the normative rationales for government intervention in a market economy - the range of things the government might be trying to accomplish, and why it is necessary for the public sector rather than the private sector to accomplish them. The second part is focuses on government intervention in land use after introducing land as a special good in the market.

Richard Musgrave developed a useful way to classify the vast array of government programs. He divided government activities into those that affect the allocation of resources, the distribution of incomes and "those that have stabilization objectives".¹ The classification is not perfect for many programs are undertaken for a mixture of allocation distribution and stabilization reasons. It is important to note that throughout this study the term public or government intervention will be used to mean any act of imposing rules or constraints for some considerations on existing market system.

1-1 The Need for Public Intervention :

Human society is a distributive community. We come together to share, divide and exchange. We also come together to distribute things among us. Different political arrangements enforce and different ideologies justify, different distributions of membership, power, honor, ritual eminence, kinship and love, knowledge, wealth, physical security, work and leisure, rewards and punishments, shelter clothing, transportation, medical care, commodities of every sort and all other things that human beings collect. And this multiplicity of goods is matched by distributive procedures agents and criteria.

Through out history the market has been one of the most important mechanisms for the distribution of social goods, but it has never been a complete distributive system. But what should be up for sale is something men and women always have to decide and have decided in different ways. Nor has there been any state power so pervasive as to regulate all the patterns of sharing, dividing and exchanging out of which a society takes shape. Things slip away from the state's grasp, new patterns are worked out, familial networks, black markets, bureaucratic alliances, political and religious organizations. "State officials can tax, conscript, allocate, regulate, appoint, reward ,

¹ Musgrave, Richard and Perry Musgrave, 1989, Public Finance in theory and practice, 5th edition, p 20.

punish, but they cannot capture the full range of goods or substitute themselves for every other agent of distribution"²

To see how the allocation and distribution objectives come into play, it is first necessary to review the role of prices in a market economy. Suppose first that we are examining the market for good X. On one side of the market we have the consumers who demand this good. They operate under a demand function, more commonly referred to as a demand curve. This demand function is shown in fig.(1-1a) as downward sloping (and uncurved) It tells how many units of good X consumers will buy at various price levels. The price (P) is the independent variable and the quantity purchased (Q) is the dependent variable. The downward slope then means that as the price falls, the quantity demanded rises .

An alternative way to interpret the demand function is to analyze the willingness of consumers to pay for various units of the good. At quantity Q, consumers are willing to pay just P, but no more than that, for the last unit. We have switched the variables so that the quantity is now the independent variable and the price is the dependent variable : for this reason a demand function expressed this way is called an inverse demand function. Under this interpretation, we can also see that the price that consumers are willing to pay exactly equals the marginal utility (MU) of consumers for the good (1) $MU = P$. The downward slope can then also be rationalized by the principle of diminishing marginal utility : the more of the good is possessed by consumers, the less is their marginal valuation of the last unit, and the less they are willing to pay for one more unit .The supply function is also drawn in the fig. (1-1a). In a competitive market, suppliers will only supply the good if the price equals the marginal cost (MC) of the good, so that (2) $MC = P$. The upward slope of the supply function reflects the fact that for most goods it becomes increasingly costly to raise supply; higher prices for the good are necessary to elicit increased supplies as the amount already supplied rises The market- clearing price of the good is then determined by the inter- play of demand and supply. ³

² Walzer, Michael; 1983. Spheres of Justice, A defence of pluralism and equality pp. 3-7.

³ Gramlich, Edward, 1983. Benefit / cost Analysis of government program, pp. 19-21.

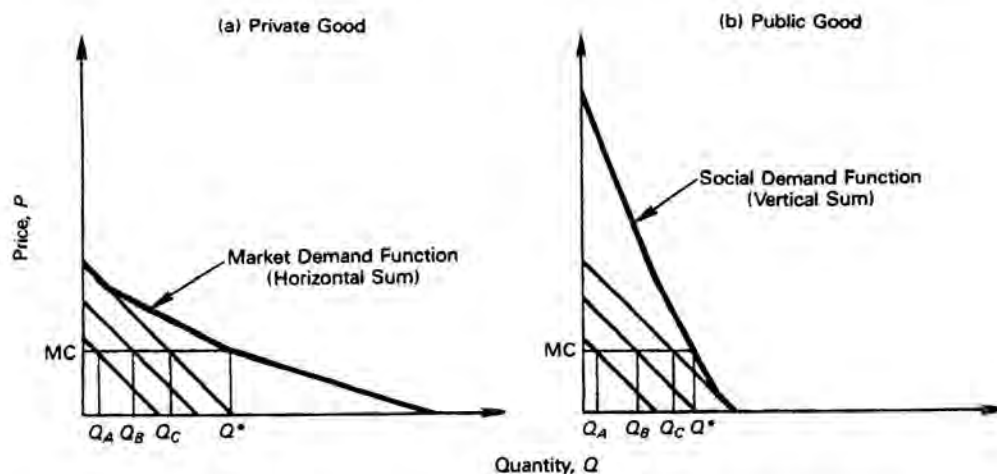
At all prices below P_x quantity demanded exceeds quantity supplied, and the excess demand tends to bid down the price. At the equilibrium price (P) there is no excess demand or supply. P is then referred to as an equilibrium price because there is no tendency for it to change.

Putting these two functions together illustrates the genius of Adam Smith's famous invisible hand. If the market price is free to vary, it clears the market so that there are neither excess demands nor supplies. Consumers look at this price charged and choose the quantity that equates their marginal utility to price. Producers look at this price to be earned and equate their marginal cost to price. Hence in market equilibrium production will equal consumer demand, and consumers' marginal utility will equal producers' marginal cost (3) $MU = MC$. Production will be at the socially optimal level because it takes place as long as its marginal valuation exceeds its marginal cost, but no further.

And the genius of this market solution extends even further. Not only is the level of production optimal, but it is allocated properly on both sides of the market. On the demand side, all those consumers with a willingness to pay greater than P_x will buy the good; and all those with a willingness to pay less than P_x will not. Hence the production is consumed by those who most value this production. On the supply side, all those producers who can supply the good for less than P_x will; all those who cannot will not. Hence the production is done by those who can supply the good most cheaply. Production is at the right level, it is consumed by those with the greatest demand, and it is done by those for whom it is cheapest.

All of this applies to one good, but the formal analysis can also be made in terms of many goods. The reason other goods are relevant is that markets are interdependent. If for example, consumers desire to spend a little more on good X, they spend a little less on good Y. Or if producers use more resources to produce X, they have less available for Y. To deal with these complications, economists move from what is known as the partial equilibrium analysis of one market, (an example of which was given in fig. (1-1a)), to a general equilibrium analysis of the whole economy.⁴

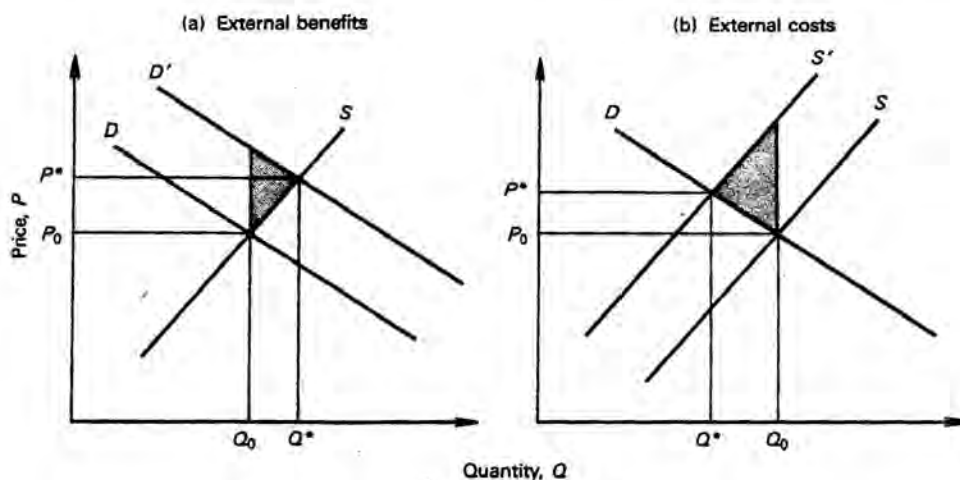
⁴ Ibid, Gramlich, p.p. 23-25.



- (a) For private goods, each consumer faces the same price ($= MC$), and market demand $Q^* = Q_A + Q_B + Q_C$, the horizontal sum. At Q^* , MC equals each consumer's MU .
- (b) For public goods, all consumers automatically consume the same amount. Social demand is the sum of the MUs of each consumer at each Q , the vertical sum. At Q^* , the sum of the MUs equals the MC .

Fig.(1-1) private and public goods

Source : Gramlich, Edward.1983,p.17



For external benefits, the true social demand (D') exceeds the private demand, and either a demand or supply subsidy can be given to expand output toward the social optimum, Q^* . The cost of not doing so, or the dead weight loss, is given by the shaded triangle.

For external costs, the true social cost (S') exceeds the private cost, and either demand or supply taxes can be assessed to contract output toward the social optimum, Q^* . The cost of not doing so is again given by the shaded triangle.

Fig.(1-2) Externalities

Source : Gramlich, Edward,1983 p. 19

This is the two good, general equilibrium, analogue of the marginal utility equals marginal cost condition in the partial equilibrium analysis. The only thing different between the two good equation and the one good equation is that the consumers now equate their ratio of marginal utilities (MRS) to the price ratio, and producers equate their ratio of marginal costs (MRT) to the same price ratio. As before production of each good takes place at the optimal level, consumers with the highest valuation get the output and producers with the cheapest costs produce the good. But, we have to emphasize the assumption that the market works well. But a few of the assumptions may not be fulfilled due to:

Monopolies: suppose there were monopolistic sellers of goods. Monopolies hold back production to create excess profits; in these terms their price exceeds their marginal cost. Hence when consumers equate marginal utility to price marginal utility it exceeds marginal cost and too little production would take place in a free but monopolized market.

Environmental costs: suppose the production of a good entails environmental costs to citizens outside the firm. In this case the marginal social cost would exceed the marginal cost to producers and the marginal utility to consumers. Here too much production would take place in a free market.

The distribution of income: any set of market demand curves is based on an income distribution that gives rich people with many dollars to spend more weight than poor people without many dollars to spend. If this distribution of income does not satisfy equity goals of society there is again a case for government intervention to promote equity objectives.

These are examples of market failure where the free private market allocation of resources for one reason or another falls short of the social optimum giving a rationale for government intervention.

1-2 Allocative Efficiency

In this section we consider some deviations from economic efficiency. To do so we have to identify, what is a public good.⁵

One type of allocative inefficiency involves what is known as the public goods problem. Consider fig.(1-1a) dealing with a private good. There it is assumed that good is supplied along the competitive supply function MC and that there are three consumers

⁵ Ibid, Gramlich, pp.23-25

with demand functions drawn as the parallel downward sloping lines DA, DB and DC. The market demand function may be derived by summing the demands of the three individuals at each price or the horizontal sum. That yields the heavy line and the market equilibrium Q where A buys the amount read from his demand function, B the amount read from hers and C the amount read from hers. Note that for each consumer $MU = p$ and since $p = MC$ from the supply function the solution is economically efficient. Each consumer values the last unit of output exactly at its marginal cost.

Now consider a class of goods known as public goods, shown in fig.(1-1b). The supply function and the demand function for each individual are exactly the same as before but now the physical properties of the good are different. Imagine that the good is something like a public park, a lighthouse or even a national defense system. For these goods if one consumer consumes it, all others automatically consume exactly the same amount. The consumption by these other consumers does not change the consumption of the first. To put it another way, for these goods it is either technically infeasible or very costly to exclude others from consuming the good. When one person does the exclusion principle does not apply. For a private good exclusion is possible and all consume different amounts at the same price; now in public goods things are turned around so that all consumers automatically consume the same amount.

To find the economically efficient equilibrium it is necessary to derive a market demand function from the individual demands. Previously we saw that demand functions could be interpreted either as showing how much a consumer will consume at each price or the consumer's marginal utility or willingness to pay, at each quantity. In the public goods case we take the second interpretation. Combining this with the physical constraint that each consumer must consume the same amount yields a strange result: to get the community demand curve for a public good we must sum the individual demand functions vertically not horizontally. At QA for example we know that A's willingness to pay is just the value MC. But B also consumes QA automatically and her willingness to pay is read from her demand function. And C automatically consumes QA and her willingness to pay can also be read from her demand function⁶. The marginal satisfaction yielded to all three consumers each of whom consumes QA is then the vertical sum of the marginal utility values of each consumer. This community or social demand function is plotted as the heavy line.

⁶ Ibid, Gramlich, pp. 25-30

Why does the physical constraint that consumption must be the same require government intervention? Technically it does not. But we can see that if A was left to his own devices he would consume Q_A . He would equate his own marginal utility to marginal cost and the good would be under consumed because the added utility of B and C would be ignored. Similarly if left to her own devices B would consume Q_B . This is greater but still less than social optimum because the utility of A and C is ignored. The proper solution is at Q where the combined marginal benefits of all consumers are set equal to the marginal cost. Ronald Coase has shown that under certain conditions A, B and C could work toward this social optimum by having a system of side payments to get one consumer to consume more, since the other two consumers would benefit. But in complex societies with many consumers, a complete system of side payments is very difficult to work out and it often becomes much more feasible for the government to intervene in the market directly and provide spending closer to the social optimum.⁷

a- Externalities

A second phenomenon that could justify government intervention in even a freely competitive market economy is known as an externality. As the name suggests an externality designates a benefit or a cost of a market transaction that is neither paid for nor received by those making the transaction and is therefore not incorporated into the market demand or supply. The example where a manufacturing plant might emit smoke and cause damage to groups that are neither producers nor consumers of the good. On the other side if a firm were to sell a product that made outsiders better off such as a drug that cures a communicable disease the firm would not capture all of the benefits of its production in its selling price.

Fig.(1-2) displays examples of externalities on both the benefit and the cost side. The left panel gives the case of external benefits, such as for drugs for communicable diseases. Here the social benefits from the good are not entirely included in the consumers' demand function and the firm's selling price. The free market equilibrium is at the intersection of the market demand function, D, and the supply function, S, at Q_0 and P_0 . But the point of optimal economic efficiency is where the demand function including the externalities, D', intersects the supply curve at Q would be a rebate to demanders of the distance between the two demand curves. In this case at each quantity willingness to pay is increased because of the subsidy. The demand function is shifted

⁷ Ibid, Gramlich, pp. 30-32

up by just the amount of the subsidy to the social demand function, and equilibrium quantity would be at the social optimum level Q . The same subsidy could also be given to suppliers, with the same outcome (just shift down the supply curve the requisite amount). In either case, the government could provide these subsidies and correct this externality.

What is the cost of not correcting the externality? This cost is the same as the value of the government intervention. The cost of not correcting the externality is known as the dead weight loss or excess burden, and is shown in the left panel of fig.(1-2b) as the shaded triangle. It can be derived very simply. Without intervention the market goes to Q_0 . At this quantity, the marginal social benefit of production is read from the social demand function and the marginal cost is read from the supply function. The difference is the base of the triangle. These differences are then summed for all output from Q_0 to Q^* to give the dead weight loss triangle. Not intervening in the market causes this social loss.

The logic is precisely the same in the case of external costs, shown in the right panel of fig.(1-2).. If these costs were not "internal to" the firm, or charged to the firm by the market, the free market solution of Q_0 and P_0 would lead to more than the socially optimal amount of output, Q . The government could correct the inefficiency by incorporating the externality into the firm's supply, say by taxing it in the amount of the difference between the supply function including the externalities, S , and the old supply function. At each quantity the price required to supply the good is higher because the supplier has to pay the tax, or at each price, quantity supplied is less because of the tax. The tax moves the market to the social optimal level, Q , and avoids the dead weight loss. This dead weight loss or excess burden is again given by the difference between true marginal social costs and firm marginal costs, summed over the excess output in the free market ($Q_0 - Q$).⁸

b- Natural Monopolies

A third type of deviation involves what are known as natural monopolies, instances where the fixed costs of providing a good are very large, relative to the marginal costs, so that average costs are declining over the relevant consumption range. Illustrations would be a bridge, highway, or a public utility. The large fixed cost implies

⁸ Ibid, Gramlich, pp. 32-34.

that the industry typically cannot support enough suppliers to make it competitive-hence the term natural monopoly.

An example is shown in fig.(1-3). Assume that the marginal cost of supplying the service, say crossings of a bridge, is given by the MC curve. This MC curve could be rising or falling over this range: in the figure it is drawn as horizontal. The important thing is that the MC must be low relative to the average total cost (ATC). As long as it is, it will pull down this average and lead to the phenomenon of falling average costs. This (ATC) is by definition equal to the sum of the fixed cost of building the bridge, averaged over the number of users, plus the marginal cost. Hence at any point the average fixed cost is given by the difference between the ATC curve and the MC curve. It can be seen from the figure that this distance declines as the number of users (Q) over which the fixed costs are averaged increases.

How should such a service be provided? There are several options. One is to leave things up to the free market. In this case our natural monopoly becomes a real monopoly. The way any firm maximizes profits because at Q_m the price charged exceeds the ATC, which means that the firm owning the bridge makes excess profits given by the top shaded rectangle. This is not politically attractive, in economic terms, it is not attractive either, but this time it is because consumers are equating MU to P, which is greater than MC. The solution is economically inefficient in that it would be possible for the bridge to supply more crossings where MU exceeds MC. The dead weight loss of the real monopoly is defined in the legend, again the difference between MU and MC summed over the output gap.

A second option, and one commonly followed in practice, is to regulate away the profits of this monopoly. The way this is usually done is to force the regulated monopoly to price where excess profits are zero, or just at $P_r = ATC$, with Q_r bridge crossers. Although this outcome may solve the political problem of excess profits, notice that MU still exceeds MC. At the margin, the benefits of crossing the bridge still exceed the low marginal costs, and society could gain by permitting added crossings. The new dead weight loss is smaller, but still not zero.⁹

The third option is the one that is economically efficient. The toll should be $P_e = MC$, with Q crossers. Since MU now equals MC, there is no dead weight loss. The

⁹ Ibid, Gramlich, pp 34-36

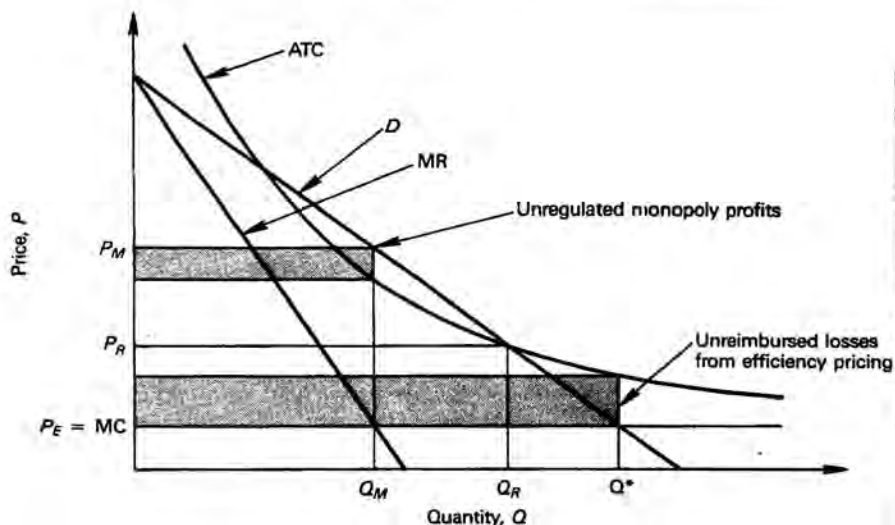
problem here is that at this toll, the bridge authority recovers only the marginal cost of crossing the bridge, but is not reimbursed for its average fixed cost.¹⁰ At this economically efficient quantity level, the bridge authority loses the bottom shaded rectangle. Hence there is no reason why a monopoly regulated this way will build the bridge in the first place.

One solution is for the government to build and own the bridge and just permit the bridge operator to charge marginal costs. Another is to subsidize the bridge owners in some way for their fixed costs. Either way, some form of government intervention is necessary, first to prevent the natural monopoly from becoming a real monopoly and second to insure economically efficient pricing of the facility.

Equity:

To this point we have concerned ourselves exclusively with problems of allocative efficiency, but now we can broaden the focus to deal with income distribution issues as well. Distribution is an objective of government intervention because even a freely competitive market only insures that workers get paid their marginal product in production, not necessarily enough to live on. Moreover, distributional standards are in part relative : as living standards rise in general, social norms of what is a living wage may also rise. We shall now discuss some rationales for government distributional programs.

¹⁰ Ibid, Gramlich, pp. 36-38

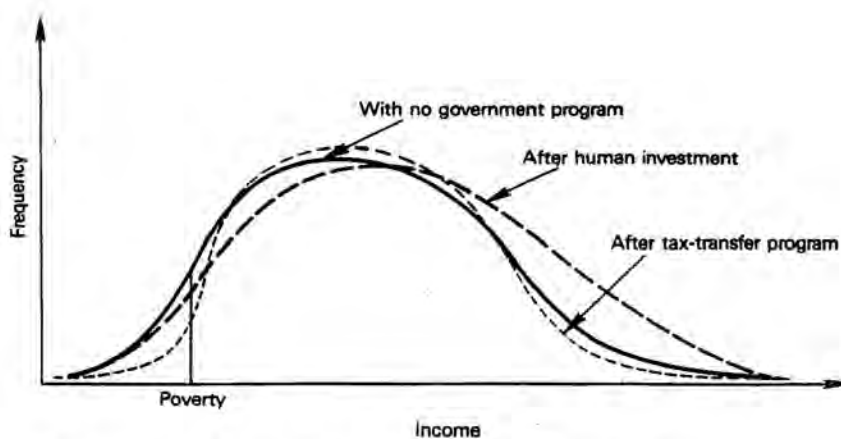


The physical properties of the good are such that MC is low relative to ATC, pulling down the ATC. There are three pricing options:

1. Unregulated monopoly prices at P_M , with Q_M users, makes excess profits given by the top shaded rectangle, and has dead weight loss given by the triangle with base $Q^* - Q_M$ and height $P_M - P_E$.
2. Regulated monopoly prices at $P_R (= ATC)$, has Q_R users and makes no excess profits, but still has dead weight loss given by the triangle with base $Q^* - Q_R$ and height $P_R - P_E$.
3. Efficient price is at $P_E = MC$ with Q^* users and no dead weight loss. But the firm must now be subsidized by the bottom shaded rectangle.

Fig (1-3) Natural monopoly

Source : Gramlich, Edward, 1983,p.21



The distribution of income can be compacted by tax and transfer programs or shifted up by human investment programs.

Fig (1-4) Distribution of income

Source : Gramlich, Edward, 1983,p.24

1-1-2 Distributive Aspects:

a- Direct Tax and Transfer Programs

The obvious way of narrowing the distribution of income is to tax the rich to support the poor. To see how this works, the solid line in fig.(1-4) gives the distribution of income with no government distributional policy. If there were such a redistributive tax-transfer system, those on the lower side of the median would be the beneficiaries and those on the upper side would pay for the redistribution. The distribution would be shifted to the small dashed line, with very few people left below the poverty line, and higher incomes also reduced. To use a statistical term, the variance of the income distribution would be reduced by the tax and transfer measures.

The advantage of this form of transfer is that it is the most direct. Low-income families would be eligible for payments and high-income families would make them. Payments could also be directed to the neediest, relatively easily. But there are also some disadvantages. One is that recipients are getting a form of "welfare" payment with all the social stigma that goes with it.¹¹ A second is that there could be some economic inefficiency in this form of payment. To get the payments, low-income families would have an incentive to keep their income low-not work as hard. To avoid making the payments, high-income families would have precisely the same incentive. Arthur Okun has referred to both of these inefficiencies as the "leaky bucket" problem: families would like to transfer water, but some of the water will leak in the process. The upshot is that direct transfers involve delicate balances between the equity goal of helping poor people and the efficiency goal of not diluting incentives to work.

b- Human Investment

A second type of redistribution focuses on the long run, much like preventive medicine. Rather than giving the poor transfer payments, this type of redistribution involves education and training of people to make them more productive, called human investment programs. In the parlance of politicians, rather than giving handouts, society is extending a helping hand. Whereas transfer programs try to reduce the variance of the income distribution, human investment programs could, in principle, shift up the entire distribution as is shown by the large dashed line in fig.(1-4).

¹¹ Ibid, Gramlich,pp. 38-40.

The advantage of this approach is obvious. Now equity and efficiency goals are not necessarily in conflict; indeed many helping hand programs make sense in their own right in terms of productivity increases, regardless of their impact on the distribution of income. The disadvantages are that such programs are harder to make work. They may not raise incomes at all-and they may well not work for all of the poor. Hence there are likely to be larger numbers left in poverty status, even with a successful education program that did raise the average income in society. And even if successful with the poor, the rewards for these educational types of activities are very long in coming, perhaps taking a generation or more to realize sizable gains¹²

c- Social Insurance

A third type of income redistribution cannot easily be shown in diagrams such as fig.(1-4), and in a long-run sense it might not even be called redistribution. It involves social insurance. Because there are some social risks that people cannot easily insure against, the government sets up programs to insure against risks. The classic example of this type of program is social security, where the government protects people against destitution in their old age by setting up a trust fund into which workers pay while working and from which they receive benefits once they retire. There are similar trust fund arrangements for unemployment insurance and to cover the medical costs of the aged.

One might ask why there would not be private insurance against these social risks. There are two answers: In some cases the risks are sufficiently general, say the risk of unemployment in a recession, that it would simply be too expensive for private companies to provide it. In other cases, the private insurance not knowing who needs a lot of health insurance and who needs very little would charge an average amount, if only the very sickly insure, the companies would even charge more.¹³

1-1-3 Stabilization of community :

It involves measures to reduce unemployment specially for certain minority group, and help economic growth. It involves both human investment programs and, large scale industrial and economic projects. This aspect of government intervention aims mainly at equity on the long run for such measures perhaps take generations to release the tension between social strates, the have and the have nots.

¹² Ibid, Gramlich, pp. 40-42

Abu-Lughod in her diagnoses of Cairo's problems states that the issues of equality and social justice are central to the diagnosis of the city's(Cairo) problems and to their solutions. One may think about the long process of Cairo's history as a series of alternating periods during which social inequalities first increased then decreased only to increase once more. The fabric of the city reflected these social cleavages and rapprochements in a sensitive fashion. Social inequalities in the late nineteenth century were most obvious as Ismail's new city attracted wealthier Egyptians, as well as, British and foreigners leaving the old city to the poor and the "natives". Thus undermining its economic base.¹⁴ The underlying social and political tensions of the city between the old and new city were among the reasons of the revolution. Prior to the Revolution of 1952 the social reforms ensured a period that served to reduce the gap between rich and poor. However social inequalities quickly surfaced once again after the 1967 war.¹⁵ Cities are the result of policies adopted and choices made not on the urban level but on the national, institutional and political levels. In all the previous part of the chapter the research tried to prove the importance and need for government intervention, but it has to be noted that intervention in the market however, improves the welfare of the society as a whole, but it will probably make at least some people worse off. For example the opening of a public park will affect the owners of an amusement park next by, this leads to the importance of studying the concept of social benefit.

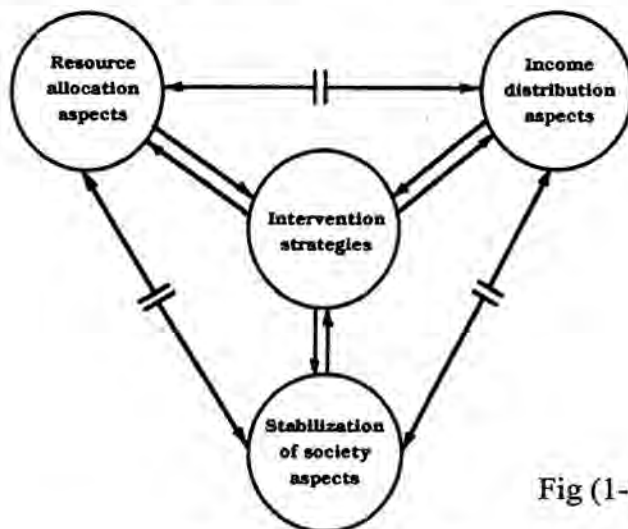


Fig (1-5) :Public intervention aspects

¹³ Ibid, Gramlich, pp. 42-45

¹⁴ Ibid, p. 42.

¹⁵ Abu-Lughod, Janet, 1984. Comments on papers, In the expanding Metropolis, copying with urban growth of Cairo, Aga Khan Award, of Architecture , p.34-35.

Basic to theoretical welfare economics is the question of the criteria by which to judge the desirability of a proposed alternative allocation of resources.

Criteria proposed by Vilfredo Pareto “Any change in the social state is desirable if at least one person judges himself to be better off because of change while no one else is made more worse off by the change”.

Kalder and Hicks developed another criteria, the same as Pareto but “either the Pareto criteria is met or if the persons who have gained by the new resource allocation could compensate those who have been harmed by it so as to leave the latter at least as well off as before the change and still have some things gained”.

Compensations are seen as costs of a project. Distinction must be clear between “real social costs and benefits”-those effects that expand the total production or consumption potential for the entire society and pecuniary private effects-those that do not expand the total potential but rather expand it for some persons and contract it for others. This area of research will be studied in the next part of this chapter in the field of land appraisal and land taking and compensation.

Thus, there are three objectives for government intervention in a market economy :

- 1- Problems in resource allocation involves expenditure programs or plans on particular goods or in particular areas, due to problems of public goods, externalities and natural monopolies, so as to bring marginal social benefits in line with marginal social costs and improve economic efficiency.
- 2- Problems in income distribution involve overriding the market distribution of income to yield an actual distribution that conforms better to social standards of fairness.
- 3- Problems with stabilization refer to minimizing unemployment and inflation and in providing economic growth.

1-2 Aspects of Land as a Special Good :

1-2-1 Physical characteristics of urban land

The economic characteristics of land are in part determined by the physical characteristics. Certainly the physical attributes of any commodity are factors of great weight in determining the processes of production, channels and techniques of distribution, and the nature of its use or consumption, as well as, means of government intervention in its market.

A- Space: The most significant physical dimension of urban land is area. The commodity traded is the control of space. The shape is also important in determining the use to which it can be put.

B- Immobility: space can not be moved or transported, thus it is vulnerable to external, social and economic forces. Each unit lies in an immutable physical relationship with every other unit. Land must be used where it is and cannot be shifted to a more favorable market.

C- Indestructibility : land can not be created or destroyed unlike buildings with which it is combined to produce the service of urban real estate.

D- Heterogeneity: each parcel of land is individual and has its own geological and geometric characteristics and relation to other units or parcels. These differences may or may not have economic significance. However, important variation often weigh heavily in the determination of value.¹⁶

1-2-2 Land Tenure Systems:

As the tenure system in ex-Ottoman Countries and European Countries differ very much, so must be any development or intervention in land use. Any planner must take into consideration the effect of the tenure system especially the effects of fragmentation of property through inheritance and joint ownership of property rights. Thus, the assembly of land in urban areas or even the urban fringe is very difficult and challenging.

A - Form of ownership in ex-Ottoman Countries :

The basis of all land law in countries of former Ottoman Empire is the land law of 1858, which synthesized the land practices which have developed over the course of the Empire. This law divided all land into 4 main categories which are still in use:

1-Miri land, is land owned by the state which carries "tassruf".

2-Wagf land is land which cannot be divided or alienated but continues in perpetuity to the descendants of the original owner- it is a form of endowment unique to Islamic Countries- Mawquf Lilah- stopped to God was meant as a charitable endowment. It was soon turned into an institution for the preservation of property from extravagant heirs.

¹⁶ Ratcliff, R., 1972, Urban Land Economics, pp. 3-11.

3-Musha' land: is land owned collectively - it originated from the tribal practice of dividing arable land on which the tribe settle among its members.

4-Mulk or "mulk hurr" is land owned by an individual - full ownership. Wakf & Miri are important in understang urban land problems and urban land economics.¹⁷

B - Form of ownership in foreign (European Countries)

1-Fee simple estate: highest form of ownership-right of use, exclusion, disposition limited only by the right of state.

2-Life estate: free hold of estate not of inheritance.

3-Estate pour Autre vie : freehold estated that endures for the life of some third person not the grantor or grantee.

4-Dower and curtesy : The widow has the right of 1/3 of the estate of the husband during his life & after his death.

5-Homestead : right of owner occupant of a home whereby the property is exempt from the claims of creditors arising from any debt except taxes.

6-Estate for years: leasehold estate - tenancy from year to year.

7-Tenancy at will: lowest form of ownership in land duration and may be terminated at will.

8-Tenancy by sufferance : when tenant remains in possession of premises after his original right- the tenant is liable for fair value for use of the property and may be deposed at the will of the landlord.¹⁸

9-Tenancy from year to year.

10-Present & future rights : estate in possession or estate in expectancy.

11-Multiple ownership:shared right between a number of persons (joint tenancy)

12- Incorporeal rights in nature of privileges of use of the property by others- easement, liecence, franchise.

13-Liens: when real estate is used as security for debt, financial interest in property.

¹⁷ Drabkin, Darin ; 1977 Urban policy and urban growth p.20.

¹⁸ Ratcliff, 1972 , Urban Land Economics, pp. 12-13

C- Land Tenure in Developing Countries

The evolution of concepts of urban land tenure in Developing countries:

The concept of land tenure has developed in Developing countries from the era of laissez-faire probably when there was outside occupation, then after independence the era of perceived threat, demolition and public intervention (public housing, public building schools, hospitals ...) then came the era of transforming urban migration into a positive process. The latest trend of market economy that swept the world led to the era of commercialization.

The pervasive lack of secure tenure and the poor titling and land registration systems in many developing countries poses a considerable constraint on urban land markets and therefore has a profound effect on the ability of the poor to acquire safe land for housing. One of the major implications of poor titling and land registration systems is the inability of landowners to gain access to formal credit sources because they cannot use their property as collateral. Furthermore, without secure tenure residents have little incentive to maintain their dwellings or invest in improvements.¹⁹

Public intervention in land use, the previous part of the chapter attempted to provide reasons or considerations that call for public or government intervention in some projects or programs in general. The second part illustrated aspects of land as a special good in the market, with physical characteristics and other aspects that affect how government can impose rules and regulations. The last part provides reason for intervention in land use and aspects of intervention.

1-3 Aspects of Intervention

The Historical Perspective:

The European cities especially the Victorian cities after the industrial revolution were clearly unplanned and the environment disorganized in the layout. Social and economic deprivation were totally unacceptable thus the concept of planned and ordered environment was emerging.

It was evident that the free market was possibly unwilling and probably unable to develop the environment in neither the manner nor the scale that was required.

Some land uses work very good under the market laws of demand and supply thus, do not need any governmental intervention such uses as religious or retail. But

¹⁹ UNDP & World Bank, 1994. Urban management and the environment p. 3

such uses as housing, services (education, health..) especially for low income people do not. With their low return rate and high risk many private entrepreneurs would not attempt to provide them with their needs of housing and services. Thus, the government has to intervene either directly through direct provision or indirectly through promotional activities, advisory services and technical cooperation, monitoring activities .. etc.

Britain played a pioneering role in city planning as a result of certain circumstances most of which resulted early during the industrial revolution. For as a result of this revolution urbanization increased with unprecedented scale causing several environmental, health and social equity problems. When the crisis reached its peak the state had to intervene to maintain social security. The first responsibilities which the state took upon itself was to develop housing areas, believing that good housing is the right of every citizen. Thus, the first mean of intervention was the direct provision.

Since then different philosophies and strategies of urban intervention have developed according to the change in ideologies and political trends.

The first theories of planning and intervention in urban areas concentrated on the locational aspects or patterns of land use along with the rate of use. As planning theory and practice become complicated ways of viewing land use became more complex and the socio economic dimension was introduced. Thus, new aspects of intervention were introduced as means of planning and intervention to satisfy users needs and demands. A more economical perspective based on cost effective studies of needs.

1-4 Aspects of public power over land use :

The most teasing political problem for town planning in democratic societies is the always apparent and sometimes real conflict between the ideal of maximum practicable freedom of action, and need to regulate the development and use of land in the interests of the greatest collective benefit. Freedom is not overall increased if its exercise reduces some one else's freedom. The research adopts the notion that eminence increase in collective benefit and hence of one kind of freedom enormously outweighs the inevitable constraints on the individual freedom of action. Thus, when deciding on intervention measures (ex.zoning) either the pareto criteria is met or if the persons who have gained by some intervention measures (ex.zoned as high rise buildings) could compensate those who have been harmed by it (ex.zoned as agricultural or open spaces)

so as to leave the latter at least as well off as before intervention or still have some things gained.

The research will study aspects of the system of intervention in land use. They are: public power over land, compensation, betterment and appraisals.

1-4-1 The power of government over land

The power of government to regulate the use or limit the use of private property through specific provision in any country's constitution. Includes, provision for taxing property (limiting benefits of owner) eminent domain and police power (along with compensation and betterment). These powers could be summarized as follows :

Police Power : it became in recent years the basis for regulating building methods & material through building ordinances, control (zoning, subdivision, planning regulations) regulations based upon police power applied for general welfare, public health safety, and public moral (no public compensation)

The Eminent domain is a power by which public agencies may acquire land needed for public purposes- just compensation must be paid.

Taxation : limits benefit of ownership - it can influence the use of land burden by enforcing some tax on vacant land to hasten its use. Tax exemption on new structures can be used to stimulate building.²⁰

1-4-2 Compensation :

On the other side of government powers is compensation. It is the notion that a state or local authority must pay money to a business or individual whose property is affected by planning proposals or public works.²¹

The law relating to compensation, is so far as it relates to the subject-matter of this study, is concerned with the assessment of the pecuniary or other remedy that may be claimed from the acquiring authority by the person whose land is compulsorily acquired pursuant to a compulsory purchase order.

In most laws, the acquiring authority has not been able to pay (or asked by law) more than "existing use value", that is the value of the land as it then exists, without the

²⁰ Ratcliff, R., 1972, Urban Land Economics, p 12.

²¹ Garner, J.F., 1975. Slum Clearance and compensation. pp. 67-68.

benefit interest to be acquired, as a general rule.²² But there are now many exceptions to this rule in special cases, and in special countries.

The procedure of claiming compensation usually starts after a notice of treat is received to declare compulsory acquisition. The claimant must send in his claim to the acquiring (local) authority within a certain time. In some cases claimant advisers may expect negotiations with local authority to reach an amount acceptable by both parties. Each country has different laws that govern all these procedures.

In some cases compensation may be claimed as a right in respect to disturbance as a part of the compensation for compulsory acquisition under some laws. These forms of compensation in respect of disturbance due to a person displaced from any land must be considered separately although it is in essence part of the value of the land to the owner, alternatively, it may be considered as being part of the damage he has sustained as a consequence of land being taken from him under compulsory power. The disturbance must be valued normally by taking into account :

I-Costs of removing the business or moving from the dwelling

II-Legal and other incidental costs incurred in purchasing a comparable property.

III-If the claimant is obliged to pay a higher rent at the premises he is compelled to take as a consequence of the acquisition of his property.

IV-Any loss of good will attached to a business in consequence of the compulsory removal of the business

V-Any special personal attributes of the claimant (such as for example, his ill health) not attributable to the compulsory acquisition are to be ignored.

Severance and injurious affection : Under this heading compensation may be claimed by the owner of land acquired, but in respect of other land in his ownership which is not acquired, but which is depreciated in value by reason of the compulsory acquisition of the land that is acquired. Loss of development value of the land so retained cannot, of course, be taken into account but loss of amenity and privacy is or may be relevant. In practice , where property is not actually affected and a loss in value occurs no compensation is paid even after a great battle in courts.²³

²² Ibid, Garner, p 77.

²³ Ibid, Garner, p 73.

1-4-3 Betterment :

Betterment is the logical balance to compensation, paid to a landowner when his property is adversely affected, betterment is paid by a landowner to the government as the value of his land has increased as a result of some planning proposal being implemented. Betterment has always been proven difficult to collect and despite the recommendations and provision of such a clause in many laws. In most cases it is not collected or collected when a new building is constructed in the place of an old one, or when ownership passes from someone to another usually after a long period of time.

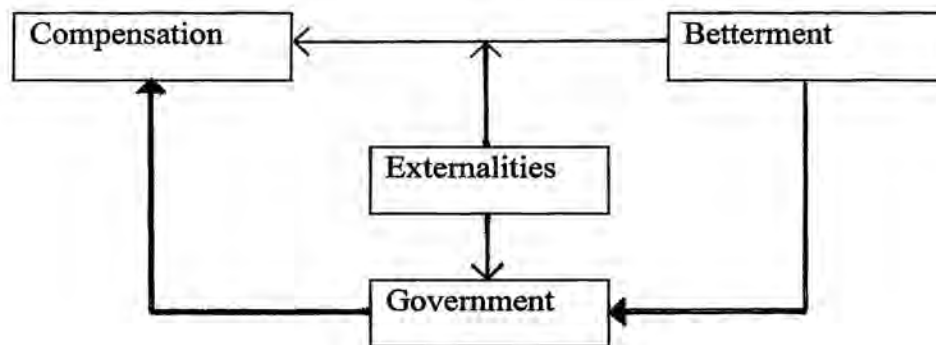


Fig (1-6) Impact of government intervention
Spatial and distributional

1-4-4 Appraisal of land and buildings :

Appraisal is needed when deciding on any planning proposal, that includes buying land, or property, compensating landowners whose building are to be demolished or land taken. Several planning proposals have different budgets due to the appraisal of amount of money needed to compensate owners.

1-4-4-A Appraisal factors:

Appraisal is not a science, it is more like a judgement or interpretation of a real transaction. It depends on some factors.

I-Property description : size, front footage & Boundary.

II-Surface and subsoil condition, topography & building ability of land.

III-Location: location compared with other locations in the city, accessibility, visual aspects, climatic conditions, social prestige of area & surrounding area.

IV-Terms of sale : down payment, equity, how quickly will buyer be able to lease or sell & availability for finance.

1-4-4-B Appraisal Techniques

There are three appraisal techniques when a government wants to buy a property

I .Fair Market value (comparative value) which includes comparing a recent sale in the area, that is, comparing what the market recently paid for a property or parcel of land with similar description and location . This comparison is limited if there was no recent sale, and because rarely are there two properties that are alike. Another important factor is that the price of sale of a certain property is affected by the term of sale. The value of land must be taken to be the amount which the land if sold in the open market might be expected to realise . It is also suggested that tax appraisals should reflect market values more closely. But then this relies on the judgment of property appraisals for taxing and the taxing system itself.

II. Cost method of appraisal or Reuse appraisal

It is used when a building or parcel of land is affected by zoning or planning control and its use is changed . Thus, we have to value the cost of bringing the building to standards and users requirements, that is improvement costs.

In this approach we appraise the building value and we subtract from it improvement costs and depreciation and we add land value.

This approach faces three separate problems the first concerns the nature and size of the site and project which is the subject of the re-use appraisal and the failure of many appraisers to appreciate qualitative difference between a redevelopment area and a typical site. Secondly, the time lapse between acquisition and disposition of land creates problems in estimating re-use values.

The third problem concerns appropriate techniques to be utilized in arriving at estimates of land value such as surroundings, anticipated changes in market potential, feasibility of alternative uses and new standards and specifications of the area.

III. Income approach or method of appraisal (capitalization)

In this method the appraiser will try to compare the building to another similar one gaining income and what will be paid in repair so that this building gains the same income. In this approach there is the problem of inflation, money market, and rate of interest

$$\text{Capitalization} = \frac{\text{income}}{\text{rate of return}}^{24}$$

²⁴ Bloom, M. 1962, Valuation problems and urban development, Appraisal Digest, vol 3. No.3, pp 5-10

This approach is the most complex one. The acquisition costs may be excessive but there are two considerations here. First some slum properties may produce relatively high incomes because of the illegal use or none conformance to standards established under police power (if capitalized the price of property is high) It is argued that these values are excessive and should be reduced to reflect the productivity of site use, only as it accords with legal requirements. Secondly, the validity of high land values in slum areas is questioned on the ground that such properties are not readily marketable or that there is no such evidence, and that the only purchaser may be a public redevelopment agency or a private developer receiving assistance from government.²⁵

To strengthen the freedom of government to intervene in land use it has to have a good advertising and communication system of notifying owners, and a good appeal system (judicial system) if owners have any complaints about the plan or the appraisals.

1-5 Definitions

As terms commonly used in the field of planning studies have different significance according to the different schools of planning and the planning approach or era in which they are used or stated, it might be appropriate at the outset of the research for the purpose of avoiding ambiguity to define certain words or terms so as to unify the significance and meaning and to enhance the clarity of the research, as most of these terms are to a large extent central to the substance and purpose of the research.

The terms include, urban land use, government intervention, non-intervention, , growth, development and sustainable development.

1-5-1 Urban Land use :

The term land use can be defined in at least three ways in planning literature. In some of the writings, it means the spatial distribution of functions in a city, its residential areas, its industrial, commercial, and retail business district, along with the spaces set aside for institutional and leisure-time functions.²⁶

²⁵ Ibid, Bloom, p 10.

²⁶ Chapin, A.,1972, Urban Land Use Planning, pp 3-5

In some of the literature, it means a two part framework for understanding urban areas; first, in terms of activity patterns of people in the urban setting and their institutions as they require space and second, in terms of physical facilities which are to accommodate these activity patterns. In still other parts of the literature, land use involves still another level of exploration and study. In addition to focusing on the activity-use relationships involved in the two-part framework, attention is also devoted to the role that value systems of people play as they regulate space-using activities and hence the use patterns which emerge. The third attempt is more complex yet has much to offer in understanding the existing patterns of urban land use and the dynamics of change and this is the definition the research will adopt.

1-5-2 Government methods of intervention

There are several methods of state or government intervention in an economic or development activity which affect development projects in the field of town planning, and urban land use that range according to extent of control, need for supervision, and information, needs for finance, role of private sector,....etc.

It is important to define growth as the natural change that occurs to cities.

Growth : is the movement of an economic system in accordance with the market forces (supply/demand) growth is to increase in size, height or quantity or degree or power gradually or acquire more and more influence over environment. In living things it also includes to advance in maturity.

Growth is not an even process and it also implies (as in organs and tissues) a maximum period of maturity after which it might decline or die.

Urban growth is the major issue in the transformation of human settlements. Cities are currently absorbing some two thirds of the total population increase in developing countries. Urban areas will shelter 50 % of the world's population by the year 2000. Cities are synonymous with growth and they are more and more subject to dramatic crisis, especially in developing countries. Poverty, environmental decline, lack of urban services, deterioration of existing services and access to land and shelter are the main areas of concern.²⁷ The problem is how to direct urban areas growth to progress towards achieving special intended goals.

²⁷ UNCHS (Habitat), 1994. Urban indicator program, pp 3-7

Methods of intervention include:

a- Non-intervention-laissez faire approach or concept:

This means that the government does not interfere in the activities of private sector industry or construction. Hence, it is allowed to built anywhere on any location and for whatever activities, that is, any activity is allowed to settle anywhere that it deems profitable. Moreover, the state does not interfere in determining the hours of work, or ways of labours or the sites of projects, housing or any acitivity.

The government does not interfere with positive or negative actions to affect the choice of any activity to allocate in the hope that the market economy serves to secure an efficient use of resources.

b- Convincing Approach or concept:

This means calling upon industrialist and developors to carry on activities that they would not normally do. Such as convincing industries to contribute to the development of a social section by building houses or services especially in their community or in other deprived areas without profit.

c- Providing incentive approach or concept

This means giving some incentives to developers to attain a target objective, such incentives as granting financial aid or loans or exemption from taxes. These incentives encourage investment and promote development in certain areas and/ or sepecific activities.

d- Controlling or regulating approach

In this approach the state would enforce certain health or safety or public utility restrictions or limitations on certain activities. This measure is useful or practical as it does not require any agreement between government and developers, but if such limitations are strictly applied they would have a negative effect or impact on industries and other activities. On the other hand if such limitations are lax or unenforced they would be ineffective and result in complete disregard of regulatory measures would become price spread.²⁸

²⁸ Ibid, UNCHS (Habitat) , pp 3-7

e- Public private participation, joint projects or cooperations :

The main concept in this approach is to realize that the benefits of cooperation and the costs of conflict far outweigh the benefits of the unwilling compromises reached through confrontation and struggle.

A cooperative public/private approach to development benefits both sectors. Cooperation implies the acceptance by public officials of the need to grow and change and on the other hand recognition by private developers of their own responsibilities to serve the greater public interest.

f- Community Participation :

The term community participation in the early 1980's meant organizing community members to provide cheap construction labor for water supply, sanitation and housing construction. This narrowly defined role which placed participation within a largely technical perspective aided coverage but ignored the need to develop the community's sense of ownership and also its willingness and ability to maintain the new system. Later in the decade, the CP concept expanded to include beneficiary participation in the planning and design of projects and also in their direction and execution.²⁹

As the issue of project sustainability has moved to the forefront, the definition of participation has begun to distinguish between internally (within the community) and externally supported projects. There is also a stress on the development of community management capability, without which sustainability can rarely be achieved. Projects also emphasize community problem-solving capacity and human resources development has begun to replace construction schedules as the basis for defining community participation. Local-level managerial capacity become important as a cost effective way to achieve community level project sustainability.

g- Radical change approach

In this method intervention includes a direct supply of buildings, services and utilities on a large scale. This usually happens when the state is adopting a socialist or communist economic ideology. The state would then plan town areas

²⁹ Yoccob, M., and Cook, Tom., 1991. Evaluating Community participation, AID, Task paper No.066, pp. 15-17.

and determine where buildings or services are to be located and then build them. The role of the private sector or users is non-existent or not recognized. Thus, the role of local users is ignored and everything is determined on the national level.

This method is usually called upon after certain crisis or after great changes. It is revolutionary and usually is accompanied by a transform in the social system, redefinition of fundamental values, forms, goals and a creative attitude to the future is adopted.

h- Planned Development :

In such approach the state would plan cities with their roads, services, utilities and other projects so that certain sites and locations would be attractive to industries, while others would be left to housing or service. This approach ultimately leads to integrated development.

It is necessary here to define development along with a historical background on how ideas about development progressed.

i- Development:

Development was till the seventies seen as primarily an economic process of national growth measured in terms of production and gross national product per year (G.N.P). The important factors in development strategies was seen to be national availability of labour resources and technology. An important implicit assumption was that development could only be achieved through industrialization. Strategies concentrated on national growth by promoting industrial activity and ensuring higher domestic savings and foreign investment.

A rising gross national product was accepted as a criterion of success although providing work and education to millions of people, helping save million of infants. These strategies provided the inadequacy of defining development entirely in terms of economic growth.

The trickle down model of development was developed in the 1950's-1960's. This model implicitly regarded developing countries as developed countries at an early stage of development. In this linear view of development process, all countries were assumed to start at more or less the same point and to be confronted with the same obstacles. Some countries will move more quickly than others in the race to become developed. The speed at which obstacles could be negotiated depends on the carrots and sticks to be found in the hand of strengthened national institutes. This model was

devised from the “labour surplus growth process”. The theory that the modern sector would gradually eliminate the traditional or backward sector as surplus labour was drawn off to work in the modern sector. The latter was conceived of as the engine growth capable of powering economic and social development and the traditional sector the cheap fuel that is required to propel the engine. The distribution of benefits of development in the form of equitable income distribution and improved access to social service, would be guaranteed by “trickle down processes”.

This model however was a failure. Numerous case studies showed after the (1960-1970's) that the development process in most countries had merely marginalized people, their local knowledge and their innovations. The assumed causal connection between growth and development thus became unreliable. Questions like “growth for what purpose”, or “whom“and at ”whose expense” were not clearly explained by the classical economic approach to development. New initiatives, for a new context of development began and were partly influenced by notions of appropriate technology, environmental renewable resources and, the right of future generations. The change of axioms to see development as a complex integration of social, cultural,as well as, economic and environmental factors within which the satisfaction of the needs of the individual and group for an adequate quality of life occurred.

Sustainable development :

The concept of sustainable development has evolved over the last decade, through the work of the International Union for the Conservation of Nature and Natural Resources, the World Commission on Environment and Development (WCED) and the United Nations Conference on Environment and Development (UNCED). The Brundtland Report formulated a new classic definition of sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs” (WCED,1987) Sustainable development implies a new concept of economic growth, that is, one that provides fairness and opportunity for all people in the world without destroying the world's natural resources and without further compromising the carrying capacity of the globe.³⁰

Criteria for judging sustainable development in human settlements are the quality of life of the inhabitants resources use vis-a-vis sustaining their production

³⁰ Habitat, 1995. Commission on Human settlement , Sustainable human settlement in an urbanizing world p. 3.

levels and the scale and nature of non-reusable waste and their disposal. In the context of human settlement this implies: ensuring non-wasteful consumption of land by rapidly expanding urban areas; conservation of water resources, control of pollution and the use of “clean” appropriate technology. Sustainable economic development for human settlement projects and programmes demands that attempts be made to ensure affordability, accessibility and replicability of the socio-political dimension demands recognition of the fact that social equity, social integration and social stability are the sine qua non of sustainability. This implies avoiding exclusion, increasing democracy and increasing transparency of government spending.³¹

To monitor such progress it is necessary to rely on accurate and timely tools to analyse the performance of cities on a world-wide basis. Thus UNCHS (Habitat) put forth an indicator programme. These realistic indicators or tools that measure urban performance relate to 6 groups.

- I -poverty, employment, productivity
- II -social development
- III -infrastructure
- IV -transport
- V -environment management
- VI -local government³²

This chapter concludes that there is a need for government intervention in all aspects of our society and especially land use activities . But the research also emphasises the importance of decision making. As for the same problem the government may intervene by different tools or measures to accomplish the same end . And since many options are available there is a need to develop criteria for choice among available options for action.

³¹ Ibid, Habitat, 1995, pp. 4-6

³² UNCHS, (Habitat) 1986, Global report on Human settlement pp. 7-8.

Chapter 2 :

Major Planning Approaches

Introduction :

In this chapter the study will illustrate two interrelated topics. The determinants of land use. As they are the factors shaping the patterns of land uses in an urban area. They must be seen as an interrelated matrix of factors. Any prime actions or decisions by people or by government may be seen as a trigger for other actions. And will have influence on the city as a whole and will affect the strategies of intervention.

The second part of this chapter illustrates the different approaches or theoretical methodologies of intervening in urban areas. Taking into consideration that every planning approach has its requirements of data availability, of resources (personnel, money, time) its suitable context or external environment (political economical, social). Among the main purposes of such a review is to provide a background for recommending a suitable approach for the Egyptian context after analyzing information from chosen case studies in Egypt.

2-1 Determinants of Land use:

2-1-1 Economic Determinants of Land use:

Land economists view land use in terms of economic theory, with the use of each land parcel determined in what they call "the urban market". They look upon land as a commodity traded in this market subject to the forces of supply and demand. According to the classical equilibrium theory, price then becomes a function of the costs of making land productive (in the sense of providing valuable services and infrastructure) and a function of the net income or return realizable by the development of land. All land is viewed as being in the market competing for consumers money.¹

The economic value of land approach, states that the value of land is the selling price under a condition of perfect competition in the market. But "It may deviate from price and often does, especially since value is often identified with a specific purpose, such as, value of mortgage lending, for tax purposes, for insurance purposes and for many other things. Since the developer is seeking the most favorable return, the price he is willing to pay is based on his anticipated profits. The

¹ Weimer, A. And Homer Hoyt (1960) "Principles of Real estate", p.114 New York, in Chapin, Stuart; 1972, Urban Land use planning, p. 8

market value of land varies, among other things, according to the functional type of area in which it is located, in the overall pattern of land uses and with respect to other sites within one particular type of use area. Each parcel of land occupies a unique physical relationship with every other parcel of land”². Because in every community there exists a variety of land uses, each parcel is the focus of a complex but singular set of space relationships with social and economic activities that are centered on all other parcels. “To each combination of space relationships, the market attaches a special valuation, which largely determines the amount of the bid for that site which is the focus of the combination. Thus, certain locations are more highly valued for residential use than other sites because of the greater convenience to shops, schools, centers of employment and recreational facilities”.³

$$\text{Land Value} = \frac{(\text{Aggregate Gross Revenues}) - (\text{Total Expected Costs})^4}{\text{Capitalization Rate}}$$

Hoyt gives a vivid picture of values development in Chicago for he say” If land values in Chicago were shown in the form of a relief map, in which the elevations represented high land value, a picture of startling contrasts would be disclosed .In the center would be the Himalaya mountain peaks of the loop, but on all sides except along a high ridge running north along the lake there would be a descent into deep valleys of blighted areas”⁵. This is a general view of the pattern of distribution of land values in urban areas according to the economic theory.

2-1-2 Socially rooted Determinants of land use :

Another series of influences affecting the location and arrangement of land use are those with social origins, they are less understood and frequently confused with the economic determinants.

² Ibid, Chapin, 1972, p.9

³ Ratcliff, R ; 1949, Urban Land economics pp. 3-11, in Chapin,1972, urban land use planning

⁴ Wendt, Paul, 1957, “Theory of Urban land values” land economics, in Chapin,1972, urban land use planning, p.10

⁵ Hoyt, 1933, “ One hundred years of land value in Chicago, p.297, in Chapin, 1972, pp.13-15.

“Socialologists usually view the city partly in the context of urban ecology with its concern for the physical, spatial and material aspects of urban life, and partly in the context of the social structure in the city with its concern for human values, behaviour and interaction as reflected in such social institutions as the family, the church, the mosque, government, business and so on”.⁶

The primary process identified by urban ecologists the one that describes the evolution and development of urban communities in time and space is called "aggregation". As typified in studies of dominance and subdominance, it also involves the sequence of change which occur within a particular locality.⁷

Ericksen has identified the most important localized subprocesses of aggregation as: concentration and dispersion of services and populations, centralization and decentralization, segregation of populations into various distinctive areas, dominance and the gradient of receding dominance in the successively more peripheral subareas of the community and invasion areas by groups, giving rise to succession of one group by another.⁸

Chapin grouped them into three groups:

- (a) dominance, gradient and segregation, (b) centralization and decentralization, and (c) invasion and succession.

It is important to note that social behavior is the trigger for all three groups.

a- Dominance, gradient and segregation.

Dominance is used in the sense of one area in the city bearing a controlling social and economic position in relation to other areas. Usually dominance is considered in a vertical sense where one use area control another of same use. although obviously there are patterns of dominance in a horizontal sence involving multiple use areas.

Gradient: is a term used to indicate the degrees of dominance from some selected dominant centre to the more distant locations relative to that centre.

⁶ Ibid, Chapin, 1972, p 21

⁷ Ibid, Chapin, 1972, pp.21-22

Segregation: is a related process of homogeneous units grouping together to form clusters. Associated with social processes by which areas form a hierarchy or gradient is the segregating process that results in the identification of distinct prestige areas, islands of slums, areas of high incidence of disease and so on. The degree and speed of the sorting that goes on is a function of all attitudes, decisions and actions at stake. They involve the context and restrictions, zoning, tightness of housing market, family ties, and location of place of work. These many factors produce both planned and unplanned results and segregation occurs sometimes as a calculated result (intended) and sometimes as an unexpected result.⁹

b-Centralization and decentralization :

Centralization: is identified as the concentration of people and urban functions in an urban center. On the other hand decentralization refers to the breaking down of the urban center with movements of people and urban function to the fringe areas. Today modern technological development in power, transportation and communications permit the development of places of business and industry in outlying areas causing a decentralization movement.

c-Invasion and succession:

Invasion: happens when one population group or use area is penetrated by another, the difference between the new and old group being economic, social or cultural. Succession occurs when the new population group or use types finally displace the former occupants or uses of the area . Invasion involves spatial mobility which is associated with social mobility that is a vertical shift from one social stratum to another. Population group invasion is usually associated with residential areas. It is also experienced when business penetrates into residential areas. The invasion and succession is a concept that describes the common actions of individual and group.¹⁰

⁸ Ericksen, E ; 1954. Urban behavior, p. 155, In Chapin, p.22

⁹ Ibid , Chapin, p. 22

¹⁰ Ibid, Chapin, p. 23

d-Social Behavior as a determinant of land use :

Human behavior refers to the way in which people and groups conduct themselves, how they act in the context of the values and ideas they possess. These values and ideas are a product of human experience in a specific cultural, economic and physical setting and consists of a kind of superstructure built around the basic drives of human life. It is important to identify both needs and wants. We may identify human "needs" as the necessities of urban living and we may identify "wants" with values concerning economic and social desires which supplement the necessities of urban living. Values are logical constructs of the individual or the group with reference to desired ends. The term "mass values" is used to indicate a consensus of values shared by a majority of the people or groups in the community. Mass values have particular significance for urban-wide considerations of land use planning, but group values generally have significance for the more particularized and localized segments of land use planning projects or decisions.¹¹ The importance of viewing land use as having socially rooted explanations is stressed in this study to focus attention on three items :

1. The identification of mass and group values within each country and even locality, so that they may be taken into account in future planning proposals.
2. The determination of behavioral patterns which are important to the social well being of urban residents.
3. The transformation of these values and behavioral patterns into physical criteria and constraints so that design of the land use plan and the means or tools of intervention in land use can be made sensitive to these aspects of urban life, or sensitive to the context in which they are intended to help to bring about the intended outcomes.¹²

It must be noted that recognition of values and behavioral pattern in the design of land use and land use intervention tools at present in Egypt is a subjective procedure due mainly to the limited operational knowledge and experience we have in classifying values in identifying dominant and critical ones, and due also to

¹¹ Ibid, Chapin, p. 25-32

¹² Ibid, Chapin, p.42

subjective interpretations covering this aspect of land use analysis, and last but not least due to the political context that gives more weight to physical and economic criteria than social or physiological criteria.

2-1-3 Public interest as a determinant of land use :

The scope of public interest is broad including the health, safety, and general welfare. Public interest is particularly concerned with public actions that seek to assure livability and development in the city. As land is put to urban use it involves the notion of public intervention or control for community benefit as a whole.

A- Health and safety :

The definition of health and safety as public interest includes physical health and safety along with the emphasis on mental and emotional well being. Developed countries is concern now more on what is optimum or desirable not what is minimum.(In developing countries and Egypt it is a different story, we are still concernd with what is adequate or minimum in the interest of health & safety).Health and safety features include protection against hazards, maintenance of cleanliness, provision of adequate daylight, sunshine and ventilation, protection against excessive noise and pollution, and provision of privacy.¹³

B- Convenience

Although viewed as a lower order consideration of public welfare,by many executive convenience is nevertheless closely associated with the public interest. Convenience is a derivative of the locational arrangements of land use and the relationship that each functional use area bears to every other one. Thus, convenience may be judged in terms of home to work, or recreation, or to shopping, and other relationships in land use patterns. Thus it goes to the very heart of the land use planning task.¹⁴

C- Economy

Economy as a public interest is associated with efficiency in the land use pattern. Economy is also related to convenience for a land use plan in which residential areas have easy and close access to schools and recreation areas, and

¹³ Ibid, Chapin, 1972, p 42

¹⁴ Ibid, Chapin, 1972, p 49

permitting a more efficient and economical service provision in terms of persons served and per capita costs. Thus, convenience has to do with expenditure of time and effort, whereas economy relates to the cost of time spent and effort to the urban inhabitant of the city.¹⁵

D- Amenity :

This is a term commonly used in England more than in the United States. It refers to the pleasantness of the urban environment as a place in which to live and work. It relates to aspects of urban surroundings and the comfort and enjoyment offered to the eye and other senses. As there is a wide range of variation in public tastes in the same community, country or between countries, what is attractive and pleasant in the living environment tends to vary with every person, according to values, and beliefs. The subjective tastes explain why amenity has not been recognized and given the same importance as health, safety, convenience and economy.¹⁶

2-1-4 Relationships Among land use determinants :

To understand the factors shaping the patterns of land uses in an urban area it is basic to view these factors as one interrelated matrix. Profit making aspects concerning the use of land result in purely economically motivated changes in land use. At the same time, certain livability and culturally oriented values may have the effect of moderating these purely economic actions. Thus, the land use pattern evolves from a variety of behavioral patterns stemming from a variety of value systems.

¹⁵ Ibid, Chapin, 1972 , pp 49-50

¹⁶ Ibid, Chapin, 1972, pp. 50-51

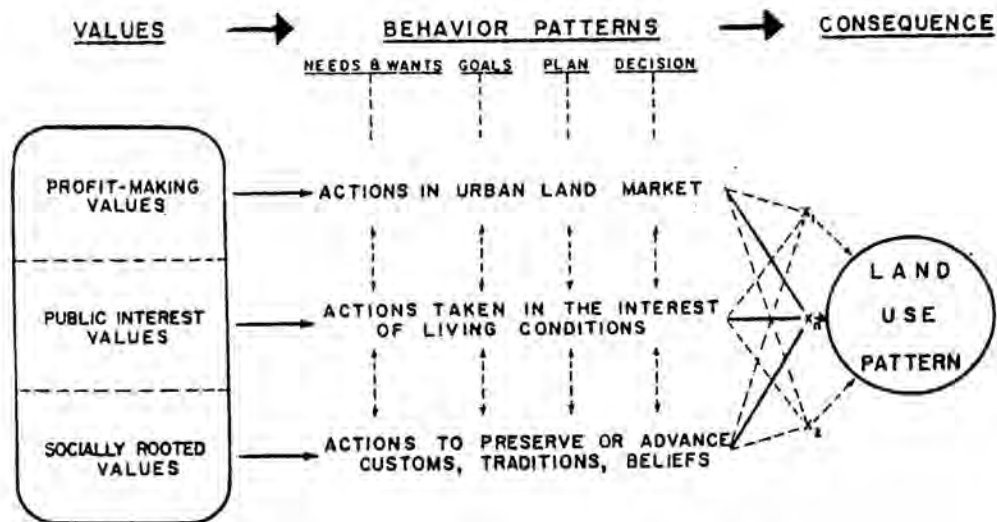


Fig (2-1) Interrelationships among land use determinants. Points x_1, x_2, \dots, x_s represent point where all side effects of actions seeking changes in land use reach equilibrium, with a consequence of 1,2,.... n changes occurring in the land use pattern.

Source : Chapin , S., 1972, p. 64

In this study the focus is on prime actions or decisions whether public or private actions that trigger other actions and thus influencing the course of events through initial investigations of main decisions and their relationships to secondary decisions and to land use outcomes. This is done by a historical examination of context that called for these decisions that initially triggered secondary decisions causing change in land use patterns with the notion of prime decisions as a kind of intervention in the course of land use.

A distinctive aspect of this approach is its utility as an aid to decision makers executives and planning agencies.

2-1-5 Factors conditioning the use of control or intervention in land use:

There are a lot of factors involved in bringing the public interest considerations into equilibrium with economic and social considerations. A major factor is reflected in the variation between communities' consciousness from optimal to minimal view point or standards. That is the point of acceptance or tolerance varies from one community to another. In one community (or at a certain time) there may be acceptance of public ownership of lands as a means of control, in another community there may be limited constraints over private ownership as a means of control. Thus, it is mass community values and the extent of acceptance of control in the public interest and will dictate how far land use planning and intervention can go in insuring public interest in the physical environment. The extent to which control is necessary or feasible in the face of economic and social realities is affected by four major elements, physical characteristics, fiscal capabilities, jurisdictional conditions and political climate¹⁷.

In a study undertaken by Essam Mostafa (in his Masters thesis) of how to identify different urban fabrics within the Egyptian urban areas, he concludes that there are three types of indicators of urban fabric. These are :

- I - Socio-economic indicators including the style of life, the social structure, the economic activities, the categories of population, the price of land and land ownership.
- II - Urban indicators including : Characteristics of construction, urban fabric, the traffic, the land use, and the public service
- III- Indicators of control and administrative measures including : the level of control, and authority responsible for the administration of the area. He also verifies through case studies how changes in any indicator over time changes the outlook of urban fabric.¹⁸

¹⁷ Ibid, Chapin, 1972, pp.62-65

¹⁸ Mostafa, Essam , 1984, Master thesis, Identifying urban fabrics in Egypt, Cairo University

2-2 Planning Approaches

In this part of the chapter the study reviews some of the major theoretical and related methodologies of planning and policy making . It is a comparative study of the current planning theories, and their distinctive elements without necessarily defining their limits. The research tries to understand the basic principles of each approach, the virtues and the practical gaps or shortcomings identified in relation to each approach . The purpose of the review is to provide a background against which we attempt to formulate the most suitable approach for the Egyptian situation, or try to identify what each approach has to offer for the intervention in the Egyptian urban land use.

In this chapter we indicate the need for a change in axioms from the conventional approach of comprehensive (non- responsive) planning with its suitable tools of implementation to a more responsive, applied, approach tailored to the Egyptian context. There are a lot of planning approaches now used around the world. Each new planning approach or planning methodology is introduced to fill in the gap or to try to solve problems created by previous or other planning approaches.

For each political ideology or socio-economic context there is a planning approach that suits it. The United States free market ideology has a way of doing things which is different from that of the U.K. government approach of the social role of the government and its involvement in housing, and other urban problems. This ideology is also different from the socialist approach of complete responsibility of providing everything for the public. For each of these ideologies there is a planning approach that is most suitable.

2-2-1- Rational Comprehensive Approach

Rational-comprehensive model is based on assumptions of the complete way and comprehensiveness of the planning process. The requirement of comprehensiveness is fundamental to the model, although the focus of this requirement is not entirely clear. It may refer to the statement of all goals; a comprehensive view of a future desired state of affairs; and a complete set of actions required to achieve this state of affairs; examination of all possible alternatives open, and of all consequences

of the alternatives.¹⁹ It may however, imply only the need to take into account interactions with the rest of the system or related systems as advocated by McLoughlin and others in the 'systems view of planning'.²⁰

The process of decision making in accordance with the requirements of the rational-comprehensive model would involve:

- i. The definition of a general set of values expressed as goals and objectives;
- ii. The generation and examination of all alternatives open for achieving the goals;
- iii. The prediction of all consequences that would follow from the adoption of each alternative;
- iv. The comparison of the consequences in relation to the agreed set of goals and objectives; and
- v. The selection of the alternative whose consequences correspond to a greater degree with the goals and objectives.

The rational-comprehensive model had a significant influence on planning methodology during the 1960s and early 1970s. This planning methodology is often referred to as the "aim-motivated"²¹ or 'goal-directed' methodology. The requirement of this methodology centre on the model's emphasis on the prior definition of goals and objectives and on the 'comprehensiveness' of the process. The goal-directed methodology encompasses five main stages, as illustrated below.²² fig (2-2)

¹⁹ Cambis, M., 1979. Planning theory and philosophy, p. 30.

²⁰ Chadwick, G., 1976. A system view of planning pp. 100-120

²¹ Drake, M. Et al ; 1975, Aspects of structure planning in Britain ,Research paper, No. 20,p.10

²² Perraton, J.; 1972, Evaluation as part of planning process, working paper No.33

**The goal-directed approach to
plan-making (after Perraton, 1972).**

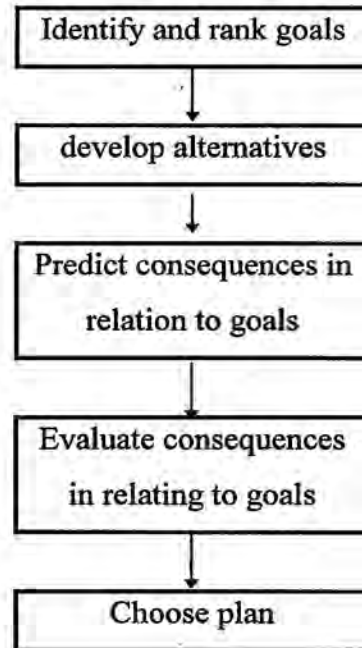


Fig. (2-.2)

Critics of the rational- comprehensive model and its related goals-directed methodology have tended to emphasize the impossibility of meeting the requirements of the model. Charles Lindblom for instance argued that :

“Limits on human intellectual capacities and on available information set definite limits to man’s capacity to be comprehensive. In actual fact, therefore, no one can practice the rational-comprehensive method for really complex problems, and every administrator faced with a sufficiently complex problem must find ways to drastically simplify .”²³

²³ Lindblom, Charles ; 1973. The Science of muddling through, in Faludi, A., A reader in planning theory, pp. 151-169

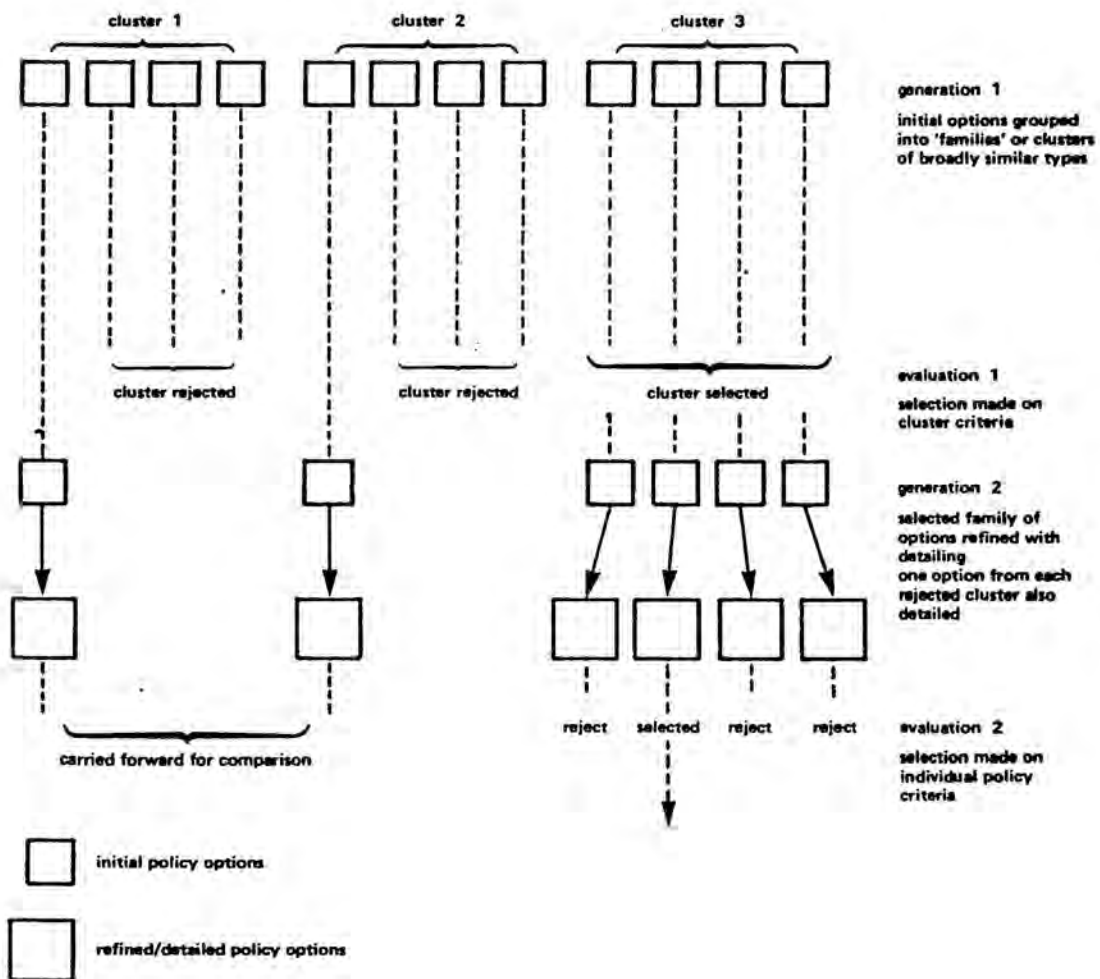


Fig (2-3) Generation evaluation process with clustered options

Source : Brackin, Ian, 1981. Urban Planning Methods ; research and policy, p 63

The administrator with information about a wide range of matters may do the simplifying himself. If however, someone else has done the simplifying and given him only selected bits of data and information, there is the possibility that the shifting may lead to wrong decisions as the basis of decision-making, and thus the decisions may have been altered.²⁴

The lack of sufficient data and information to treat the problem at hand comprehensively is regarded as perhaps the most important criticism of the rational comprehensive model. Although such other procedural problems as the difficulties of a prior definition of goals, and the use of these in plan generation and evaluation have also been indicated.²⁵

In spite of these criticisms and difficulties however, there are times when the general approach of the rational-comprehensive model could be followed in plan making, with built in adjustments to suit the circumstances and experience.

Rationality is always bounded of course: All the alternatives and All the consequences are unlikely to be identifiable. Another bound to rationality is man himself.

The role of the planner then is interpreted in many ways; but in the researcher opinion the planner is an advocate who decides between competing clauses for the use of land and a decision maker between alternative planning proposals.

2-2-2 Incrementalist Model as proposed by Charles Lindblom:

Advanced as a more realistic and pragmatic alternative to the rational-comprehensive model, the incrementalist model has six primary requirements:

- i. Rather than attempting a comprehensive survey and evaluation of all possible alternatives, the decision-maker focusses only on those policies which differ incrementally from existing policies, and policies that are not or cannot be changed are not considered;
- ii Only a relatively small number of policy alternatives are considered;

²⁴ Voogd, H., 1981, Multi-criteria evaluation for urban and regional planning ,pp.8-9

²⁵ Breheny, M., 1981, Post national methodologies in British Strategic planning, pp.92-93

iii. For each policy alternative, only a restricted number of 'important' consequences are evaluated;

iv. The problem confronting the decision-maker is continually redefined: Incrementalism allows for countless end-means and means-ends adjustments which, in effect, make the problem more manageable;

v. There is no one decision or 'right' solution but a 'never-ending series rastically of attacks' on the issues at hand through serial analyses and evaluation; and

vi. The incremental decision making is remedial, geared more to the alleviation of present, concrete social imperfections than to the promotion of future social goals.

Lindblom argued that "the incrementalist model was both a position statement of the way policy making is undertaken, and a prescriptive statement of how the decision-making process ought to proceed".²⁶

The incrementalist model gave rise to various 'problem-solving' methodologies, consisting, firstly, of the program and policy defects identification stage; followed by the design of incremental program; the prediction of effectiveness levels; marginal trade-offs; and the choice of policy, see fig (2-4).

**The problem-solving methodology of
the incrementalist model**²⁷

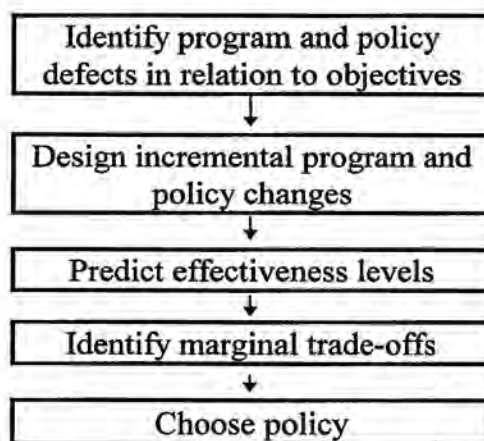


Fig.(2-4)

²⁶ Lindblom, C., 1973, The Science of muddling through, in Faludi, A reader in planning theory, pp. 144-148

²⁷ Perroton, T., 1972, Evaluation as part of planning process work paper 33.

While Lindblom's incrementalist model may have been a valid statement of decision-making in practice, the model has been criticized for not attempting to improve the process of decision-making, and according to Eddison: "Writers in public administration and political science who describe what actually happens in decision making and whose interest stops there are knowingly or unwillingly buttressing complacency".²⁸

This criticism may however be less relevant in circumstances where the end products or results of the decision making method are satisfactory, and where monitoring is undertaken to check that policies made operate according to plan and thereby provide basis for improving the decision-making system.

As opposed to Lindblom, other people seem to favour jointed increment-alism. It is unlikely that most decision-making is as disjointed as Lindblom would have us believe. Apart from sudden change (for example following a change in government) most planning policies seem to follow a pattern, however loosely. Thus, while the great value of Lindblom's approach has been to emphasize the sequential nature of decision-making and the huge limits on thoroughly rational analysis, he went too far in stressing the disjointed nature of the process. He thereby ignored the necessity of focussing strategic decision-making, under certain circumstances, on major structural changes rather than a disjointed series of increments. The wisdom of Lindblom's analysis, however, lies in the fact that major structural change, even change of a revolutionary nature, cannot take place except through a series of small steps. These steps, however, must follow each other in accordance with some broad strategic considerations. They must be jointed, instead of disjointed. Hence, jointed incrementalism is one of the major principles of strategic decision-making.²⁹

2-2-3- The Mixed-Scanning approach

The mixed-scanning approach was advanced by Amitai Etzioni in "Active society 1968" as an alternative to both the rational-comprehensive and the incrementalist models of decision-making, combining elements of both models but is neither as

²⁸ Eddison, T., 1975, Local Government management and cooperative planning, p. 21

²⁹ Gross, B., 1970. Management strategies for economic and social development, pp. 85-89

utopian in its assumptions as the rational-comprehensive nor as conservative as the incrementalist model .

The mixed-scanning approach requires that decision-making be made at two interrelated levels:

- i. A high-order fundamental policy making process which sets basic directions at an all-encompassing level;
- ii. An incremental process which prepares for fundamental decisions and revises these after they have been made.³⁰

This distinction between two interrelated levels of decision-making allows a long-term strategic view of issues to be accommodated along with the more detailed incremental decisions in the policy-making process. Thus, decision-making is done at both a fundamental level and at a lower incremental level. Several methodological approaches that developed independently or in parallel to the mixed-scanning model can be categorized as variants of the mixed scanning model.

Certain inference may be drawn from the Mixed-Scanning Approach, as follows:

- A- It implies that a universe of alternatives is available for examination: thus a process for the discovery or generation of alternatives is needed as an adjunct to this part of the strategy.
- B- It seems to imply some limited goal formulation, relative to (i) the decision maker's own values, and (ii) those of major interest groups; it needs also information as to the feasibility of alternatives.
- C- It implies a programme in staging terms: implies a programme in terms of resource commitment; in fact, all 2 implies an "options-open" strategy.
- D- And, it implies a feedback from implementation, i.e. "progressing", plus a "look-out" ability, i.e. a restricted look at alternative strategies.
- E- It implies a full look at alternatives again: i.e. A + B, thus the updating and revision of (limited) goals and of the set of alternatives.
- F- It implies a programme for the whole decision process, and also a series of revisions to that programme.

³⁰ Etzioni, A., 1973, *Mixed scanning*, pp. 217-220

Generally: the alternatives may be policies, plans, or programmes.

Thus, the Mixed-Scanning Approach appears to qualify as a highly acceptable procedure for the planning process in operational situations : that is, that we can formulate an acceptable strategy by utilizing this framework, arriving at what can be called a Mixed-Programming Strategy. Such a strategy will be flexible, in that it allows for the selection, as appropriate to the circumstances, from a “menu” of different methods, techniques, or narrower procedures, which might include those listed in the table. Particularly important is the notion of programmes rather than planning (As an answer to failure in planning in the past due to its divorce from the machinery of function and institutional divorce.³¹

As John Friedmann argues: “the idea that planning and implementation are two distinct and separable activities dies hard; and he advocates instead an “action-planning model” . Etzioni suggests that utopian rationalistic, segregated, and “a-political planning” “is likely to be an ineffectual base for social guidance. Its products are likely to be rejected, ignored, or radically altered by the political decision-makers, and an attempt to implement plans produced in this way requires a large application of power and, thus, generates considerable resistance and alienation, because such planning is very remote from consensus; building as well as control”.³²

The way to produce “action-planning”, though, is not, as Friedmann suggests, by omitting the preparation of plans altogether-for plans will exist, at least intuitively , in the minds of all concerned with the process : one cannot analyse in a vacuum, nor is it desirable to try to do so. His model is no more than a stimulus-response feedback loop:but in fact he prefers the explanation that the (strategic) information consists, for the most part, of a systematic assessment of the future conditions, and consequences of action, of system-wide goals and objectives, and of the largest number of functional

³¹ Chadwick, F., 1976. A system view of planning , pp. 110-120

³² Friedman, J. 1967, Informal model of planning, pp. 23-40

linkages among critical variables which are capable of being studied with the resources at hand”³³. What Friedmann is objecting to, in reality, is the inclusion of the word “plan” in his model, which he equates with a “blueprint”, his preferred action-planning model must include “plans”, in the sense of a set of possible actions: how the actions are evolved is of less importance than the fact that they are available. (Is “design” a dirty word?)³⁴

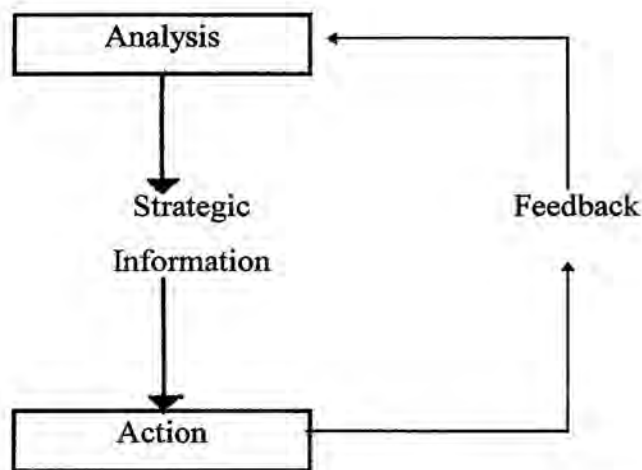


Fig (2-5) planning and implementation

source: John Friedmann's information model 1967 in Chadwick, G., System view of planning, 1979, p.83

If we turn our attention from plans to programmes, our attitude immediately changes to an action-orientation; our plans, indeed may be policies, especially in the field of social planning and they may be very well policies also in physical planning.

However, the crucial point in the mixed-scanning approach and the one which raises serious procedural difficulties, is the decision as to which parts should be scanned in detail. According to Etzioni, “the level of detail of scanning should depend on the importance”³⁵.

³³ Ibid, Friedman, J., p.25

³⁴ Ibid, Friedman, J., p.28

³⁵ Ibid, Etzioni, A., pp. 217-220

Moreover, the degree of importance (politically or in terms of the level of interactions with other parts of the issue) may not coincide with the availability of adequate data and therefore may lack a comprehensive examination.

2-2-4- The strategic Choice Approach

Based on their observations of the actual decision-making processes the city of Coventry, the 'strategic choice' approach was advanced by Friend and Jessop as a process of decision-making under conditions of uncertainty. They recognized (as did Doxiadis and Buchanan) that choices are repeatedly made between alternative courses of actions with only an inadequate picture of their future implications, and that apart from an evitable shortage of data, decisions may not be logical in relation to what there is, with logic and politics often being uncomfortable bedfellows.

The proposition Friend and Jessop put forward is that any process of choice will become a process of planning (or strategic choice) if the selection of current actions is made only after a formulation and comparison of possible solutions over a wider field of decisions relating to certain anticipated, as well as, current situations.³⁶

Among the principal characteristics of the strategic choice approach are:

- I. The recognition of uncertainty as something to be managed in a positive way rather than ignored or suppressed. Friend and Jessop identified and classified uncertainties into three areas:
 - Class UE - uncertainties concerning what might be thought of as the external environment;
 - Class UR- uncertainties concerning assumptions about the future intentions in related areas of choice ; and
 - Class UV - uncertainties concerning the appropriate value judgements to be applied in the selection of a preferred solution.
- ii. That to be effective, planning must be continuous, and the process cyclic ;

³⁶ Friend and Jessop, 1971, Local government and Strategic choice, pp. 40-100.

- iii. That the process leads to the development of outputs which are both visible and invisible, using 'commitment' as a variable in time as well as pace, and not just the production of a 'Master Plan'.
- iv. The selective use of analytical techniques at different stages in the process;and
- v. The use of the concept of inter-relation between issues, as a characteristic which, even more than magnitude, makes them 'strategic'.³⁷

The principal stages involved in the strategic choice approach to decision-making are illustrated in Fig (2-6)

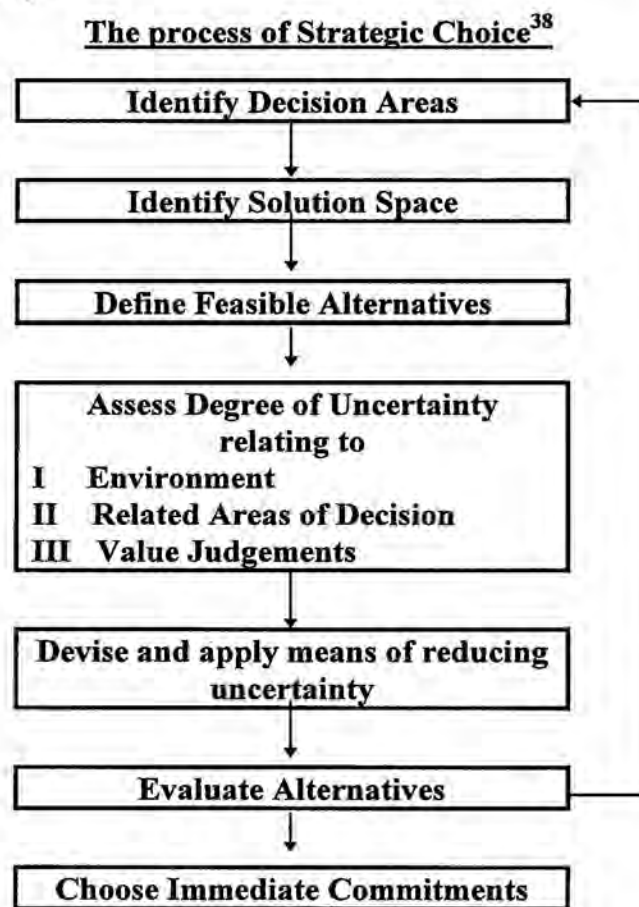


fig.(2-6)

³⁷ Friend, J. And Hickling, A., 1987, Planning under pressure the strategic choice approach, pp.37-38

³⁸ Breheny, M., 1974. Towards measures of spational opportunity, Progress in planning, volume 2, pp. 92-94

The 'strategic choice' approach has been adopted as the basis for a methodology in a variety of situations, ranging from an application on the regional level, through structure plans to the local plan level. Other developments of the 'strategic choice' approach in the form of 'decision optimising techniques' have extended the approach into more complex decision situations, and enabled the analysis of the performance policies over time. This is of particular importance in the monitoring review stages of the planning process.

A number of advantages or benefits of the strategic choice approach have been identified, and these include that :

- i. the approach is able to marshal and organize a range of specialized techniques such as the Analysis of inter-connected Decision Areas ('AIDA') for dealing with specific aspects of the analysis within the context of a coherent process;
- ii. the approach makes it possible to articulate the assumptions and judgements entering into the process in a way which allow them to be debated by policy makers as well as the public;
- iii. it provides the means to see the analysis in a dynamic context within which assumptions and judgements might change at any time, necessitating a response in terms of the analytical framework;
- iv. it provides a relatively simple framework within which to relate the various strands of work in a systematic and explicit way;
- v. it enables the decision maker to start with a manageable number of key issues and then to gradually build up the complexity of the analysis through recycling and 'progressive reformulation'; and
- vi. it enables the explicit treatment of uncertainties within the plan-making process.³⁹

A number of difficulties have been identified in the practical application of the strategic choice approach. With regard to the exploration and management of uncertainties for instance, experience has revealed that this aspect of the approach has

³⁹ Ibid, Breheny, M., 1974. P. 92.

received less attention than say the structuring of problems. In a way this is not surprising for several reasons. Firstly, there is a limit to how far one can go to be prepared for uncertainty without spending a disproportionate time anticipating what may not happen - thus wasting a lot of time and other resources. Delay in decision-making leads to events taking their political or natural courses. Secondly, it may be argued that if one is dealing with strategic matters the policies and even more the systems for decision-making should be able to cope with uncertainties as they arise. Thirdly, there are the practical computational difficulties in the analyses and management of uncertainties using the techniques developed for these purposes. Such techniques include the 'risk', 'sensitivity', and 'robustness' analyses.⁴⁰

A further problem with the strategic choice approach is that while its inherent flexibility allows for the solutions to be found through several routes. The approach however, opens up the weakness of too great a dependence on explicit but informal judgement without adequate support by analysis.

It is also argued that systematic approaches such as the strategic choice approach, can only provide an aid to the decision-maker in the formulation of plans and policies. Plan making is fundamentally an art which blends imaginative insights and judgement out of knowledge of context with systematic methods of analysis, prediction, forecasting and evaluation.

2-2-5- The Radical Approach:

As defined by Hudson in 1979 is an ambiguous tradition with two main streams of thinking, the first is associated with spontaneous activism and guided by an idealistic but pragmatic vision of self reliance and mutual aid. Its point of departure consists of specific substantive ideas about collective actions that can achieve desired results in the future. The second stream of thought takes a look at large scale social procedures and processes in terms of the effect of class structure and economic relationships, the control exercised by culture and media and the historical dynamics of social movements.⁴¹

⁴⁰ Braken, I., 1981. Urban planning methods research and policy analysis, p. 63-64.

⁴¹ Baltu, M., 1992. Integrating planning into urban management in Saudi Arabia, case study of Jeddah. Ph.d. thesis

This approach has much to offer to urban land use in Egypt for it calls for the fostering and strengthening of community based institutions which are presently overshadowed by centralized agencies of government and corporate enterprises (which used to exist in the past and had an important role in urban control). This approach would of course face problems in a conservative society based on long tradition but, however, it is not aimed at instant revolution any change but a preparation for change to come in the future.

2-2-6- The Transactive Approach

In this approach face to face contact with people affected by various decisions, is stressed and requires limited field surveys and data analysis and more interpersonal dialogue, marked by a process of mutual learning.

The main difference between this approach and the incremental approach is that it gives special attention to psychological, social and institutional processes which facilitate growth and mutual learning between the planner and his constituency.

2-2-7- The Advocacy Approach

This approach depends on the adversary produces modeled upon the legal profession and is usually applied to defend the interest of weak parties.

Hudson's opinion is that it is successful as a means of blocking insensitive plans and challenging the view of a unitary public interest. In theory this approach calls for the development of plural rather than unit plans.⁴²

2-2-8- Corporate Planning Approach.

The idea of this approach is the movement towards corporate planning in the local government supported by expert attention in problem areas to formulate guidelines to help local authorities in developing a total approach to urban requirement. There are two main emphases on the attempts to reorganize the internal structure of local authorities to provide a stronger and more integrated policy making process, sometimes using specific management devices, such as planning, programming and

⁴² Alinsky (1971), Henskin (1977) and Hudson (1975) , in Baltu , 1992.

budgeting systems. It stresses the importance of local plans as an important element in a continuing policy of planning.⁴³

The importance of local planning authorities has always been under played or reduced to the level of implementation or policing building regulations (although at the beginning of the century there existed Alexandria's Baladia which played a great role in the planning, control of Alexandria).

2-3 Conclusion and Implication

Traditional town planning for half a century or more has regarded the real world in terms of an overly simple model which implies that physical urban arrangements heavily influence their use; Such a model was borrowed from civil engineering, which likewise had a faith that "optimisation" of an adapted space would "optimise" the activity for which the space had been adapted. In seeking this preferred relationship attributes like health, amenity, and convenience (and later economy) were used as yardsticks. Thus, there is a historical order for these planning approaches. Historically most countries started their planning practice with the rational comprehensive approach.

Then it is clear that the model was deficient both in its simple faith and in its causal relations between physical environment and human activity and its lack of concern for change of other than a deterministic kind determined by the plan. Then new approaches were introduced to fill such gaps.

As Chadwick says "the lesson for planning is obvious : the mechanism for controlling the systems (urban systems) with which planning deals must be capable of generating the requisite variety to match those real world systems at the level of variety which is appropriate to secure an adequate level of performance".⁴⁴

The creation of model involves reducing variety from the high level of the system being modelled to a much lower level of modelling system; The model is the most probable statement about the system that can be made because it is highly probable, and it is low in information, so that models are low variety statements. This is suitable to the characteristics of human beings, for people are

⁴³ Cross (1975), in Baltu, 1992.

⁴⁴ Chadwick, G., 1976. A system view of planning pp. 73-77

accustomed to view the complexity of real world, to abstract from it a low variety image, and to act in ways which multiply the variety in accordance with the particular circumstances which are met.⁴⁵ A planning model of course has to be re-inflated with data as it were when applied to a particular situation, and thus variety is increased to the level requisite to meet that of the state of systems controlled. Different planning approaches have different levels of information needs. The demands upon monitoring relate directly to the mode of planning employed. The incrementalist planning model requires short term, problem oriented information. The comprehensive model is very demanding of information simply to maintain its broad perspective monitoring function of fulfilling such a role. Mixed scanning offers a more realistic position demanding two kinds of information from monitoring. First a continuous and course-grained look at a necessarily small range of matters which are judged to be particularly relevant to the plan and policy. Second a set of deeper studies of issues which are judged to be important from time to time.⁴⁶

As developed countries start using other methods and approaches to planning, it is still a common practice in developing countries to use the rational comprehensive approach of formulating Master Plans (or as they are called in England Structure Plans). This is due to several reasons. First all developing countries including Egypt, start their planning practice by importing experts to do the job. Along with the experts comes the approach, that is the comprehensive, as it is the most common. And as other approaches need more insights into the countries context that those experts have no idea about. Secondly , after those experts leave, national experts start planning, as they also are usually educated abroad in schools of planning that teach the comprehensive approach. That is what happened in Egypt and in Saudi Arabia as studied by Baltu 1992 in his study of Jeddah Master Plan.

Thus, this study will try to point out other planning approaches after studying the case studies and examining the approach used in such case studies.

As Etzioni has pointed out, "human systems are not like mechanical systems, the collectivistic, voluntaristic characteristics of human systems are much more

⁴⁵ Ibid, Chadwick, pp. 84-88

⁴⁶ Ibid, Chadwick, pp. 360-361

complex and cannot be affected entirely by exogenous means. Each person, each group of persons, is a system which adapts and adjusts both to external and internal stimuli: self-optimising and capable of both long-and short-term adjustment, operating by image and plan, continually restructuring its perceived world in accordance with information, flows received : part and whole, actor and acted upon at one and the same time"⁴⁷. After reviewing different planning approaches each having different levels of information needs stability of community (no sudden changes), institutional and personal capabilities. Some are more like over all long term plans (national level), others are programs or small action plans (local). This conclusion will be further used or applied when studying our case studies from three aspects , the approach used , if any, and how effective it was as a tool of implementation along with actors involved in land use intervention.

⁴⁷ Etzioni A., 1973, Mixed scanning in Chadwick, 1976, A system view of planning., pp 150-151.

Chapter 3 :

**Tools and Techniques of
land use intervention**

Introduction :

The second section of the theoretical part is two fold. It includes this chapter and chapter 4, that is the tools of intervention and the actors in the intervention system.

This chapter serves as a glossary to the entire study, it describes each of the growth management techniques and intervention tools being used or considered in any country (especially countries of comparison UK., or U.S.A). Each technique or tool description includes a definition and a statement on application. Many of the descriptions also incorporate discussions of the legal basis of the techniques and their current legal standing. It must also be noted that tools or techniques can be linked in a kind of system, various combinations can achieve specific objectives. Different countries have different forms of such tools tailored to suit their context, and that statement is highly stressed all over the research .

3-1. Public Direct Intervention

3-1.1. Public Acquisition

The government has the greatest capabilities of managing land when it is publicly owned. Four forms of ownership are listed here.

3-1.1.1. Fee simple acquisition. This means acquiring full title to land for a public purpose. This is the most expensive form of acquisition but has the greatest flexibility.

3-1.1.2 Land banking: this involves public acquisition of land where urban expansion is expected and holding the land for timely and appropriate use by the public or private sector. Land banking serves to minimize or eliminate urban sprawl, redevelop the inner city, reduce the cost of urban land, curb public land speculation and provide for public use. To insure adequate financing capabilities the land bank needs power to borrow money, to issue bonds and to obtain governmental aid.¹

The creation of land banks or land reserves for urban development has different origins, scope, purpose and results throughout the various countries of the world.

¹ Stout, Gary and Joseph, E. 1983, Public incentives and Financing techniques for codevelopment., chapter 3 ,pp.40-42

In the developing countries, central control of land resources, reduces land speculation and provides a greater degree of control over land development. In the developed countries of Western Europe, land acquisition is being used to ensure an adequate supply of land for future urban development as a control over the use of land in order to protect it as a vital natural resource. The Canadian experience with land acquisition on the fringe of urban areas illustrates that an active policy can provide for orderly expansion, efficient extension of public service and eliminate land speculation.

In summary land acquisition or public ownership can provide a link between public land use plans and policies and private development pressure.²

3-1.1.3 Compensable regulation:

Compensable regulation is a technique of combining compensation with constitutionally acceptable police power regulation. By granting compensation to owners whose property was "taken" by the exercise of Zoning. The public would be permitted more flexibility in choosing among regulatory and purchase devices while assuring the equitable treatment of property owners.³

3-1.1.4 Less than fee simple acquisition:

Developmental easement gives the local government a non possessory, less than fee interest in the land, such easements may either allow the landowner certain uses for the land or prevent him from using it in certain ways.

The owner may remain on the land and in most cases is able to make use of it. The terms of agreement regarding easement must be explicitly notified to the landowner as to what rights have been relinquished and what rights are preserved.⁴

3-1.1.5 Land registration or land registers:

The urban land market is characterized by a large number of buyers and sellers consequently, it is very difficult for public officials to keep an accurate picture of the number and value of land transactions.

² U.N. Department of economic and social affairs, 1975 vol.7 , p.32.

³ Ibid, Stout, chapter 3, pp.41-42

⁴ Ibid, Stout, chapter 3, pp. 42-45

Land registers force land holders to register their parcels and to notify public officials of their intention to sell the land. This provides better information on land and more accurate measurement of the value of the land. In some countries like France, they recently instituted the right of pre-emption in certain urban areas which gives the public authorities the first option to purchase a parcel of land⁵

In some countries like England all public agencies are asked to register land in their ownership and to put plans for using such parcels, or else they would have to advertise in the land register that they are willing to sell such parcels. Some developing nations have been particularly troubled by a lack of information on the rightful owners of particular parcels of land. As a result, it is difficult to control development, tax it or practice police power of eminent domain and compensate owners. In such cases, compulsory register would solve these administrative problems and, speed the time it takes to resolve conflicts.

3-1.2 Public improvements

3-1.2.1 Location of facilities or Provision of infrastructures to influence growth:

Placement of roads, sewer, water and other support facilities is a means of influencing the location of development, it has the most direct and immediate impact on specific land areas⁶ The efficient provision of infrastructure works or services is linked to size of the population in an urban area. Therefore questions have arisen as to the best mix of population size level of service, and the cost of providing services. The timing and character of new developments on the fringe area depends to a large extent on the availability and size of infrastructure facilities especially water & sewer lines. But unfortunately the institutional arrangements necessary to control the extension of these facilities frequently do not exist⁷

3-1.2.2 Access to existing facilities

Regulating access to such public facilities as a sewer line or water line or limiting curb cuts to street or highway through permit-issuing process is an additional

⁵ Ibid , UN, 1975 ,pp. 30-31 ,

⁶ Ibid ,Stout, chapter 3 ., pp45-46

⁷ Ibid, U.N.,1975, pp. 31-32

timing control. Access frequently is tied to the programmed capacity of the sewage treatment facilities.⁸

3-1.2.3 Subsidizing the consumption of infrastructure:

That is offering a discount for large users. These discounts may in fact be a subsidy to business. It includes, water, electricity, gas, sewer. Some officials prefer this kind of incentive for it costs money that is hidden in the budget. Water rate subsidies are usually unpublicized. The true costs are thus not known either to the public or often to the decision makers themselves, there is minimal rationale for subsidizing large users with cheaper rates because overall costs of (water, electricity..) production and delivery do not go down as usage goes up (there are economics of scale in some areas of water production but in other areas there are diseconomies of scale).⁹

3-1.2.4 Impact fees:

An impact fee is a charge levied by a local governmental unit against new development to generate revenue, usually for off-site capital improvement. It can be used where infrastructure improvements have over a long time frame not been made, and congested roads, crowded schools and other problems have resulted. Thus, it seems fair to existing residents to blame the newest residents and to let them pay for it. The largest and most common type of impact fees are for water, sewer, road, park school and drainage infrastructure. For "closed" systems such as water and sewer the setting of impact fee is relatively straight forward because the service area is bounded and the usage of those in the system is a good indicator of the share to ascribe to them for constructing the new facilities. But the most difficult types of impact fees to set are for "open" systems such as roads. Costs are known but how to distribute back the costs on bases of usage is difficult, for roads are used by residence and by people who reside outside. Sometimes the developer is asked to do some in kind contributions of infrastructure hence he would not pay impact fees.¹⁰

⁸ Ibid, Stout, chapter 3.,pp. 46-47

⁹ Rubin, Ireve, 1989, Economic development incentives, pp. 13-15

¹⁰ Chambers, D., and Diamond , Jr. 1987, Impact fees, Fiscal plague and saluation, Housing economics.pp.75-82

3-1.2.5 Liability for hazardous waste clean up:

Under United States federal and state hazardous-waste laws, past and present owners of land contaminated with hazardous substances can be liable for the entire cost of clean up even if the material was dumped legally by someone else three or four decades ago, and even if the owner did not know about contamination, however there is a defense for “innocent landowners” who can prove that, at the time they bought the property they did not know about the presence of hazardous wastes, and that they made all appropriate inquiry into previous ownership.

The clean up cost could be so great even greater than the value of the property. Thus, developers and even lenders examine properties thoroughly before buying or lending money.¹¹ But such regulations are still not widely used around the world.

3-1.3 Creation of new cities and towns:

The idea of creating entirely new cities and towns has been existing for a long time. New towns are often advocated as overflow devices designed to deter the further development of large urban areas. This device has been used in Egypt for more than 20 years but it is outside the scope of the research, for the research is focused on intervention and control of existing urban areas.

3-2 Public Indirect Intervention

3-2.1 Legal tools

Government regulations impose constraints on development in one form or another in almost all communities. These include kind, location and timing of development. Thus, each community has its zoning, subdivision control, building codes, occupational safety requirements, rent control, condominium regulations, and assorted other regulations

The local or central government officials must recognize their power to influence development through the passage and enforcement of these regulations. As in all government decisions the costs and benefits of any particular course must be weighed.¹²

¹¹ Salvesen, D. 1988, Liability for hazardous waste clean up in Urban Land , No.36 pp. 10-15

¹² Hoar, Charles et al, 1989, Zoning today a time of reckoning, APA Planning journal No.20 p.18

3-2.1.1. Zoning

When first introduced as a planning or control tool zoning promised to fulfil the goals of better environment. Through its height and setback controls, zoning would ensure sufficient light and air at street level. Through its use controls, zoning would prevent incompatible uses from locating check by jowl, through its density controls zoning would guarantee congestion-free central business districts and the ability of municipal infrastructure to keep pace with growth. But like other tools, zoning is only as good as those who use it, say the experts.

3-2.1.1.a. Conventional Zoning

Zoning in its simplest form is concerned with designating land uses. Four major categories are used to define holdings in the private sector. These uses are residential, commercial, industrial and agricultural. Within each category there are many sub-groupings which more specifically define actual use. Zoning of land in a town, though complete and inclusive, is subject to change periodically. As the needs, and desires of residents change, local governments revise their zoning ordinances. Traditionally zoning has been concerned with location and the use of land, leaving the timing of development to the owner. Recent development systems have combined zoning with capital programming to add timing as an element.¹³

3-2.1.1.b. Conditional and contract zoning:

Under contract zoning a landowner enters into a contract with the municipality in which he promises to subject his property to deed restriction in exchange for a desired zoning. This results in the landowner's property being zoned in a different manner from other property in the same zone.

Conditional zoning arises when the governmental unit, without committing itself, obtains a promise from a property owner that he will limit the use of his property, dedicate property, place a structure in a certain way, or limit the rezoning in a particular manner. In conditional zoning the future exercise of police power is not bargained away.

¹³ Ibid, Stout, chapter 3., pp.47-48

These two techniques are distinguished from special permits in two ways: first, conditions under special permits are spelled out in the ordinance and apply equally to all eligible property owners', second, special permits require no concessions or commitments from the community.

3-2.1.1.c. Planned unit development

This is a legal tool that combines elements of zoning and subdivision regulations and permits large-scale developments to be planned and built as a unit with flexible design . The mix of uses is being permitted along with an increase in density

3-2.1.1.d. Flexible (cluster, average density) zoning:

This variation allows an adjustment in the location and density of development on a site so long as the total number of units does not exceed a set number or density ratio. This technique is used to preserve environmentally sensitive areas, or eliminate the need to develop portions of sites.

3-2.1.1.e. Performance standards:

These standards relate to the acceptable level of nuisance or side effects of a development rather than specifying acceptable uses. A community might specify the amount of noise, glare, smoke and similar side effects; recently traffic, sewage and other services have been applied. Communities using performance standards no longer need to specify precise uses at given locations, but merely need to establish limits on external effects.

3-2.1.1.f. Bonus or Incentive zoning

Is a way of bargaining between city and developer, it offers a way to gain a wide range of public amenities while shifting the burden of paying for them to the private sector . It works like this " in return for a specific public amenity the city will relax certain zoning restrictions". Cities offer bonus for public plazas, arcades, public art, housing, cultural facilities, retail space, restaurants and any other public benefits.

An incentive is often linked to given areas, as well as, to specific amenities. For example a builder is allowed to exceed height in exchange he provides an excess of open space around the structure.¹⁴

¹⁴ Department of Housing, HUD, 1979, "The private development process , a guide book for local authorities", pp.18-24

This concept was probably first introduced into a major city's zoning ordinance in the U.S.A in the 1957 comprehensive revision to the Chicago ordinance. It is a way to tell a developer "we will give you something more than you are permitted as of right if you'll give us something in return". It must be trumpeted that the scheme will not work in most cities unless political climate permits a substantial reduction in what is presently allowed as a matter of right.

As the old zoning ordinance in the U.S.A produced the wedding cake architecture along 5th Avenue, so have incentive bonus zoning have sired what has to be known as plaza generation in urban architecture. Market downtown developers have been responsive to the incentive, exchanging more open space at ground level for more rentable bulk above. But New York's plazas have become in the words of one critic "pompous and sterile more barren and uninviting".

The plaza Era has taught the American planners first that developers will respond eagerly to the zoning incentive, and second that there must be a better definition of the response wanted.¹⁵ These lessons should also be imported while importing incentive zoning in Egypt.

3-2.1.1.g. Floating zones:

These are zones identified in the ordinance text but not shown on the zoning map. If a property owner can meet the conditions in the zoning ordinance, the property will be rezoned.

3-2.1.1.h. Special permit:

The special permit, also known as conditional use permit or special exception may be used as with the floating zone. It is frequently used to bridge public and private investments as with adequate public facilities. Municipalities can declare new development special permit use rather than a use by right permission to develop is contingent upon the prior existence of adequate facilities.

3-2.1.1.i. Variance :

Found in all zoning ordinances the procedure grants a property owner relief from the requirement of the letter of the ordinance because of an unnecessary hardship or practical difficulty. When there is some unique attribute to a parcel of land, full

¹⁵ Weaver, G. 1979, "City Zoning the once and future frontier", APA, report No.23

compliance to setback or requirements of minimum measures cannot be fulfilled and leave the parcel a useable part.

3-2.1.1.j. Transferable development rights:

Transferable Development Rights TDR, is a mean by which the wealth created by planning decisions is distributed to those that incur an economic hardship as the result of public restrictions on use. For these transfers to occur the development rights must have some marketability and market price and the TDR area or planning region must be defined. As real estate is defined as artificially delineated space of any kind with time as a fourth dimension. The time dimension is defined by deed or lease. To create a supply of development potential defined by cubits, cubits which can be detached or transferred to other private parcels, it is first necessary to create a supply for market place. Each landowner would be given a supply of cubits(cubic meter or cubic foot) equal to ten times the square foot ground area of their parcels plus the cubits necessary to equal cubic footage of all existing structures as of a certain date. All owners would have cubits to define their development potential This supply of cubits for any one site should be less than it requires for anything other than agriculture or single family detached homes so that other developments would generally require the purchase of cubits in order to proceed with improvement (demand side). Simply the owners of land zoned for open spaces or farm land sell development rights to developers of office buildings or other uses. It has been suggested that transferable development rights is a compensatory device with payment in kind instead of cash, that could be sold in future.¹⁶

The main three problems with TDR's is that the formula for issuing development rights must (a) fully reflect the loss in land values of those who are denied the right to develop their lands and (b) be easily administrable. (c) the lack of public understanding or the difficulty of grasping the mechanism of such a land use regulation. Thus, at the present full implementation of such a mechanism is not realistic even in the U.S.A were it originated.¹⁷

¹⁶ Graaskamp, James, 1975, Impression on marketability of TDR's, APA report No. 304 pp 20-23

¹⁷ Moore , Audry. 1975, TDR as the basic land use control, planning advisory service, APA, report 304, pp.10-15

3-2.1.2. Building codes:

Building codes set minimal standards for the construction process . They define the physical production of housing and other units by specifying acceptable structural designs, materials, labour practices, etc.

Building codes are a necessary constraint in the development process, but they frequently also raise costs by imposing unusual and sometimes unwarranted requirements on the builder, (may cause or restrict entry to such market by certain groups of people, thus left with only one choice, informal market).¹⁸

3-2.1.2.a. Building heights and spacing:

Building heights and spacing are important factors that affect environmental quality as adequate spacing help reserving sufficient day light and spacing also secure privacy.

3-2.1.2.b. Set backs of buildings from building lines:

Can be used to designate space for landscape private space, arcades or private play lots, all these can have a visual influence on the urban context

3-2.1.2.c. Minimum floor area:

This regulation may be related to health, preserving the property values and making the community attractive. The first reason is the only one that can be universally justified. It could be used in special areas (Nasr City) to control entry for special income groups, or make it less dense, or have special architectural appearance.

3-2.1.3. Subdivision regulations

Subdivision regulations define the procedures whereby land, either completely undeveloped or partially improved, is prepared for ultimate consumption. Subdivision regulations establish detailed requirements for roads, utilities, open spaces, density of units and many other factors. It also includes administrative procedures.

3-2.1.3.a. Minimum lot size:

This device is found in virtually all zoning ordinances. It is used as a density control device to limit the number of people who can live in an area. But in some cases it can exclude a large portion of population from the legal market if lot size is very big, thus, the urban poor are left with only one choice, informal areas.

¹⁸ Ibid, HUD, pp. 24-28

3-2.1.4. Community Development boundaries:

For each community the planner indicates in the development plans the community boundaries, where after which the power of the local authority to control development demolishes or disappears, these boundaries have to be respected and have to be kept sharp and clear. It is important to note that boundaries specially around Egyptian towns surrounded by agricultural areas should be kept sharp, clear and follow clear edges of roads, canals and so on to be clearly identified.

3-2.1.5. Environmental Impact regulations:

Environmental impact regulations are a relatively new constraint, being used less than a decade (in the U.S) and is being considered in some developing countries. They reflect a growing concern that the environment is fragile and subject to great harm..

3-2.1.6. Planning moratoriums and interim development controls:

In this device a temporary ordinance is enacted to prevent or restrict further development until planning has been completed and permanent controls to implement the plan have been developed. The ordinance is intended to preserve the status quo in a particular section of a municipality pending adoption of a permanent implementing regulation.

Most so called freeze growth ordinance are nothing more than interim development controls in the guise of developmental moratoriums. The biggest dilemma in drafting an interim ordinance is deciding which development should be allowed or prohibited during the planning period.¹⁹

Another problem facing temporary ordinance is their validity time (or period until plans are prepared) in some countries (like Egypt) the period of preparation exceeds reasonable time which a matter complicates the system itself.

3-2.2 Fiscal tools

Due to the building industry's heavy reliance on money, especially borrowed funds, financing concerns are of paramount importance to most developers. Funds for any development project are raised by two basic methods: equity and debt financing.

¹⁹ Ibid, Stout, chapter 4, pp.60-65

Equity financing generates funds through the sale of entrepreneurial interest in a project. This method entitles an individual or group to a share of a project's ultimate profits. Debt financing relates to borrowed funds. In this method funds are repaid at a fixed rate of return.

3- 2.2.1 Financing tools:

Financial tools include, grants, subsidies, and loans with their endless variety and different terms that fit exact conditions. Grants are either from the central government or other international entities. The government agency must evaluate all incentive or subsidy devices, how much they really cost the government or their effectiveness. A key factor to effectiveness is the social discount rate that is to be chosen when studying the financial consequences of an intervention tool or a development project.²⁰

3-2.2.1.a. Loans

Loans are a means of promoting development or special land use in a locality. There are endless varieties of loan types, terms and conditions possible tailored to fit each condition.

I- Low interest loans: to special areas or uses are usually short term loans.

Thus reducing the overall costs.

II-Interest only loans: loans in which the borrower pays interest only while period of the loan is outstanding. The principal is repaid in a lump sum at the end of the term of the loan.

III-Balloon repayment loans: here the borrower pays interest and principal over the term of the loan, but in amounts insufficient to retire the debt before the term of the loan expires. The balance outstanding at the end of the loan is then repaid in a lump sum at expiration.

IV-Variable interest loans: loans on which the interest rate changes over the term of the loan.

V-Secured loans: A secured loan is a loan backed by a lien placed upon an asset which gives the lender a direct claim against the asset in the event of default on the loan.

²⁰ Ibid, HUD, p.16

3-2.2.1.b. Leases:

Leases is an indirect method for financing, it is second only to loans in terms of flexibility. A developer may thus lease land, buildings, portions of buildings, and equipment. What a developer could lease he does not need to obtain debt or equity capital to finance. Moreover, leases are deductible from income tax purposes for they can be claimed as an expense.²¹

3.2.2.1.c Bonds Financing :

The main bond technique unique to development project is tax increment bonding.

- Tax increment financing : TIF

Tax increment financing is a method of funding public investment in a special area slated for redevelopment by recapturing for a time all or portion of the increased tax revenue that may result. This increase in tax revenues is placed in a special fund. Usually bonds are sold at the outset of the redevelopment plan by a redevelopment agency so that funds may be available for front end expenses such as infrastructure and land assembly.

Procedure for establishing tax increment financing include establishment of boundaries, and a base year is declared following the adoption of the plan. The redevelopment agency will solicit developers and enter agreement, and a limit to TIF period is also stated (in the US.15-30 years). The procedure is some what complicated since it requires the service of a bond counsel and investors who will be willing to buy bonds. There are a lot of bonding techniques that can be used including the general obligation bonds, revenue bonds and other government issues. Issuing bonds is a devise to finance big projects. It is usually exempt from taxes, thus bears a return in today's market of two to three percent below the prevailing market rate.²²

3-.2.2.1.d Subsidy

There are a number of different definitions of subsidy but the main idea is that a subsidy is any government action which either increases demand for the output of an

²¹ Conley, Gary, 1978. Attracting private investment into inner city through development subsidy, pp. 21-25

²² Casella, C. 1985, What is TIF? P.A.S. report no. 389 pp.18-20

enterprise or reduces costs for the enterprise. Thus, acts in a way that would not normally result from market forces. Subsidies may be explicit or implicit(hidden) direct or indirect, monetary or nonmonetary, intended or unintended. The immediate recipients not necessarily the intended beneficiaries. In most countries there is some kind of subsidy or another. Nearly every business and household is both a subsidizer and a beneficiary of one subsidy or another.

There are two main ways or means of subsidizing

I-Reduce prices of factors of inputs(supply side)

- a- production costs
- b- operation costs
- c- finance costs
- d- transportation costs
- e- real estate costs

II-Subsidy so as to increase capacity of consumer to pay for product

- (demand side)
- allowances (housing allowances)
- welfare payments.

Attempts to reduce or subsidize the prices of factors of inputs included in development are mainly

- a- land acquisition
- b- land development/ land infrastructure provision

There are a lot of questions about who, what is to be helped or subsidized, and why. Questions of equity, efficiency and political atmosphere are always faced when deciding on a subsidy.

3-2.2.1.e. Land write downs:

Land write-downs involve the public agency selling land at less than the fair market value. In renewal projects this typically involves purchasing blighted property, removing the structure and then selling the cleared land at less than its acquisition value. To the developing agency or public agency the cost of land write down is the cost of acquisition, demolition and relocation less the disposition value received.

If the public agency is selling surplus land the cost of the subsidy device is the difference between what it could get for the property and what it in fact accepted.²³

3-2.2.2 Taxes

3-2.2.2.a Tax incentives :

Each property or project with its own structure has its real income and expenses and direct cash profit, as well as its tax consequences. It is these tax consequences which can be used as a mean to attract investors to invest in a special project primarily because they have special tax consequences.

Tax consequences pertain to(1) how much of the cash flow generated by the project can be shielded from taxation;(2) to what extent can excess paper losses or real losses be passed on to investors shielding their other sources of income from taxation (3) upon sale, how much of any profits generated by sale can be protected against regular income tax. Thus, tax incentives include incentives in real estate taxes and in income taxes. The incentives in real estate include exemption, freezing, differential assessment and payments in Lieu. Where as income tax incentives include exclusions, exemptions deductions credits and preferential rates.

3-2.2.2.b Tax abatements:

Tax abatement is the forgiving of real estate taxes on improvements set in place by a developer. Procedures for qualifying projects for tax abatement and amount and time period over which taxes may be abated varies from one country to another. The cost of this device to the local or central government is the amount of tax revenue foregone.

3-2.2.2.c Tax exemption :

Is a mean by which certain activities or projects are exempt from real estate taxes or the income tax for a period of time.

3-2.2.2.d Tax freezing :

Is a mean by which over a period of time property tax is frozen even if through developing or maintaining the property the value of the property get increased. It is also used to prevent the loss of open areas by freezing the tax on them if they are left as open areas.

²³ Ibid, Conley, G., pp. 25-28

3-2.2.2.e Deduction :

It is an incentive to the developer telling him, if you put money in certain activities or buy from non-profit developer or organizations the amount of money used is deduced from your income tax.

3-2.2.2.f Preferential taxation :

Is a mean by which the legislator authorized enters into contractual agreements with owners of qualified lands to restrict the use of land to (agricultural) purposes for a certain time, in exchange the owner is granted preferential tax treatment. Here the difference between the market value of the property and its actual use is deferred until the property is developed.

3-2.2.2.g Users and benefit fees :

These are not really taxes but charges by a governmental agency for providing a service to users. In the past they have been used to raise revenue, but recently they can be used to guide development. Marginal cost pricing is used, in which each new user pays the cost of providing service to his site. As the cost of providing the service can be divided into cost of production to point of consumption,²⁴ the variation in the second cost can be used to deter outlying development. In the U.S.A they are used although, on unofficial bases residents of outlying developments have to develop the utility network within their area until the main infrastructure layout and they may also be asked to pay for enlarging the network to be connected to it.

3-3 Intervention tools and taking:

There are a lot of debates over the social function of private property. The two sides of the debate are on one hand, private property is praised as the bulwark of individual liberty, to be held sacred and inviolate against any and all intrusions. On the other hand, private property has been attacked as a mark of special privilege, and that it allows the lucky few to dominate the unfortunate many.

There are some limitations on the power of the government to regulate the use and development of private real estate depending on the country's constitution,

²⁴ Ibid, Conley, G., pp. 28-30.

political ideology and legislative atmosphere. This has been illustrated before in government power to intervene in urban areas. In almost all constitutions the government can use its powers to make the public at large (including the property owner) better off but state officials are disciplined in their behavior by the requirements that they pay compensation to the individual property owner, who is thereby not made to shoulder more than his fair share of public debt. Testing for regulatory taking requires the comparison between the value that has been taken from property with the value that remains in the property. If zoning regulates one parcel of land as open space or as agricultural land the government must pay the owner for the lost value. Thus, if the government agency through any kind of intervention, regulatory or control measures restricts the use of a parcel of land the owner can go to court for change of proposal or compensation.

The study notes here the importance of the public knowledge of projects, the owners information of the existence of laws of compensation, their ability to go to courts, previous cases that went to courts and what were the decisions.

Laws that impose restraints on the market, limit supply, increase prices and foster exclusion and discrimination have some vulnerability in courts. The distinction between zoning and zoning abuse must be clear.

Laws should be used as an instruments of distributive justice and that those responsible for choosing or designing articles of laws (land use laws) or setting direct or indirect methods of control should do so with an eye on their distribution effects to achieve a fair division of wealth among the members of society.

Having covered in this chapter the area of intervention tools and techniques and their related subjects dividing public intervention tools into direct tools and indirect tools, then giving definition to each tool, stressing that some tools are quite new even in the U.S.A. and have not yet been utilized, while other tools like zoning have a long history of applications, different kinds of zoning and stating the pros and cons of each, tool., see fig. (3-1). Thus, this chapter answers the question of how to intervene in urban land use leading to the next chapter which deals with the actors in public intervention, or answers the question of who? It establishes a background on different actors starting from public organizations, and local governments,.. to NGO's, stressing that in some countries they may be all active actors while in other countries they may be passive or non existent.

Fig (3-1) Summary of the range of available intervention tools, their advantages and disadvantages.

Tool	Explanation	Advantages	Disadvantages
(Direct intervention) Voluntary sale (fee simple acquisition)	Government agency purchases full title to land and all rights associated with that land for public purposes,	Allows permanent protection and public access,	Can be costly Removes land from the tax base. Can involve high costs for management and monitoring. Can be impeded by poorly functioning land markets.
Advance land acquisition (land banking)	Strategic acquisition of limited amounts of land in advance of need so as to control its use or pattern of growth.	Can restrict development in vulnerable areas. Can involve lower costs for land.	Few applications are successful due largely to tendency of public agencies to become monopolistic.
Purchase and sellback (or leaseback)	Government agencies can purchase land in fee, attach restrictions to the deed, and then resell or lease the restricted land .	Retains in government ownership only those rights needed to meet land protection or other land management objectives.	Cannot meet all land management objectives. Requires appropriate land.
Expropriation	Government takes private land for public purposes upon payment of just compensation.	Allows government to acquire land for protecting sensitive resources if other acquisition techniques are not feasible.	Effectiveness can be undermined by poor land management practices in surrounding area. Requires a supplementary land management program. Involves high acquisition costs. May involve expensive and time consuming litigation.

Source: World Bank, (1993) , Urban Management Programme, “Land use considerations in Urban Environmental Management’ , (ed) Bernstein, Janies, pp. 15-20

Tool	Explanation	Advantages	Disadvantages
Easements	Legally enforceable interests in land created by transfers.	Can establish rights to enter or use land . Can limit certain uses of land. Avoid displacement of current residents. Allows land to be retained in private ownership so that public is not burdened with operating and maintenance costs and the local government can continue to receive tax revenues.	Require effective monitoring of land under easement and regular contracts with landowners to maintain cooperative relationships. Restricted use may lower resale value.
Purchase of development rights	Local and state governments purchase development rights to maintain agricultural use.	Landowner can derive income from selling development rights and continues to own land.	Acquisition can be costly. Reduces property tax revenue.
Providing basic infrastructure	Targeting resources for infrastructure provision.	Can guide development to environmentally appropriate areas.	Requires ability to mobilize adequate financial resources and adequate management capacity for construction, operations, and maintenance.
Land readjustment (land consolidation or land pooling)	A public authority assembles land for conversion, installs all public services, and finances the cost of the increase in land value from the new infrastructure.	Helps to remove constraints related to the development of otherwise inaccessible land parcels. Reduces pressure on agricultural land in the urban fringe. Allows more efficient use of infrastructure.	Reduces the area of landowner's property, and thus is feasible only where infrastructure is difficult to obtain through other means, and where demand for serviced land is strong enough to compensate the owner for the loss of land by increasing its value.

Tool	Explanation	Advantages	Disadvantages
<p>(Indirect intervention) Zoning (includes large lot residential zoning, agricultural zoning, floor plain zoning, wetland zoning, historic area zoning, cluster zoning, open spaces zoning, performance zoning, and overlay zoning.</p>	<p>Division of a municipality or other jurisdiction into districts in which use and densities are controlled, establishes height and bulk of buildings and other structures, minimum allowable lot sizes, minimum setbacks, and population density.</p>	<p>Can preserve open space and agricultural land, and protect environmentally fragile areas. Can exclude certain uses altogether. Can restrict development in hazard-prone areas. Can preserve integrity of historic areas and structures. Can stabilize property values.</p>	<p>Can result in inefficient use of land . Restricts land supply. Requires supplementary controls, well-trained bureaucracy, and adequate enforcement capacity. Cannot ensure long-term protection. Often excludes the poor and is biased against newcomers. Vulnerable to political and market pressures.</p>
<p>Bonus incentive zoning.</p>	<p>Developers may donate land or are required to dedicate a percentage of their land to the public as a condition for obtaining zoning or building approval.</p>	<p>Allow government agencies to acquire land or interests in land without using scarce public funds.</p>	<p>Requires cooperative landowners who can benefit from tax advantages (in the case of donation).</p>
<p>Transferable development rights.</p>	<p>Allow development potential to be traded or sold, by allowing transfers of density between tracts of land that may be under different ownership.</p>	<p>Can be used to protect historic properties and agricultural land.</p>	<p>Involve complex implementation Require effective zoning enforcement capacity.</p>
<p>Moratoria and interim development regulations.</p>	<p>Temporary development bans or interim rules designed to restrain development until a protection plan can be developed or implemented ,or until public facilities related to an environmental problem can be constructed or upgraded.</p>	<p>Can restrain development in sensitive areas.</p>	<p>May impede economic development.</p>

Tool	Explanation	Advantages	Disadvantages
Building codes	Control materials used for contracting buildings and establish construction standards and techniques.	Can reduce losses associated with specific natural hazards.	Can raise building costs.
Subdivision regulations	Control physical layout of new development by establishing standards (i.e. ,lot size, street length and width, space for public facilities and services)	Can protect environmentally sensitive areas and cultural resources.	Can increase land and housing costs. Limit land supply.
Impact and betterment fees	One-time payments made by developers, builders, or industry at the time of development approval, calculated to be proportionate to the cost of providing physical infrastructure and environmental services to increase the carrying capacity of the land while protecting the environment.	Can be used for flood protection, parks, recreation, water supply and sanitation, environmental monitoring, and hazardous waste clean up. Shifts burden of financing public infrastructure to private developers.	Require effective collection procedures Increase housing costs. Involve difficulty in calculating land developers fair share of costs.
Permits/ licences	Issuance of permits or license is required prior to construction or implementation of proposed development.	Can be granted or withheld according to how an entity meets certain conditions.	Require strong enforcement capacity.

Tool	Explanation	Advantages	Disadvantages
Differential property assessment special assessment taxation	Allows land to be assessed on the basis of its current use rather than its fair market value.	Can reduce financial pressures that lead to environmentally inappropriate development.	Does not provide long term assurance that property will retain its current characteristics. Requires supplementary regulation (i.e., zoning) Requires adequate fiscal cadastres and well administered and enforced property tax systems.
Land gains taxes	Type of capital gains tax applied to increase in land value between the time of initial purchase and subsequent sale or exchange of land.	Slow development of open space or agricultural land. Revenues can be used to purchase sensitive lands or interests in other lands requiring protection.	Political factors can undermine effectiveness. Can impede land market.
Grants and low interest	National governments provide grants or low interest loans to state and local governments or private entities.	Provide funds for land protection, historic preservation, industrial relocation, and hazard mitigation.	National grant and loan programs are subject to fiscal constraints.
Subsidies	National government offer subsidies to special regions or uses or properties.	Enables certain projects to be economically feasible.	Affect market. May cause black market. Require political commitment & administrative expertise if not targeted properly gain to unintended entities.

Chapter 4 :

**Actors in the urban land use
intervention system**

Introduction :

Public decisions and public intervention in land use entail difficult choices. Choices that have to bare in mind various public, private, and community entities and their interests. Rarely does a planning proposal satisfy everyone. Thus, it is important that decisions be taken on the purpose of the overall good of the community. For a decision maker to do so he has to bare in mind the different actors in land use intervention systems and the roles they interplay. He must have knowledge of external and internal environment in which he acts. It is well known that a historical legacy of duplicity and vertical chains of command pervale the institutional system in Egypt.

Authorities , actors and decision makers dealing with urban land use intervention must do so or operate within three contexts, the national context over which they have limited influence , such as employment policies, wages, salaries, price control, subsidies and taxing system, the local context along with the immidiate or internal context of their organization or their institutional environment.

The study will try in this chapter to identify different actors or stakeholders in the intervention system in urban areas as a whole. Then, it tries to clarify how such actors group or come together to form organizations whether, public, quasi public, or even voluntary or community based organizations. Later in the field study the research will try to identify actors and their role as they perceive it within the Egyptian context.

4-1 Actors in the Urban Land use intervention :

They include owners of land or structure, tenants within a certain jurisdiction affected by an intervention proposal, political bodies and elected officials within jurisdiction or outside it ,national media and pressure groups that have special interest in a planning intervention proposal , legislative authority and judical authority within or outside the local context, professionals within executive authorities, agencies and non-governmental organization that implement a planning intervention proposal or act as agents for the distribution of wealth or hardship that goes with any planning proposal..The study will attempt first to study actors as individuals and then how they form coalitions and group together to form organizations. Then the study will focus on organizations as they are the framework of actors, internal coalition and means by which they face external environment.

If we see land use intervention as a distribution process, with decisions to be made on allocation and exchange. The focus of this study will be on individuals who stand at either end of these actions, distribution agents (politicians, legal, judicial and executive actors) as well as recipients (owners of land and tenants and all other inhabitants of the city).

4-1-1 Citizen as inhabitants of the locality :

Local issue interests are often represented in an urban land use intervention process by individual citizens who rise to speak at public hearing or write letters to the "editors" of newspapers or meet elected representatives. They act either independently of any organization or they group to form pressure groups. Pressure groups are more formal organizations. They take the form of a neighborhood group, a community group, or a city wide civic group interested in some area such as historic preservation, environment control.....etc. The distinguishing characteristics of a neighborhood or community group is that its scope of concern includes only actions that may directly affect the members of such locality. Other societies ,for example a historical society or community development organization , might only concern itself with one or two aspects of a land use intervention proposal that may have implications on historical areas.

An interesting point to stress here is that to any public decisions there are different people or groups to be affected by it, loses and gains. It is usually important to know not only monetary appraisals for such loses and gains, but also to which groups. For the public decision maker in taking his decisions may give more weight to hardships suffered by a certain group than gains occurring elsewhere in a locality so that he may change the intervention proposal.

The U.S.A has a long tradition of active neighborhood groups since the 1960's when neighborhoods were threatened by highways and urban renewal programs. Partly as a result of such programs and proposals, neighborhood groups have begun to obtain not only greater respect from local decision makers but great authority. Community participation has become an integrated, required component of many USA Federal and state programs.¹

¹ Urban land institute ULI, 1985. Working with community, a developer's guide, pp.9-12

In Egypt however, NGO's working in urban land use issues whether on national, local or neighborhood level is still a new trend. Although it gained some backing from the government recently after the 1992 International Conference on Population and Development held in Cairo and ,also after the emerging of the terrorists problem faced by Egypt in 1992 and the realization that informal areas are the birthplace of such terrorist groups

4-1-2 Urban developers or builders (the private sector developers):

Builders play a critical role. In some cases the developer assumes the role of building /contractor. Before taking any project the developer is typically influenced by judging the potential success of the project being sold and his potential gaining interest on his money. For the project to be profitable the builder or developer must identify the market or the ultimate consumer and his needs and willnigness to pay, then on the other hand he must estimate project cost which is mostly affected by government actions ,especially the time and money needed for government approvals and the cost of finance.²

Local builders usually have a good understanding of the permitting process of a project. How some projects have to be modified to meet certain objections from public agencies or neighborhood groups if they exist. Any introduction of new regulations or tools of intervention in urban areas have their effect on the local or national building atmosphere Thus it must be studied by public agencies to pridict its effect on environment.

4-1-3 The Media :

Development of land and intervention in land use issues are highly visible and politically sensitive thus, they considerably interest the members of the media. Newspaper and television reporters, untrained in real estate and land use issues, rarely look beyond the headline potential of the development project or land use intervention tools they cover. Frequently sparking controversy is more important than pointing out substantive issues.³

² Ibid Urban Land Institute(ULI) p.8

³ Ibid, Urban Land Institute(ULI), p.10

In the issue of Zagazig University land for example, the Egyptian media took the stand of the university loosing its land to Owners. No indepth review of landowners rights, compensation and university taking lands as cheap as possible were covered. For the media covered only the symptoms and results of growth-related problems (informal housing for example) and ignored their causes or potential solutions. Yet the media have an equal power to enlighten. Thoughtful treatment of the issues of urban growth and control can substantially influence community opinions. An active approach to reach the media to give them information and insights on special projects may help encourage a positive dialogue and accurate coverage of an issue.

4-1-4 Politicians

As land use issues have implications for property values, these issues have high visibility and attract the attention of voters and media. Thus, political entities and elected officials have to deal with decisions on land use issues such as adopting and modifying zones, exemption, taxation and infrastructure provision with great care. They generally act to protect their power, for any pragmatic politician knows that the next election will be the barometer of the acceptability of decisions taken today. At the local government level, a wide range of issues carry land use implications, causing some people to suffer hardship others to gain wealth..

4-1-5 Legislative authority:

The broad public interest in the land use intervention process is represented by a network of legal established offices and agencies that operate within the powers and limitations granted to them by the statute. The role of the legislation authority in dealing with urban land use lies mainly in the preparation of laws and legislations, decrees and by laws.⁴

The legislative authority has the role of revising laws, updating them, changing or abolishing them. The legislative authority does so after a request has been made by elected officials working in the public interest as public express such needs through different means available to them. It is important to note that public Egyptian

⁴ Ibid, Urban land institute(ULI), p.11

policies has been characterized by rigidity in legislation (legislative organization) and leniency in enforcement by (executive organizations)

4-1-6 Judicial Bodies:

They balance the rights of private property owners against the rights of the broad public interest, or in other words they uphold the exercises of police power by public bodies. When challenged the courts assume that such purely legislature actions, as zoning text amendments or comprehensive rezoning are valid. When such zoning applies to a single or few parcels the courts become active. They are concerned with guaranteeing the individual property owner his right to procedural and substantive due process.⁵

In any land use law there is a varied cast of actors, development interest actors, local issue interest actors and public interest actors. Each group is strongly motivated the judicial bodies try to sort these interest out and ideally balance them. The legislative process of repeal and deregulation, differs from one country to another. If they are complicated along with corruptions and overregulation and bureaucracy they will discourage compliance and will erode the strength of regulatory controls. And that is one of the reasons of violation of the law in Egypt as is seen by many and as verified later in the research interview.

4-1-7 Executive Bodies :

Tools by themselves will not get the job done. They must be used effectively and that depends on organizations and executive bodies. Planners work in a governmental system; they work in countries or districts; they work in central governments. Even those planners who work outside the formal institution of government work with those institutions.

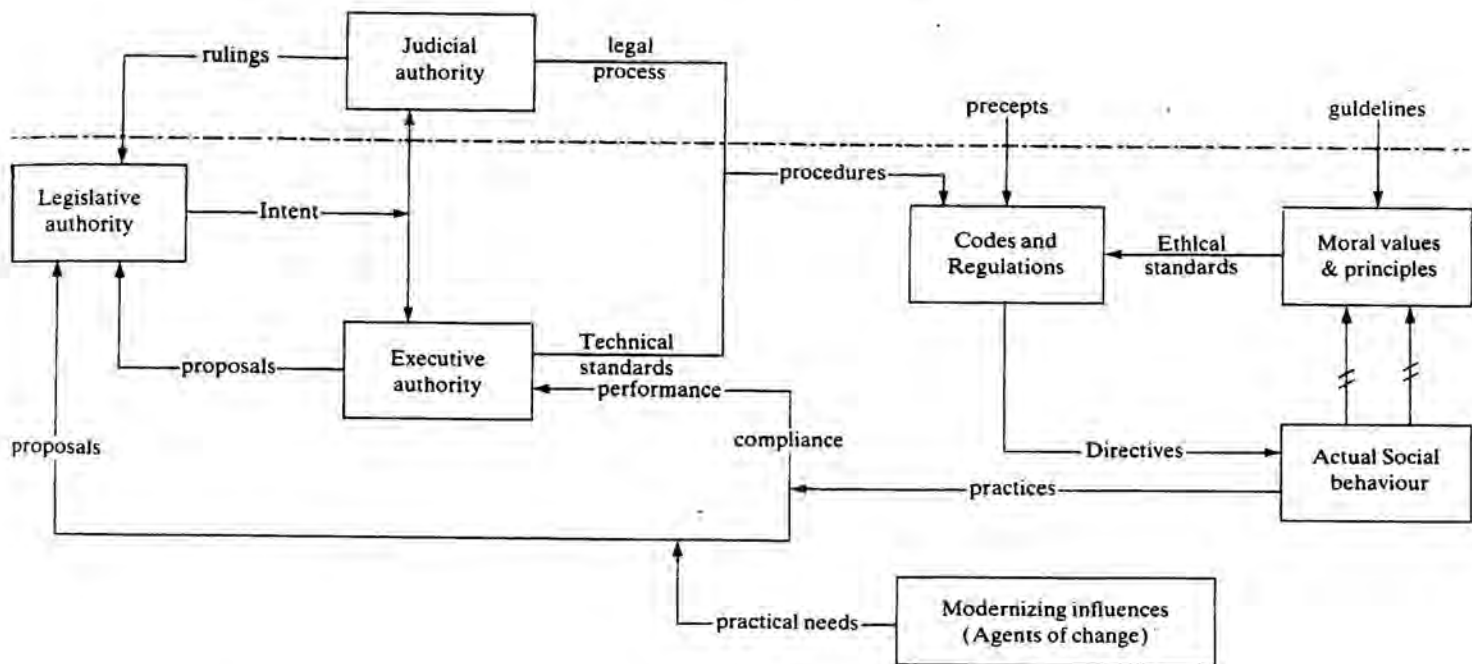
The government system in any country is characterized by its complexity, it is not a unitary system of a single organization or a system in which there are clear chains of command or simple defined relationships. The key issues of urban government of which planning is a part, depend on a complex of public agencies with a network of relationships. The district, the city and the central government interrelationship, the interrelationships between authorities, such as Health, education

⁵ Urban land institute(ULI),1985. Working with the community, A developer guide , pp. 13-14

road, and between agencies. The planning process or controlling process is deeply influenced by the inter-organizational context in two main ways. First, it is influenced directly because the physical planning process directly affects and is directly affected by those other agencies. Secondly, the physical planner is influenced because in these other agencies there are also planning process. The planner needs to understand such agencies planning process, scope, time span and methodology. Thus, for each country the planner has to study the government structure (decentralized, centralized), public planning institutions and interrelations between institutions.⁶ For each of the previous actors work within an organization whether legal, political or executive.

4-2 Organizations :

Land use planning, like any other human activity, has been greatly affected by the organizational capabilities of societies in historical time. The term Governmental "organization" is defined as a body created to do all governmental functions and management of activities , that is to plan and implement all plans.



Fig(4-1) Judicial, legislative, professional executive relations and procedures of change.
Source : Serag El Din, Mona, 1984

⁶ Stewart, J, 1980, Inter-organizational relationship, Town planning review, vol 51,p. 15

Management's primary job is to make organizations operate effectively. To do so, organizational behavior must be managed in spite of complexity, of relations between people, groups, and in collaboration with technology.

When a manager is asked to draw a picture of an organization, he typically draws some version of a pyramidal organizational chart, although this is clearly a very limited view.

The organization as a system is a mechanism that takes inputs from environment subjects it to some transformation process and produces output. As systems, organizations display a number of characteristics:

- Internal interdependence: changes in one component or part of an organization frequently have repercussions for other parts, the pieces are "interconnected".
- Capacity of feedback: that is information about the output that can be used to control the system and can lead to correction of errors or even change of system.
- Equilibrium: the state of balance. When any event puts the system out of balance the system reacts and moves to bring itself back into balance.
- Equifinality: different system configurations can lead to the same end or to the same type of input-output conversion.
- Adaptation: For the system to survive, it must maintain a favorable balance of input and output transactions with the environment or it will run down- that is changing as environment or as conditions change.⁷

4-2-1 Organizational inputs :

There are several types of inputs given to organizations :

I- Environment includes; markets, suppliers governmental and regulatory bodies, labour unions, competitors, financial institutions, special interest group and so on. This environment makes demands, place constraints on organizational actions and provides opportunities which the organizations can explore.

⁷ Nadler, Trushman, Hatvany, 1982, Managing Organizations, pp.20-32

II- Resources includes employees, technology capital, information..... and so on. The features of resources include their quality and how fixed or flexible different resources are.

III- History: there is growing evidence that organizational functions are greatly influenced by past events. That is major stages, or phases of an organization's development is most important.

IV- Strategy: How the organization will configure its resources against demands ,constraints and opportunities of the environment within the context of its history.

4-2-2 Organizational outputs :

Outputs of an organizations is what it, produces, how it performs, and how effective it is. When evaluating organizational performance several things are examined;

I- goal attainment, or how well an organization meet its goals.

II- resource utilization.

III-adapatability: or how responsive vis-a-vis environment.⁸

4-3 Effectivenss of Public organizations or institutions.

There are five key areas which condition the effectiveness of a local government: structure, functions, internal organization and process, staffing and financing.

4-3-1 Structure

This deals with tiers of government from central to local with usually a provincial or state government as an intermidiate level, How boundaries are set and what are the relationship between tiers. The government structure varies from federal like the U.S, central local like, the U.K too regionalized like France, too centralized like Egypt.

4-3-2 Function

The duties of municipalities or organizations vary enourmously. They include, public utilities, social services, public protection, housing , regulating land use and development. Thus, effectiveness of government or municipal government to relate to

⁸ Ibid, Nadler, Trushman, Hatvany, pp 20-32.

its functional responsibilities. Start from planning capital development, operation and maintenance of service or it might be divided between agencies.

4-3-3 Internal Organization

Locations of responsibility within municipal government differ widely. Two aspects of internal organization are important: the location of the executive authority and the role and directions of technical agencies.

There are two distinct approaches to the location of executive responsibility. One rests in a council (usually elected or elected with some governmental appointment of some members) with coporate responsibilities of both legislation and execution. The other stresses the separation of powers between legislative and executive.⁹

The biggest variation in such councils is in size an average. English country council has nearly one hundred members; in the U.S fifteen to thirty. However in reality such councils rarely decide on anything in a formal sense. An executive organization is more significant as its role includes operation of services, preparation of budget, appoint of staff, and other regulatory functions. At the top of any municipality is the Mayor(Governor), who combines the role of a political leader , as well as, a chief executive of the local authority.

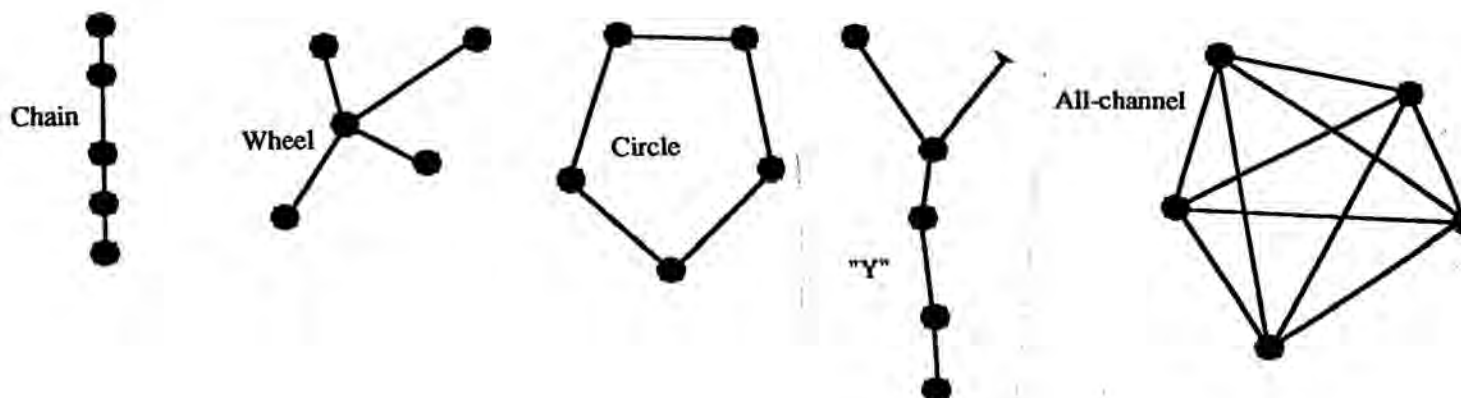


Fig (4-2) Communication-net patterns of groups within organizations
Source : G. Cole, Management theory and practice ,1990,p.20

⁹ Davey, Keneth. 1989, "Strengthening Municipal government", World Bank, staff report INU, 47, pp 20-23

A mayor provides a point at which political and administrative tensions can be resolved. But the greatest danger specially in developing countries is the demand made upon a single person and the difficulty of finding a person with both executive and political skills.

4-3-4 Employee characteristics (staffing)

The basis of employment is normally categorized under three systems :

I-A "Separate system": whereby staff are employed by individual municipalities and are not transferable except by personal application and appointment. This is the case of Great Britain and the U.S and much of Latin America.

II-A "Unified service": whereby the staff of local governments are employed on a collective basis. They are subject to transfer between individual authorities and eligible for promotion to a vacancy in any municipality's establishment for which they are qualified. This is the system of India and some departments of agencies in Egypt.

III-An "Integrated service": in which local authorities are staffed by members of the national or state civil service. This is the case in some agencies in Egypt.

These systems are not mutually exclusive as staff above a certain level of salary or rank may be employed on a unified or integrated basis and below that level by each municipality. The power to appoint, promote, discipline and retire staff may be vested in each municipality, service commission or appropriate ministry. The problem that arises is how to ensure that the right calibre and qualifications are attracted to local government. How to transfer them, that is mobility to ensure career prospects, and how to ensure loyalty and to have control over employees. No perfect solution is available for all countries.

4-3-5. Financing:

Financial strength and independency is crucial to an organisation is effectiveness. To respond to needs an organization or government agency must be able to deploy its own resources, under its own control rather than having to beg from other agencies. Two sets of principles guide the discussions of public finance. First the burden of paying for services should fall on beneficiaries and in proportion to their

benefit. Second, taxation should be evaluated through their equity, efficiency, buoyancy, administrative capacity, and political sensitivity.¹⁰

4-4 Organizational life cycles (Organizational development)

Most of the literature on organizations has concentrated on changes in organizational structure and to a lesser extent, strategy. But there has been a change in the literature of organization theory over the last decade toward consideration of issues of power- the capacity of individuals or groups to effect or affect, organizational outcomes. This is a result of the increasing size of organizations and the enhancement of their external power on systems, as well as, the pervasion of conflict and politics within them.¹¹

This power may be explained by considering stages of organizational development from the perspective of power or organizational life cycles. In the very outset of an organization the typical job of the founding leader is to create initial structure and acquire the facilities. In the absence of established institutional procedures power tends to focus personally on the leader. Internal coalition is personalized and external coalition passive, giving rise to "autocracy".

The first experts hired, may draw off much of the leader's personal power and so encourage a transition towards" meritocracy "and if there is much repetition in the operations, procedures may become established after a short time and so induce a transition towards a form of" burcaucracy", as "instrument" or "closed sytem".

It is not uncommon for organizations to retain an autocracy configuration throughout their founding leaders' term in office despite strong forces for transition to another configuration. A classic case appeared in the Ford Motor company.

The most natural transition for autocracy configuration may be to the missionary, at least after the departure of a charismatic leader. When the leader departs there are those who remain consolidate and institutionalize that charisma in the form of norms and traditions thereby coalescing around an ideology and so effecting a transition to the missionary. Seeing organizations from an external

¹⁰ Ibid, Davey pp 5-10

¹¹ Mintzberg, Henry, 1984, Power and Organizational life cycles, Academy of management review ,pp 207-210

perspective-in terms of whom they are supposed to serve, influencers or "stakeholders" may be divided into those with major time commitments to the organization (essentially the full time employees or volunteers) who will be called internal and others who will be called external. Then, organizations can be derived by considering the relationships among different forms of external and internal coalitions.¹²

There are six basic configurations of power based on internal and external coalition, they are :

4-4-1 The instrument is an ideal type of power configurations in which the organization serves a dominant external influencer. Because external control is consolidated effectively through the use of performance standards and other formalized controls the internal coalition emerges as bureaucratic within the organization, personalized leadership control and strong ideology and politics are discouraged as incompatible with tight external control.

4-4-2 The "closed system" has a bureaucratic internal coalition, but it faces no focused powers in its environment, as its external influencers tend to be dispersed and unorganized. The senior managers who design the bureaucratic standards hold the balance of power, encouraging the organization to pursue goals that serve itself as a system, notably its own growth, which in turn serves the administrators. The system here is closed in one direction only to external influence.

4-4-3 The "autocracy" also faces a passive external coalition, but develops a different internal coalition. Here the power focuses on a single leader, who controls tightly by personal means. This form of control tends to preclude most politics, to discourage expertise, and to tolerate growth of an internal ideology only as long as it revolves around the leader.¹³

4-4-4 The "missionary" is an ideal type of configuration dominated by a strong internal ideology which serves to pacify the organization's external coalition. The strong system of internal beliefs bring about the organization's mission, whether that is to change society directly in some way, or change it indirectly by attracting members and changing them or merely offering members some purpose attractive to them.

¹² Ibid, Mintzberg, pp 210-215

¹³ Ibid, Mintzberg, pp. 210-215

The members tend to become highly loyal to the ideology and so can share power more or less equally. This normative control tends to reduce political activity sharply and also to discourage the use of authority in the form of either personalized or bureaucratic controls. Even expertise tend to be discouraged . An example of that is the traditional Israeli Kibbutzim.

4-4-5 The” meritocracy”, focuses its power on its technical expertise on which it is dependent for survival. Hence its internal coalition is of the professional type. Personal and bureaucratic controls tend to be discouraged as incompatible with a strong system of expertise. Moreover, as highly trained and mobile professionals, they are less inclined to express loyalty to the organization than to their own professions.¹⁴

An example of that is universities as organizations

4-4-6 The” political Arena”, The ideal type called the political Arena emerges when an organization is captured by conflict in whole or in significant part . Internal coalition is politicized and external coalition divided. The political Arena also may be characterized by intense conflict which normally must be of brief duration if the organization is to survive, or by more moderate conflict which can sometimes endure. It can be a dysfunctional configuration of power, wasting resources that might be spent pursuing mission and serving client.¹⁵

4-4-7 Transitions between configurations :

A total of 36 transitions are conceivable (each of the six to the other five as well as to a different form of itself as when one leader replaces another in autocracy). For example the transition from instrument to close systems in business firms as they grow and their stockholding become dispersed.

From the 36 possible transitions, 9 appeared to be most common and most readily explained by intrinsic destructive forces. It is hypothesized that both instruments and missionaries tend to be eventually drawn to the closed system power configuration. That is administrators tend to think of organization as a vehicle to serve themselves rather than serving some outsider or some mission .

¹⁴ Ibid, Mintzberg, p 215-220

¹⁵ Ibid, Mintzberg, p 220-223

These models suggests that as organizations survive and develop, their power systems tend to become more diffuse , more complex, more ambiguous and less functional , although ironically more stable.

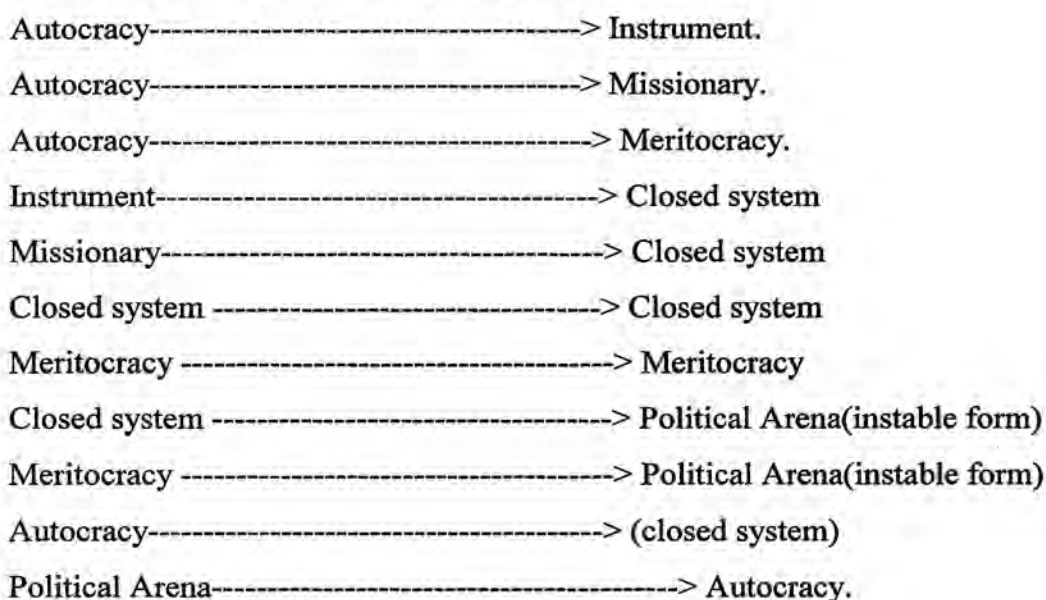


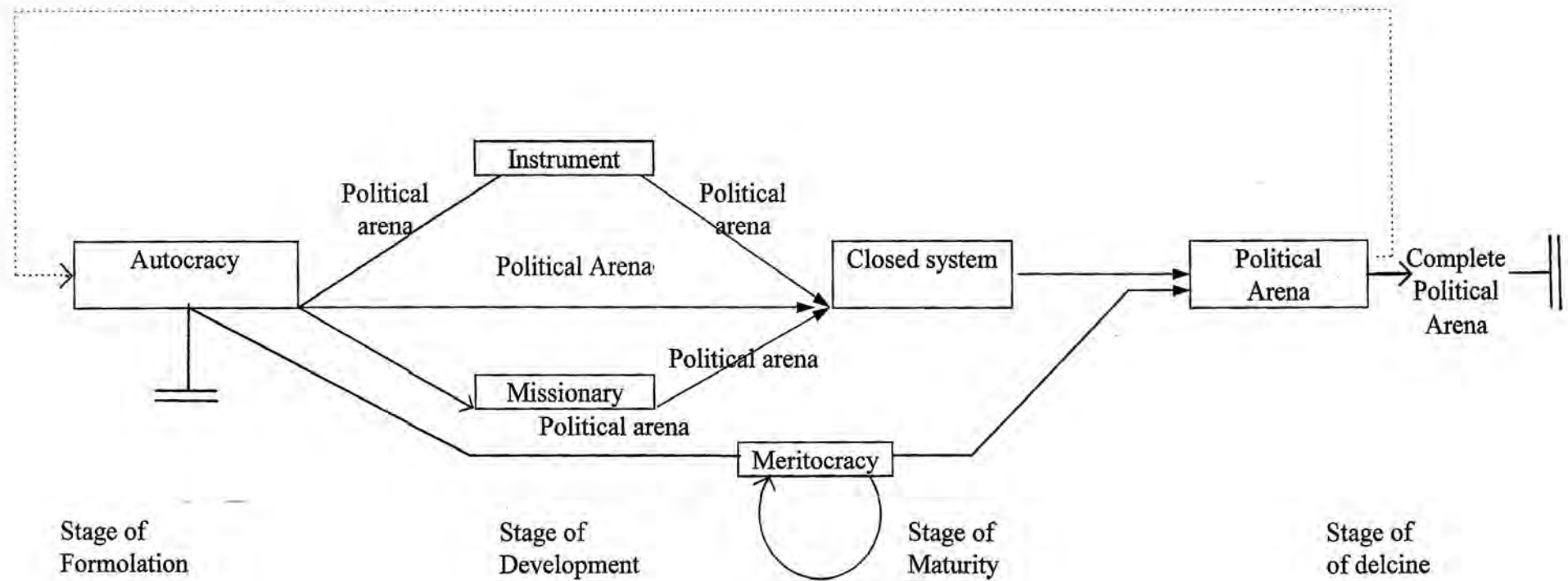
Fig.(4-3) Organizations most common transitions

Organizations pass through a series of power stages. The early stages seem to be characterized by more focused forms of power, the later ones by more dispersed forms. Strong leadership is needed on the outset. Once established many organizations seem to become more responsive to external service. Hence organizations would seem to be serving the society most effectively. But, not long after however, many seem to turn inward. With a retain tendency to serve its elite members. This would seem a beginning of certain corruption, but it also can be a time when the organization is in fact able to serve society most broadly. But if the process of corruption continue, conflict among a wide variety of insiders and outsiders and the demise of the organization is to be expected.¹⁶

Should we encourage the demise of large spent organizations to be replaced in a natural cycle of renewal by younger , smaller less constrained ones to manage urban areas?

¹⁶ Ibid, Mintzberg , P 224

Fig (4-4) A model of Organization life cycles



Source : Mintzberg, Henry. 1984, Power and Organizational Cycles

4-5 Means of managing urban areas:

There are three ways to manage or improve or develop an urban locality (district, neighborhood, community). The first approach is through a public authority or organization. The second approach is to create a special quasi-public commission or authority or (quasi-governmental) authority created by law and given certain broad powers in a specific area. The last approach is to create a private agency or community or homeowners associations.

The first approach has been discussed in details in the previous part of this chapter but it is import to stress here that the key to munnicipal success in managing urban areas is the understanding of organizational capacities, knowing the roles and regulations but not losing the personel touch with realities that is identification of key users, clients, inhabitants and stockholders of the community. The executive bodies within a governmental organization must try to built communication channels or any kind of dynamic linkage between citizens as clients, and local organizations. An important part of this approach is the complaint process and how government officials respond to any complaints as a sign of dissatisfaction with organization work (output) and how the organization adapts to such evaluation of output.

The second approach to manageing urban areas or develop old or new areas, is to create a special quasi -public commission or authority. This authority is created by law and has boundaries and a governing board. These quasi-public authorities can have different roles starting from preparing development plans, to carrying them out, raising money and spending it, hiring professional and administrative staff, and undertaking a wide range of activities. The success of such disticts rests on their precise boundaries, their financial and operational powers and their organization and staff, and the ability of such a quasi-public authority to borrow money, issue bonds, share in taxes, use license fees or gross receipts taxes, operate revenue generating enterprises, sell or lease land or air rights and accept donations and gifts dependngn on the specific power of a specific district area.

The real financial strength of such an authority is the special assessment, that is, extra tax levied within the district and also used within the area and no where else. It is not a real tax but a mean of raising funds that can buy the district the things it wants, such as parks, parking and other amenities.

The third approach is the creation of a homeowners association. This association is the obvious private alternative to the city. Like a city such an association enables households that have clustered their activities in a territorially defined area to enforce rules of conduct, to provide "public goods" (such as open space) and insure other common goals they could not achieve without some form of potentially coercive central authority. Although such associations were relatively exotic, as recently as 10 years ago (homeowners associations is now a new trend in Egypt) Developers create new associations to govern their subdivisions, condominiums and planned communities.

In comparing cities or districts of cities with associations one main difference is the involuntary nature of membership in a city versus the perfectly voluntary nature of membership in a homeowner association. Because of this most courts are more vigorous in reviewing the substantive validity of regulations established by homeowners than regulations adopted by cities.

Other questions raised by such association is that only owners have votes in such associations, one vote for each unit, in practice it is one vote every person with tenants having votes. Such associations usually exclude a certain income or they have a special social class.

4-6 Strategies of public management :

There are two contrasting strategies in public Management.

I-The first Management by objectives (MBO), its important elements are :

Specificity in stating objectives, establishment of feasibility, short time frame, measurability of progress and results, definitive resource allocation in terms of operational plan, tracking and evaluation and reassessment and re-planning of objectives.

II-The Second Management by Interest (MBI) .:

The main elements are : problem definition, the identification of interests salient to the problem and the successive redefinition of both the problem and interests until a working consensus is achieved¹⁷.

¹⁷ Morely, David and Stuart Proudfoot, (ed), 1980, Making cities work; The dynamics of urban innovation pp.80-83

Thus in this strategy we have 5 stages :

- I. Identification of problem.
- II. Identification of interest salient to the problem.
- III. Successive definition of the problems and the constituency of interests .
- IV. Progressive linking of the interests of salient groups .
- V. Achievement of a consensus among interest groups.

The applicability of the MBI approach in public decision making is becoming increasingly evident. The failure of technocratic approaches to planning, policy development, and program delivery is visible in most areas of public concern. As an alternative, MBI is more open-ended, providing the potential for more involvement of interest groups from the outset; the result is a higher potential for substantial innovation. Though the MBI approach has not been (and perhaps cannot be) formalized to the same extent as the MBO approach, it has nevertheless been applied in a wide range of complex decision situations in the USA, and the experience gained has shaped an emerging body of planning and management theory.

Inherent in MBI is a potential for the kind of interdependent decision making that is increasingly required in public management. When used in parallel, MBO and MBI can effectively counterbalance one another. Achieving a working balance between the two strategies will require more widespread recognition and acceptance of the legitimacy of MBI, and the design of management frameworks to assist in achieving a best fit between them. fig.(4-5) contrasts the two approaches in structural and stylistic terms.¹⁸

¹⁸ Ibid, Morely , 1980, pp.80-83

Fig. (4-5) Comparative analysis of MBO / MBI

Components	Management by objective	Management by interest
Organizational	Decision making within a structural hierarchy of responsibility and authority	Decision making within a flexible network of interpersonal and interorganizational linkages
Integration of policy and action	integration achieved by vertical lines of communication and/or centralization of key decision making	Integration achieved by intensive communication and feedback through multiple network linkages
Problem suitability	Well-suited to more clearly defined 'calculable' problems for which solutions are assumed to exist	Well suited to 'fuzzy', partially defined 'incalculable' problems for which solutions must be invented
Analytic basis for policy	Policies derived from comprehensive analysis and aimed at 'optimal' solution	Policies derived from partial analysis and aimed at 'best possible' solution acceptable to interests involved
Nature of personal working relationships	Working relations determined by position in bureaucratic hierarchy	Working relations determined by expertise and interest in problem to be solved
Communication patterns and evaluation procedures	Communications and feedback according to standardized procedures and defined measures of performance	Communications and feedback is open, evolving pattern, with few defined measures of performance

Source : Morely ,David and Stuart Proudfoot,(ed) ,Making cities work; The dynamics of urban innovation,1980,p.83

Egypt has been using management by objective for years. With all its problem definitions, personal relations and communication patterns it could also be defined as non responsive approach to management or negative control. There is a need to change to management by interest or positive responsive control.

4-7 Context, process and Outcomes and their interrelation :

Comparative effectiveness of intervention approaches and tools in land use is often tested (in developing country rarely however are they tested in Egypt) by simply measuring the effect of the presence or absence of such tool or intervention method on

or desired outcome. These tests usually indicate that the use of a formal planning approach or tool of intervention does help, but exactly how is unclear.

The three elements or variables to have been studied by Boal and Bryson are contextual variables, process variables (approach and tools) and outcome variables.¹⁹

A-Contextual variables include :

I- Resources:- time allotted to completing plans

- Level of finance for preparation of plans
- Level of finance for the implementation
- Adequacy of experts or professionals

II- Institutional environment:-Number of institutions or agencies involved

- Relationship among them
- Change /continuation of established practices
- Consultation or technical assistance from outside locality / help from local experts

B-Process variables include:

I- Approach:-goal setting (acceptance and support to goals from local units)

- choice of approach

II- Tools: -Choice of tools

III-Communication: -Frequency of communication between agencies involved

- Means of conflict resolving
- Expert /local experts communication

C-Outcome variables include :

I-Impact of plan or planning proposal :How different are plans under a new context or process from plans before .

II- Overall citizen satisfaction

There are four approaches or models that connect or try to discuss or explain the interrelationships of context, process or tool and outcome.

1- The first approach emphasises context and outcomes while ignoring the process altogether. The implication is that one has only to match desired outcomes to context

¹⁹ Boal, Kimberly & Bryson, John, 1987. "Representation, testing and policy implication of planning process", in Strategic management journal, vol 8, pp. 211-231

and the appropriate research in goal setting does suggest that individuals do adjust different strategies if goals are altered .

It can be called the intervening effects model. It has two versions . In one, context has no independent effect on outcomes. Instead, context affects process and process in turn affects outcome. The context defer in analyzability, variability and interdependence of decision tasks or technology along with other socio-economic factors cause the choice of different group of process or patterns of communication as a mean of producing desired outcomes .

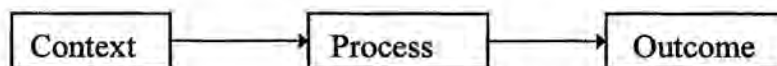
In the second version of this model, process has no independent effect on outcomes. Instead process affects context and context in turn affects outcome .

An example would be the process of using a large group of very different experts or foreign experts to create an innovative solution of a problem or planning proposal.

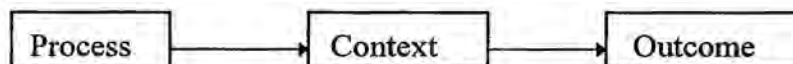
Thus, the context of an inter disciplinary team results in a far different solution than might have occurred otherwise.²⁰

1- intervening effects

a- Version 1



b- Version 2



2- The second and more traditional approach focuses on normative or descriptive sequences of phases or steps. The assumption is that following a certain problem solving sequence will lead to desired outcomes. It can be called the independent effects model. Context and process have statistically independent effects on outcomes.²¹

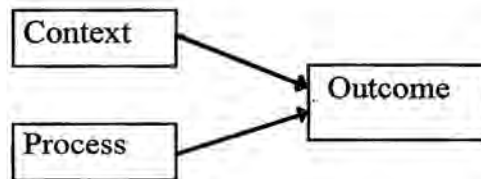
For example, a planning projects or intervention method that require the participation of heterogeneous groups with different norms and perhaps incompatible

²⁰ Porter, (1980) & Locke et al, (1981), in Boal K. & Bryson, J.,1987, pp. 211-215

²¹ Lindblom, (1959), Etzioni, (1967), Delbecq (1971) in Boal K. & Bryson,j.,1987,pp.215-217

goals are likely to result in different outcomes compared to similar projects with homogeneous and cohesive participants.²²

Model 2 : Independent effects



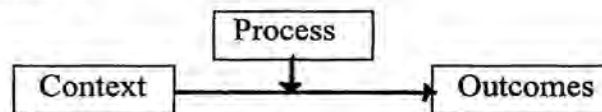
3- The third approach focuses on specific tactics or tasks to be completed within one or more steps of a general problem solving model. Examples would include such tactics or tasks as establishing a program coordinating committee, doing cost-benefit analysis. The assumption is that use of specific tactics or the performance of specific task will produce desired outcomes.²³

It can be called the “Moderating effects model and it has two versions:

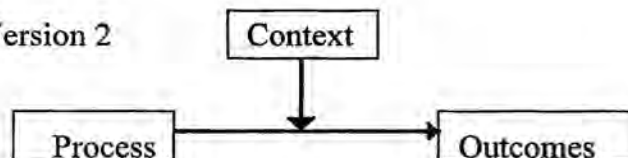
In the first direct effects of context on outcomes are moderated by process. For example, scarce resources (context) directly affects the possible outcomes for groups competing for those resources, but conflict resolving and other interning techniques can influence outcomes. In the second version, context moderates the direct effects of process on outcomes.

Model 3 : Moderating effects

a- Version 1



b- Version 2



²² Janis and Mann, (1977), Huber, (1980), in Boal , K. & John Bryson, pp. 211- 231

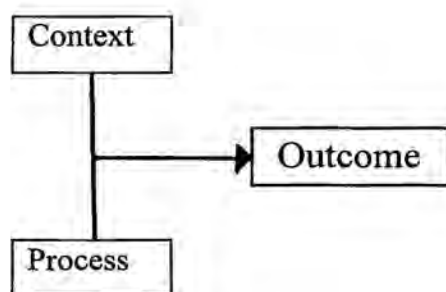
²³ Filley, (1975) in Boal, K. & John Bryson, 1987, pp 220-231

It has to be noted that this moderating effect can be negative or positive

In the example of scarce resources (context) good process or resolving conflict techniques produce and better use of scarce resources can effect outcomes. Other problems in context can be resolved by paying attention to coalition building, shared discussion bargaining and negotiation and so forth moderate the effect of difficult political or bureaucratic circumstances and thus affecting outcomes.²⁴

4- The final approach focuses on generic activities (e.g. communication, conflict resolving , or goals setting activities) either with a sequence of phases or across an entire problem solving sequence. It can be called the interaction effect model . There is no simple main effect. The only effect results from the interaction of process and context.²⁵

Model 4 : Interaction effects



Knowing these theoretical models that describe the relationships among the context, process and outcome variable should help answer two main questions that are among the study's questions. First, can an intervention affect outcomes in a desired way ? Second, can planners focus on either context or process variables alone or must they worry about both ? The second question is what the study tries to verify , that is for certain context at a define point of time there is a suitable process or tool of intervention that brings about intended outcomes. The researcher will analyze the local case studies to identify which model of interrelationship is relevent to the case study and to the Egyptian experience.

²⁴ Ibid, Boal, K., & Bryson, pp.225-231

²⁵ Ibid, Boal, K. & Bryson, pp. 230-231