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Session 8: 'Land management in urban and peri-urban areas'

Response to Michael Kirk's paper by Geoffrey Payne

As somebody who has worked in urban areas throughout my career, and has a substantial interest in Asia, I am very happy to be invited to respond to Michael Kirk's paper. First of all, it was good to see a paper addressing *urban* land issues. Until this session, I must confess that I was getting the impression that Asia was entirely rural. The fact that a large proportion of the world's major cities and numerous secondary cities, are located within Asia seems to have been somewhat overlooked so far in our deliberations and this paper has provided welcome redress.

Urban growth in Asia has produced some of the world's largest conurbations. Whilst growth rates vary considerably, this large population base has created substantial numerical increases even where the percentage growth has been relatively low. In some secondary urban areas, Kirk notes that growth rates have been particularly high, so that urban expansion into peri-urban areas is a common feature throughout the region.

As has already been noted, agricultural areas in Asia tend to be held in a large number of small parcels. Urban expansion is therefore complicated by the need to co-ordinate the aggregation of many small parcels into larger areas of planned urban development. In many cases, the ability of the public sector to plan or manage this process is inhibited by inherited, imported, or outmoded policies and policy instruments. These have made planned development the exception rather than the rule and have been particularly ineffective in facilitating access to land and property by low-income groups. Although land pooling and land readjustment have made major contributions throughout many Asian countries, they have not been able to significantly increase access for the urban poor.

Michael Kirk refers to regulatory policies and regulatory instruments and I think it is important to distinguish between the two. *Policies* to regulate urban growth have veered from draconian anti-urban approaches (eg China, Cambodia and Indonesia) to more pragmatic ones, though occasional relapse to authoritarian, legalistic approaches occur at various times and places (eg India). Whilst nobody can deny the benefits of rural land policies which seek to increase economic development and reduce poverty, we should not turn our backs on the fact that countless poor people have voted with their feet and seek their future – and their children's future – in urban areas. Michael Lipton has expressed concern over a reduction of two thirds in aid to agriculture between 1989 and the late 1990s. I don't know where these funds have gone, but they have not gone to urban areas! Most multi- and bi-lateral agencies give an extremely small proportion, in some cases about 5% of their budgets, to urban development, despite the fact that more than 50% of the world's population is now urban and the urban population of developing countries, including Asia, is set to increase substantially over the next few decades. Land policies for managing urban growth therefore deserve much more attention and support than they have been given to date.

Regulatory *instruments* for managing urban growth are also often inappropriate and based on outmoded concepts and practices (eg British Town and Country Planning legislation of the 1940s and 1950s is still on the statute books of many countries). For example, zoning regulations and other restrictions on land use inhibit local economic activity and encourage abuse. Planning standards, building regulations and administrative procedures all impose costs which the poor are unable to afford, forcing them into extra-legal settlements where they are exposed to further exploitation. One is tempted to ask why such approaches have not been replaced by others based on local needs and conditions.

Of course, the informal sector has stepped in to bridge the gap, but informal developers may be as ruthless in the pursuit of profits as the formal private sector. The question therefore arises as to what options are open to central and local governments to manage urban land markets and support the urban poor under conditions of globalisation.

Research in many countries, including presently in Cambodia, has highlighted a central dilemma – that the poorest families need access to places where they can earn a livelihood and these are invariably in the central urban areas where prices are highest. Invariably, they accept insecurity and basic standards as the price they have to pay for this access, whilst those slightly further up the economic ladder are able to afford less central locations with their associated higher standards and more secure tenure.

Whilst titles may be appropriate for the emerging middle income groups, they can have serious negative consequences for the poor - and also distort land markets. The research just completed has demonstrated that urban land tenure systems are far more complex than simple distinctions between formal/informal, legal/illegal imply. In fact, most people live in a continuum of varying degrees of legality and policies to change one category has a ripple effect on the others (fig 1). Because the complexity of these sub-markets is poorly understood, the outcomes of policy interventions are unpredictable at best and frequently counterproductive.

How can we square this circle? The findings of our research suggest that the most effective approach – at least in the short to medium term - is to increase property rights rather than provide titles (see fig 2). This can increase de facto security and facilitate access to services without further distorting land markets or overloading the administrative capability of local administrations. Building on existing traditional forms of tenure which enjoy social legitimacy may also deserve consideration.

Whilst this may help increase security and improve living conditions for the existing urban poor, the next issue is how can access to legal shelter be improved so that there is less need for future slums and extra-legal settlements? Another research project with which I am involved is reviewing regulatory frameworks (planning regulations, planning standards and administrative procedures) to see where the major constraints are to increasing access to legal, affordable and appropriate shelter. Evidence so far suggests that administrative procedures are significant factors in delaying developments and increasing costs. We are therefore exploit options for simplifying procedures and also relaxing standards.

Whatever policy that is adopted in terms of land tenure, it is important to consider it as part of a comprehensive package of policy measures in which livelihoods, security, services and location are considered together. Achieving the appropriate balance of components for different categories of demand suggests that we need to encourage pluralistic supply systems which offer everyone, including the poor, a range of options.