



RENEWAL OF TOWN AND VILLAGE II

Ten special reports from five continents

Reports from the Netherlands, Great Britain, Japan, France, the United States, Yugoslavia, Nigeria, Norway, Italy and the United Nations on

- land property problems
- financial aspects
- social aspects — rehousing
- rural renewal

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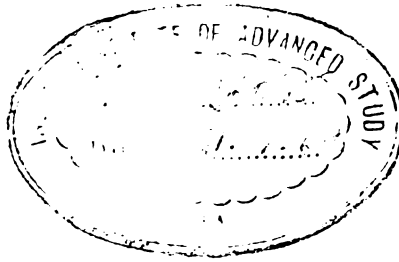
MARTINUS NIJHOFF, THE HAGUE, FOR THE
INTERNATIONAL UNION OF LOCAL AUTHORITIES

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CONTENTS

Preface	5
Land Property Problems in Relation to Urban Renewal	
The Netherlands	6
Great Britain	19
Notes on Japan	27
Financial Aspects of Urban Renewal	
France	29
United States	41
Social Aspects of Renewal and Rehousing	
Yugoslavia	49
Lagos, Nigeria	55
Notes on Norway	61
Social Services and Occupants' Education	63
Rural Renewal	
Italy	79

PREFACE

This volume is designed to provide material for discussions on Renewal of Town and Village to be held at the 1965 congress of the International Union of Local Authorities in Belgrade. It contains seven short essays from selected countries and information from two others, as well as a United Nations report, on different aspects of the congress theme. Three specific topics are to be examined by discussion groups to be formed during the congress, namely, land property problems, social aspects of renewal and rehousing, and financial problems.

This material supplements the General Congress Report, issued separately, which has been prepared by Dr. George S. Duggar, Professor of Urban Affairs at the University of Pittsburgh. His report is the outcome of a world-wide survey, and contains a bibliography on the theme drawn up by Mr. D. Halász, IULA Chief Librarian. It appears, in French and English, in the IULA series of publications on local government.

IULA is extremely grateful to the experts who have contributed to this volume. They are all persons who have to shoulder heavy responsibilities in their daily work. Their willingness to undertake one more task deserves our deep appreciation. The material they provide constitutes a valuable addition to the literature on the subject and, we are sure, will serve as a starting point for discussions in Belgrade.

We are also indebted to the Bureau of Technical Assistance Operations of the United Nations, which has kindly allowed us to reprint the paper "Social Services and Occupants' Education", from its excellent report on a meeting of experts on housing management and tenant education, held in 1963 in New Zealand.

Urban renewal is a vast subject. It is by no means a new problem of local government, but its urgency and the need for a comprehensive long-term approach, raise difficulties to which new solutions must be found. That is why we are meeting in Belgrade.

J. G. van PUTTEN,
*Secretary General
of the International Union
of Local Authorities*

LAND PROPERTY PROBLEMS IN RELATION TO URBAN RENEWAL IN THE NETHERLANDS

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General Information

The soil in the Netherlands, especially in the densely populated western part of the country, is so marshy that it is only possible to build on it with the greatest of difficulty and expense. Consequently, in the past the expansion of the built-up area usually developed along a few higher strips of land or along the river and polder dikes. Inbetween these strips remained the agricultural land, with a few scattered buildings.

The preparation of this marsh land for town expansion, involving as it does construction of such large public works as roads and the raising of the ground level by pumping in sand, is a job that can only be undertaken by experts. Furthermore, in the interests of economy, the proper preparation of such land requires large uninterrupted areas.

Thus, the expansion of towns became almost automatically a government task and one which was made easier by the extensive power of expropriation of private land in the public interest. This is certainly an important point because without the expropriation legislation, a body of law which combines respect for private property with a high degree of effectiveness, town planning in the Netherlands would not be what it is today. The centuries-old struggle against the water, a struggle that has had to be waged collectively and has always made it necessary to impose rather broad restrictions upon the individual owner's use of his land, may well be the reason why the fairly stringent planning and the expropriation measures this often involves do not arouse the same psychological resistance which is often encountered elsewhere.

In order to understand properly urban renewal in the Netherlands, attention must be drawn to the fact that the country has a decentralized form of government. This decentralization extends to physical planning in general and town planning in particular, in respect of which the law has delegated responsibility to the municipal authorities to draw up and adopt town plans and building by-laws as well as to initiate the financing of urban renewal projects. All of these measures, however, require

the approval of the Executive Council of the provincial government before they can become effective.

The responsibility of the central government as regards planning is to decide on appeals against town planning schemes and to give financial aid to municipalities who do not themselves have sufficient monetary resources to carry out renewal work. In the main, the central government issues broad directives regarding planning matters and provides the opportunity for local authorities themselves to effectuate renewal work rather than to undertake these measures itself. To serve as one of its supervisory agencies over local planning matters the State has selected the Housing Inspectorate, offices of which can be found in each of the 11 provinces. The Inspectorate also has the important task of acting as a counterweight in the decentralization of authority by prohibiting any action on the part of municipal and provincial bodies which might prove arbitrary. In addition, the central government makes its influence felt by establishing certain standards as a condition for bearing the main part of the financial burden of providing low-cost housing.

It should be pointed out that legislation in the Netherlands does not differentiate between cities and villages; only municipalities are mentioned, and all have the same powers with regard to planning. The number of settlements (towns and villages) within each municipality varies; in some there is only one and in others more than ten. Even within the boundaries of an extensive municipality like Amsterdam villages can also be found.

At the present time, in both cities and villages, renewal projects are being prepared or executed. As regards the villages, in general the projects aim at an improvement of the "climate" of residential areas, to which end agricultural buildings and scattered slum dwellings in the village centre are demolished and replaced by new dwellings. In cities, renewal projects, in addition to having the goal of improving residential areas, also are an attempt to make room for new cultural and recreational amenities, improved traffic conditions and even the restoration of historic areas or renewal of industrial districts. In short, city renewal aims at a more comprehensive changing of the urban structure.

Legislation

For the preparation and effectuation of urban renewal plans in the Netherlands, four Acts are of primary importance: the Housing Act, the Reconstruction Act, the Physical Planning Act and the Expropriation Act.

The Housing Act

Since the Housing Act came into force in 1901, an increasing number of additional regulations have been added to it which pertain to town planning. In the Act, a differentiation is made between physical planning for non built-up and built-up areas, with plans for the former (extension plans) offering more legal possibilities than do plans for the latter. An important difference between the two kinds of plans is found in the possibilities for expropriation of land. Measures in this respect pertaining to the built-up areas are less far reaching than those which can be used in the non built-up areas. Nowadays, this is proving a hindrance in carrying out an effective urban renewal programme in a built-up area.

Under the terms of the Housing Act, extension plans may also include adjacent parts of a built-up area. Such plans are enacted by the municipal council, with the approval of the Executive Council of the province concerned. In the case of appeals, the final decision is left to the Crown.

Since most urban renewal schemes cover the central built-up area for which, as a rule, the use of the extension plan is not allowed, the town planning measures provided in the Housing Act apply mainly to built-up or central areas. Generally these schemes contain regulations concerning boundaries, the allocation and use of land, building restrictions and finally, detailed descriptions of the allocations. Such plans are also enacted by the municipal council and approved by the Executive Council of the province, with provision being made for appeal to the Crown.

When a town plan has been finally approved, it has certain legal consequences. In the first place, the municipality cannot grant a licence for the construction of buildings which are not in accordance with the plan. Since it is not possible to build without such a licence, the regulating force of a town plan is very effective, as well as being rather restrictive for the interested parties. On the other hand, the planning procedure has many built-in controls. Interested parties, for example, have three opportunities for voicing their objections, namely, to the enacting authority or municipal council, to the approving authority, which is the provincial government, and finally, to the Crown.

Reconstruction Act

The Reconstruction Act was passed to enable the country to deal with problems of rebuilding necessitated by damages inflicted during the last World War. Its provisions are also applicable to reconstruction needs caused by other disasters, such as the 1953 flood.

Although the drawing up of a town plan under this Act applies, in principle, only to a devastated area, such a plan may also include adjacent undamaged land, as is the case with extension plans under the Housing Act also including adjacent built-up areas, in order to create an effective overall scheme. Furthermore, the legal consequences of town plans drawn up under the Reconstruction Act are more or less the same as those of an extension plan based on the Housing Act. Plans are enacted by the municipal council although in this case approval of the Minister of Housing and Building is required before they can be put into effect. Owing to their special nature, the carrying out of these plans requires extensive financial subsidies from the central government.

Several municipalities which could not draw up redevelopment plans under the terms of the Housing Act have done so for obsolete areas, including a small number of war-damaged sites, under the terms of the Reconstruction Act. These have required the approval of the Minister of Housing and Building.

Physical Planning Act

The rapid growth of population and the growing intensity of land use to provide facilities for housing, industrial development and the expansion of motorized transport have, especially in the post-war years, greatly increased the need for physical planning in the Netherlands. Such varied interests as agriculture, industry, housing, preservation of natural landscape, recreation, transport and national defence, which require land in this densely populated country (population over 12,000,000; area 33,000 square kilometres; density 370 inhabitants per square kilometre, going up 5 inhabitants per square kilometre every year) make it necessary to take measures which will achieve a proper balance among conflicting demands for land. To help achieve a co-ordinated whole, a Physical Planning Act and a new Housing Act, from which the town planning provisions have been removed, have been drawn up. These Acts, plus a Transitional Act adapting, among other laws, the Expropriation Act, will become effective within the near future.

The Physical Planning Act regulates the planning activities of government at three different levels: national, regional and municipal. To achieve a coherent policy for the country as a whole, the Act provides that measures and plans which affect national physical planning must be referred to a central co-ordinating body, the State Physical Planning Board. The provincial governments are authorized to draw up regional plans which may apply to either the entire area of the province or to one or more of its part. Consultation with municipal authorities as well as with the provincial Physical Planning Board is required by law.

Although the provincial governments are not obliged to draw up such plans, the Crown can order them to do so or to revise an existing plan. The municipal council is required to draw up a master plan for the whole of the municipal area, either including the built-up area or not, as it so desires. Beyond this, the municipalities are generally free to decide whether they want to draw up further plans, although the Executive Council of the province can order a municipal council to draw up or to revise, within a certain period of time, a general plan (structural plan) indicating future lines of development within the municipal area or to draw up or to revise a master plan for the non built-up area or for the built-up area itself.

The Physical Planning Act leaves the municipal council wide freedom with regard to the contents of plans. The general principle is that insofar as is necessary for sound physical planning, indication should be made of the use to which the land will be put and, if necessary, regulations should be included regarding the use of the land and the buildings on it. Within these wide limits it is possible to draw up extensive and detailed plans as well as simple plans confined to the main essentials.

In regard to land likely to be built upon in the near future, the Local Executive (College of Burgomaster and Aldermen) can be granted certain powers under the master plan in order to ensure that the desired flexibility in the execution of the plan is coupled with adequate guarantees for the interested parties. Thus, the Local Executive can, within set limits and by following a prescribed procedure, revise a detailed plan or enlarge upon a plan confined to the main essentials.

Under the new Physical Planning Act, the legal consequences of regional master plans and general plans vary. Only the municipal master plans contain, in addition to a programme for the future, regulations which must be strictly observed by the citizens. As is now also the case, the Act prohibits construction before the issuance of a building permit, which may be refused by the municipal authorities if the proposed project does not conform to the master plan in force. Moreover, a licence is required for carrying out works and projects other than construction schemes and these will be granted only after it has been ascertained that such schemes are not contrary to the master plan.

Regional plans and general plans, on the other hand, are exclusively guidelines for future development. Therefore, a municipal council is not obliged to bring its master plan into strict conformity with these plans nor with those of the central government in the sphere of physical planning. At the same time, the possibility has been provided for the higher authorities to make known their views to the municipalities on

physical planning matters. This is done through the issuance of directives concerning the contents of municipal master plans by the provincial Executive Council in order to effect better co-ordination with regional plans, or through the issuance of directives by the Minister of Housing and Building on regional plans to the Provincial Council which, in turn, passes these down to the local level, thus achieving even broader co-ordination. Directives from the Minister to a province or from a province to a municipality can be issued without any guarantee procedure, since any objections raised by interested parties can be dealt with during the discussion of the master plan which is drawn up or revised as a result of these directives.

With respect to the drawing up of regional plans, the Act provides for a certain time period within which objections can be lodged with the Provincial Council to the draft plan prepared and presented for inspection by the Provincial Executive Council. No appeal is possible against adoption of a plan by the Provincial Council. Also, in the case of draft general plans, it is possible to lodge objections with the municipal council, but here again there is no appeal to a higher authority.

According to the Physical Planning Act, the procedure necessary for a municipal master plan to acquire force of law, thus becoming a basis for the application of the Expropriation Act, will be much more difficult than that for regional and general plans. The draft master plan must first be presented for public inspection and any citizen can lodge his objections to this draft plan in writing. Furthermore, persons who lodge objections with the municipal council within the prescribed period of time can, after the plan has been adopted by that council, appeal to the Executive Council of the province concerned. A master plan does not become operative until it has been approved by the provincial Executive Council, but even then a citizen is entitled to make known his objections by appealing to the Crown against such approval. In that event, the plan does not become operative until the Crown has reached a decision.

Damages due to restricted freedom in the use of land may be sustained by interested parties as a result of the adoption of a master plan. Should such damages not reasonably be borne by these parties, grounds exist for the granting of compensation. In the case that this is not forthcoming, the Act contains provisions to compel the municipal council to award reasonable compensation either in money or in some other form. Appeals against the decision of a council in this respect may be lodged with the Crown.

The Act also provides for the possibility of payments being made by the State to municipalities for the implementation of master plans inso-

far as they coincide with the reconstruction of built-up areas. Appropriate regulations concerning this provision have yet to be laid down by Royal Decree. This particular aspect has been included in the Act because without government assistance municipalities would not always be able to finance the measures necessary to meet the growing need for redevelopment and other improvements in built-up areas.

On January 30, 1963, the Minister of Housing and Building issued provisional financial measures to support the municipalities in executing urban renewal plans, based on the old Housing act in cases of rehabilitation, or on the Reconstruction Act if the projects include war-damaged sites, until such time as the Physical Planning Act becomes effective. Grants from the State to a municipality may not exceed 80% of the total costs of purchasing or expropriating all the sites needed, including the value of sites already owned by the municipality, but excluding public streets and parks. This amount decreases according to the net deficit incurred by the municipality after the lease and sale of new building sites. Municipalities are required to administer separately the costs of each renewal plan executed within their boundaries.

Expropriation Act

In 1901, a special paragraph regarding expropriation in the interests of housing was inserted into the Expropriation Act, which was first passed in 1851. Just as, over the years, more and more town planning regulations continued to be added to the Housing Act so, too, was this special paragraph in the Expropriation Act gradually enlarged upon. The principles underlying the Act are that nothing can be expropriated, at least as concerns housing, without the consent of the Crown and that the owners of expropriated property should receive full indemnification. Thus, compensation covers the value of both land and buildings on it and, in the case of business or commercial buildings, indemnity covers commercial damage suffered as well.

Although the law states that compensation must be based on the "real value" of the expropriated goods, compensation does not correspond exactly with the market value in all cases, as the determination of the real value of property is a more complicated procedure than is often thought. Indemnity is fixed by an independent judge, on the basis of testimony offered by experts in this field.

All grounds and superstructures included in an extension plan, in a plan based on the Reconstruction Act or, shortly, in a redevelopment plan based on the Physical Planning Act can be expropriated. Normally, an expropriation scheme is fixed by the municipal council and approved

by the Crown. In the Netherlands, expropriation for town planning purposes generally takes place on a rather large scale, the extent of the areas affected varying in size from several hectares to approximately 1,000 hectares in each case. Provision for expropriation has proved to be indispensable in the carrying out of effective town planning.

Municipal Real Estate Department

Usually the management of the land acquired by purchase or by expropriation for the extension of built-up areas as well as for urban renewal purposes is entrusted to the Real Estate Division of a municipal department which is also concerned with such matters as housing, town planning, civil engineering and construction.

In the three main cities of the Netherlands, the place of the Municipal Real Estate Division is as follows:

AMSTERDAM (870,000 inhabitants)

1. Housing
2. Public Works
Town Planning
Real Estate
City Engineer
City Architect

ROTTERDAM (730,000 inhabitants)

1. Housing
2. Town Planning and Real Estate
3. Public Works
City Engineer
City Architect

THE HAGUE (600,000 inhabitants)

1. Housing and Real Estate
2. Town Planning
3. Public Works
City Engineer
City Architect

Taking Amsterdam as an example, a municipal Real Estate Division may have the following subdivisions: Survey and Cartography; Purchase and Expropriation; (Short) Lease; Calculation and Price Estimation; Long Lease; Administration; Documentation.

All land assembled by the subdivision Purchase and Expropriation for extension and renewal purposes is entrusted to the subdivision (Short) Lease, which itself is divided as follows: Short Leasing of Real Estate in the Built-up Area; Short Leasing of Real Estate in the still Agricultural Area, including allotment gardens; Contracts and Licences; Maintenance; Clearance.

Although the overall supervision of funds required for properly carrying out this work of the subdivision (Short) Lease is the responsibility of the Municipal Finance Department, the Real Estate Division is entrusted with the duties of calculation and price estimation and of management of the properties.

The land and water area covered by the Municipality of Amsterdam totals 17,250 hectares, of which 10,750 hectares are publicly owned. Beyond its boundaries Amsterdam owns 5,650 hectares. The real estate of the municipality may be divided into the following categories:

Category	Hectares within the city boundaries	Hectares beyond the city boundaries
1. Roads, Parks, Water	3,850	900
2. Public Utilities: power plants and water supply works	500	3,950
3. Sports Grounds, Allotment Gardens	400	50
4. Long Leases	1,200	—
5. Town Extension	4,600	750
6. Redevelopment	200	—
Total	10,750 ha	5,650 ha

The Municipal Real Estate Division is in charge of categories 4, 5 and 6, with the latter two being managed by the subdivision (Short) Lease.

Private Initiative

As urban renewal plans are usually undertaken by municipal authorities, private persons or organizations can only exert influence on their type and character indirectly, through the local council. In addition, freeholders and lessees can raise objections to a plan, in accordance with the afore-mentioned legal procedure.

The critical housing shortage which still exists in the Netherlands has meant that up till now redevelopment has consisted mainly of the reconstruction of war-damaged quarters by the local authorities. Moreover, the redevelopment of our city centres is restricted by the need to preserve historical sites and monuments; conservation of these areas is also a task of municipal governments. As a result of these factors, private initiative in the field of redevelopment faces many difficulties.

One remarkable example of redevelopment by a private company can be found in Utrecht, the fourth largest city in the Netherlands (270,000 inhabitants). Here, a company especially established for that purpose has drawn up a plan known as Hoog Catharijne to renew 25 hectares on both sides of the central railway station. This renewal scheme, which has already been approved by both the municipality and the Netherlands Railways, covers an area containing no buildings of historical value; it does, however, border on the old city centre. The present floor space of buildings in the area totals 170,000 square metres, only 20,000 square metres of which are scheduled to remain. The future floor space of 420,000 square metres has been allotted for the following functions:

Office Space	140,000 m ²
Exposition Space (Netherlands Industries Fair)	60,000 m ²
Shops	60,000 m ²
Residential Buildings	20,000 m ²
Parking Facilities (4,500 spaces)	125,000 m ²
<u>Total</u>	<u>420,000 m²</u>

Future buildings will cover 100,000 square metres, leaving an area of 150,000 square metres, for streets and squares.

Pedestrians will have their own separate level comprising a total of 40,000 square metres located on both sides of the new station. These walks, part of which will be on roof tops, will be connected by the highlevel hall of the railway station. The plans also include terminals for local and regional bus systems.

Thus far, about 60% of the land needed for the realization of Hoog Catharijne is already owned by the municipality or by other public bodies willing to sell their property to the city. The remaininig 40% is still in the hands of some 200 private owners who will have priority in obtaining premises in the area after it has been renewed. Negotiations to obtain this land on behalf of the municipality are being carried out by the renewal company, Hoog Catharijne Ltd. and by the local authority itself, although it is to be expected that some parcels will only be obtained through compulsory purchase. Once the Physical Planning Act becomes effective, such land can then be obtained through the prescribed expropriation procedure.

The redevelopment plans provide that Hoog Catharijne Ltd. will be granted a long lease on the renewed area by the municipality, to which it will pay a rent of approximately £ 500,000 a year. This rent is based on the cost of land which will have been purchased for redevelopment plus the construction of various public works, which together are

expected to amount to some £ 10,000,000. The company will not be charged directly for the cost of developing downtown traffic facilities immediately outside the plan area, which is expected to total another £ 10,000,000. Further, the company's rent charges will be raised every 15 years by 50% of the percentage increase of tenants' rent so that it is probable that the city will be able to earn back part of its investment in public works in the area immediately outside that covered by the renewal scheme. In this situation, the long lease system clearly provides the best solution.

Municipal Land Acquisition

In the old Dutch inner cities, property is split up into a great many small lots belonging to nearly as many different owners. It is because of this that the historical character of our old cities has been maintained up to the present time. Furthermore, Dutch legislation interdicts the demolishing of historical buildings.

As was mentioned previously, building on a larger scale is rarely undertaken in our cities, except when this has been made less difficult by extensive war damage, as has been the case in Rotterdam. Taking all these factors into account, it is plain to see that private initiative in the field of urban renewal is indeed exceptional. Even where it does occur, however, the acquisition of land must be carried out by the municipality, just as is the case when the municipality itself is the renewal agency.

The reconstruction plan, Kattenburg, which involves the clearance of mainly obsolete 18th and 19th century residences in Amsterdam, offers a good example of land acquisition by the municipality in the interests of urban renewal. The expropriation plan for this area was made available for public inspection in August, 1962, and received final approval from the Minister of Housing and Building in November, 1963.

Of the 83,000 square metres included in the reconstruction plan, streets and squares cover 40,000 square metres and parcelled land accounts for the other 43,000 square metres. Of the parcelled land, 8,000 square metres are municipal property which has been used for such purposes as schools. Thus, 35,000 square metres of the area is still in private use and comprises some 1,400 dwellings and 130 small shops and workshops. Thirty thousand of the 35,000 square metres is still privately owned, the remaining 5,000 square metres already being the property of the municipality (of this, 4,000 square metres consists of short lease and 1,000 square metres of long lease lots).

The expropriation plan applies to the 30,000 square metres for private lots, which now consist of some 3,000 parcels belonging to 160 different

owners, making an average parcel of less than 200 square metres per property owner.

Up to the end of 1964, the municipality had succeeded in purchasing 26,000 square metres, or 330 parcels of land belonging to 130 different owners. There still remain 4,000 square metres, consisting of 50 lots owned by 30 private parties, to be acquired. For some of the remaining land, the municipality will undoubtedly have to resort to compulsory purchase, which procedure it has been entitled to use since the approval of the appropriation plan.

Split-up property, of which the Kattenburg area offers a striking example, is a common phenomenon in Amsterdam and other old cities. A recent survey of approximately 200 hectares of private property in the inner city of Amsterdam showed, for each hectare of land, an average of 80 different parcels belonging to 50 different owners.

Conclusion

Up till now, urban renewal in the Netherlands has been restricted by the limited financial capacity of municipalities and by insufficient legislation pertaining to compulsory purchase in built-up areas. The new Physical Planning Act, the revision of the Expropriation Act, which will probably become effective before next year, and the launching of the new financial aid scheme to municipalities by the central government will provide increasingly stronger impulses to the initiation of urban renewal schemes in the Netherlands in the years to come. In particular, these measures will be an important aid to the acquisition of land by the municipality.

LAND PROPERTY PROBLEMS IN RELATION TO URBAN RENEWAL IN GREAT BRITAIN

Prepared by the British Section of IULA

Introduction

The need for some degree of public control over development was recognized in Britain towards the end of the last century and first found a place in legislation in 1909. From then until 1947, various planning measures were enacted but the powers given to local authorities were largely permissive and the control they were able to exercise was weak and purely preventive in character. There was very little scope for positive action under planning powers and clearance and redevelopment were carried out as part of the slum clearance programme under housing legislation rather than under planning powers.

The present powers of local authorities to deal with renewal fall into two groups: powers under Planning Acts and powers under the Housing Acts, the latter being affected in certain ways also by public health activities.

The main control machinery is the Development Plan prepared by each planning authority. Development Plans as we now know them spring from the Town and Country Planning Act of 1947, which required every planning authority to prepare a Development Plan covering the whole of its area. The Plan for each area consists of a written statement, a Town Map and a series of other maps and documents together forming a blueprint for the future development or redevelopment of the whole town. It provides a framework or pattern of proposed land use against which day-to-day development and redevelopment could be considered. The long-term objective is to secure a proper balance of land use over the whole area, the regrouping of industry, housing, recreational and other uses to provide the best possible conditions for living, working and playing and the improvement of communications. As a preventive control, the Plan for each local authority's area governs every change of user or redevelopment proposal, however small, and can be used to secure that no further deterioration takes place, for example, by the incursion of industrial uses into residential areas.

In addition to this preventive process, the Development Plan can also provide for positive action to secure that districts of bad planning and obsolescence are eliminated and replaced by new buildings. This is

achieved by preparing a Comprehensive Redevelopment Scheme for each district which it is intended to clear and redevelop in the reasonably near future.

Apart from these schemes there are other schemes initiated by private enterprise, without grants or subsidies from central or local government sources, but which local authorities may encourage and help to a greater or lesser degree.

In addition to these powers under the Planning Acts, a local authority's slum clearance powers under the Housing Acts can be used to deal also with commercial and industrial buildings where these aggravate bad conditions in areas of already bad housing.

Acquisition of Land

In the case of extensive redevelopment by a local authority, it is usually necessary or desirable for powers of compulsory purchase to be used. Apart from the obvious reason that the owner may not be willing to sell, it may not be possible to reach agreement on price; a multiplicity of ownership may make it difficult to obtain by agreement early entry to the site — by use of compulsory purchase, entry can be secured before agreement on price is reached; if the owner is unknown or does not have an unchallengeable title to the land, the local authority can obtain a perfect title by means of compulsory purchase procedure even if the owner cannot be traced.

Local authorities are given a general power to purchase land by agreement for the purpose of any of its functions under any public general legislation. In addition, many of the Acts conferring functions on local authorities also include specific authority to local authorities to acquire land both by agreement or compulsorily for the purposes of those functions. Thus, in addition to the wide powers conferred under the Town and Country Planning Acts, 1947, to purchase land compulsorily or by agreement for the purpose of the comprehensive redevelopment areas, and under the Housing Acts for the redevelopment of slum areas as described above, local authorities are empowered under the relevant enactments to purchase land compulsorily for, inter alia, educational purposes, highway development and improvement, the provision of housing, libraries, museums, parks and spaces and car parking. Although, therefore, land acquisition for the comprehensive redevelopment of large areas will in most cases be under powers conferred by the Town Planning or Housing Acts, any of the other Acts may also be involved in respect of parts of the land required for relevant local government purposes.

The procedure for the compulsory purchase by a local authority of any land except that required under Part III of the Housing Act, 1957, which deals with slum clearance, is prescribed in the Acquisition of Land (Authorisation Procedure) Act, 1946.

The local authority, after making the compulsory purchase order, must submit it to the appropriate central government department for confirmation. Public notice must be given by advertisement in the local press and notices must be served on owners and occupiers. If no objections are received, the confirming authority may confirm the order with or without modifications, but if there are objections the confirming authority must arrange for a public enquiry to enable objections to be heard. Notice of confirmation of the order must also be published in the local press.

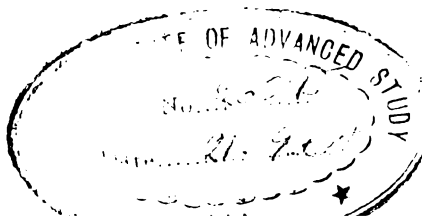
The price paid to an owner whose land is thus compulsorily acquired is, with one exception, the price which the land and the buildings on it would realize in the open market. This sum is assessed by the District Valuer, who is an officer of the Inland Revenue (i.e. of the national government). The exception to the rule is slum property acquired for redevelopment under Part III of the Housing Act, 1957, where, with certain minor exceptions, the value of the site only is paid.

Management of Land Acquired

The acquisition and management of the land thus acquired and the leasing or sale of such parts of it as are not required for the local authority's own purposes may be the responsibility of any one of several municipal departments, depending on the size and internal organization of the authority. Thus, in some smaller authorities all matters of estate management, housing and public building will be the concern of the Borough Surveyor who may, indeed probably, will also be the Borough Engineer. In larger boroughs, there may be a Housing Manager or Valuer who may also act in the capacity of land agent for this purpose. County councils will have a separate municipal department (a Valuer's or Land Agent's Department) for the acquisition and management of land.

Once the acquisition is complete, only land not required for immediate development for local government purposes will be retained under the management of the acquiring department unless it is to be developed for purposes which are also the responsibility of the department.

Management of other land will be transferred to the department responsible for its development. Indeed, land not required for immediate



redevelopment may also be transferred to the department appropriate to its current use or even to another authority. This, a county council, not being a housing authority, might transfer to a district authority for temporary management housing property which it has acquired but does not wish to redevelop immediately.

Activities of Private Bodies

Much of the current rebuilding of commercial property and a certain amount of other redevelopment is being undertaken by development or investment companies for the purpose of high financial returns. Such companies have considerable financial resources and are able by patient negotiation to acquire larger areas of land for extensive redevelopment than can most individual companies. They can only acquire by agreement; they have no means of compelling an unwilling owner to sell. They are not usually concerned with obtaining control of very large areas nor, since they wish for a reasonably early return on their capital, are they normally prepared to wait for long periods until parts of the proposed site are available for sale. While they play an important part in urban renewal, therefore, the operations which they conduct alone almost invariably affect comparatively small areas and where they are concerned in the renewal of larger areas, it is usually in co-operation with local authorities.

Even in these smaller areas, the developers need the co-operation of the local authority in the sense that the planning authority has power to control development. The use to which the site is put must conform with the use laid down in the Development Plan, be it for industrial, residential, commercial, office or other purposes. Moreover, the local planning authority can control not only the use of a building in such a renewal scheme, as elsewhere, but also its bulk. Some authorities prepare models to indicate the layout and massing of buildings in some detail, while others use written principles — for instance, for the siting of high buildings.

Housing associations in Britain take a somewhat different form and operate on a more modest scale than in some other countries largely, perhaps, because in Britain the extensive system of building societies makes it easier for a house buyer to borrow the purchase price and because of the large-scale housing operations of local authorities. They do, however, make a substantial contribution and hold over 150,000 dwellings. Most of them build on undeveloped land or purchase existing houses; few of them redevelop urban areas, though they may undertake any form of development if it is to the advantage of their housing work. They purchase their land by agreement with the owners and although

they have no power to use compulsion themselves, they may request a local authority to make a compulsory purchase order for the land they require and to sell the land to them. They may borrow money from local authorities or raise loans from the public, and they can obtain from the central government most of the housing subsidies to which a local authority is entitled. The local authority has power to make grants (either as a lump sum or annually) to a housing association. Nowadays, such grants are usually dependent upon the local authority's having the right to nominate some, or all, of the tenants.

Existing Practice in Urban Renewal and Co-operation with Private Bodies

Present policies for town centre development envisage a partnership of sorts between private developers and local authorities. In general, private developers would normally develop the commercial site, but of course only on the basis of adequate financial returns. Local authorities are then, while faced with land acquisition at full market price, left with a heavy burden of non-productive expenditure on essential development: roads (a major problem since, although many authorities have built or are building ring roads to carry traffic around the heart of the city, they still have to solve the problem of movement within the inner ring and the parking problem for those who want to use their cars for business, employment or shopping), the redevelopment of slums and housing generally, open spaces and so on.

Nevertheless, the last decade or so has seen increasing co-operation between local authorities and development companies. In a major commercial centre, for example, in which economic factors make the area ripe for redevelopment, the existing businesses may be anxious to pull down their premises and build better and taller ones on the same site. Regrouping of some parts might be secured by large investment companies preparing schemes in co-operation with the existing owners. The larger insurance companies have been very active in this way and have sponsored major shopping and commercial redevelopments in combination with large property companies and the store owners themselves. Whole street blocks may be rebuilt in this way and portions let on long leases to the various businesses.

The part which the local authority plays in the redevelopment of such centres will vary. Its co-operation may be needed to secure the compulsory purchase of some parts which cannot otherwise be redeveloped and it may want to join in in order to secure provision of new streets and the closure of some old streets or it may itself want new premises within the area. In any case, it can, under the Development Plan, secure fairly close control over the redevelopment process, as described above.

Local authorities will help encourage such schemes to a greater or lesser degree according to the benefit which they feel will accrue to the community as a whole, but they themselves are reluctant in many cases to take a major part in such enterprises which involve some risk-taking, though there are good examples in Birmingham and London of the local authority carrying out schemes of this kind more than seventy years ago and still receiving very profitable ground rents. In other cases, it may be necessary for the local authority to deal with areas of this kind by the comprehensive development procedure described below, but even so, the amount of compulsion can be reduced to a minimum and often very satisfactory results can be secured by mutual co-operation between the local authority and all the other parties concerned.

The comprehensive development procedure is not only applicable to commercial centres. It is a method providing for positive action to secure that any districts of bad planning and obsolescence are eliminated and replaced by new buildings. In this case, the initiative is taken by the local authority, which declares the area to be a »Comprehensive Development Area« under the Town Planning Act, 1947.

A Comprehensive Redevelopment Area is one which, in the opinion of the local authority, should be developed or redeveloped as a whole for one or more of the following purposes:

- a. Dealing with extensive war damage or conditions of bad obsolete development;
- b. Providing for the relocation of population or industry or the replacement of open space in the course of the development or redevelopment of any other area;
- c. Any other purpose specified in the local authority's general development plan.

In most of our older towns, there is the need for a tremendous amount of comprehensive redevelopment and it is, therefore, necessary to study the existing development as a whole, select certain districts as ripe for redevelopment and allot to each an order of priority based upon economic and other considerations. One of the main considerations which must be taken into account, is that such schemes usually necessitate extensive rehousing and, therefore, the pace at which they can proceed must depend upon the amount of replacement housing which can be made available inside or outside the local authority's area. This, in turn, necessitates considering how much of a local authority's housing resources ought to be devoted to large-scale schemes of clearance and redevelopment and how much to other priority needs, such as relief of overcrowding due to the sharing of one dwelling by two or more families. In other words, one must consider the housing problem in terms of the deficiency in quantity as well as in quality.

Comprehensive redevelopment usually involves the demolition of fit buildings as well as unfit premises and a general regrouping of land uses within a complete area so as to provide better facilities for shopping and commercial premises and public buildings, improved communications, public services and open spaces provision. Such operations are usually extremely expensive. It is often necessary to acquire compulsorily all the existing premises in order to carry out the process of relocation, but where commercial interests are willing to co-operate with the local authority, it may be possible to leave some ownerships undisturbed subject to the owners rebuilding or modifying the premises in accordance with the Plan.

In most large towns, clearance and redevelopment under Housing Act powers proceed concurrently with redevelopment by the process just described. The Clearance Area procedure under housing powers may be used inside as well as outside a Comprehensive Redevelopment Area and, indeed, there are attractions about proceeding in this way rather than under planning powers alone. The number of properties in each group is, however, much smaller than the number involved in the average Comprehensive Redevelopment Area. Ever since 1875, the legislature has recognized that slum clearance powers should be applied not only to groups of houses which were bad in themselves but also to industrial and commercial buildings intermingled with the housing in such a way as to aggravate still further the bad housing conditions. Unfit houses are often intermingled with small factories and junk yards in narrow streets and courts and it has long been recognized that the only sensible course in such cases is to clear away all the buildings and to replan the area as a whole, even though this may involve the destruction of some houses which are not unfit in themselves. Usually this renewal process necessitates the use of compulsory purchase powers because of the multiplicity of ownership and the difficulty of securing relocation of both people and industries in any other way.

For many years, housing authorities have also possessed the power not only to acquire a site compulsorily and to clear it but also to use it after clearance in a variety of ways, i.e. to sell or lease the land in whole or in part or to appropriate it for any of the purposes for which it has power to own land. Apart from these slum clearance powers, the local authority also has powers under the Housing Acts to acquire vacant sites or areas of fit housing in order to provide sites suitable for new housing. It is sometimes troublesome to use the Housing Acts for large-scale redevelopment because the law stipulates that each area must consist, in the main, of unfit houses standing on contiguous plots. Most individual clearance areas are, therefore, small.

Nevertheless, it is possible by grouping a number of clearance areas and by buying adjoining land for additional housing to secure the clearance and redevelopment of quite considerable areas and to use the cleared land partly for new housing, partly for new schools or open spaces and for street improvements, whilst some may be sold or leased for development by private enterprise.

As an alternative to buying groups of unfit houses in this way, the local authority has power to make a Clearance Order condemning the houses and compelling the owners to demolish them, but the local authority is in either case under an obligation to provide the necessary rehousing. This procedure leaves the ownership unchanged and is useful in dealing with unfit housing on land zoned for industrial development. It does, however, pose difficult policy questions. For example, the renewal of the bad housing will usually result in a very big increase in the value of the land if it is zoned as industrial. The order in which a local authority tackles such areas will be closely watched by industrialists who are anxiously awaiting the day when a particular site is available for sale for industrial development or for an extension of a factory. There is always the temptation to the slum landlord in such circumstances to neglect the properties and thus hasten the day when the houses must be dealt with as unfit. If the land is zoned as residential in the Development Plan, the local authority will prefer the Compulsory Purchase procedure to the Clearance Order procedure, because it is in constant need of residential land on which to provide new housing.

To summarize then, large-scale redevelopment for rehousing invariably falls to local authorities, as does other unproductive redevelopment; the initiative in commercial development is more often taken by private developers but usually not in respect of very large sites; and for large-scale redevelopment of city centres and sites of mixed development, the initiative is invariably taken by the local authority, but increasingly the development of such areas is undertaken with the co-operation of private enterprise.

NOTES ON LAND PROPERTY PROBLEMS IN RELATION TO URBAN RENEWAL IN JAPAN

Report prepared by the staff of the Planning Bureau of the Ministry of Construction, with the concurrence of IULA members in Japan.

For the implementation, in Japan, of development plans in general, expropriation of private land is sanctioned by national legislation for the following two types of development projects:

1. Construction or improvement of public facilities, such as roads, open spaces, sewage systems, rivers, ports and harbours, parks and green areas, railroad networks, canals, airports and parking lots.
2. New housing development projects (the development of new housing sites on a large scale), industrial land development projects (the development of large-scale industrial sites in outlying areas of metropolises), urban improvement projects (the improvement and readjustment of buildings and sites in connection with the construction or improvement of roads and other facilities) and other similar projects.

In addition to expropriation, redemption is a method used for acquiring land for public use. According to this method, those charged with implementing building plans are authorized to buy up land in the area concerned before it is disposed of on a commercial basis. This method has recently been authorized in connection with the development of built-up areas for implementing new housing plans and for creating industrial sites.

Japan has no redevelopment or urban renewal programmes in the strict sense of these terms. The following, however, are activities of a similar nature for whose implementation expropriation is sanctioned by national legislation:

1. Slum clearance projects (for clearing slums and rationalizing the use of land).
2. Projects for creating blocks of disaster-proof buildings (for strengthening the resistance of buildings to fire and rationalizing the use of land). In this case, expropriation can only be applied when the project is carried out by a public body.

As a rule, cities, towns and villages (and sometimes prefectures) take the initiative for and do the actual work of carrying out slum clearance projects. The areas to be renewed are first designated by the Minister of Construction, who must also approve the concrete plans for such work drawn up at the local level. The local authorities are authorized by the Expropriation Law to expropriate land and buildings necessary for the carrying out of their plans, with the approval of the Expropriation Committee of the prefecture concerned. The local bodies then manage the land thus acquired and do not resort to a separate organ established for the acquisition and management of land thus obtained, as is sometimes the case in other countries. At present, there are no private bodies in Japan which are carrying out urban renewal programmes, in the broad sense of the term.

Plans for developing disaster-proof building blocks are carried out by private unions composed of landowners and leaseholders or by local authorities. In the former case, union members offer their land, which eliminates any possibility of difficulty in acquiring the total property needed. In the latter case, local governments are vested with the right of expropriation, as in the case of the effectuation of rehousing plans.

In another kind of urban improvement, land readjustment, projects are carried out by local governments or unions of landowners. The aim of this activity is to create better urban areas by readjusting building sites and, at the same time, improving roads and other public facilities. Moreover, it serves the double purpose of allowing for the development of new and the redevelopment of old urban areas. In land readjustment, a certain percentage of the land is expropriated from the landowners for creating public space and for financing the project. In this case, therefore, there is no difficulty over the acquisition of land.

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Mechanics of financing renewal operations

For every renewal project carried out in France, an agreement between the renewal agency and the municipality is required. Drawn up within the framework of the master plan and the general plan of the municipality concerned, this agreement sets forth the number and nature of buildings to be erected, the land to be expropriated, the public installations to be provided and the scheme for housing dispossessed residents to be followed. To this agreement is attached an estimated budget of expenditures and income.

On the expenditure side of the budget are included:

1. The cost of land acquisition (this does not include land acquired by the municipality previous to the carrying out of the renewal project) and compensation for buildings and building sites. Land valuations are based on estimates prepared by the central government agency which administers State property.
2. The cost of preparing the land, i.e. costs of demolition and preparation of land for building and possibly, also, the costs of providing special foundations.
3. Additional expenditures, such as study costs (topographical surveys, soil samplings, socio-economic surveys, drawing up of a general plan) and costs supplementary to the acquisition of land, namely, financial charges — such as interest on borrowed capital and general overhead of the renewal agency. The cost per square metre of cleared land may be computed by dividing these costs by the number of square metres.
4. Special installations for a block of residences, such as differentiated pavements for motorized and pedestrian traffic, work normally carried out to the account of the builders (various roads and networks, branch roads) and internal roads.

On the income side of the budget are the fees received for transfer of property, which are based on the concept of "ground charges", i.e. building license fees are determined according to the number and kind of buildings to be erected. The unit price varies according to whether

a block of low-rent social housing units is to be built or a block of normal rent dwellings, luxury apartments, an artist's studio, a craftsman's workshop, a commercial or industrial site, parking lots or garages. The land, for which the real price is paid, is acquired either through the efforts of the renewal agency or through expropriation by the municipality; the real price is established by the central government agency responsible for the administration of State property. As building license fees are set according to the use to which the land is to be put, an equalization in the value of the land is thus achieved.

Whether or not a renewal budget is balanced depends on the ground charges fixed for each category of building. If only social housing is to be constructed (for which the ground charges are set in the legislation concerning the financing of public housing), the overall deficit will be large. If, on the other hand, a judicious scheme of varying kinds of construction is carried out, receipts will be substantial and the total deficit will be less.

Expenditures for public installations are not included in the budget of the renewal operation; a separate budget for these items is attached to the agreement between the renewal agency and the municipality or is submitted separately to the municipal council for study. To the contrary, the cost to the municipality per square metre of cleared land required for these installations is included on the receipt side of the renewal budget.

The statement of income and expenditures is essentially an estimate. If the operation is carried out over a period of years, the cost of land acquisition is likely to be higher, for the ground charge is dependent on the land market and is thus subject to revision during the course of the operation.

The budget estimate is presented to an inter-ministerial committee which considers the project and decides whether or not a subsidy should be granted in those cases where a deficit is indicated. Should their decision be positive, 80% of the subsidy is then paid, with the remaining 20% being granted on completion of the project. In principle, the subsidy is subject to review. If, upon completion of the project a profit is realized, this reverts to the municipality. On the other hand, the local authority must bear any deficits on those facets of the operation not covered by the subsidy.

Previously, the file for a renewal project was presented by the Minister of Housing to the Management Committee of the National Land Development and Town Planning Fund (F.N.A.F.U.) for the determination

of an advance by the Treasury from a special account established for this purpose. Should this be granted, an agreement was then drawn up between the Minister of Housing and the local renewal agencies providing for an advance covering a two year period (which could be renewed once) and carrying a 2.5% rate of interest, with repayment during this period being geared to income received from fees for transfer of land.

Now, however, through the provisions of legislation enacted on December 19, 1963, the Management Committee, after receiving the file from the Minister of Housing and examining it, refers requests for funds to a State deposit and consignment bank. On the basis of an agreement between the Minister of Housing and the local renewal agency, the bank grants medium-term loans, payable over a six to eight year period, at a 5% rate of interest (interest rebates by the central government reduce this rate to 2.5%, the same as that which previously obtained for the advances made by the Treasury). Moreover, if so stated in the contract, payments may be deferred for a two to three year period. Under this system, the renewal agency is no longer obliged to allocate all its available resources to the early repayment of its debt, but can use its finances to the best advantage.

Under the previous system of advances from the Treasury, the money received on loan could only be used once. Under the new system, throughout the term of the loan the money can be used several times. As was the case with the Treasury advances, the present loans must be guaranteed by the municipality concerned.

Municipal charges for renewal activities

Not only the State but also the municipality plays a financial role in carrying out local renewal projects. At the local level, financing is supplied from current operating revenue as well as from investment funds.

On what occasions and at which point should the municipality advance funds? Quite commonly, months and sometimes even years go by during which land, social, economic and town planning surveys are carried out by the municipal authority concerned with urban renewal, which has simply been charged with carrying out studies. During this time, attractive land purchases, which could easily be arranged, become known and the municipal council is then called upon to decide whether or not these merit advances from the local treasury.

If no study organization has been set up, purchases may be undertaken by the municipality itself, which has an item in its budget to be used,

in principle, for buying sites for public installations, including the extension of existing road networks to new housing areas. Moreover, the municipality must assume the costs of supplying public installations arising out of urban renewal activities.

Over the years, a backlog of needed public installations has accumulated. Now an opportunity has arisen to improve this situation by using land made available by renewal schemes. It is the usual practice to equip new areas with public installations. A city must ensure the physical and intellectual development of its inhabitants by offering them ways of using their leisure time and by providing them with healthier living conditions, through open spaces, green spaces, roads reserved for pedestrians and removal of motor traffic from dwelling and working areas.

In Paris, where there are technical difficulties because of the soil, the location and the necessity for taking into account aesthetics and architectural design, the cost of providing public amenities is considerably higher than in most other conurbations. There is the advantage, however, that several surrounding communities help provide social and cultural facilities, the amount contributed by each governmental unit depending upon the activity in question. The cost of maintaining local roads devolves entirely on the municipality; those roads which form part of a major national or regional system, however, are financed by special loans which are shared jointly by municipality, State and possibly region and *département*.

Expenditure for social and cultural facilities is considered to be unproductive. This is not the case, however, for the supplying of garages, parking lots and markets, all of which may be financed by private capital.

The average investment expenditure of the Paris City Council for both the purchase of land and the provision of basic facilities on it is some 2½ million francs per hectare. This figure does not include productive facilities, which theoretically should pay for themselves, nor expenditure for major traffic arteries.

The role of private organizations

Not only is there a critical housing shortage in French cities, but many people live in slums or other areas ill suited to modern living requirements. In addition, the expected population growth over the next few years indicates that the housing supply will continue to be inadequate.

Public authorities cannot and need not be the only ones to deal effectively with these problems. To the contrary, the good will and financial resources of the private sector must also be put to good use, although they must not be allowed to result in disorderly development. In this instance, public authorities have the obligation to provide a framework and a programme within which private initiative can act freely to help meet the pressing housing problems which French cities face.

The basic concern of public authorities as regards construction and urban renewal can be summarized as follows:

1. Private construction must not take place outside an overall plan and thus compromise all future planning;
2. Preparations must be made to meet the threat of private initiatives which, having only their own interests at heart, might tend to upset the social structure of a district by building only the most profitable kind of dwellings;
3. Costs ancillary to construction must not be carried exclusively by the community.

It is therefore the task of public authorities to draw up and enforce: a master plan for development, a balanced rehousing programme and financial participation in municipal costs.

Three possibilities must be examined:

1. Co-operation of the private sector in a public urban renewal scheme;
2. Anticipation by certain private enterprises of the carrying out of a public urban renewal scheme;
3. Implementation of a renewal scheme without participation of the local authority, i.e. by private initiative alone.

Co-operation of the private sector in the implementation of a public urban renewal scheme

In this case, there exists a master plan, a rehousing programme and a budget. The problem to be solved by the municipal renewal agency is to acquire land without using public funds. One solution consists in calling on private builders who, while accepting the obligation to respect the master plan, the rehousing programme and the financial plan, are prepared to finance in advance the acquisition of sites which will then be put at their disposal for the carrying out of a building project.

More and more, builders are encountering difficulties in obtaining sites. An agreement with a renewal agency could ensure them the ownership

of prepared building sites which would be made available for construction purposes within a short period of time.

Anticipation by certain private enterprises of the carrying out of a public renewal scheme

The hypothesis is as follows:

Within an area designated for renewal, private developers are at work acquiring land directly for building purposes. It is desirable to encourage these initiatives for the following reasons:

1. Urban renewal cannot be carried out with financial help coming only from the State;
2. The granting to promoters of authorization to build may help enable the renewal agency to have dwellings or other premises ready at a scheduled time, thus facilitating the smooth carrying out of the renewal operation.

In return for this authorization and the increased value which renewal would give to their sites, the private promoters must follow this procedure:

1. Comply with the master and general plans;
2. Contribute to renewal efforts in those areas where the municipality must bear the major costs, as for example:
 - a) rehousing projects — either undertake this activity themselves or make contributions so as to enable qualified bodies to do so on their behalf;
 - b) public installations — pay an agreed-upon rate to the municipality;
 - c) deficits resulting from sale of land — pay the municipality a fixed sum to compensate for the two-fold loss incurred by them as a result of private initiatives, i.e. reduction in the amount of land which can then be transferred at high prices in order to achieve a good financial return and correspondingly, an increased amount of land that must be transferred at low prices to implement social building programmes. Contributions would be determined according to how far private renewal operation costs would deviate from an average based on the cost of land, the extent of building on the land and the nature of the building programme. The greater the deviation of the promoter from a financially balanced operation, the greater should be his contribution to the municipality.

Thus, the way in which private enterprise could be permitted to carry on development programmes while at the same time having their actions channeled would be to:

1. Defer the enactment of agreements until private promoters give the municipality the desired guarantees (this guards against undesirable development);
2. Require the private promoter to provide some form of rehousing, the kind depending on the overall municipal plan for social housing, medium-price rental and sale dwellings, luxury dwellings, offices and craftsmen's and commercial premises. The overall plan also establishes the average density per hectare, calculated both according to the number of dwellings and to the amount of space actually used for building.

By following this line of action, it would then be easy to inform the private promoter that he must undertake the rehousing of the occupants of the affected dwellings:

- a. either on his own, by means of a programme carried out on his land or on other sites to be designated for this purpose, both in the new housing area as well as in its immediate vicinity, outside the project area;
- b) or by another builder who would put at the disposal of the private promoter the necessary number and categories of dwellings on the basis of a financial contribution by the promoter.

The number and standards of replacement dwellings provided by the promoter would be based on the average established for each project.

The financial responsibilities of the private promoter would be:

1. The payment of an agreed-upon rate (10 francs per square metre of construction) as the promoter's share in the cost of facilities provided by the municipality in the renewal area;
2. A ground rate, which would be dependent on the mean land rate to be charged the various builders, according to the total building programme and the specified density.

A developer whose programme resulted in a land rate capacity exceeding the mean value would have to refund the difference to the municipality or to the renewal agency. However, this gross difference might be subject to such correction factors as: a) supplementary rehousing costs (costs of guaranteed replacement housing exceeding the number of

existing dwellings on the land purchased); b) exceptional land acquisition costs (special requirements and obstacles encountered at the outset of the work).

The developer might pay these fees as: a lump sum to be held until payment is affected, the sum being based on estimates, or installments, with the balance being due at the end of the operation when the final account has been drawn up. In this case, the amounts due would carry interest charges, would be frozen and the balance would be guaranteed by a deposit.

Implementation of urban renewal schemes by private initiative without participation by the local authority

Implementation by private enterprise may be total, as in the case where a promoter or a group of promoters undertakes the complete renewal of a residential area. It may also be only partial, as occurs where a private promoter plans to build only one or a limited number of dwellings in a residential area undergoing renewal.

The possibility of deferring the approval of an agreement serves as a guarantee against the erection of undesirable buildings and the refusal of a promoter to provide obligatory replacement housing or participate in financing. It is the task of the municipality to draw up, prior to authorizing any construction work, a rehousing programme and a finance plan. Once this has been done, the situation is identical to that described under the previous heading, as is the way in which builders so desiring would be allowed to participate in the renewal programme.

In order to ensure the effectiveness of the procedure outlined above, it is important that renewal activities be made attractive to private builders. One way in which this can be done is for them to receive positive support from the municipality. It is thus necessary to examine the costs, risks and commitments which are assumed by the local authorities.

1. Financing of public facilities

By requiring private builders to make a financial contribution, in the form of an established rate, toward the provision of public facilities, the municipality is, at the same time, obliged to see that its share of the financing of such facilities is also available.

2. Risks of an end deficit

The ground tax charged the private builder is calculated on the basis of an estimated budget. If the builder decides to pay by installments and make his final payment at the completion of the project, there is, in principle, no risk for the municipality. However, the builder most frequently opts for a lump sum payment. As this is based on the budget estimate, the final costs may be higher than estimated, as a result of which the operation may show a deficit. The charges which this would entail would then have to be borne the municipality.

3. Social rehousing

Steps may be taken to compel each private builder to play a part in social rehousing. However, it is not always possible to have all social rehousing needs undertaken by private builders alone. By asking them to assume such costs, they might only be encouraged not to undertake a renewal scheme at all. It is therefore necessary to consider special public housing projects in which private builders would participate only through a financial contribution. Inevitably, public funds must be invested in such programmes. The participation of the private sector, however, would facilitate the implementation of these programmes, either through the acquiring of the necessary land or by means of a contribution.

4. Expropriation

One of the obstacles encountered by private builders is the difficulty of obtaining land at prices which are not prohibitive. Since urban renewal operations are in the general interest, it is possible to have recourse to expropriation procedures. To prevent a measure of this kind being improperly used and thus subject to criticism, it must be in the public interest and it must not be possible for one private party, as a result of expropriation by the municipality, to profit from the dispossession of another, by engaging in speculative operations. Therefore, certain conditions must be met by private builders before expropriation can be carried out:

- a. expropriation must only be for a project which is in the general interest, and it must take place within a sector indicated for renewal;
- b. the private builder designated to benefit from the expropriated sites must have agreed to respect the general municipal plan, follow the programme established for the area and participate financially in the project;

- c. an offer to participate in the renewal project must be made to interested owners;
- d. proof must be shown of the builder's personal effort, through his acquiring more than 50% of the total area needed;
- e. agreement must be given to build or to promote the building of low-rent dwellings, representing at least 50% of the construction potential of the expropriated site;
- f. agreement must be given to the financing of expropriation carried out to the builder's benefit.

The land acquired by expropriation would then be transferred to the builder at cost price plus the cost of the expropriation procedure.

Scope of the problems of urban renewal — future programme

Of the 13,800,000 dwellings in France, 2/3 are over 50 years old and 1/3 are over 100 years old. Even more than the age of the dwellings, it is their unsuitability to the requirements of modern urban life that makes urban renewal a vital necessity.

Two hundred hectares were affected by the Fourth Plan of National Renewal. This amount should be increased to 5,000 hectares of urban land, including 500,000 dwellings to be demolished or rehabilitated, under the Fifth Plan (1965—70). However, lack of funds for study, implementation and financing will compel the authorities to limit their plans to 3,000 hectares or 3/5 of what is needed. Using this as a base, it is envisaged that the annual rate of growth in renewal operations will pass the 18% existing now to reach 30% by the end of 1965 and, by 1973, will reach the figure of 100,000 renovated dwellings per year.

The deficit subsidies to local urban renewal programmes paid by the State between 1960 and 1963 have increased by an average of 22.5% per year. In total millions of francs, they have been as follows:

1960	1961	1962	1963	1964
46	60	86	83	105

If the hypothesis of 3,000 hectares to be renewed under the Fifth Plan is correct, subsidies and loans ought to rise to the following million francs per year:

1965	1966	1967	1968	1969	1970
135	165	205	250	310	380

The required funds, calculated on the basis of the "deficit", i.e. the difference between the payments from public funds for renewal purposes and the expenditure incurred in its effectuation, are estimated to become:

1965	1970	end of 1975
500 million francs	1,5 billion francs	4.5 billion francs

However, it is hoped that this deficit will be reduced by 30 to 40% through various measures.

As regards rehousing, the following table gives the essential information:

	Dwellings to be Demolished	Dwellings to be Financed
1965	27,000	21,600
1966	34,000	27,000
1967	46,000	37,000
1968	56,000	45,000
1969	71,500	57,000
1970	92,000	74,000

In the City of Paris alone, with its population of 2,800,000 inhabitants, it has been determined that 1,500 hectares, on which reside some 1,000,000 people, are in need of renewal. It has been estimated that this task will take approximately 40 years to complete.

Projects now in operation involve about 205 hectares, of which approximately 75 hectares, including 37,500 dwellings to be demolished, have already been acquired by the City or by its renewal agencies. At the same time, the following dwellings have been constructed in Paris:

9,300 housing units within renewal areas
1,640 units outside renewal areas, but in Paris
570 units outside renewal areas, in the suburbs
<hr/> 11,510 total

FINANCIAL ASPECTS OF URBAN RENEWAL IN THE UNITED STATES*

By

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Two basic obstacles inhibit the ability of private enterprise to clear blight and rebuild to meet changing needs and functions of United States cities without aid. First, the entrepreneur faces the problem of assembling a number of parcels, under diverse ownerships, in order to create a tract large enough to support efficient, modern development and at the same time withstand the effects of adjacent blight. Second, the cost is tremendously high. The acquisition costs to a private developer often reflect inflated, speculative values. They also include the costs of existing structures which, though deteriorating and obsolete, do have an economic value that becomes a significant item of cost when they are demolished to make way for new buildings.

The Federal Slum Clearance and Urban Renewal Program, established by the Housing Act of 1949, recognized that the clearance and redevelopment of blighted areas was a national objective, that private enterprise could not do it alone, that public power to assemble land was necessary, and that the public costs should be shared by federal and local governments. In providing a greater sharing in costs by the federal government, the Congress recognized that cities were in financially straitened circumstances — as they continue to be — by the squeeze between rising municipal expenditures and limited taxable resources and that urban blight was a national problem afflicted cities should not be expected to solve alone because the human, social, and economic costs of slums spread far beyond municipal boundaries. A succession of amendments in federal housing legislation since 1949 broadened the methods and objectives of federally-assisted urban renewal which reflect both experience with the program and a better understanding of the needs of rapidly changing urban areas. There are few cases of urban renewal being carried out by private bodies in the United States, and the number of urban renewal projects being undertaken without federal assistance is insignificant in terms of total renewal being undertaken in the United States.

* Based on: "Report on Urban Renewal" by William L. Slayton, Commissioner, Urban Renewal Administration, before the Subcommittee on Housing, Committee on Banking and Currency, U. S. House of Representatives, November 21, 1963.

Communities may undertake urban renewal only if state enabling legislation exists with the necessary power of eminent domain, (expropriation or compulsory purchase). Only a few states do not have enabling legislation now. The local governing body establishes a "local public agency" to carry out its renewal activities. The basic principle of urban renewal is that it is locally conceived, locally planned, and locally carried out. The federal role is primarily one of providing financial assistance, leadership, and general program direction.

Typical activities required in undertaking and carrying out renewal include "surveys" to develop data to utilize in planning the project. The uses and conditions of structures in an area and the nature of blighting influences must be surveyed to determine the extent to which a project can be carried out by clearance, rehabilitation, or a combination of both. Surveys must be made of the number, size, and income of families and businesses to be displaced, and of the amount of standard housing available in the community to meet relocation needs. Marketability surveys must be prepared as guides in developing new uses of the land.

»Planning« activities involve utilizing survey data and long-range objectives of the community to develop new uses or goals for the renewal project. Plans and cost estimates must be made for land acquisition, clearance, provision of site improvements and supporting community facilities to carry out the redevelopment objectives. The major product of the planning period is the urban renewal plan — the formal statement of the goals and objectives of the project, the treatment to be utilized, and the controls over new uses.

Carrying out the plan or "execution" activities involve acquisition of properties, management until demolished and relocation of those displaced, clearance, and improvement of the site to be sold or leased for redevelopment. In urban renewal projects involving rehabilitation of private property, activities to encourage and assist property owners to bring their property up to the standards of the urban renewal plan are required. Execution activities also include the negotiations necessary to dispose of land for private redevelopment.

Federal financial assistance takes several forms.

The earliest is an advance for the preparation of surveys and project plans. The advance becomes a part of the overall costs when the project goes into execution. Advances for planning are repayable only if the project is undertaken.

Then, temporary loans are available to serve as the working capital for a project. Temporary loans may be obtained directly from the federal

government or, with the benefit of a federal guarantee of payment, from private lending institutions. Most loans are obtained from private lending institutions now because more favorable interest rates are available.

Relocation grants, borne in full by the federal government, are made to local public agencies to cover payments made to displaced families, individuals, businesses, and nonprofit organizations for the costs of moving and direct losses of property resulting from the move. First authorized in 1956, payments are made on the basis of the actual moving costs, up to a maximum of \$200, for families and individuals. Payments to business concerns may be made up to \$ 3,000 for direct loss of property, such as fixtures which cannot be moved, or up to \$ 25,000 for the actual moving costs. The 1964 Housing Act authorized additional relocation adjustment payments for low-income families and certain business concerns. A payment may be made based on the difference between the average monthly rental required for standard housing in the community and 20 per cent of the monthly income of a displaced family or individual over age 62. The payment is based on the monthly difference for a 12-month period but may not exceed \$ 500 and must be paid during a 5-month period. Displaced business concerns with average annual earnings of less than \$ 10,000 may receive an additional relocation payment of \$ 1,500. A business which is part of an establishment outside the urban renewal area is not eligible for this additional payment.

As of June 30, 1963, relocation payments were made totaling \$ 37,412,108. A total of \$ 6,232,432 went to 88,332 families, with the average payment being \$ 70. A total of \$ 1,453,060 went to 32,009 individuals, with an average payment of \$ 45. A total of \$29,726,615 went to 21,162 businesses, with an average payment of \$ 1,404.

Project land is sometimes disposed of under long-term leases rather than by direct sale. In such cases, a definitive loan is available for as long as 40 years which is repaid from the income under the lease. Such loans may be obtained directly from the federal government or, with the benefit of a federal guarantee of payment, from private lending institutions. Only limited use has been made of this device, but the present trend indicates it will be used more often in the future.

Capital grants then are made to meet the federal share of the project cost. The federal share is based on the »net project cost.«. This is the cost remaining after subtracting proceeds received from the sale of project land from the total or "gross project cost".

Gross project cost is the total cost of carrying out all eligible operations in the urban renewal project except relocation payments. It consists of expenditures paid by the local public agency and expenditures paid for directly by the community such as provision of site improvements and public facilities to support the new uses of the project area.

The components of gross project cost and their typical proportion in a summary of 584 projects show that land acquisition accounts for 64 percent. The next two largest components of gross project cost are site improvements, such as new streets, sewers, etc., which constitutes a little more than ten per cent, and supporting facilities, such as schools, parks, police and fire stations, which constitutes some nine percent. The other components average 3.2% for administrative costs, 2.8% for site clearance, 1.7% for planning, 3.7% for interest, and 4.9% for other costs.

As indicated, the difference between the gross project cost and the proceeds derived from the sale of project land for redevelopment is the »net project cost.« The proceeds from the disposition of land to private redevelopers have averaged 30 percent of the gross project cost.

The federal share of net project cost is generally two-thirds. However, in municipalities of 50,000 population or less and of 150,000 population or less in designated economically distressed areas, the federal share is three-fourths. Localities which pay for administrative and planning costs also come under the three-fourths formula.

The locality may provide its share of net project costs in the form of cash or »non-cash« contributions. Non-cash contributions include expenditures made directly by the locality for site improvements — streets, sidewalks, water and sewer lines, and expenditures made for public facilities to support the new uses of the project area — schools, police and fire stations, libraires, and parks. Certain costs relating to the acquisition of land by colleges, universities, and hospitals, or the provision of land for low-rent public housing projects may be credited toward the local non-cash contribution.

Communities generally provide their cash share through tax funds or by issuing bonds.

On the basis of 720 projects approved for execution, the sources of the local share have averaged 35.4% in cash, 36.4% in providing supporting facilities, 19.1% in making site improvements, 3.6% by land donations, 1.1% in demolition and removal activities, and 4.4% in special credits allowed for projects involving colleges, hospitals, and public housing.

In a breakdown of the sources of local sharing for 877 projects as of December 31, 1963, in 45 projects cash alone was being provided, in 357 projects most of the local share being provided was in cash, and in 475 projects most of the local share was being provided by non-cash contributions.

The ratio of the type of local grant to the total local grant for these 877 projects is shown in the following table:

Type of local grant-in-aid	Total projects utilizing type of local grant	Ratio to total local grants (%)			
		100	66.9 thru 99.9	33.4 thru 66.7	less than 33.4
Cash	752	45	239	210	258
Land donations	311	—	4	20	287
Demolition and removal work	262	—	—	6	253
Project or site improvements	618	3	54	154	467
Public or supporting facilities	587	10	113	117	347
Public housing credit	72	3	5	14	50
College and hospital credit	44	3	22	9	10

The following is an example of how the sharing of project costs on a two-thirds federal basis is computed:

1. Gross project cost	_____	\$1,500,000
Total cost in carrying out project except relocation payments. Made up of 2 components:		
2. Project expenditures	_____	\$1,300,000
3. Expenditures financed from temporary loan	1,150,000	
4. Cash provided by locality	150,000	
5. Non-cash contributions provided by locality	200,000	
6. Disposition proceeds from sale of project land for redevelopment	_____	—450,000
7. Net project cost (necessary public cost)	_____	1,050,000
This is met by:		
8. Federal capital grant (2/3 of net project cost)	_____	700,000
9. Local grants-in-aid	_____	350,000
Locality provides its 1/3 share as:		
10. Cash (line 4, above)	_____	150,000
11. Non-cash (line 5, above)	_____	200,000

The cumulative total federal urban renewal capital grant authorization since 1949, including relocation grants, now stands at \$ 4,700,000,000. As of October 31, 1964, \$ 4,219,641,000 had been utilized, and it is expected that the balance will be utilized by September, 1965.

Urban renewal project land made available to redevelopers must be sold at a price comparable to that which similar land elsewhere in the community would bring if subject to the controls and benefits of the urban renewal plan. To establish a base for that price, two independent appraisals are made. The disposition price must be concurred in by an Urban Renewal Administration real estate specialist. Disposition prices for cleared land have averaged out at about \$ 1 per square foot compared with acquisition costs for land and improvements of approximately \$ 2.05 per square foot.

Of the 21,970 acres acquired by local agencies by June 30, 1963, redevelopers had been selected for nearly 58 percent or 12,706 acres. Redevelopment was completed on 4,163 acres; activities were underway on 1,967; and redevelopment under contract, but not started, included 4,536 acres. About three-fourths of all land disposed of, exclusive of streets and alleys, had been purchased by private persons or organizations. Most of this land is to be used for residential purposes. The rest is to be devoted to commercial, industrial, or institutional uses.

On the basis of projects in which some or all of the land has been disposed of for private redevelopment, the ratio of private redevelopers investment to the federal capital grant is running better than \$ 6.00 private investment to \$ 1.00 federal investment.

A comparison of assessed valuations before and after urban redevelopment, based on information for 403 projects, shows a 427% increase. Before urban renewal, the assessed valuations on land in these projects was \$ 575,000,000. After urban renewal it is estimated the assessed valuations will run to \$ 3,031,000,000.

Depending upon the types of urban renewal projects undertaken, the degree of tax benefit from city to city will vary. Some examples which illustrate the potential of tax benefit include the redevelopment of Southwest Washington, D. C., which is expected to produce about \$ 4,846,221 annually in taxes after completion as compared to about \$ 592,016 previously. The Gratiot project in Detroit resulted in taxes increasing from \$ 70,000 before redevelopment to \$ 512,000 after, which occurred despite a 31 percent decrease in the taxable land area. The Clinton Park project in Oakland, California, a rehabilitation and conservation project, resulted in nearly \$ 7 million worth of new construction, and tax revenues rose from \$ 49,000 to \$ 195,000.

Tools aimed at conserving existing neighborhoods and rehabilitating existing housing were authorized in 1954, but lack of experience in this field on the part of local and federal agencies and the construction industry in general resulted in a slow start. In many ways rehabilitation is more complex than clearance and redevelopment because so much depends on decisions and voluntary actions of many individual owners of a variety of separate properties. Two principal problems face a typical property owner in raising the standards of his property. One, is the difficulty of securing long-term mortgage funds for rehabilitation through conventional financing sources; and the other, is the owner's lack of knowledge of what is needed, the sources of assistance available, and simply of how to go about getting the job done.

In the last few years, the Federal Housing Administration has adopted more realistic rehabilitation standards to allow assistance to property owners in refinancing existing mortgages to include rehabilitation costs. The Urban Renewal Administration is undertaking activities to accelerate fuller FHA-URA-LPA co-ordination in rehabilitation to give owners in rehabilitation areas "one stop service" in help with architectural, financial, and construction problems.

By June, 1963, 136 urban renewal projects in execution involved rehabilitation. Of the 45,000 structures identified as requiring rehabilitation, work had been completed or was in process on over 57 percent of these structures.

The gross project costs for rehabilitation projects which do not require the local public agency to acquire properties, as might be expected, are lower, generally, than for land acquisition and clearance projects. The percentage of costs of planning and administration rises considerably, and because there are no disposition proceeds to subtract, gross project cost, in effect, becomes net project cost.

As of December 31, 1963, 712 cities in the United States were participating in the federal urban renewal program. In 88 cities, 118 projects had been completed, and in 366 cities, 671 projects were actively underway.

Most larger cities undertook urban renewal soon after the program was established in 1949, and all but three of the 21 cities over 500,000 population now participate as do 87 of the 109 cities in the 100,000 to 500,000 population range. In recent years, the number of medium and small-size communities entering the program has increased substantially. Communities under 100,000 population now represent 84 percent of the number participating and nearly half have populations of less than 25,000.

Estimates of the total area to be renewed and the total population to be rehoused in the United States in the next ten to twenty years are difficult to fully substantiate. One recent projection for the next eight years arrives at a total of 37,000 acres at an average of 4,600 acres a year to be acquired and redeveloped. Relocation for 530,000 families and individuals and 105,000 businesses is estimated to be required during this period.

Estimates of total capital funds required again vary--often because of differences in the definition of capital funds included in the estimates. The American Municipal Association urges an authorization of additional capital grant funds of \$ 850,000,000 a year for a 12-year program with a provision for acceleration of up to \$ 150,000,000 if local demand requires in any given year.

SOCIAL ASPECTS OF THE RENEWAL OF TOWNS IN YUGOSLAVIA

Prepared by the Standing Conference of Towns in Yugoslavia

Renewal of towns is not a widespread phenomenon in Yugoslavia. Primarily, this is because the process of urbanization has intensified only during the last few decades; particularly since 1948 has the full effect of increased industrialization on the urbanization process been felt. One of the critical needs to which this situation has given rise in almost all Yugoslav towns is the accelerated construction of housing to alleviate the general lack of living space. This has meant that renewal activities have had to be limited and that those requiring the demolition of housing units have been undertaken only in exceptional cases where living conditions were extremely adverse or were a possible source of epidemics. Such undertakings, which have been carried out in several towns, have been financed from local funds and have required no personal participation by the citizens. This form of renewal, involving as it does the elimination of extreme living conditions, represents, in fact, a social undertaking of the local governments concerned.

At the same time, there exists, particularly in the larger towns, a strong need for renewal activities to improve the flow of traffic and to provide for public buildings. In the smaller towns, the necessity arises for reshaping the town centre so as to rationalize the siting of buildings for business, cultural and other purposes. Thus, although the provision of new housing is a priority in Yugoslav towns and although there do not exist firmly established criteria for the economic and social justification of renewal activities, there is now a prevailing opinion among local officials and town planning experts that in the years immediately ahead it will be necessary to carry out limited renewal activities in existing town areas.

In actual fact, renewal of the existing urban area is justified in those cases where the expense of constructing municipal facilities and buildings on completely new terrain in peripheral localities is higher than the expense of demolishing existing urban dwellings in an area intended for renewal. In general, one can say that in many towns it has been accepted as a rule of thumb that the renewal of the existing town area for the purpose of building new dwellings is economically justified only in the case that four new flats can be built in the space previously occupied by one demolished old flat. This is possible, of course, only in certain cases where a fairly high density of population exists. Whereas this increase of permissible housing density may be suitable in terms of the exigencies of the present national economy, it may no longer be

acceptable in the future when the increasing industrial potential of the country will undoubtedly result in changed ideas toward acceptable population density and housing conditions of a higher level.

These are the basic reasons why the present day town planning policy, and particularly the policy regarding the renewal of town areas, in Yugoslavia should include renewal measures to be undertaken in the coming years. Some major renewal projects are already underway and new ones are expected to be begun within the next few decades, as the national income increases and the national economy expands.

As regards the social aspects of renewal, it should be pointed out that many facets of renewal measures are covered by regulations which apply to the country as a whole, although there are also many points, particularly concerning financing, which are adapted to specific local conditions.

It is a general rule in undertaking renewal activities that the rights of users of dwellings must be respected, just as must the rights of the owners of such houses or flats. Thus, according to the Housing Law, residents of a house to be demolished can be moved only as the result of a decision by the municipal housing authorities, and not by cancellation of the housing contract. Such residents can be moved, moreover, only when the renewal agency or the investor has secured appropriate accommodations elsewhere. Under the Housing Law, appropriate accommodations is understood to be those which are not worse than the dwelling to be demolished, with due consideration being given to the general housing situation in the town and particularly to the size, amenities and location of the old dwelling. No difference is made in this respect between owners and non-owners of housing facilities.

In actual practice, all dispossessed residents are allotted considerably better dwelling facilities than they previously had, most of them being rehoused in newly-built apartment houses. Relocation is carried out on the basis of contracts between the resident of the house to be demolished and the organization charged with renewal measures. Thanks to this arrangement, very few disputes arise.

It is also possible that persons being dispossessed because of renewal measures may be offered monetary compensation instead of replacement housing. The person is then free to solve his housing problem by building a new dwelling himself, by moving to another town or by making other arrangements. Such decisions are made exclusively on a voluntary basis and the persons involved accept financial compensation only when the amount of compensation offered is adequate.

Users of business facilities which are being demolished do not enjoy the same rights as do users of residential dwellings for according to the Housing Law, the renewal agency is not obliged to secure replacement facilities. In such cases, no difference is made between private persons and public bodies and organizations. However, in order to accelerate the moving of business establishments from renewal areas and in order to prevent undesirable effects as regards the functioning of various public services and the activities of craftsmen, the renewal agency, in co-operation with the local government, endeavours to secure appropriate space elsewhere or else provides financial compensation so that the business establishments may find suitable replacement facilities. This practice is based on the desire not to endanger the existence of businesses being dispossessed which are, for the most part, private craftsmen who must have appropriate working space.

In addition to the obligation to secure appropriate replacement facilities for residents whose dwellings are being demolished, the renewal agency is also obliged, according to the Law of Expropriation, to pay appropriate compensation to the owner of the house being demolished. The amount of compensation is determined by a special committee and the Law provides that this amount must cover the value of the building material of the house plus additional facilities, including plants on the surrounding grounds. The value of building material is determined on the basis of current market prices and the compensation for cultivated and other plants is determined on the basis of the annual yield of such plants. The owner of the house to be demolished is also paid compensation for the site on which the building stands. This is based on a square metre rate established by the district assembly, with the approval of the Executive Council of the Republic concerned. Compensation for sites within a given urban area vary according to location and range from 50 to 500 dinars per square metre, a rate which is approximately equal to the price of land on the free market.

In the case of the expropriation of agricultural land outside the urban area, the amount of compensation varies from five to ten times the amount of the annual cadastral yield from that land. In practice, this compensation is higher than the price paid for comparable land on the free market, but is lower than the compensation awarded for expropriated land within the urban boundaries. It is therefore in the interest of every owner of agricultural land that the urban territory expand to include his land, for under these circumstances the owner will be entitled to receive higher compensation.

Owners of houses with no more than two apartments are particularly protected in the case that their houses are to be demolished. According

to the Law of Expropriation such owners, in addition to compensation for the value of the building material of the house, the cultivated and other plants on the site and the site itself, are also entitled to compensation equal to the cost of labour necessary for erecting a new house of the same size. If the owner wishes to demolish the house himself and make use of the building material, he is entitled to compensation for the transport of such material to a new building site. The Law also provides that owners of houses to be demolished may receive compensation in the form of another house of the same size, which then becomes their property.

In the case that a house to be demolished is public property, the investor or the renewal agency has full rights in such a building and site and may be granted compensation for the costs involved in land registry or in reconstruction of the site, in accordance with municipal needs.

As regards relocation caused by renewal activities, there is no rule that residents must be moved to new apartment houses which are in the same area as the old. Sometimes an agreement may be made between the renewal agency and the owner or user of housing facilities to the effect that appropriate facilities will be made available for use or ownership in the renewed area, but there are no regulations making such an arrangement mandatory.

This attitude towards renewal, or rather towards the relocation of residents in the reconstructed area, is based primarily on the fact that in Yugoslav towns there is no surplus of residential space which could be used temporarily, and the renewal agencies are therefore obliged to provide housing space exclusively by building new houses.

Residents of the area to be renewed, as has been mentioned earlier, are extensively protected in their rights. Among other things, they can postpone activity in their area until the moment that the renewal agency has secured accommodations which correspond in quality and location to those they previously inhabited. In fact, the rather vague term "appropriate accommodations" mentioned in the Housing Law is interpreted very strictly by the courts and there have been no cases where users of demolished houses were moved to living quarters which were worse than those in which they lived before. To the contrary, they are always moved into newly-built houses.

Users of living space are entitled to compensation for moving costs and the owners of apartments and houses are entitled to compensation for their property and to allocation of new dwelling space, which is secured by the renewal agency, which they can then rent out. There is no special

organization in the smaller towns which is responsible for all matters concerned with the relocation of residents of renewal areas. In larger towns, however, where the problems of renewal are more extensive and where more widespread relocation measures are necessary due to housing construction and the improvement of city traffic and public facilities, there exist specialized agencies which prepare the building sites and which are also charged with solving the numerous ownership and social problems connected with the renewal project. Officers of these agencies negotiate with the users and owners of apartments and houses and try to settle mutual obligations without having to take recourse to the courts. These are very complicated matters and it often happens that a period of two years elapses before all the ownership questions are solved and relocation and renewal activities can be initiated.

A renewal programme is almost always carried out by a local renewal agency. In only a few cases are programmes carried out by building enterprises or industrial firms. Due to the complexity of the problem of renewal and particularly of the problem of ownership, these matters are placed in the hands of the specialized renewal agency while the investors, who are interested in the rapid completion of the renewal programme, assume the role of financiers.

Taken as a whole, one can say that the rights of users and owners of apartments being demolished are extensive. At the same time, respect for the rights of citizens, whereby new apartments of appropriate standard must be built to house relocated residents, accentuates the economic difficulties of renewal in Yugoslavia. At the present time, there is feeling in various towns that the meeting of these rights should be reduced to an economically justified level, since they often stand in the way of the renewal process. For example, at the present time, owners of apartments or houses must not only be given compensation in an amount equal to the value of the demolished facility, but they must also be given a new apartment, to be built from the funds of the investor. Under conditions where rents are low, this means that the owners of dwellings are given twice the necessary compensation. It is also felt that the term "appropriate accommodations" should be more closely defined since there has not been a single case where a user of an apartment has consented to be moved without securing incomparably better housing through court procedures. In fact, respect for the social by-products of renewal results in a considerable increase in the costs of reconstruction or at least shows an unrealistic picture of the true costs of renewal.

In general, the process of renewal in Yugoslav towns, to the extent to which it is being carried out, does not create special social problems

because the law is very strict in protecting the rights and interests of the citizens living or working in the areas affected. At the same time, respect for the rights and interests of citizens results in increased renewal costs and thus contributes to the postponement of such projects. However, in a society which really wishes to respect the rights and interests of its citizens, as laid down in the Constitution, there is no other way to solve the "conflict" between the general interests to be derived from renewal and the individual rights and interests of the citizens involved.

It should be stressed that the social problems of urban renewal in Yugoslavia are solved in the most humane and, at the same time, the most direct way, i. e. by negotiations based on the provisions of the law. Every attempt to do otherwise almost always results in a court dispute, with undesirable social and political consequences and also in the postponement of the renewal project. A constructive co-operation of citizens with the renewal agency through which both the personal rights and interests of the citizens and the interests of the town as a whole are respected, is the best way of finding the right solution to present day urban renewal problems.

Lagos, the Federal capital of Nigeria, consists of a series of small islands connected by bridges and causeways to a limited section of the mainland, the total area within the city boundaries being approximately 25 square miles. The population recorded in the 1963 census stands at 660,000 persons, population densities varying from under 10 persons per acre in the luxury residential areas to over 1,000 per acre in the most congested sections of Lagos Island.

Much of the northern area of Lagos Island, which formed the early indigenous settlement, comprises single or at the most two-storey old buildings fabricated from temporary or short-lived materials. A high proportion of these buildings are constructed as or have been converted into single-room accommodation units with communal toilet and cooking facilities.

The residential population of Lagos Island, which also houses the central business area of the city and the headquarters of the federal government, is estimated at 250,000, 40% of this population being housed in overcrowded surroundings in old or temporary buildings. The average floor space rate for the whole city is estimated at 34 square feet per person, but this figure falls as low as 16 in the worst areas. Even this low floor space rate does not adequately describe the extent of overcrowding, and it is only when the total living space rate is considered along with the lack of essential services that the conditions under which the inhabitants of these areas are living can be fully appreciated.

On Lagos Island, total living space rates as low as 20 square feet per person have been measured in the congested areas. The water supply comes from street fountains, sewage disposal is by nightly pail collection and domestic refuse has to be carried by the residents to unsightly central depots for collection and disposal by the city council. The residents, however, frequently short circuit this latter operation by depositing their refuse in the open storm water drains.

As the majority of the residents of Lagos Island work either for the government or for commercial firms operating on the Island, it would appear logical to rehouse as close to the work place as possible to avoid increasing the already difficult problem of transportation within the city. Against this, however, is the difficulty of providing accommodations at total living space rates which would constitute an improvement in areas of land shortage and high land values. The main obstacle,

however, is the lack of finances with which to carry out renewal and improvement schemes within the city and this shortage of central and local government capital has tended to inflate interest rates and shorten repayment periods of borrowed money, both of which mitigate against viable rehousing projects.

The rehousing authorities

The Ministry of Lagos Affairs, a central government department, co-ordinates the activities of the Lagos City Council and the Lagos Executive Development Board and is responsible for the administration of all State land. It is through this Ministry, therefore, that government funds are channeled to the two executive bodies in the form of capital grants.

The Lagos Executive Development Board operates under the Lagos Town Planning Act and has the dual role of planning and serving as the executive development authority within the city. The Board is therefore responsible for town planning control together with the execution of improvement, development and redevelopment schemes authorized by the Act and under the supervision of the Ministry of Lagos, four traditional chiefs and forty-two elected councillors. The nominated by the Minister, two city councillors, a representative of the Chamber of Commerce and some seven officials, of which three are from the council and four are from the central government and from statutory corporations.

The Lagos City Council operates under the Lagos Local Government Act and is an autonomous body comprising the *Oba* (President) of Lagos, four traditional chiefs and forty-two elected councillors. The council is responsible for the day-to-day administration of the city and the provision of all the usual local authority services, including the structural and public health aspects of building control. Although the council is empowered under the Local Government Act to lay out estates and provide for the construction, leasing, sale and control of houses, it has not as yet exercised these powers.

Experience to date¹)

The only urban renewal schemes of any significance carried out by the Lagos Executive Development Board comprise the Oko Awo anti-plague measures in the early thirties and the Central Lagos Slum Clearance Scheme, which is still incomplete.

¹) The material under this heading has been taken directly from Chapter 7 of the U.N.O. Report.

The Lagos Slum Clearance Scheme involves the clearance by the Lagos Executive Development Board (L. E. D. B.) of a triangular area of 70 acres in the heart of Lagos. It is predominantly the core of a densely populated trading, industrial and residential area which before clearance held more than 30,000 people. The scheme was prepared in 1951, approved in 1952 and became operative in September, 1955, after protests and objections had been heard by a special Advisory Committee.

As the scheme was finally approved, it entailed the following conditions:

- a. All the property in the area was to be acquired by L. E. D. B. replanned with roads, open spaces and new plot layouts, after which the new plots were to be resold for redevelopment;
- b. Wherever possible, all land acquired after replanning of streets and public facilities was to be reconveyed to the original owners at 120% of the L.E.D.B.'s acquisition cost. Where this was not possible, an equivalent area was to be offered to owners as near as possible to the land they originally held. Through the resale to the old owners, it was felt that the government's outlays would be held to a minimum, if not recovered entirely;
- c. Where an original holding could not be reconveyed to the former owner, he was to be given a priority claim to any land within the cleared area which was not taken up by the original owner. If this were not possible, the former owner was to receive priority consideration to any other freeholds L.E.D.B. may have developed. *Ex gratia* compensation in the sum of £ 200,000 was made available for hardship cases;
- d. To accommodate as many of the displaced owners as possible, a housing development known as the Surulere Rehousing Scheme was to be built by the government. Rentals were fixed at 25/ — per room monthly. The Surulere Scheme was subsequently extended, so that today the area has 1,513 housing units accommodating an equal number of displaced families. In addition, 1,300 units have been built for low-income workers other than those affected by the slum clearance scheme and these units are let at the subsidized rent of 16/6d per room per month. Under its Freehold Housing Scheme, the L.E.D.B. has constructed 284 houses for sale to middle and upper income families. The total number of persons accommodated under these three schemes is estimated to be about 25,000, only a portion of which are from the cleared area;
- e. The building scheme for the displaced families had been originally intended to rehouse them temporarily, that is, until the slum site had been cleared and rebuilt. Subsequent experience demonstrated, however, that there was little tendency for the families, once rehoused, to return to their original homes, nor

were any facilities provided for them there had they been so inclined. In short, Surulere has proved to be a permanent rather than a temporary rehousing project. Moreover, it housed some, but by no means all, of the 11,170 persons displaced by the first stage of the slum clearance scheme.

The slum clearance scheme was not put into effect without protest and even some resistance. As a result, further compromises and concessions had to be made. Besides the *ex gratia* compensation (which at first varied from £ 200 per family to £ 270), L.E.D.B. permitted the erection on temporary shops for the displaced small shopkeepers and by September 30, 1960, 317 such shops had been erected; the number of such shops has increased and is now estimated to number about 400, with about 57 additional stalls now being erected on the cleared land by L.E.D.B. for rental.

The scheme has not been completed. In fact, only 25 out of the 70 acres have been acquired and paid for. The estimated additional gross expenditure required to complete the assemblage is £ 3,500,000. This appears highly optimistic. It also presumes that £ 2 million might conceivably (and optimistically) be recoverable from reconveyance income.

Redemptions by the original owners have proven a disappointment. They had been counted upon as the lubricant for the scheme as well as its justification for the evictions it entailed. The owners, it was thought, would be deprived of their titles only temporarily. Normally, assemblage of a contiguous plot of land in the heart of a city and its replanning with streets and utilities should increase values and spur a contest for reacquisition. The expectations did not materialize due to a number of unforeseen difficulties, among which were the following:

- a. By the time the acquired area had been replanned, laid out into purchaseable plots and provided with the essential roads and public spaces, the net area that would be available out of the 70 original acres for rebuilding had shrunk to about 42 acres. Half of the reduced area was zoned for commercial and half for residential use so that the space available would be inadequate to satisfy all or even a good part of the demands for rehousing of the owners on the site or providing them with the old opportunities for trade;
- b. To satisfy the requirement for return of the land to the original owners, the scheme had been prepared with as many buildable plots as possible. Instead of a coherent plan that represented the best replanning scheme for the area, the plan proposed individual strips of land generally with a 25 to 30 foot frontage.

and a 8 to 11 foot depth. Thus, each building, whether shop, showroom or office, was limited to about the same frontage, depth and size. The requirements of new tenants could not always be met. Complying with parking requirements of the law became difficult and if complied with, often made the investment uneconomic. There was, in fact, no provision for parking except on one Square. Multi-use areas incorporating stores, offices, showrooms and parking on economic and orderly plots were no longer possible. The sound development of the area consistent with the dignity of a nation's capital and the "provision of public gardens and open space and children's playgrounds" as contemplated by the law ceased to be a possibility.

The *primum mobile* responsible for this frustration was the understandable desire to assure the former owners of their return to the land taken from them. Though they were paid in full, and though acquisition without redemption would have had legal justification as a public use (i.e. slum clearance and replanning), the insinuation of the redemption right was seen as a just and an essential condition of acquisition of the land and approval of the scheme. In view of the shrinkage of the land after replanning, a substantial fraction of the redemption rights of some owners had to be foregone and will have to be foregone as the scheme proceeds. The physical impossibility of satisfying the claims of all the former owners, however, was lost sight of in the effort to satisfy their pressures and do justice to them.

The future of the central Lagos scheme

The Scheme is now at a standstill and if left to itself, the cleared area will revert gradually to its previous state of overcrowding and squalor. Three courses are open to the government. All three involve the revocation of the impractical undertaking to offer the cleared area to the previous owners. Once this is accepted, the government could order the work to be resumed and sanction the funds needed to continue the scheme as originally planned. Alternatively, it could organize the owners of acquired and demolished houses into a compulsory co-operative in which each owner would hold shares equivalent to the compensation due to him. The co-operative could then redevelop the cleared land and distribute profits from rents among its shareholders. The third course would be to discontinue the slum clearance operation and replace it by an "aided" rehabilitation scheme.

Note: The previous paragraph comprises paragraph 1.48 of the U.N.O. Report.

Other projected renewal schemes

A considerable number of houses and, in consequence, persons, will be displaced by the major reconstruction of the area which will accommodate the southern approaches to the proposed new mainland bridge.

It is proposed to follow the basic compensation and rehousing formula of the Lagos Slum Clearance Scheme and some 7,000 tenants and resident owners are to be rehoused in a new housing estate at Surulere. There will, of course, be no question of the return of the redeveloped land to original ownership.

The federal government has, within its current five year development programme, earmarked the sum of £1,344 million for housing development within the metropolitan area, and the recent nation-wide strike culminating in the acceptance of the Morgan Salaries revision has compelled the government to consider actively ways and means of providing improved low-cost dwellings for the lower income group workers in the near future. It is not clear at this stage, however, if this scheme will in any way allow for the removal of existing substandard housing in the overcrowded areas, and consequent replanning.

NOTES ON SOCIAL ASPECTS OF RENEWAL AND REHOUSING IN NORWAY

Prepared by the Union of Norwegian Towns and the Union of Rural Municipalities

The problem of slum clearance in Norway is a limited one. It mainly concerns a fairly young housing supply in only a few towns. Primarily this is because as late as 1900 the urban population was only half of what it is today.

However, even though only a comparatively small percentage of buildings is so old or dilapidated that it may be characterized as slum, there is a considerable need for urban renewal measures in order to accommodate the rapidly growing motor traffic.

Since the end of the Second World War, the economic resources of the country have been used for reconstruction resulting from war damage, the development of industry and the building of new houses and social institutions. Consequently, there has been little opportunity for urban renewal, and what has been done in this respect has been primarily limited to individual buildings. Only in a few cases have more extensive renewal plans been carried out in urban areas, e.g. in Oslo.

Inhabitants of dwellings to be demolished have the legal right to remain in their dwellings until it is possible for them to move into other houses or flats. As the building authorities will not issue a permit to demolish before this condition has been fulfilled, it is consequently to the interests of the owners of such buildings to find suitable replacement housing for their tenants.

Renewal plans for more extensive areas require expropriation measures by the municipality and the provision of replacement housing for the occupiers of dwellings to be demolished. In Norway today, housing is primarily in the form of small houses or co-operative housing. In both cases, a comparatively large down payment by the owner or owner/occupier is required. As the former inhabitants of cleared houses often can afford neither the down payment nor the higher rent for a new dwelling, the municipality provides aid in the form of grants and/or low interest loans for a down payment or replacement housing in other older buildings. There are no laws regulating municipal aid in the latter case but of course if the replacement housing was built with financial aid from the Governmental Housing Bank, the dwellers are then entitled to the general or special subsidies given for such housing.

Occupants of workshops or business premises in demolished buildings do not have the same rights as do the occupiers of dwellings. Often, however, they are given an option on premises in new buildings if they so wish and are willing to pay the higher rent demanded.

It follows from what has been said that, in principle, measures taken by municipalities do not aim at relocating former inhabitants of cleared areas in a newly built area.

One special rehousing problem that must still be mentioned is the rehousing of people living in barracks in war-damaged towns and districts, concerning which a number of measures have been taken. Through the system of building permits, priority has been given for the construction of dwellings to house the occupiers of such barracks and extra loans have been given by the National Help Organization (*Nasjonalhjelpen*). Since 1951, new houses for these people have been financed by special subsidies from the central government, by money from various funds and by loans granted under special favourable conditions by the State Housing Bank. As of now, about 90% of the barracks used as dwellings have been demolished.

In countries where cities grow in a disordered way, showing, on one hand, an exaggerated population growth and on the other a shortage of infra-structure — housing, schools, health and social services, transportation, water supply and sewage disposal — development is not keeping pace with the demographic explosion. Housing agencies have the responsibility for providing housing for families who cannot provide it from their own resources. Housing is more than a shelter; it is both a house and the attendant services and facilities necessary to full development of family and communal life. Thus, housing agencies cannot build houses and ignore the social services. As was stated in *International Action in Asia and the Far East*, "No housing programme is considered adequate, unless it provides essential community services and facilities and unless it is integrated in a rational development plan, of an area or country."²⁾

A. Types of social services required in housing projects

Any human community needs certain social services — schools, health services, recreation, places of meeting or worship etc. — and some families need welfare services such as family social services, youth orientation or nurseries. The lower the group's socio-economic level, the more acute are the social problems and, therefore, the more necessary are the social services. Housing agencies generally attend to the lowest income families, who must have free social services because they cannot afford to pay for them. Furthermore, special attention must be given to certain groups in housing estates: (a) rural migrants to urban areas; (b) former slum-dwellers; and (c) social groups.

In countries where mass urbanization takes place, special problems are created for public housing; these problems do not receive adequate attention. Low-income tenants having a rural orientation bring to the public housing projects that are open to them the problems that beset

¹⁾ This paper is Chapter IV of a report of a meeting of a group of experts on housing management and tenant education which was held in Wellington, New Zealand, March 9th to 23 rd, 1963, under the sponsorship of the Bureau of Technical Assistance Operations of the United Nations Organization, in co-operation with the Government of New Zealand. It has been published under the code number, ST/TAO/SER.C/61, and is being reprinted here with the kind permission of the United Nations. Chapter IV is based on the paper prepared by Miss J. Albano of Brazil, as revised in the light of the discussion by the expert group.

²⁾ *International Action in Asia and the Far East*, Housing, Building and Planning Bulletin No. 9. (United Nations Publication Sales No.: 55.IV.19), p. 46.

them when they are plunged into the vortex of fast-moving, complicated, highly organized city life. These are basic problems of safety, sanitation, health and unfamiliarity with the commonplace appurtenances of urban living.

In rural areas people have more opportunity to work together than they do in urban areas; this gives them a sense of belonging. Furthermore, the kind of support that is often available to women within an extended family system is withdrawn when the small family unit moves to an urban area. The new community must somehow provide a substitute for this. A housing estate in which there are social services provides a unique opportunity to help these rural-migrants in their efforts to adapt to urban life. Many years of experience in public housing have proved that the creation of a good physical environment does not automatically create a good social environment. For example, the fact that a housewife has a cooking-stove does not mean that the food she prepares is necessarily healthful. Habits of cleanliness and economy are not automatically by-products of life in a sanitary environment. However, it is naive to hope for a quick change in habits and attitudes inherited through many generations.

Generally, in the Latin American countries, the people who live in housing projects come from slums or places where the population density is high and there is promiscuity and lack of public services. These people have an apathetic attitude as a consequence of their marginal position. However, regardless of the criteria of selection and the care used in tenant selection, any group of low-income citizens will present a certain number of problem situations, some of which directly affect the peace and welfare of others or affect the public housing property and the reputation of the project. These so-called "problem families" must be housed and they must not be segregated. They should be dispersed in the housing estate as much as possible, having due regard for the other families, and should be assisted by social services.

A great opportunity is lost if public housing citizens are permitted to drift into their new role. They are frequently individuals who have been buffeted by life, sometimes through their own inadequacy or folly, but more often by circumstances well beyond their control, caused by the short-comings of their national society. They may well possess an indifference to life, which management leadership should strive to replace with self-respect and ambition. A management emphasis upon family unity and the awakening of a sense of belonging to a group, in which the resident can create his own social space and mastery, can provide security that may change the personal emphasis from "me" to "we". Habit patterns of irresponsibility and shiftlessness can be replaced

by responsibility. It is even possible that latent creativity, long forgotten, may be stimulated into activity. Conscious leadership and guidance are needed to generate such human change. Management must provide them.

Thus, social services in housing estates have two general objectives: (a) to help maintain a stable and responsible outlook on the part of the occupants so that they will have due regard for the care of the housing; and (b) to assist the tenants to cope with the daily problems of living, both as individuals and as families, and to participate as fully as possible or desired in the life of the community. These objectives are based upon the belief that a change to better living conditions and a more wholesome environment may not, in itself, be a sufficiently strong influence to change individual traits and habits. The new living conditions offer a fresh start. It is upon this change that public authorities must capitalize and build the social function.

B. Social services planning

As houses are built for families and housing estates must be integrated into the community, research is necessary to provide the necessary data to plan the social services for a housing programme. The planning of housing estates should include adequate provision for social services, even if doing so means a reduction in the number of dwellings. The planning of social services requires, above all, a complete knowledge of the conditions and necessities of the family groups that are going to benefit from the public housing programme. Details regarding these family groups can be obtained from the study of families. This study indicates the number of families, their components by age, sex, profession, work, education, salary and length of residence in the locality, and their attitudes towards the housing programme. This data will help the planner in estimating the type and size of social services to be provided in the housing estate.

It is also necessary to conduct research on the community facilities and services in the district where the housing project is to be built, in order to ascertain the available resources in the social service field. Such a study will indicate which health, educational, recreational and welfare services are available in the area, which agencies have credentials to grant these services and which services are lacking in the community. It is also important to know the future plans for such social service agencies. This analysis will also present an opportunity to interpret the housing programme for the social welfare agencies, to explain the necessities of the group that is going to occupy the area and to request the help of the agencies.

It is desirable to involve the agencies that will be responsible for developing social services in the estate in the over-all planning of the project. This will facilitate the provision or expansion of social services, or the assistance to the housing agency in providing services to the population of the estate. The community must take the opportunity presented by an organized programme of housing to extend its own services. The social services available in the community-at-large should be extended to the population of the housing estates, as the community is responsible for granting the necessary social services to the families who benefit from a public housing program.

However, this policy, when applied to under-developed countries, is modified if an environment study proves that the present community services are insufficient and cannot be expanded in good time. Furthermore, housing agencies often establish housing estates in distant suburbs, usually because the land is cheaper. Although land for building exists in such suburbs, there is generally a shortage of communal services and of enlightened leadership to recognize the necessity of creating these services; this makes the task of the housing agencies more difficult.

In the United States programmes of "concerted services" are now being established in a number of housing estates, through which a co-ordinated approach between health, educational and welfare agencies is promoted to provide maximum services to tenants of the project and to the surrounding community. In Ireland, there is a growing realization that the housing authority must do something more than the welfare agencies can do for the tenants in larger estates. Therefore, a housing welfare section has been established to provide social services in co-ordination with community agencies. In Yugoslavia, particular "settlement communities" have been widely introduced to stimulate the foundation of services for help in household work, maintenance of houses and other social and cultural needs of the dwellers in these settlements, as well as to promote self-help actions by the residents. In India and in most Latin American countries, there are social workers in housing estates who are responsible for the welfare of families.

In new areas, where social services are insufficient or unavailable, it is the responsibility of the housing agency to provide them until the community is able to support and direct them. Where such services are already in existence, the housing agency should provide a liaison officer (welfare officer) to assure the necessary co-ordination between the social services agencies and the housing programme. It is important to have the housing programme interpreted to the people of the area where the housing estate is to be built, so that they will accept the new group, especially when the families belonging to the group come

from slums. This is a task of public relations that will greatly facilitate the integration of the new-comers into the existent community.

C. Social Services organization

It is indispensable to provide social services to the families living in housing estates, as was stated previously. Such services are either organized by the agencies of the community or by the housing authority, according to local circumstances. In either case, it is advisable to have a liaison officer to deal with tenant-owner problems and to stimulate, orient and organize recreational and community programmes.

The social service agency in the housing estate is primarily responsible for all the human and social aspects of the project. It is the principal element in occupation education and is the co-ordinating agent with the social services of the community. The major objectives of social services are:

- (a) To help the occupant to make good use of the housing and of the social services;
- (b) To help the occupant to solve his personal and family problems;
- (c) To afford the occupant opportunities for individual development and for raising his standard of living;
- (d) To promote cultural, educational and recreational programmes;
- (e) To prepare tenants to assume the responsibility of managing the housing estate.

Some general principles are useful to the organization of social services in the housing estate. Whenever possible, the population should use the district services, to avoid duplication and to facilitate its integration into the community. In areas where no social services are readily available, facilities for these should be included in the housing estate and the services should be made available to both the occupants of the estate and the citizens of the local community. It has been found that grouping of all types of social agencies in one building is more acceptable to citizens and makes for better co-ordination of these services.

With regard to the types of service and the group that should be in charge of organizing each type, the following principles are valid:

- (a) Services that should be provided by official agencies, such as schools and health centres, policing and city cleaning, must be installed, built and managed by the agencies involved;
- (b) The necessary services to attend to problems common to any human community — family troubles, delinquency, unemployment etc. — should be provided by the community;

- (c) Necessary services originated by moving or by life in the housing project — quarrels among neighbours, non-payment of rent or instalments, no opportunity for occupying leisure hours etc. — should be handled by the housing agency.

D. Orientation and education of occupant

The family unit is the basis for society's growth. Living patterns are introducing more and more distractions to family unity. Because the public housing community structure affords an excellent opportunity for teaching of the strength of the family unit, management has a responsibility to national purpose to address itself to this subject. The first consideration lies in the need for strong moral training of children. The nation which is to steadily advance must concern itself with the development of children at every level. Not only the children but all the family members can find personal substance through strong family unity. The family group which does things together, even the little things, such as playing, shopping, reading, singing or joining in their meals will develop a more compassionate outlook on life. Families that share the misfortunes or the successes of each individual member are learning a courage that will strengthen them in future trials and successes. The permanent educational objective is individual self-training through learning to subordinate a selfish desire to the welfare of the family unit, with the expectation that consideration for the general welfare of the community and nation might be carried from the home to society at large. This possibility is worthy of the constant attention of management.

In a housing estate, social services have educational responsibilities. In trying to develop tenant potentialities at various levels of ability, it is to be expected that the process may be slow and, at times, disheartening. A small percentage of individuals can be expected to be unresponsive to the very best effort. It must be remembered, however, that this educational responsibility is permanent rather than temporary and that it must continue year after year.

The tenant-owner educational programmes are intended, above all, to orient him to take good care of his house, for it is the reason for his changing life. In programmes of core and shell houses, it is especially important because the tenant will have to enlarge and finish his house. The orientation programme must make the tenant feel that it is a privilege to live in housing projects and that he has responsibilities and obligations. It is a relation of mutual respect which must be established within well-defined and specific limits. It is necessary to awaken

the tenant to the awareness of his personal worth and the possibility of raising his level, once he has obtained the basic house and health environment.

The winning of occupant co-operation is the first step. The traditional landlord-tenant relationship is one of disinterest in the welfare of the other. Management of socially motivated housing must dispel any semblance of such lack of regard. The fact should be conveyed that public housing is different, that it is specifically designed for the welfare of the occupants. Even simple economic education is pertinent; occupants must be taught that no one is taking a profit on the rental and that every saving made by management or by occupants goes to the benefit of their (the occupants') project. By establishing a teamwork rapport and a mutual confidence and respect between management and residents an identity of purpose in property care is achieved. The more management can instill a secure feeling and pride in the home and community, the more the innate values that go with responsible home ownership can be evoked. The residents thus need to be soundly educated in the difference between non-profit, socially motivated management and, say, profit management for an absentee owner.

Occupants have a wide range of characteristics. Possibly 90 per cent may be expected to respond to reasonable explanations given with patience and sincerity. Authoritative assertion and repeated reference to rules and regulations should not be needed. For the 10 per cent who may show signs of chronic indolence or recalcitrance, special management effort is required and possibly the use of authority.

In addition to the economic necessity involved, management is given the opportunity of tenant education by teaching responsibility for contractual obligations. This may, at first, be a new and frightening responsibility to some occupants. Management can replace deep emotional conflict with a feeling of pride and security in a home. Thoughtful and considerate explanations may have to be made, time after time, in this educational process.

Family budgeting may also be a new experience for occupants. While each family group should have the right to make its own financial decisions, the social service or home economist has the opportunity to give tactful guidance in a family's evaluation of the respective claims against its income. It requires sincere educational effort to fix in some mental processes the precept that payment for shelter has a top priority claim, normally first after that of food. This education may need to be conducted on both an individual basis and in a group activity. While the brusque "pay-or-else" approach achieves the desired ends

and on occasion must be resorted to, the greater social advantage for citizenship growth comes through teaching the acceptance of responsibility.

Treatment of individual and family problems

As mentioned previously in this chapter, any group of low-income citizens will present a certain number of problem situations. The most common of these are juvenile delinquency and vandalism, desertion of a parent from a home, unemployment and chronic illness or mental disorder, the persistently noisy family, the alcoholic parent, the sale of liquor or drugs and other social difficulties.

There can be no set pattern for meeting such diverse problems. The nature of the problem more or less prescribes the approach. These individuals or families with problems should be referred to community social service agencies or be treated by social services in the housing estate, as the case may be. A highly integrated public housing community might have its own welfare committee to work towards "problem" solutions under the supervision of social services. The social service agency does have a responsibility to give immediate attention to serious problems to the best of its available resources. Guidance toward helping a family resolve its own problem, if possible, represents a high skill in social education. In cases affecting the rights and welfare of other occupants, management cannot long delay the use of authoritative action, if correction is not forthcoming. This may necessarily result in contract termination when the violation persists.

Relationships between neighbours

The interdependence of friendly, helpful neighbours is a normal pattern in a happy, contented neighbourhood. This exists to varying degrees, according to cultural or subcultural background. This form of neighbourhood-self-reliance and helpfulness has such wholesome social value that the Social Service agency should make every effort, within its broad educational objective, to advance such mutual support. It can also lighten the management work-load.

However, conflicts between neighbours can arise over many issues, some insignificant and some serious. The closer the physical proximity, the greater the possibility for conflict. The need for social service guidance then increases, but unless very critical situations arise, it is more desirable for all concerned if the differences can be resolved with influence by management.

These programmes must be stimulated in housing projects, for they contribute to the development of the individual. While such programmes vary considerably, depending upon the ages and interests of the participants, the most common are: (a) cultural programmes such as music, singing, orchestra, theatre and library; (b) educational programmes consisting of courses in home economics, adult education, handicrafts, labour subjects and small trades (to raise the economic level of the occupants); and (c) recreational programmes such as sports, parties, journeys etc.

Cultural and recreational activities are very necessary in public housing programmes for the following reasons:

- (a) To realize his potentialities, each individual must exercise his physical, mental and cultural capacities;
- (b) Owing to his lack of resources, the tenant in public housing can use only the lowest cultural level of commercial recreation;
- (c) The limited space in the houses often does not facilitate recreation at home;
- (d) Parents who work away from their homes are forced to leave their children without supervision. It is important to assist these children in a constructive manner;
- (e) The reduction in the length of the working day gives people more leisure hours, which can be well used.

At all stages of life cultural and recreational activities are necessary. Children need recreation not only to spend the time, but also as an indispensable means for their normal development. Children can learn through recreation. Youngsters are interested in sports, which educate them when wisely directed. Adults enjoy sports, cultural, manual and social activities. Some adults find pleasure in youth and child guidance. The elderly, when retired, do not know what to do with so much free time and they must adapt to the new rhythm of living. The pensioner misses the contacts with people of his age. Programmes such as the Golden Age Club have had success in housing estates. There, elderly people play cards and chess, and take part in the chorus and other recreational activities.

The eventual scope of educational and recreational activities can be very broad: organized recreation, adult education classes, children's and youth activities; informal education such as sewing, furniture-making and hobby classes, community and neighbourhood festivals, picnics, contests in yard improvements, dancing, singing or drama groups, publishing a community newspaper, classes in home economic

and home nursing care, neighbourhood aid for sick mothers, baby-sitting, nursery schools etc. Some activities depend entirely upon trained leadership, while others do not.

Playgrounds that are accessible to their homes should be provided for small children and, in all housing estates, a place where people can meet and work together is very important. The limited funds available for housing may not permit the provision of all the services desired. However, certain basic minima can be provided by the public authority, such as community halls. The community hall is used not only for imparting education on welfare activities, but also for various social and family functions and for celebrating important festivals. In the United Arab Republic and in Brazil the community centres in some housing estates serve not only the population of the estates, but also the neighbourhood at large.

Communal programmes

A housing estate is inhabited by a variety of people having very diverse aspirations and requirements, which can be quantitatively and qualitatively known in every detail only at a given moment and which, therefore, generally escape the planning, however efficient it may be. Each tenant is affected by common needs but remains isolated because, individually, he lacks the resources to meet those needs; he then assumes an attitude of indifference. Such an attitude is typical of slum-dwellers and it remains even after they have been rehoused. Thus, the initiatives and capacities of the population, which could be useful to the solution of the common problems, remain latent. The tenants think — "The estate was built by the housing agencies, so it is their job to improve it and to resolve its problems." Experience has proved that housing estates can be physically and socially spoiled if this attitude is not properly and promptly treated through the community development method.

Therefore, it is important to motivate the tenant to become interested in community problems. A person is being educated for community living every time his attention is called to a problem that is not only his but also that of many others and that he can help to solve by working with his neighbours. Campaigns of reafforestation, parks, maintenance and co-operative organizations are useful projects and offer opportunities for communal working experiences. Furthermore, self-government is a natural wish of every group and tenant-owner participation in housing estate matters should be encouraged as an experience in the democratic way of life.

E. Methods and means of tenant education

The methods and means used for tenant education are individual orientation, group work and community development. In the first method, social service is provided for each tenant through interviews and home visits, demonstration and other means of individual action. This helps to ensure that each house is being properly used and constantly improved. The technician in home economics and the family educator help significantly in this programme.

Leasing interview and tenants' handbook

The leasing interview for public housing should be held and should be looked upon as much more than a business meeting to sign papers. Coming from a slum or squatter settlement, applicants may arrive with fears, apathy, resentment or a sense of insecurity. The scheduling of interviews should allow for a careful, unhurried discourse in a conversational tone. An attempt should be made to begin the removal of adverse feelings. This interview is usually held by the social worker or other operating project personnel. It is not a screening interview; the approval having already been made in the tenant selection process; it is an introductory and lease (or contract) signing meeting.. This personal contact method of education should attempt to establish rapport — that management is interested in respecting the individual but must insist that the individual, in turn, respect certain fixed obligation that are inherent in responsible tenancy. Each preestablished rule and regulation should be reviewed, together with the reason for its existence. While some description of the physical property and normal maintenance responsibilities belong in this discussion, too much detail should be avoided at this time. Community activity possibilities should be summarized to arouse interest. The ideal conclusion of the leasing interview is a feeling on the part of the prospective tenant that here is an opportunity for a fresh start in life for himself and his family. Both the male and female heads of the household should be present.

A well-prepared handbook for occupants is a supplement to the leasing interview. Natural emotions over this important step in the life of the prospective occupant may mean that much of the information given in the leasing interview will not be retained. The handbook becomes a textbook for all members of the family to review leisurely. It should be presented at the close of the leasing interview.

The main objective of the handbook is to help and stimulate tenants to keep their houses properly and to use the community services. For that reason, it is indispensable that the manual be presented in a positive

way, avoiding presentation as prohibitive regulations. The handbook must be simply and clearly written, preferably illustrated, to be easily understood by people of little education. Furthermore, it must be realistic and contain only what is practicable. Regulations that cannot be observed or checked upon only serve to demoralize tenants and to form a climate of distrust. The "tenants' handbook" usually deals with the following subjects: moving, keys, contracts, payments, house use and maintenance, garden and back-yard, good careful use of the kitchen and bathroom, information about community services and requisites for their use, what to do when leaving the housing estate and other subjects, according to the specific requirements of each estate.

Group meetings and group work

Shortly after they move into the housing project, relatively small groups of new occupants should be brought together for further explanation of matters that the management wishes to communicate. Property care is a predominate item. By this time the occupants would have some familiarity with their new physical environment and discussions and questions should be encouraged. An explanation of the reasons for requirements by the management is an effective educational process in winning tenant co-operation. If possible, films or any of the audio-visual aids on related subjects — such as how to furnish and decorate a home attractively without great cost, methods of yard improvement through plantings or pest-control methods — should be used at the meeting. A social interlude should be included. While attendance cannot be mandatory, repeated invitations to succeeding meetings should be given to absentees.

Group work is one of the methods most frequently employed for tenant education, because it makes use of man's natural propensity to satisfy his needs through the group. An individual belongs to several kinds of groups — family, school, vocational, religious and recreational — so he must learn how to live and act in groups. Participation in a technically oriented group gives the individual an opportunity to develop tolerance for others and respect for different opinions and the rights of others, to share knowledge and abilities and to develop leadership or participant capacities.

Group work is a social educational method through which the technician makes use of the members' integration, using programmes and activities for their orientation and development. Group programmes are derived from the interest and needs of their members. The committees, the interest groups and the tenants' associations use the group techniques. The skilful guidance of group activities, both large and small, can in

the long run promote the best individual growth results. By this means, social environment causes change in the individual. Behaviour modifications which result from the associations with one's peers hold a social value that is never possible through authoritative forces or imposed leadership.

In the use of stimuli in group endeavour, judicious discrimination is highly desirable. Any tendency towards providing all the inspiration should be avoided. Even much of that which is originated by the management should be handled through the planting of ideas so that it unfolds with apparent spontaneity. When sufficient growth within any group function is achieved, the only continuing contribution by management should be that of unobtrusive observation. For management to dictate group performances is to add a phase of institutionalism that is contrary to the social objective of promoting individual growth. Mistakes and failures are an important part of growth education.

The introduction of group processes depends, of course, upon leadership. All possible assistance from outside volunteer sources should be tapped. The ultimate key is in developing leadership from within the project. The early leader may or may not possess the qualities which knit a group together for constructive purposes. He may be an unqualified bully or an individual seeking personal gain. Some self-appointed leaders have more egotism and self assurance than lasting ability. At the other extreme, occupants will be found who have latent leadership ability but suffer from a lack of self-confidence. Because of these human variations, management must lend guidance and direction. It may be found desirable to arrange for leadership training classes. As a project matures, each group may be expected to develop its own continuing leadership. Problems of leadership personality can normally be worked out by the group itself. It is recommended that opportunity be provided to make the best use of local leadership, in preference to bringing it from outside.

Community development

This method has been used very effectively in the housing estates in motivating the tenants to become interested in solving their common problems. The occupant being awakened and orientated is encouraged to discuss the local problems with his neighbours. The analysis of common problems greatly contributes to tenants' social development, critical sense and creative participation in community living. Through the method of community development, the social worker identifies the local leaders and promotes their training, giving them opportunities to act in committees or groups and preparing them to assume great social responsibilities.

Audio-visual aids are often used in tenant education. Simple demonstrative booklets concerning house use and improvement, suggestive posters and pictures etc. are instruments that give visualization and incite the tenants to take actions to make their houses more comfortable and their community more beautiful.

To facilitate tenant participation in the administration and in community improvement, it is necessary to have a simple structure of representation. The tenants' association meets this requirement and assures the participation of the tenants in the management of the housing estate. Social service must stimulate the creation and orientation of this association. However, it is not advisable to form the tenants' association immediately after occupancy of the estate, because it is important that the tenants feel the need for it. In addition, it is difficult for people to join in order to realize co-operative programmes if they do not have any association experience. As new occupants, they are not accustomed to working in groups and do not even know each other well enough to decide who would be the best representatives.

While tenants' associations are valuable, it is well to realize that they may also present dangers. In such organizations, certain tenants may try to take advantage of the association to put themselves in positions of authority and leadership for which they are not fitted, with a consequent disruption of whatever good order already exists among the tenants. It is essential that the housing agency guard against such a situation. Accordingly, before recognizing a tenants' association for any official purpose in connexion with the management or maintenance of the project, the agency should make or approve rules governing the by-laws, functions and election of members and officers of the association. As a preparation for the tenants' association, it is useful to organize committees to study and solve simple problems of common interest. During the development of programmes, good leaders that are interested in the welfare of the estate usually emerge from the group.

Tenants' associations are the result of a succession of group work experiences. The experience in this field has proved the great worth of such associations in the solution of daily problems and in the preparation of the occupants of housing estates to assume the responsibility for them, thereby making unnecessary the tutelage of the housing agencies.

In many housing projects there is a "tenant newspaper", which is published by the tenants themselves as a means of disseminating information and of communicating with each other. Many topics may be discussed in this paper such as news of current activities, information

about the progress of a communal project, details about problems that worry the community and other items of interest to the occupants of the estate.

F. Aided self-help

Programmes of aided self-help in housing are very important because they reduce the cost of housing and receive a direct contribution in effort and labour from the housing occupants. In this type of programme, the presence of a social worker in the multi-professional team is indispensable. The function of a social worker in aided self-help housing relates to the human and social aspects, including: (a) interpretation of the programme to candidates, stressing the advantages, difficulties and responsibilities of both the occupant and the housing agency; (b) organization of "working groups" for the building of the house; (c) help in solving human and social problems that arise during the project; (d) orientation of families with regard to budgeting and furnishing the house; and (e) organization of social and cultural programmes and many other activities to promote the stability of the family and the development of the community.

G. Urban renewal

In urban renewal programmes, it is important to have a social service specialist to give attention to human needs, stimulate community development programmes and give assistance to ensure co-ordination with the resources of other municipal departments.

H. Personnel for social services in public housing

Social service specialists are necessary in housing agencies not only to assure the provision of social services, but also to deal with the human and social aspects of housing in the planning, organization, execution and evaluation phases. In housing estates, an ideal field person is a trained social worker, if operating funds permit. A person with both community development and group-work training would augment management social effort and carry on all the programmes mentioned in this chapter. It is recommended that social workers in the field of housing receive special training in not only community development and group-work, but also the different social aspects of low-cost housing. Short courses and seminars should be organized by housing authorities to keep its personnel up-to-date and to review methods and programmes of housing.

Prepared by the Fund for the South for the National Association of Italian Municipalities

Physical Environment

Southern Italy, which comprises the region below a line extending from Rome to Ascoli Piceno and the islands of Sicily and Sardinia, has a character different from the rest of the country. It encompasses 130,000 square kilometres, which constitute 43% of the total area of the country, and has 19 million people, or 37% of the total population of Italy. As a whole, this is a depressed area whose economic and social backwardness is evidenced by the fact that the average per capita income (111,000 lire in 1951 and 288,000 lire in 1965) is about half of that found in the rest of Italy.

The main cause of this situation is the inadequate development of industry. In agriculture too, however, average production per hectare and especially the net per capita yield are far below the averages for the centre and north of the peninsula. This is due only in part to historical and political factors, the main reasons being the unfavourable climate and physical environment. For example, 85% of the land is mountainous, summer drought alternates with torrential rainfall in winter and the quality of the soil is extremely poor.

Throughout the centuries, deterioration of the physical environment caused by the bad hydrological situation and malaria in the plains has given rise to an accompanying succession of adverse factors. In particular, the concentration of the rural population in the higher areas, leading to a general and ill-planned deforestation of all mountain slopes in order to create arable land, has contributed to erosion. Moreover, the necessity of escaping from the malaria-infested plains and the poor agricultural conditions led to concentrations of the farming population and the cutting up of the land. At the same time, the few existing plains (apart from a few favourable exceptions around Naples, Palermo and Bari) were almost completely depopulated, these plains being often characterized by large land holdings but also by conversion to pasture land or to extensively cultivated fields. The low per capita yield which this type of agriculture involves has always made the accumulation of savings impossible, so that no public or private capital has been available for investment in infrastructure to the public benefit or the transformation of handicrafts into real industrial activities.

The Special Plan

To make a radical change in this situation, the Italian Government of Prime Minister Alcide de Gaspari in 1950—when the country had recovered from the worst ravages of World War II — prepared a Special Plan for the development of the South. Initially intended for 10 years, which term was extended to 15, the Plan was placed under an autonomous administration and given ample funds (2,132 billion lire, provided for in the Treasury budget). The Plan is of a special nature and is in addition to the regular activities of the Government which, nevertheless, is required to see that at least 40% of all the investments provided for in the budget are made in the South.

The execution of the Plan was entrusted to a specially created Fund for the South, a central body under public law with separate status and autonomy *vis-à-vis* the central government. Co-ordination between the Special Plan as administered by the Fund and the activities of the various Ministries was assured by the establishment of a special inter-ministerial committee, called Ministerial Committee for the South, and presided over by an *ad hoc* Minister.

The Special Plan, in providing for a vast infrastructure programme (particularly for roads and aqueducts) and in seeking as an ultimate objective the industrial and human development of the area, obviously could not avoid large-scale activity in regard to agriculture as the point of departure for the whole undertaking. It had to start from the existing conditions mentioned above and integrate agricultural activities into the overall plan, in close relationship with the development of the other sectors of production and of the basic infrastructure.

To cope with this situation, the plan for the development of agriculture in the South has, from the outset, taken three parallel though distinct problems into consideration:

- a) In the traditionally agricultural zones, the need for the gradual raising of production by introducing more advanced techniques, by mechanization and by a more rational system of marketing produce;
- b) In the zones of extensive agriculture where improvement is possible, organic development plans were to be made for hydraulic reorganization, the elimination of malaria, the construction of road systems, civil engineering services, irrigation projects, improvement in the use of the soil by agricultural undertakings and, if necessary, action to modify the system of land holding;

- c) In the more difficult mountainous zones, the necessity for reforestation as a defence against erosion, while developing a programme for the gradual reduction of cultivation in order to drain off excess farming population.

Whereas the Ministry of Agriculture had main competence for the first point, the two others belonged essentially to that of the Special Plan and therefore of the Fund for the South.

Activity in the Agricultural Sector

The criteria and techniques of the Special Plan which the Fund has employed for the improvement of agriculture, wherever this is possible, are primarily those which are known in Italy as basic improvements and are based on Law No. 215 of February 13, 1933. They can be summarized as follows:

- a) Delimitation by ministerial decree of homogeneous areas to be improved, as for example, river basins, well-defined plains or high plateaus. There are about 70 such areas in the South, ranging in size from 10,000 to 100,000 hectares;
- b) The establishment in each area of an Improvement Association, to be set up by the organization including all landowners, and to be supervised by the competent authorities, as laid down by law;
- c) The drawing up for each area of a general improvement plan, consisting of two parts:

I. An overall public works programme for the benefit of agriculture, including:

- 1. Hydraulics: reforestation of the mountain slopes, reinforcement of river banks, the laying of discharge pipes and drainage systems, etc.;
- 2. Irrigation: the construction of large reservoirs and secondary distribution systems for the benefit of farms;
- 3. Construction of roads and various facilities for the area as a whole, such as rural roads, power lines, service centres, consolidated population centres, rural schools, etc.

II. General directives for transformation of the land, comprising guidance to the farmers as to the most suitable crops to be raised, the kinds of investment to be made in the land and a programme for the establishment of collective plants for processing agricultural produce for market.

In its final section the Plan analysed the estimated expenditures, the probable increases in revenue resulting from the improvements and the balance sheet of costs and profits. This budget was considered both from the viewpoint of the national economy and from the narrower one of the typical farm, so as to determine the activities and contributions to be made by the State.

The operation of the various improvement plans, which together form the development plan for the South, is therefore assured by annual programmes which take into account both the time necessary for the execution of the works and the financial possibilities (public and private), as well as political and social requirements.

It would be ideal, of course, if each plan could be carried out as quickly as would be technically possible, so as to reduce to a minimum the interest to be paid on investments. In actual fact, however, there are many practical difficulties which make this impossible.

The way in which improvement programmes are carried out differs according to whether they concern public or private works. The cost of public works is borne largely (for about 90% in the South) by the State (Ministry of Agriculture, Waterways and Forestry or the Fund), while the balance is paid by the association of landowners, which has been given the following tasks:

- a) Carrying out works approved by the competent authorities;
- b) Collecting the shares payable by private persons according to the benefits obtained;
- c) Managing, operating and maintaining collective projects (irrigation systems, discharge canals, country roads, etc).

Land Improvement

As regards private works, i.e. those to be carried out on individual farms, the methods used to have these add, as much as possible, to the improvement of the public infrastructure are as follows:

- a) On the basis of the directives contained in the general improvement plan or issued in view of the general economic policy, each farmer submits a detailed plan for the transformation of his own farm, stating his objectives, the acreage to be planted in the main crops, the structures required for the crops, the preparation of the land for irrigation, etc.;
- b) The plan is examined by the local Agricultural Inspector, who grants the owner of the land a loan, which need not be repaid,

amounting to about 1/3 of the cost of the work to be carried out. The loan is liquidated after completion of the work and upon expiration of a specified period of supervision, which is from one to two years. The landowner may, if he wishes, obtain a special credit at 3% interest and extending over a 20 year period, for about 60% of the cost involved, in which instance the non-repayable cash loan is reduced proportionately. These credits are granted by special banking institutions on the surety of a mortgage;

- c) In the South, for the areas included in the Special Activities Plan, these non-repayable loans and special credits are granted by the Fund from its budget. The Fund issues directives in accordance with the general lines of agricultural policy as determined by the Ministry of Agriculture, Waterways and Forestry. In addition, it establishes supervision over the criteria for the allocation of the non-repayable loans and special credits.

It is obvious that these directives depend not only on special local conditions, but also on the general situation as regards the national market and economy.

On the basis of the above criteria, the Fund has carried out a vast programme of agricultural improvement and land conversion in the South, in accordance with the political directives and with the approval of the Ministry of Agriculture, Waterways and Forestry. As stated before, this programme includes some 70 improvement areas, totalling roughly three million hectares and 100 mountain areas, with a total area of two million hectares, where reforestation and anti-erosion projects are being carried out.

Achievements in Agriculture

Public works to improve or equip mountainous regions which had been completed or were in progress on June 30, 1964, have involved an expenditure of 745 billion lire, which has been borne almost entirely by the Fund. Irrigation works accounted for about 33% of this total. The irrigation plan, which is the basic activity in the current stage of the improvement of the South, covers some 500,000 hectares.

By the end of the 14th year, private improvement works on the farms had reached a total of 214,000 projects, involving an investment of about 494 billion lire, of which 215 billion lire were loans that need not be repaid. In addition, a total of about 65 billion lire was granted in special credits.

An important part of the programme has been the financing of many activities to aid local farmers' co-operatives and associations as regards collective plants for the processing and preparation of produce for market. In addition, the Fund's achievements in the agricultural sector comprise the establishment of:

- a) 130 agricultural schools, each with a model farm, for the training of young farmers between the ages of 14 and 17;
- b) 15 experimental farms in new irrigation zones;
- c) 150 centres for technical assistance in agriculture, each consisting of two experts with means of transportation and various equipment, which operate in the areas undergoing the most drastic changeover;
- d) many kinds of activities to develop the human factor, such as specialized courses, pilot projects, the financing of institutions for technical and social assistance, etc.

The transformation process in the agricultural areas of the South, which can now be regarded as being in full swing, has opened up prospects which were unthinkable only a few years ago. Nevertheless, it is obvious that the realization of a plan like this gives rise to all kinds of difficulties. These must now be analysed in detail, with a view to overcoming or restricting them.

The need to consider the appreciable differences between various physical environments of the same region is a primary and obvious problem. Although the Plan has, from the outset, established different lines of development and criteria of action for different areas (mountainous regions, plains, arid regions, irrigated land, etc.), in practice, whether as a result of the uniformity of the basic legislation or because of tradition, activities have perhaps been too much the same in the various environments; results, however, have been widely different. To this spatial aspect of agricultural development, moreover, has been added a factor which has developed in the course of time. The period from 1950 until the present may be considered truly revolutionary for southern Italy, not only from the standpoint of the establishment of an economic and social balance in the rural districts, but also as regards the new relationship between man and the land.

Many beliefs, conditions and objectives, which for centuries have been considered valid, have changed rapidly in this period as a result of the general economic development of Italy and Europe. This phenomenon has given rise to per capita productivity requirements which had not previously been taken into account and have caused the exodus of many unemployed farm workers to other regions and jobs.

If, in 1950, the generally recognized aim was to assure every farmer enough land to feed his family (an aim which was also borne out by pressures of a revolutionary nature), it appears inconceivable today that a farmer should remain on land incapable of assuring him adequate individual earnings and a decent standard of living (even though this may not yet be equal to that enjoyed by workers in the secondary and tertiary sectors). The result of this is a farming economy based mainly on barter, not only in order that enough food be obtained, but all other necessities of life as well. It is true that the development plan has made allowance for this evolution in the course of time, but it could not have foreseen the rapidity with which it would occur nor the vast scope of the material and psychological transformations which would take place.

This has resulted, on the one hand, in detailed plans regarding specific types of investments in land being wrongly applied, for example, too small holdings, disproportionate investments, and, on the other hand, in lack of a certain flexibility in having activities and development programmes conform to the real possibilities of the various areas concerned in the light of the new dynamics of production costs and market prices.

In some cases, investments were even definitely excessive as, for example, for the farming settlements undertaken by the State under the agrarian reform programme (500,000 hectares in the South alone). As regards areas which were generally too big, the development and exploitation which were characterized by extremely large investments per hectare yielded good results in areas having irrigation or other favourable conditions, but proved completely ineffective in other areas not so fortunately endowed.

Other Parts of the Plan

Although the above — mentioned lines for development and organization concerned the purely agricultural aspects of the Plan, mention was also made of general development and organization and the close links necessary between agriculture and other sectors, which have had to absorb the exodus from the predominantly agricultural regions.

This, the evolution of agriculture within the framework of the Plan has been vigorously supported for a long time now by vast programmes promoting industry, handicrafts and fisheries, based on incentive credit facilities, non-repayable loans and special tax allowances. These programmes, which have as their aim a gradual increase in local demand, have lived up to expectations, as is indicated by the fact that in the last few years the annual rate of increase in industrial investments in the

South has become almost three times as high as the rate recorded in the North.

In this connection, there has been a great deal of controversy as to the degree to which industrial activity should be spread, even in the forbidding inland areas, from which the greatest rural exodus is expected. Theoretically, this would be an ideal solution. In practice, however, it should be kept in mind that industrialization of a large underdeveloped region like the South, extending as it does over some 130,000 square kilometres, cannot take place, at least in the first stage, without a certain measure of concentration of activities in well-defined areas and centres.

Actually, the only way this can be successfully accomplished is to perfect all the aspects of infrastructure and all the necessary services (roads, railways, ports, telephone lines, etc.) and especially to determine the level of external savings, which is an indispensable condition for the birth of modern industry. Even if the system of encouragements were to operate over the entire region of southern Italy, industrial development proper would gravitate towards existing areas and centres of concentration, which have profited by State measures to strengthen its own infrastructure, such as the construction of railway junctions, etc. and by the existence of vocational training centres and other social services. It is within the framework of such units that the growth of industrial concentrations, especially of such powerful basic ones as blast furnaces and oil refineries which, on the whole, are being undertaken by State-controlled groups, can be found.

Furthermore, with the increasing importance of water in the establishment of an industrial base, there is the increasingly difficult problem of planning for a proper allocation of the limited resources available in the South between industry, personal use and for agriculture.

Tourism, too, is a very important activity which has been taken into account in the general plan for the development of the South. It is currently the object of a series of activities which are mainly concerned with the improvement of hotel facilities through the granting of special credits and the construction of special infrastructure for developing new tourist areas, such as roads, aqueducts, restoration of monuments, etc. The link between tourist and agriculture is very close, especially today when, having become a mass phenomenon, tourism provides an excellent outlet for seasonal farm produce such as fruit and vegetables. It should not be forgotten, however, that tourism will often develop in regions which are traditionally closed to all agricultural pursuits, such as high plateaus and steep mountains.

All these considerations show clearly the great importance that regional aspects give to various economic activities, especially in so varied a territory as southern Italy. It therefore follows that the regional development plan, which is composed of a series of special plans for various fundamental economic activities, is divided into sub-regions, each of which has its own particular characteristics and outlook, that often coalesce into real centres of development.

If, therefore, it is possible to speak of homogeneous regions as long as discussion is confined to a single sector of the total plan (just as the various regions of homogeneous agriculture can be studied and planned so, too, can regions devoted mainly to industry or tourism), this is not the case when general or overall planning is under consideration. In this case, the different aspects of the individual sectors tend to overlap and coalesce in the economic and social reality which also forms the meeting place and point of equilibrium between adjacent regions of different character, i.e. plains and surrounding mountain slopes, town and country, etc.

Planning for a large region, may, therefore, be defined better, on the whole, as a series of organic zones comprising aspects of industrial, agricultural and touristic development, which are nearly always centred around an important population nucleus. It is on this basis, too, that the planning of general infrastructure, not only as regards material works, i.e. roads, aqueducts and ports, but social institutions as well, such as schools, research centres and hospitals, should be studied and developed.

A. Investments Affected by the Fund between 1950 and 1964

For the execution of the programmes prepared under the Development Plan for the South, up to June 30, 1964, the Fund for the South had effected or promoted investments up to a total value of 3,710 billion lire, which can be broken down as follows: 1,518 billion lire (40.9%) for infrastructure works (improvements and installations on mountain slopes, aqueducts and drains, ordinary roads, high speed roads, transport by rail or sea, construction of school buildings, etc.), which constitutes the main part of the authorized capital; the balance, 2,192 billion lire (59.1%) was employed for the erection of productive structures in agriculture and industry, the realization of which was the concern of private enterprise.

Private enterprise was assisted by the Fund through the granting of cash loans and credits at special rates, which has resulted in a more dynamic demand for private investments. It may be pointed out, in this respect, that in the initial period (between 1950 and 1955) private investments were barely 22.8% of the total. However, they rose to 52.0% in the 1955—1960 period and to 72.5% in the 1960—1964 period, thus far exceeding the total investments made in infrastructure. The following is a breakdown by sector of activity:

General Infrastructure

- 576.4 billion lire for improvements and installations on mountain slopes;
- 267.7 billion lire for farming settlements connected with land reform;
- 160.6 billion lire for ordinary roads and for high speed roads;
- 257.9 billion lire for aqueducts and drains;
- 37.9 billion lire for works benefitting tourism;
- 102.2 billion lire for railway and seaport works;
- 10.0 billion lire for the equipping and development of industrial sites and nuclei;
- 105.4 billion lire for school buildings, vocational training and other social activities.

Productive Activities Carried Out by Private Persons

- 422.3 billion lire for land improvement works;
- 1,697.3 billion lire for industrial activities;
- 72.0 billion lire for handicrafts and fisheries.

To give a better idea of the amount of work completed, the following significant data concerning achievements in the field of agriculture by June 30, 1964, may be useful:

- 320,000 hectares of land drained;
- 507,000 hectares of land provided with irrigation systems;
- 7,659 kilometres of roads repaired or constructed;
- 19,412 kilometres of new rural electrification systems;
- 348 million young trees planted for reforestation.

Among the land improvement works carried out with private co-operation were the following:

- 310,000 rooms for dwelling;
- 31,500 silos and haylofts, with a total capacity of 4.1 million cubic metres;
- 72 cheese dairies
- 378 olive oil plants
- 473 wineries
- 189,000 hectares provided with irrigation systems;
- 284 hot-houses, with a total area of 438,000 square metres (See also Table 1).

In the public works sector, 2,886 kilometres of new ordinary roads were built and 15,135 kilometres repaired. Normalization of the drinking water distribution made it possible to supply over 6 million people.

B. Employment

For the execution of the Development Plan for the South, the employment of labour up to June 30, 1964, represented a total of 325.2 million man-working days, of which 59.4% was devoted to infrastructure and 40.6% to private works. The following is a table of man-working days in the various sectors of activity:

Infrastructure

- improvements and installations on mountain slopes: 98.8 million (30.4%);
- land reform: 39.2 million (12.0%)
- aqueducts and drains: 19.3 million (5.9%)
- ordinary roads: 25.5 million (7.9%)
- works benefitting tourism: 4.0 million (1.2%)
- railway and seaport works: 6.4 million (2.0%).

land improvements: 114.9 million (35.3%);
industrial initiatives: 17.0 million (5.3%).

These data do not cover the volume of indirect employment, which is undoubtedly considerable.

C. Changes in the Use of Fields

An inquiry conducted among 109,875 farms in the South to determine the use of investments and the structural changes these have brought about has made it possible to estimate the results which will be obtained in 1965 when all the works which have been approved, totalling 485 billion lire, will be completed. Activities will not only have intensified and improved the cultivation of 2,240,000 hectares, but will also have had a profound effect on the use of this land, which is now employed as follows:

fields equipped with irrigation systems	+ 165,000 hectares
citrus fruits and other irrigated crops	+ 23,000 ha.
vineyards	+ 11,000 ha.
olive groves	+ 11,000 ha.
fruit trees (specialized cultivation or otherwise)	+ 31,000 ha.
permanent pasturage	+ 117,000 ha.
dry crops	— 131,000 ha.
forests	— 2,000 ha.

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TABLE 1 — REAL INVESTMENTS IN LAND IMPROVEMENT WORKS
CARRIED OUT BETWEEN 1950 and 1964

<i>CATEGORIES OF WORKS</i>	<i>Unit</i>	<i>Quantity</i>
1. RURAL CONSTRUCTIONS		
Dwelings	number	111,041
rooms	"	309,901
Stables	"	80,878
capacity	head of cattle	460,515
Other constructions and sheds	number	273,608
2. EQUIPMENT		
Storehouses	number	14,475
capacity	cu. m.	1,347,378
Workshops, sheds, porches, roofs, etc.	number	15,649
capacity	sq. m.	542,386
Cheese dairies, maximum daily	number	72
milk processing capacity	100 kg.	1,045
Olive oil plants	number	378
maximum daily olives		'
processing capacity	100 kg.	24,292
Wineries	number	473
storage capacity	hectolitres	2,437,173
Plants for processing and preserving fruits and green vegetables	number	9
storage capacity	100 kg.	88,573
Depots and other installations and equipments	number	1,091
3. ROADS SYSTEM		
Roads within and between farms	km.	4,843
4. DRINKING WATER RESERVES		
Rural equeducts	number	3,119
length	km.	1,662
Wells	number	29,142

Reservoirs and other water catchment basins of various kinds	number	22,097
5. RUPAL ELECTRICITY SUPPLY		
Power cables	km.	1,764
Boxes for transformers and other apparatus	number	1,389
6. HYDRAULIC INSTALLATIONS AND FIELDS CLEARED OF STONES AND OTHER OBSTACLES		
Hydraulic installations	km.	122,968
Cleared land	ha.	61,032
7. TREE PLANTINGS		
Olive groves	ha.	25,079
trees	thousands	2,453
Olive-tree nurseries	ha.	3,351
trees	thousands	401
Citrus trees	ha.	2,409
trees	thousands	893
Other kinds	ha.	9,605
trees	thousands	3,061
Wind-screen trees	thousands	2,965
8. IRRIGATIONS		
Running water: through sprinkling	ha.	28,091
through outflow	ha.	24,235
Underground water through sprinkling	ha.	45,703
through outflow	ha.	67,291
Artificial lakes capacity	thousands of cu.m.	37,176
irrigable area	ha.	16,280
9. IMPROVEMENT OF MOUNTAIN PASTURES		
Cleared and improved with plantings	ha.	20,587
Long-term meadows	ha.	3,780

10. REFORESTATION AND
FOREST REORGANIZATION

ha.

3,806

11. HOT-HOUSES

Area

number

284

sq. m.

438,113

12. PURCHASES

Cattle

head of cattle

3,451

Sheep and goats

head of cattle

1,892

Tractors

number

189

power

h.p.

10,138

Machine-tools

number

150

Grain storage facilities

number

217

capacity

100,000 kg.

2,254

