

An Analysis to Challenges of Management System in Slum Upgrading Projects of Iran

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Abstract. Tackling the issue of informal settlements, under-serviced neighborhoods, or what is generally referred to as urban slums remains a daunting task for urban management system in a majority of developing countries under both rapidly-growing and stagnant economic conditions. It is estimated that over a billion people throughout the world live in slums and informal settlements, which UN-Habitat defines as featuring lack of durable housing, insufficient living area, lack of access to clean water, inadequate sanitation and insecure tenure.

As in many other developing countries, Iran experienced an unprecedented population growth in the second half of the twentieth century. In this process of urban growth, slum settlements emerged in most cities of Iran, especially in the capitals of provinces. These settlements have some characteristics in common with other slum settlements across the globe as well as some unique features related to the history, culture and economy of each city creating a vast range of challenges for urban management system.

In this paper the intention is to present an overview on diverse issues related to informal and slum settlements of Iran, related policies and projects and their planning and management challenges in management framework.

Keywords: slum, urbanization, project, management

1. Introduction

Urbanization is proceeding at a very fast pace, with an estimated urban population of almost five billion projected by 2030. Due to the World Bank, much of the increasing urbanization will take place in developing countries and will be focused on Asia and Africa and currently, one-third of all urban residents are estimated to fall below the poverty level of their country. It is also estimated that half of today's urban poor are located in Asia and one-third in Africa, and over a billion people throughout the world live in slums and informal settlements [1].

Today, slum dwellers live primarily in the cities of Africa, Asia, Latin America and Pacific, although a smaller number also live in cities of the developed world. It is obvious that rapid urban population growth in developing countries has outpaced the ability of city authorities to provide for housing and environmental and health infrastructure. This is evident in the proportion of the population that is living in slums. Informal and slum settlements have formed mainly because of the inability of governments to plan and provide affordable housing for the low-income segments of the urban population leading to a crisis in urbanization process [2]. Generally, low-income and informal settlements or slums around the world differ in as many aspects as they are comparable. Even within the same country, they cannot be described by any single valid definition. They are often set within different legal frameworks and different political situations, emerge from unique historical backgrounds, and have different socio-cultural as well as socio-economic compositions. More often than not, these structural and social distinctions are accompanied by further technical and regional differences, for example in size, density, the quality of the built environment or vulnerability to certain natural disasters [4].

Slum settlements are in one way or another at a disadvantage - compared to other areas within the city - due to the relative poverty of their inhabitants or due to lack of land security. Lack of financial resources

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and lack of political commitment are other two of the main causes for problems commonly encountered in these areas. Generally speaking, slum settlements are characterized by substandard housing, inadequate water, sewage and sanitation facilities, lack of educational and health re facilities, poverty and widespread socio-cultural conflicts. To solve the problems of slum areas, an integrated, participatory and inclusive approach to slum upgrading projects planning and management should be adopted at all levels and countries within the region that are able to do so must be called upon to assist countries that do not have adequate resources in strengthening capacities for slum upgrading projects planning as well as management.

2. International Projects for Slum Upgrading

Widespread problems resulted from formation of informal and slum settlements urged many international organizations, donors, and community groups to address the increasing scourge of urban slums worldwide. In the early Twentieth Century, slum improvement programs in many countries were equivalent to slum clearance—hardly a solution to the problem of lack of adequate housing in developing country cities. Beginning in the 1970's the strategy shifted to one of improving and consolidating existing housing—often by providing slum dwellers tenure security, combined with the materials needed to upgrade their housing or—in areas where land was plentiful—to build new housing. Emphasis on in situ improvements has continued to the present. These improvements may take the form of providing infrastructure services and other forms of physical capital, but also include efforts to foster community management, and access to health care and education. At the same time, some have called for replacing slums with multiple story housing either at the site of the original slum or in an alternate location [5]. Among different kinds of projects planned to address the issues of slum settlements, one of the recent and most common projects regarding slum settlements is referred to as upgrading project.

Generally speaking, what is called 'upgrading' aims at tackling one or more of the mentioned problems. However, since no two settlements are the same, there is no single correct way of proceeding. Any process of slum upgrading requires careful analysis of the local situation and adaptation to its unique circumstances. What slum upgrading actually involves therefore varies from one country or even city to another. It is subject to local decision-making and can include anything from technical improvements to socio-political arrangements. Slum upgrading can protect a range of human rights from access to water and other services to protection from harassment and eviction. The key rights that slum upgrading addresses are the right to housing and protection from forced evictions, the right to water and sanitation and women's housing rights. However, slum upgrading projects are by no means easy to organize, resource, implement or replicate, especially not in a context of poverty and underdevelopment. To be successful, slum upgrading projects require careful long-term planning, design and management. In particular, there must be political commitment, local conditions need to be considered; housing affordability and project finance must be sustainable in the long term. Direct, meaningful, and sustained community involvement and participation rather than just consultation are vital. Residents must be effectively protected from evictions and violence through the process and there must be recognition of the human rights. Slum-upgrading can also go beyond mere physical improvements and promote changes in policy at a city-wide or even national level, recognizing that slums are not isolated problems, but indicative of an entire urban system that is not functioning and must therefore be addressed through city-wide planning processes[4].

Slum upgrading, as opposed to slum redevelopment or slum clearance, is now widely acknowledged as one of the more effective means of improving the housing conditions of the poor and has been hailed as a 'linchpin' of any urban poverty strategy. It has been defined by the Cities Alliance as consisting of 'physical, social, economic, organizational and environmental improvements undertaken cooperatively and locally among citizens, community groups, businesses and local authorities [6].

There is no single model for slum upgrading programs since the particular circumstances of every city will vary and the programs need to be tailored to those circumstances. It is more useful to think of slum upgrading programs being derived from a menu of potential interventions or components. Some of these components are core elements of nearly every slum upgrading program. Other components are more, or less, important depending on the specific situation in the city and its slum [7].

3. Funding and Management of Slum Upgrading Projects

Since the 1970s there have been an increasing number of slum upgrading pilot projects implemented in communities around the world. Forward looking national and municipal governments have experimented with a variety of means to improve the quality of life in the slums. Most of these experiments have been in partnership with international development agencies and multilateral development banks, and they often engaged both local and international NGOs.

The three major multilateral banks—the World Bank, the Inter-American Development Bank (IDB), and the Asian Development Bank (ADB)—have maintained fairly consistent funding for the broad category of housing and slum upgrading since 1990. The World Bank serves the entire world and is by far the largest multilateral lender, while the IDB serves Latin America and the Caribbean (LAC) and the ADB serves Asia [8].

The World Bank has maintained a fairly consistent funding level since 1992, but the funding percentage of its overall portfolio of loans has reduced slightly. The World Bank has also shifted from its early emphasis on small slum upgrading and sites and services loans that served the low income to a focus on large-scale policy-related loans in housing finance, adjustment loans, and privatization of public services. The result of this shift was a smaller share of the funding going to support low income housing and a smaller share going to low income countries. Between 1972 and 2005, the World Bank supported 278 projects that provided \$16 billion in housing assistance to more than 90 countries. Approximately nine percent of the Bank's current portfolio goes to urban programming, the highest percentage since 1975. Asia and Middle East are among regions which have received a high share of mentioned funding. Table 1 illustrates the Bank's funding for shelter loans by type and the proportion going to each world region and to each program type from 1992 to 2005 [8].

4. Slum Settlements In Iran

As in many other developing countries, Iran experienced an unprecedented population growth in the second half of the twentieth century. The population of Iran was reported to be about 19 million according to the 1956 census while the 1996 census recorded a figure of more than 60 million for the country's total population. Total population is now estimated to be more than 70 million persons. While the country's rural population has continually increased in the last decades, its proportion to the total population has shrunk from more than two thirds to about one third of the total population, based on recent estimates.

A major characteristic of Iran's economy since the 1960s has been a strong dependence on oil revenues. While oil revenues could potentially provide for big-push economic growth drives, they have also resulted in a number of structural problems that hinder equitable development and a sustainable growth pattern. These structural problems notwithstanding, Iran also experienced a devastating and long war with Iraq that cost the country close to one trillion US dollars in damages. The results of all these have been low and sometimes negative rates of economic growth and stagnant per capita incomes in the 80s and 90s, persistently high rates of unemployment and unplanned urban growth. In Iran, as in any other non-Western society, capitalism's co-existence with pre-capitalist modes of production brings about change in almost all aspects of life. As an example, improvements of health conditions have led to a population increase in Iran's three sub-systems. But both tribal and rural sub-systems for lack of any genuine development are not able to provide job opportunities for their growing population. At the same time economic growth, which has been based upon petrodollars, is mostly an urban phenomenon, where, unlike developed societies, the tertiary sector of the economy by far has the lead.

The growth of the tertiary sector is very uneven and corresponds to population concentration in major urban centers. In fact there is a vicious circle operating; as government spends a good portion of petrodollars unevenly in urban centers, more and more migrants from tribal and rural sub-systems pour into urban areas and the tertiary sector of the economy becomes larger and larger. The concentration of population in the capital and to a lesser degree in other urban centers, along with tertiary sector enlargement, motivate more and more people to leave tribes, rural areas and smaller towns and cities and reside in the capital and other major urban areas. Concentration of population in itself, coupled with class polarization and informal

sector's enlargement, means the availability of more and more urban parasite work. Availability of this kind of employment in its own turn leads to the attraction of more migrants into the major urban centers. As migrants arrive at cities looking for any job to get by, the increasingly acute shortages of housing, overcrowding, and inadequate social services, become a part of daily life in urban centers. At the same time land and housing speculations which are routine practices in an economy in which the tertiary sector has the upper-hand, prevent masses of urban poor especially those who are not organized and work in the informal sector, to find shelter in cities [9]. In this process of urban growth, slum and informal settlements emerged in most cities of Iran, especially in the capitals of provinces. In most of developing nations like Iran, these types of settlements represent the constant struggle of the poor to cope with inequalities that are institutionalized and reproduced within societies. In Iran, the cost of housing has always been considered to be the most important item within a family's expenditure basket. On the other hand, for a slum settler securing a shelter, no matter where and under what circumstance, means the elimination of rent and at the same time excluding better nutrition and clothing. The make-up and appearance of many informal settlements are very often misleading. There is no doubt that such settlements are poor, the majority of the population has miserable lives, and the basic needs of many families cannot be met. But the appearance of the neighborhoods, due to a number of cultural factors, habits, and living styles, may be far worse than what it actually is. Additionally, it is important to understand the dual and contradictory nature of informal settlements in Iran. In a general categorization, the informal settlements in most cities of Iran can be divided into two major groups of those within municipal boundaries and the ones outside it. The first one is the group which consists of older settlements that although deemed formal by officials, have been dealing with insufficient infrastructure and public services. The second group (always located outside the municipal boundary) are in a harsher condition as they rarely have had access to basic services such as water pipeline network and other infrastructure.

5. Urban Upgrading and Housing Reform Projects for Iran

One of recent projects funded by the World Bank is Urban Upgrading and Housing Reform Project (UUHRP) for the Islamic Republic of Iran in 2004. The Islamic Republic of Iran has received financing in the amount of US\$ 80 million equivalent from the World Bank toward the cost of the Urban Upgrading and Housing Reform Project, and it intends to apply part of the proceeds to payments for goods, works, related services and consulting services to be procured under this project. The project is to be implemented in cities of Zahedan, Bandar Abbas, Kermanshah, Tabriz and Sanandaj and includes three components in which component A lays the foundations for launching and sustaining country-wide urban upgrading programs in Iran. The Program will be implemented in cities and neighborhoods of Zahedan, Bandar Abbas, Kermanshah, Tabriz and Sanandaj. Component B aims at enhancing housing affordability and the efficient functioning of the housing market. It will consist of foreign and local technical assistance, training and equipment for further defining and implementing the priority actions identified in the Housing Sector Strategy and component C will finance the cost of office and equipment that are required for project management and implementation. To achieve the above, a three phase Adaptable Program Loan was prepared and is spread over a period of twelve years. The key development objectives of this project are to (i) improve the living conditions in under-serviced neighborhoods in up to five provincial capital cities and; (ii) prepare the systems, capacity, and regulatory foundation and initiate market based housing sector reforms. The overall purpose of the Urban Upgrading and Housing Reform Project (UUHRP) proposed to Iran is to facilitate the transition to a market-led housing sector in Iran, while improving current living conditions for low and moderate income households. First phase of the project which included collection, classification and analysis of data is almost fulfilled in all target cities, but the consequent phases have not been accomplished yet.

6. Challenges in Urban Upgrading Projects of Iran

It is important to recognise that the performance of a number of cities in Iran in carrying forward major pro-poor reforms and programmes in land and housing provision has been encouraging. However, for such slum prevention policies and projects to have an impact on the ground there seems to be need for a lapse in time. Generally, the replication and scaling up of successful initiatives and projects in a particular

city to national level remains a serious challenge. Meeting the targets in These projects is particularly difficult because of their inherent complexities, the number of actors and their diversity, the pervasive effects at all levels of inadequate policies, regulations, management and their enforcement, the lack of adequate information and the need to find solutions tailored to suit local conditions.

7. Conclusion

A number of recent researches have indicated that developing countries like Iran appear to have a limited interest in improving their housing stock and conditions in their slums. Some of the countries do not want more migration from the rural areas to urban areas, and they think that implementing slum upgrading projects will make the urban areas more attractive and increase the rural to urban migration. Iran still has a rural development focus and does not see urbanization as a positive force for economic growth.

Moreover, there is a problem of representation of the local needs in particularly poor urban neighborhoods and it can be assumed that areas like slum settlements often have little or no legal claims on city or national governments.

Above all, it can be concluded that governmental organizations and community groups have gained considerable experience over the last 25 years in implementing projects designed to upgrade slums worldwide. A large number of these projects have successfully demonstrated that slums and the lives of their residents can be improved and in some other cases the desired result has not been achieved. Iran is among countries that despite vast and diverse projects for slum upgrading and sufficient funding from international donors, the desired result has never been reached. Some of major reasons for failure of the upgrading projects in Iran which must be fulfilled in order to achieve the desired goal can be classified as follows:

- 1) Local participation is critical in upgrading projects. Projects need to be designed from the bottom up working with communities so that the communities decide what levels of service they receive. Due to social structure of slums in Iran this goal could not be achieved.
- 2) Sustainability requires that consideration be given to the costs involved and to designing a level of service that is affordable to the community and to the local government. Since municipality is financially independent from state government and shall gain the fund from the residents, financial issues of upgrading projects are still unsolved.
- 3) Programs must correspond to national strategies to achieve synergies with other supporting interventions addressing poverty in the country and little attention has been paid to this subject in planning hierarchy of Iran.
- 4) Upgrading programs are most effective when led by the municipal authority and implemented at the community level through a broad set of intermediaries including community based organizations, NGO's, and UN agencies such as UNICEF and Habitat which all are limited due to political structure of Iran.

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