

**Third Urban Research Symposium on
“Land Development, Urban Policy and Poverty Reduction”**

**The World Bank
Institute of Applied Economic Research - IPEA
Brasilia, DF, Brazil
April 4-6, 2005**

Concept Note and Call for Papers

1. Context and objectives

Following upon the two Urban Research Symposia organized by the World Bank in 2002 and 2003, this third Symposium focuses on Land Development, Poverty Reduction and Urban Policy. Organized jointly with IPEA Brazil, this conference takes a long term perspective of urban development as it relates to poverty reduction and economic growth both at local and national level. The objectives of the Symposium are to:

- explore and promote applied urban research on land development and poverty reduction in developing and transition economies;
- contribute to a focused urban research agenda to guide collaborative efforts in this area;
- discuss experiences of design and implementation of public policies as well as developmental results of public programs; and
- foster partnerships among researchers working in these topics.

2. Guiding themes and questions

As indicated in the title, the Third Urban Research Symposium aims at addressing key challenges on land development and public policies, both to gain further insights on the issues as well as to learn about implementation. The overriding goal is to advance the knowledge frontier in the areas of poverty and inequality reduction, land markets and land policy (planning, regulation, taxation, public programs). The main question of the Symposium is: *what can be done to promote affordable land development and housing production, especially for the poor?* Land development is defined as the improvement of land for any purposes regardless of the number of occupants or tenure, coupled with the division or allocation of land or space for the purpose of urbanization. Housing issues related to poverty alleviation and to land development are included in the main theme.

Topics: The Symposium is organized along four main topics:

- I. Urban Growth: trends and impact on land development
- II. Land Policy: public sector interventions and policies
- III. Land Market: the role and response of the private sector and markets
- IV. From Theory to Practice: lessons from policy interventions

Themes: within each topic, themes to be addressed include:

- *Urban Form:* how the topic has impacted urban space, the shape and system of cities.
- *Poverty, Inequality and Social Exclusion:* how are these affected by land use and land policy, and what reforms does this suggest are needed.
- *Fiscal and Financial Aspects:* potential for resource mobilization, financing needs for land and infrastructure development; cost recovery and willingness to pay, financing alternatives.
- *Externalities:* the impact/relation between land and other sectors such as transport, environment, disaster management.

Regional concentration: To reflect the international nature of the Symposium, the papers and discussion sessions will be distributed as follows: 25% on Brazil; 25% on the rest of the Latin America; and 50% for the rest of the world.

3. Conceptual Framework and Definitions

Land market is used here in its broader conception comprising the formal and informal markets. Major issues relating to the functioning of land markets include:

- Mismatch between demand and supply of affordable housing. While the supply of housing has increased, often low income households cannot afford its services. Explanations for this gap range from a point of view whereby speculative investment leads to displacement of residents from well-located land, to a wider view emphasizing the incomplete nature of the housing and land markets, with multiple policy failures preventing an adequate supply response to the needs of the poor. As a consequence, low-income households turn to informal housing/land solutions.
- Lack of basic knowledge of land market behavior as well as of urban and real estate economics among sector policy-makers and program managers .
- Lack of understanding and assessment of formal and informal urban housing supply as well as of housing and land market performance.
- Institutional constraints such as: (i) limited supply of vacant developable land; (ii) lack of infrastructure networks to serve vacant land; (iii) inefficient land and property titling and registration; (iv) restrictive master plans and inappropriate zoning and subdivision standards¹; (v) inadequate financial mechanisms for infrastructure investment; (vi) lack of proper taxation policies; (vii) lack of competition in the low and middle income housing development sector; and (viii) lack of understanding of how housing rental could address social housing issues.

Housing markets and infrastructure, important issues include:

- The promotion of new materials and technology designed to cut the costs of urban and land development and to enhance affordable housing production.

¹ Including restrictions on minimum plot size, frontage and setbacks and excessive requirements for rights of way and public facilities

- Cost recovery policies which render infrastructure development a more attractive proposition for developers, governments and other stakeholders.
- Policies to improve access to housing services and infrastructure, including housing subsidies, rental housing, progressive housing.

Inequality is relative poverty. It mirrors inequality to access physical and financial capital, resources and opportunities. Polarization takes place when those inequalities worsen over time and inequities become magnified.

Poverty reduction is regarded in a multidimensional framework which goes beyond income or expenditure, and encompasses opportunity, empowerment, and security or reduced vulnerability. Reducing poverty and increasing well-being will require cultivating a wide portfolio of assets (human, physical, natural, social, financial, and intellectual capital). Social and environmental assets are often neglected or underprovided because they involve externalities or collective goods. In the urban context, this shortcoming is seen in concerns about worsening pollution, lack of public amenities, declining public safety, inadequate management of disaster risks, and deteriorating trust or social disintegration - and the poor often bear the brunt of such failures.

Private sector and formal/informal markets focus on the following issues:

- The role of the market and the private sector in addressing the needs of the poor for housing and land
- Information and prices on land markets
- Land partition in the peri-urban areas (how cities grow and private sector helps accommodating the need for shelter)
- Policy failures and need for intervention – while markets might provide an efficient mechanism for exchange and allocation of resources, they may fail in the case of housing and land, for many reasons that need to be explored
- Role of public-private partnership in the housing and land markets.

Public sector includes (a) government and public administration levels at national and local level and (b) include all relevant stakeholders (NGOs, social movements, grassroots organizations, community associations, unions, the private sector, etc.) concerned with public policies, planning, management, regulation and land development in urban areas.

Urban growth and land development present both positive and negative externalities. Positive factors include economic growth and efficient delivery of services, access to education, health services and cultural assets. Negative impact include (a) lack of local capacity to provide even the basic services; (b) high percentage of inhabitants in impoverished slums and squatter settlements, with little access to basic services and negative impact on environmental quality, human health and well-being. The question of urban shape and **densification** and the pros and cons of allowing (or promoting) more concentrated urbanization merits further debate.

Experiences and lessons for practitioners should focus on practices and experiences, programs and projects on land development at the national and sub-national levels-- identifying factors of success or failure in promoting access to land and in integrating informal urban settlements into the formal city.

4. Topics and Themes

Papers are solicited addressing the topics and themes outlined below.

I – Urban Growth Trends and Land Supply

Urban Form: What patterns of urbanization maximize the benefits of urban development in the territory? What are the impacts of urbanization on the natural and built environment? How do institutions impact on urban growth and urban form?

Poverty: How could the promotion of developed land contribute to alleviate poverty and reduce social and economic inequalities?

Fiscal and Financial: How can resources be brought about and what mechanisms can be used to foster access to developed land and to promote equity? Role of local government finance, private/public partnerships, tax policy and innovative instruments to tax “created land value” associated with urbanization; how to maximize the fiscal, economic and financial benefits of urban growth and minimize the costs?

Externalities: How to maximize the urban growth benefits related to the provision of serviced land, utilities and public services, job opportunities, access to cultural assets, education? How to minimize the negative externalities related to crime, disaster management, environment and air pollution?

II – Land Policy: Planning, Regulation and Taxation

Urban Form: What are the tools for public intervention in the sector? How can public sector planning and management tools be effective in guiding urban development?

- *Land Use planning:* (a) Recent planning experiences in LAC and elsewhere; (b) planning theory – the pros and cons of urban planning. Can we live without it? (c) transport, land use models and planning – how do they shape our cities; (d) practices of planning preparation and implementation through private sector and civil society; (e) environment, hazard management and planning.
- *Land Use Regulation:* Governments all over the world continue to use zoning, land partition, building codes to restrain or guide development. Many countries are re-writing their land codes and laws as well as city laws. What can we learn from those? Is there a right way to use land regulations?

Poverty, Inequality and Social Exclusion: Governments have often prepared and implemented programs to promote/facilitate access to land and housing to the less fortunate. Such programs range from sites-and-services approaches (used in the 1970-80s), land banks, land readjustment, *reservas territoriais*, demand side approaches, etc. While there is a great pressure for governments to intervene in the land markets, it is unclear the pros and cons of those interventions.

- What are the policy tools that could promote large-scale developed land, shelter, developing informal areas, promoting security of land tenure and property rights for the urban poor, and promoting social inclusion and preventing informality?
- Subsidies and other forms to fill the income gap of the very poor. Targeting, demand/supply complementarities, public programs for the poor.

Fiscal and Financial Aspects:

- How can the costs of access to developed land and shelter be reduced through improvements of the legal and normative framework – urbanistic and environmental – and by overcoming other institutional obstacles that prevent such access by the poor?
- *Land taxation* is not only a way to mobilize much needed resources but also to shape urban form in line with desired outcomes by local planners. While most cities do not have updated cadastres or use land taxation for resource purposes, the use of property tax as a planning tool needs to be debated and recent experiences compared.

Externalities:

- How can public investment in infrastructure, planning and management mitigate the negative externalities of urban growth (e.g. stress on resources) and maximize the positive ones (agglomeration economies, economies of scale in service provision)?
- How is land use impacted by planning/lack of planning, infrastructure investment and disaster management?

III – Land Markets

Urban Form: How do formal and informal markets impact the pattern of land occupancy and the patterns of urban growth? How do markets respond to incentives and restrictions imposed by the public sector? Particular questions:

- Methodology on land market assessments
- Empirical findings and various types of regularities on densities, prices
- Developments on urban land theory and relevant findings

Poverty, Inequality and Social Exclusion: How can the market be induced to respond to all the segments of the demand? What market incentives can the public sector establish in order to promote equity?

Fiscal and Financial Aspects: What are the incentives that allow the markets to increase supply of developed land and infrastructure? And to help low income families to be able to afford market-priced housing

Externalities: How does the market respond to incentives/disincentives to mitigate (negative) and maximize (positive) externalities associated with urban growth?

IV – Experiences, Practices and Programs to Increase Access to Land

Papers addressing this topic should be analytic rather than descriptive, emphasizing research results and recommendations for urban policy.

Urban Form: Do projects aimed at promoting developed land and upgrading of informal settlements result in their integration in the formal city? What have been the successes and failures of programs aimed at integrating informal settlements into the city?

Poverty, Inequality and Social Exclusion: Given that the alternative faced by a large number of poor families is to settle in informal urban areas, how can public and private agents and the community promote large-scale access to developed land? Do programs aimed at increasing access to land and shelter really work? Can they be scaled-up? What are the factors for success and failure of these policies and programs?

Fiscal and Financial Aspects: With limited public resources how does the policy maker use the market to promote access to land, shelter and services for the poor? What are the new infrastructure technologies for the establishment of programs of developed land and production of housing for the poor?

Externalities: How can programs aimed at increasing access to land, shelter and services address the externalities of land development?

5. Call for Papers

Procedures for participation:

- Interested researchers are asked to submit a 1-2 page abstract of their proposed paper by August 13. Selections will be made and announced in October. A draft of each paper to be presented should be sent to the Bank and to IPEA by mid-February 2005. Abstracts should be submitted by email to: urbansymposium@worldbank.org. Comments and suggestions are also welcome at this email address.
- Researchers from developing and transition countries whose papers are selected for presentation will be given priority in the allocation of funding for travel to Brasilia. Simultaneous interpretations in Portuguese, English and Spanish will be provided wherever possible. A subset of the papers accepted for presentation will be published following the symposium, and all papers accepted will be posted on the World Bank's and IPEA's website. Other publication outlets are encouraged, with attribution.
- Upon acceptance of submitted proposals, researchers will receive instructions on the format suggested for the papers to enable their inclusion in the publication which will be prepared shortly after the conference by IPEA and the World Bank.