



## **MASTER'S PROGRAMME IN URBAN MANAGEMENT AND DEVELOPMENT**

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# **Incorporating Informal Construction: Urban Planning in Belgrade and Proposals for Changes**

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## Summary

In rapidly urbanizing world, with more than half of the human population living in cities, informal construction is growing by the rate that is equal, or even exceeds, that of the planned growth of urban areas. Except a number of developed countries, in the rest of the world it is a dominant way of urban development. The existence of large urban centres creates the condition for appearance of informal construction. Therefore, it is a very urban phenomenon, undividable form urbanization. It is an alternative way of urbanization.

However, planning as it is practiced today is not able to explain, recognize or accommodate this phenomenon, thus pushing it away and declaring it 'illegal'. It is obvious that something must be changed in planning, since the half of the urban population is currently outside its horizon – their needs, demands and practices are not accommodated in the planning system. The approach that would recognize this alternative way of urban growth – alternative because of the current rules of the game, but equal by numbers – should be introduced in planning in the developing countries in order to overcome a bizarre situation in which almost half of the world urban population is outside the system.

This research focuses on informal construction in Belgrade, the capital of Serbia. According to unofficial estimations, 1/3 of the housing stock of the city is illegally constructed.

This paper makes a review of global knowledge on informal construction and existing approaches towards the problem, and in parallel an overview of global trends in planning theory. Further in the research, the types of informal construction are made, according to different needs that are their driving force. The overview of Yugoslav and Serbian planning practices – planning rationality, models and systems – are described, with a focus on current planning in Belgrade. Different planning models are related to different types of informal construction, in order to show the direct relation between these two.

Research also uses data obtained through interviews with eminent Serbian experts from the areas related to urban management, and summarizes their proposals for necessary changes in the planning system. The information from the interviews is compared with the literature review.

In the final part, paper offers an alternative to current planning that would enable a different approach towards informal construction (and urban development in general) – different rationality – and changes in the planning model (planning doctrine) accordingly. The possible future changes in the planning system – institutional arrangements, territorial organization and regulatory framework – are briefly described, as one possible result of changes in the model, and not as an absolute solution. The conclusion is that approach to the planning should be changed, in order to make any systematic, sustainable change possible.

**Keywords:** *informal construction, planning models, typology, proposals for changes, Belgrade*

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## Abbreviations

CPY	Communist Party of Yugoslavia
EU	European Union
ESDP	European Spatial Development Policy
ESTIA	European Space and Territorial Integration Alternatives
GDP	Gross Domestic Product
GUP	General Urban Plan (or Master Plan)
IDP-s	Internally Displaced Persons
INTERREG	EU initiative for interregional cooperation
OSPE	Observatory for Spatial Planning and Environment in South-East Europe
PDR	Plan of Detailed Regulation
PGR	Plan of General Regulation
RSPAAB	Regional Spatial Plan for the Administrative Area of Belgrade
SFRY	Socialist Federal Republic of Yugoslavia (former Yugoslavia)
SITAR	Synoptic, Incremental, Transactive, Advocative, Recalcitrant (or Radical): classification of planning models according to rationality they use
USA	United States of America
USSR	Union of Soviet Socialist Republics (Soviet Union)
UK	United Kingdom
WWII	Second World War
ZEIS	Zone of Special Social Interest ( <i>Zona de Especial Interesse Social</i> )

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## Chapter 1: Introduction

### 1.1 Research background

Since the seventies the informal sector occupies attention of great number of 'urban thinkers' - planners, architects, economists, sociologists, etc. Studies on informality and principles on which it functions are numerous (e.g. de Soto, Payne and Majale, Van Dijk, Echanove, Dzokic, Topalovic, Neelen, and Kucina, Roy, etc.) . In those, its positive aspects have been increasingly promoted. Most often mentioned are its vibrancy, social cohesion, participatory decision-making, flexibility (ability to adapt to a context quickly), efficient land use patterns, creative housing solutions, rapid production of housing and very precise and rapid respond to demand.

Informal sector in general, and especially informal construction, also causes numerous negative externalities that are transferred to the whole of society: occupation of quality agricultural land, land reserved for future development, densification and overloading of infrastructure, environmental deprivation, urban sprawl, etc. (i.e. in the works of Smolka, Saveljic, Vujosevic, Petovar, interviews, etc.)

Control of negative and support for positive externalities is one of the key roles of the governments, which they try to achieve through plans and regulations (Knaap 2006c). The very idea of planning the physical development of the cities is relatively young and started not more than 150 years ago. It appeared in the developed Western countries from the need to control negative externalities (mainly health issues) that certain activities produce. Managing demand and providing supply for land and services have been seen as a solution from the very beginning.

According to de Soto (1986) '*informal activities burgeon when the legal system imposes rules which exceed the socially accepted legal framework... and when the state does not have sufficient coercive authority*'. This is going on in majority of developing countries that have a large informal sector. Those countries were usually simply replicating already shaped planning models, applying them to their context, while at the same time having undeveloped institutional and economic capacities. As a result, administrations were not able to carry out the tasks they had put on themselves through plans, and demands were not met or managed properly. This resulted in a growing informal sector.

Since informality has previously mentioned qualities, ideas that the planning systems should be reshaped in order to incorporate it have appeared during the last decades. The two general attitudes in this direction can be noticed: a) liberalization of planning and free market approach (which outcomes are described by Smolka and Sabatini 2000), and b) changing of regulatory frameworks in order to 'institutionalize' informal construction processes (e.g. Payne and Majale 2004, Echanove 2008).

It seems that developing countries should re-think planning, and come up with a system that is appropriate to their present capacities. '*Planning is very expensive*

*discipline, and it is not possible to have same volume and system of planning with \$1,000 and \$20,000 GDP per capita*' (Lazarevic-Bajec 2002)<sup>1</sup>. Also, planning is very context-related, and all efforts to make a universal system that will be applicable everywhere (which was the case with modernist physical urban planning) ended in failures. There is necessity in developing countries to first determine the capacities they have, and according to that to define planning 'mandate' (which processes they are able to control and which regulations they can enforce). In parallel with economic growth and building-up of institutional capacity, planning mandate can be increased gradually, the way it was originally done in developed countries<sup>2</sup>. Since the purpose of planning is to manage demand and provide supply, a possible way of determining the planning mandate and focus could be the analysis of informal sector.

## 1.2 Context

Federative Socialist Republic of Yugoslavia (SFRY) was a federal state, constituted of six republics - Serbia, Croatia, Bosnia and Herzegovina, Slovenia, Macedonia and Montenegro - that are today independent states. All these countries are in the process of transition from socialist to capitalist society, though on somewhat different stages. Belgrade was at first the capital of Yugoslavia, a country that had approximately 22 million inhabitants, then since 1990 Serbia and Montenegro with 10 million people, and today is the capital of Serbia, which has 7.5 million people (Figure 1). Therefore, context in which urban planning is practiced significantly changed over the last twenty years.

The population of Belgrade is, according to 2002 census, 1,546,812, with estimates for 2006 of 1,689,000. The Metropolitan area of the city is 3,222.68 km<sup>2</sup>, and urban area is 359.96 km<sup>2</sup>. The urban density is 488.42/km<sup>2</sup>. The City consists of 17 municipalities, 10 urban and 7 suburban.



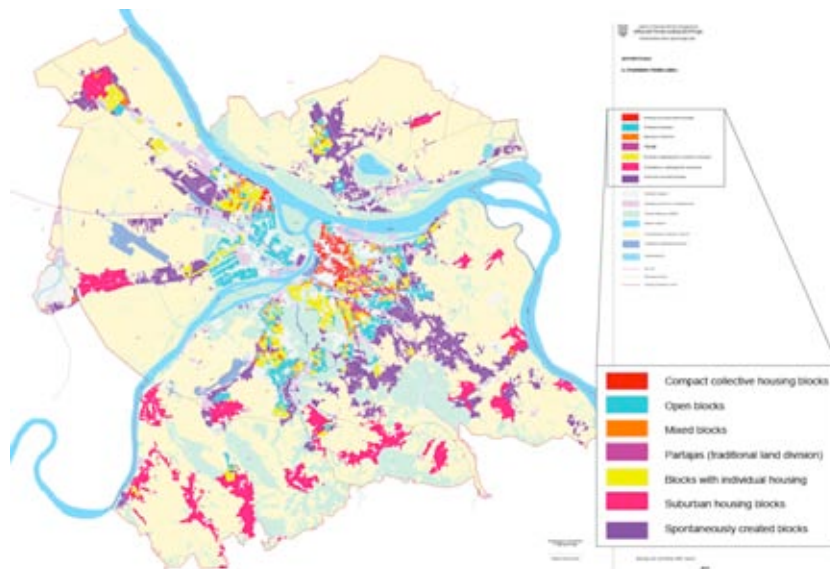
**Figure 1: Disintegration of Yugoslavia (1) – separation of Slovenia and Croatia (2), Macedonia (3), Bosnia and Herzegovina (4), Montenegro (5), and Kosovo that declared independence from Serbia in 2007 but with still undefined status (red border on the last picture)**

*Source: Pillar Canamero and Euler (2006)*

<sup>1</sup> Author's translation

<sup>2</sup> In description of early history of urban planning and development in Britain made by Hall (1992) it can be noticed how those early plans were gradually introducing new regulations and that process of taking control over slum areas and introducing planned development of English cities took decades. In developed countries in general, only development of the traditional urban planning lasted for more than 70 years, from first urban plans in 1870s and 1880s until the post WWII period and upsurge of new paradigms.

Belgrade is one of the cities that has been, especially during the last twenty years, facing escalating informal (illegal) construction. Informality started during the 60s, mainly in the edge of the urban area, and gradually spread into the urban core itself, to completely extend through the city during the large economic crisis and the international sanctions during 90s. The precise number of informally constructed objects does not exist, but city image was obviously changed (estimations on informally constructed objects vary from 150,000 to 200,000 during the 90s<sup>3</sup>) - large amount of public land was occupied, most of which was reserved for large infrastructural projects (subway stations, boulevards, sewage treatment facilities, garbage land-fill sites, etc.) and agriculture, so not only are these illegally constructed areas now suffering from the lack of services, but the whole city development is blocked. Infrastructure is overloaded, construction of new traffic projects is much more expensive, as it involves removing informal settlements, large areas with prime agricultural land are lost, environmental situation is bad, etc. Figure 2 shows the amount of informally constructed objects and their locations.



**Figure 2: Map of existing housing in Belgrade with spontaneously created settlements (dark-purple)**

*Source: Master Plan of Belgrade 2021*

### 1.3 Research questions

The assumption of this paper is that there is direct relation between urban and spatial planning and informal construction – that the planning is among the reasons of appearance of informal construction. The informal construction is a consequence of the disproportion between demands for housing, and the supply that is should be fostered through plans.

From that assumption, main research question is derived:

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<sup>3</sup> The estimations are gathered from interviews, Secretariat for Property Affairs and Legal Rights (2001) and Grubovic (2006).

What planning model is appropriate for Belgrade, in order to manage demand and control informal construction?

The specific questions are focusing on different aspects of the problem:

SQ 1: What needs (demands) are expressed through informal construction?

SQ 2: What supply is enabled by plans?

SQ 3: What is the relation between planning and informality?

SQ 4: What changes should be made in planning in order to put informal processes under control?

## **1.4 Scope and aim of the research**

This research will be twofold: it will analyze informal construction in Belgrade, and in parallel planning systems that have been used since 1945. Comparing different types of informal construction with different planning systems - from very strict traditional one during socialism to completely liberal (no planning) during nineties - will enable the analysis of the causes of failures of plans and their role in appearance of informal construction.

The overall aim of this research is to propose changes in the planning model, which would bring planning ahead of the events and needs, since planning in Belgrade was for a long time retroactive, focused on fixing what have already been done informally, through legalizations, regularizations, etc. Adjusting planning mandate with available capacity of administration on one hand, and focusing on real demands that are expressed through informal construction on the other, will lead to planning that will be oriented towards future development of the city, and not towards regularizing what was already done in the past.

## **1.5 Thesis structure**

Research question is answered through six chapters of this paper. First chapter – Introduction – gives problem statement and initial assumptions on relation between informal construction and planning. It briefly describes the context on which this paper is focused: the city of Belgrade, political, social and demographic changes in the last decades, and trends in informal construction.

Chapter 2 sets up the theoretical background of the thesis. It describes main trends in theory on informal construction – terminology, reasons for appearance and different approaches to the problem – derived from the literature. In parallel, it gives overview of major international trends in planning theory and practice: rationality of planning, legitimacy and different planning models.

Chapter 3 gives detailed explanation of the main assumption and research questions, and research methodology used: structure and questions of the interviews, selection and list of respondents, data analysis and research limitations.

Research findings are given in Chapter 4. It consists of three main parts: explanation of informal construction in Belgrade (roots and typology, with needs, actors and processes related to each type) (1); planning models used in Yugoslavia and Serbia and their relation to different types of informal construction (2); and more detailed explanation of current planning in Belgrade – its environment, rationality, practices, institutional arrangements and hierarchy and types of plans (3).

Finally, Chapter 5 describes proposals for changes in the planning model in Belgrade, based on conclusions from previous chapters. The changes in planning rationality, focus, processes, types of plans, etc. In the last part of this chapter, the possible directions of changes in institutional and administrative arrangements, that could evolve as a result of the changes of planning model, are described, followed by matrix giving solutions for each type of informal construction that different planning model would made possible.

Chapter 6 makes conclusions of the thesis, in the form of answers for each specific question. It also gives recommendations for future research that would be necessary to commence in order to implement the changes in planning model in reality.

## Chapter 2: Theoretical background

Both spatial plans and informal construction are relatively young phenomena. They appeared in parallel with each other. From the first ideas of regulating development of the cities, in the mid-19<sup>th</sup> century Europe, only 150 year passed. Those first urban plans (Haussmann's interventions in Paris, and later regularizations of Vienna, Barcelona, or UK cities) left some people and their activities 'outside' regulations. In other words some people could not, or did not want, to fit into the new regulations. Informal construction is not necessarily related to urban poverty and financial inability to fit into the regulations, but also to the consumption needs (for housing or jobs) that are different from those proposed by plans. On the other hand, plans are necessary for a city to function properly - to provide services, manage resources and control negative externalities that certain activities impose on others.

### 2.1 Informal construction

This part of the chapter concentrates on theory related to informal construction. First, it is important to go through different definitions and different terms for referring to the phenomenon, since they suggest the attitude towards it. Attitude towards this type of construction usually determines the viewpoint on reasons for appearance, and approaches for solution of the problem.

#### 2.1.1 Terminology and definitions of informal construction

Informality in general refers to activities outside the formal rules or procedures determined and occasionally revised by the government (Payne 1997). Smolka (forecoming) defines informality in housing and land occupation as *'multidimensional phenomenon involving thorny issues related to: a fragile land tenure; noncompliance with urban norms and regulations; inadequate provision of public services and equipment; and occupation of improper areas'* (p. 3).

Informality as a term was popularized by De Soto. According to him *'informal activities burgeon when the legal system imposes rules which exceed the socially accepted legal framework... and when the state does not have sufficient coercive authority'*.

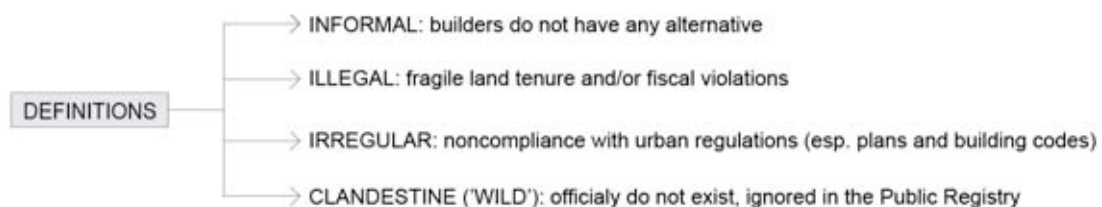
Similar claims can be found in works of other authors: for example, Van Dijk (1996) is describing *informalization* as the process of *'going in and out of the informal sector, depending on new regulation (that may push firm out), or further liberalization (which can make an enterprise legally acceptable)'* (p. 182). He claims that instead of observing informality and formality as static entities, it is more appropriate do study informalization and formalization processes. *'The theory behind that is that governments are often not aware that their policies have these effects and that these effects should be taken into account when introducing such policies'* (Van Dijk 1996, p. 182).

M. Vujosevic (Interview no. 3) suggests that for what is going on in Serbian context, the term 'illegal' would be more appropriate than 'informal'. Grubovic (2006) in her work uses the definition from Petovar (2003): *'Illegal building is a process defined as construction carried out without previously acquired building*

*permits*'. Smolka (forecoming) agrees that informality is always connected with some illegality, but suggests that the terms 'illegal', 'irregular' or 'clandestine' construction are not appropriate since they suggest '*criminal or deliberate delinquent acts to break the law*' but in fact, most families living in these areas are forced into informality by not having other choice (p. 3).

Grubovic (2006) explains that informality in Serbia has some features different than informal construction worldwide, and thus she use the term 'illegal': '*...illegal building and informal settlements exist globally and especially in developing countries. However, the illegal settlements in Africa, Asia and Latin America were developed as a result of huge poverty and urban immigrants trying to resolve their housing problems. In Serbia illegal housing developed in a different context- economic, political and institutional. Contrary to small, impoverished shelters made by diverse materials, illegal houses in Serbia were solid, middle-class houses, huge building apartments as well as luxury villas. Furthermore, in contrast to land invasions and building of informal settlements led by poor people in developing countries, illegal building in Serbia in the post-communist period was led by the elite, sub-elites and the existing middle class which makes the Serbian case more peculiar from the other existing cases*' (p. 21).

Still, aside this specificity of the Serbian informal housing phenomenon, the term 'informality' is more appropriate to use for the purpose of this paper. The term 'illegal', besides the meaning that Smolka describes, also implies negative attitude towards the phenomenon and that solution should be in the complete prevention of the activity. However, it is hard to believe that any process that occurs in the social context, and which is so widespread such as informal construction in Serbia, could be completely stopped. It is only possible to control it to the certain level, and in order to do so we should analyze it properly and try to learn from it.



**Figure 3: Different terms used to describe the phenomenon and their meanings**

*Derived from Smolka (forecoming), Grubovic (2006) and interviews*

It is important here to define the term 'social acceptance', since it is very often mentioned by various authors when explaining the relation between informality and official regulations. Whether some official rule is socially acceptable cannot be determined by simple majority criteria – 'if majority of population respects the law, that the law is good, but those that are not respecting it are in conflict with legal system of the society'. Usually certain rules are 'exclusive', meaning that they ignore specific needs of certain groups within society – different classes of society (most often poor) or minorities (national, religious, 'political', sexual, etc.). For example, almost 80% of Roma population in Belgrade do not have access to housing, employment, healthcare, education, etc. but they consist only 5-10% of total population (Macura, Petovar and Vujovic 1997). So, the rules are acceptable to great majority of total population, but are not acceptable to great

majority of Roma. Criteria of social acceptance should be observed in relation to certain groups within society, and not to society as a whole. In order to be inclusive, society should recognize those diverse needs (both ‘solid’ – housing, employment, etc. – and ‘soft’ - related to cultural, religious, etc. specificity) of different classes and groups, or otherwise there will be ‘terror of majority’.

### 2.1.2 Reasons for appearance of informal construction

The terminology that various authors use usually implies their understanding of the roots of the problem. According to the literature and interviews conducted for this research, reasons for appearance of informality can be classified in two main groups: reasons **external to planning** (1) and those **internal to planning** (2). As Smolka (forecoming) explains, usual attitude towards the problem is that informality is a result of urban poverty and lack of funds and political will. This position implies that it is a problem that does not have anything to do with planning and that usually serves to planners and local managers to avoid taking responsibility for it- *‘informality is taken as problem IN the city and not OF the city’* (p. 1).

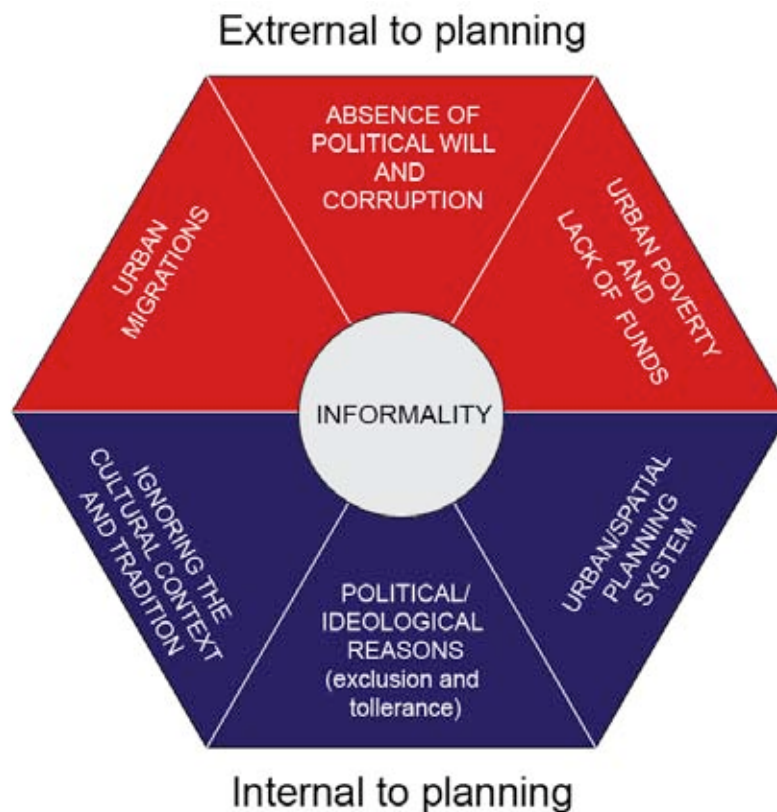
Arguments that relate informality to a wider set of causes have appeared in recent decades. They include the group of issues related to planning environment as a part of the problem. This suggests that informality is not one-way problem (‘the people practicing it are braking the laws and the system should deal with them accordingly, through legal institutions’) but that official system also has its part in it through set of dysfunctional factors- ‘exclusionary’ land use regulation, ‘official’ tolerance to informal practices, impunity to opportunist behaviour in the land speculations, non-compliance with cultural context and tradition, inefficient housing policies, etc.- that are closely related to planning. (derived from Smolka (fromcoming), Payne and Majale 2004, Grubovic 2006 and interviews)

Among factors that are **external to planning**, there are three main groups: **urban migrations** make strong pressure on the cities that are unable to accommodate all the migrants, and therefore they are solving their housing needs informally (illegally); **urban poverty together with lack of funds** causes that housing needs of many families cannot be solved through official procedures (low housing production, high prices, etc.); **corruption and absence of political will** to deal with the problem are making possible that informal settlements are formed within or around cities without any consequences for the builders. (derived from Smolka (fromcoming), Grubovic 2006 and interviews)

Internal factors can be also divided in three main groups: governments are tolerating informality because of the **political or ideological reasons**- they are trying to preserve the system (ideology or existing disposition of power, etc.) and therefore tolerate, or even support, the informal construction; **cultural context and traditional laws** do not fit into official system of rules and regulations, or are ignored by it, so informality results from ‘social in-acceptance’ of those rules; **urban/spatial planning**, together with socio-economic planning, is dysfunctional and cannot respond to real demands. (derived from Grubovic 2006, Payne and Majale 2004, and interviews)



Since this paper deals with relation between planning and informal construction, the further focus will be on the factors internal to planning that could be influenced by changes in the planning system.



**Figure 4: Main groups of reasons for appearance of informal construction**

*Derived from Smolka (forecoming), Grubovic (2006), De Soto (1989), Payne and Majale (2004) and interviews*

*Political/ideological reasons:*

In developing countries the political system often imposes the rules which aim is to preserve the ideology or current disposition of power and resources in the society. For example, during socialist regime in Yugoslavia, informal construction was tolerated in order to preserve socialist ideal- absence of private property. Since official social housing sector was not efficient enough to accommodate all migrants from rural areas, governments (both local and national) were tolerating the emergence of informal settlements around cities, as ‘unofficial social policy’. The possible solution of the problem was simple - it was necessary just to revise land-use plans and to provide more land for self-built individual housing - but it would mean accepting privately owned houses as a valid form of development, which was in direct confrontation with ideology. (Grubovic 2006 and interviews)

The other political reason for tolerating the informality can be preservation of current disposition of power, and fear of social unrests that could endanger it. Since societies in which informal construction is significant are usually unequal- with powerful and rich elites in impoverished societies- governments tolerate informal processes as a ‘vent’ for masses. Very often, political elites themselves

are involved in informal construction processes, since they see it as a way to quickly fill local budget, or the budgets of their political parties. This was going on in Serbia during 90s- political parties, together with corrupted institutions, were actually encouraging informal construction (Grubovic 2006).

Thirdly, the governments are tolerating 'opportunistic' behaviour of certain influential (powerful) groups and individuals, allowing them to make extreme profits from illegal processes.

*Cultural context and tradition:*

Customary laws, traditional understanding of property rights and land titling, culture of land use and occupation, are important to be kept in mind when planning system and regulatory framework are designed. Planning models and procedures that we know today were originally established in countries that first entered industrial revolution, and therefore had a need to regulate urban processes in their rapidly growing cities. Such was the case with UK, and a bit later with France, Spain, USA, etc. Cities in those countries were shaped primarily by market forces, and during the mid-19<sup>th</sup> century the problem of regulating slums that were created around factories appeared. This is the point when the first idea of urban planning as we understand it today emerged. However, planning was gradually shaped and improved according to specific contexts in those countries that were pioneers of industrial revolution. Regulatory frameworks were designed and gradually shaped according to specific customary laws in those countries. Legal and regulatory frameworks are product of transforming unofficial and customary laws into official (Baross 1991, Knaap 2006b, Roy 2005).

However, when other countries – most of which are in the group of developing countries nowadays – replicated those already 'finished' models, informal construction emerged. Aside other factors, the radical change of laws related to land-use, titling, and property and development rights caused un-obedience to the plans by significant number of people (Roy 2005).

In Serbia, first urban plans were made according to Austrian (or Central European) models in the mid-19<sup>th</sup> century. Although those were only concentrated on land division and street network, this is the moment when first informal construction appeared (Interviews no. 1 and 4). This un-obedience with the plans was the most expressed in southern Serbia, where cities and towns were created during the period of Ottoman rule, according to specific Ottoman land-use, property and titling patterns that were very different than those in Europe.

Payne and Majale (2004) also claim that regulations are intended to establish 'rules of the game' (what people can or can not do), but they have to have local acceptance if they are to be enforceable. It is not matter only on how rules are strict, or how expensive and complicated are administrative procedures, but whether they are appropriate for local conditions, culture, context, customs, etc. As an example, they are describing plot-size problems in urban areas of Lesotho: *'new migrants arriving in the city come with expectations regarding land that are influenced by their rural backgrounds. The plot sizes in rural villages tend to be generous, allowing for privacy and small-scale farming or gardening... When arriving in urban areas, rural migrants accept that they have to pay for land, but still expect plot sizes to be generous.'* (Payne and Majale 2004, p. 27) As the result

of this ‘cultural non-acceptance’ of regulations, city spreads with limited densification and has problems with service delivery in peri-urban areas. So, they claim that in order *‘to be effective and acceptable to the general public, it is essential that planning regulations are perceived as relevant to the local context and not unduly restrictive’* (ibid, p. 27).

Similar examples can be found in almost all Eastern European countries, Asia, Africa and Latin America. When plans and regulations designed for one context are translated into another, it is certain that they will not function properly. Informal construction is just one of the consequences of this incompatibility between plans and context.

#### *Urban/spatial planning:*

The urban or spatial planning causes informal construction through various influences. One is ignorance towards context specificities, as it is explained above, but there are others as well. Firstly, planning model is usually not appropriate for the existing capacities of the society – financial and institutional – so it puts demands on administration that it is not able to meet.

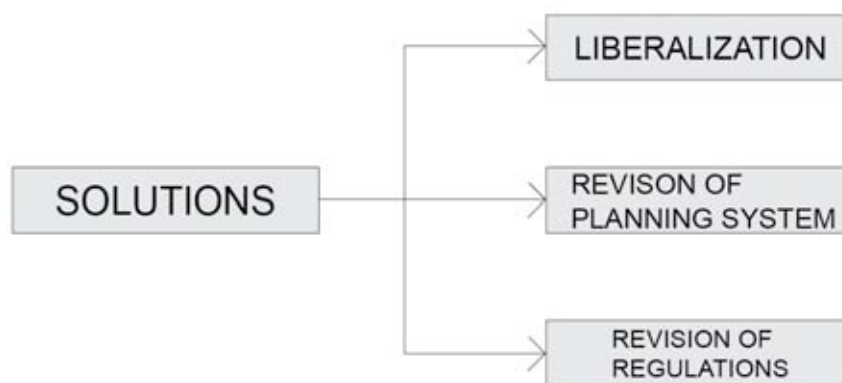
Secondly, in most of the developing countries planning is still seen as purely physical discipline, with no developmental component – it focuses only on construction and land management, without including social, economic or environmental policies into urban plans - and as such it cannot respond to the challenges of contemporary problems: radical changes in economic profiles of the cities as result of globalization, environmental issues, employment, etc. Since urban planers are still making plans without cooperation and communication with experts from other sectors (economic and social above all), they do not have proper data that can serve as an input for the spatial plan. In decision-making processes designed like that, interests and needs of many groups are not considered by plans so they are satisfied informally.

Thirdly, there is the problem with understanding the purpose of planning itself – its ‘rationality’ that is explained later in this chapter. The planning rationality is in most of the developing countries still ‘normative’ – scientific methods and analytical approach towards urban problems provides legitimacy to the plans. The role of the planning and different planning rationalities in relation to informal construction will be described later in this chapter.

### **2.1.3 Approaches towards the problem**

Basically, there are two main groups of approaches that are usually proposed in theory and applied in practice so far. First one is **tendency to liberalize planning and to relax regulations** in order to include informal processes into official system. Second is focused on **revision of regulatory framework** based on detail research of informal processes in order to adapt it to the reality. These two approaches result from understanding of informality as a two-way problem and take ‘positivist’ attitude towards the phenomena – the problem should be properly analyzed and official system revised accordingly.

There is a third approach that is based on the understanding of the phenomenon strictly as ‘external’ problem (as it is described above) and it is mainly focused on prevention of informal (or illegal – in this way of thinking) processes by legal means since they are in the conflict with laws. However, this approach is not reasonable, to ignore now its inexistence of ‘open-mindedness’: the demolishing of all illegal objects in Belgrade would cost billion of Euros, it would leave approximately 200,000 people without homes and declare all of them criminals thus causing huge expenses for society – processing of all those cases in the legal system would cast a couple of billions more. Although some of the informal builders certainly are in conflict with law, and are making enormous profits from it, it is simply unreasonable to observe the whole phenomena from one side – as not obeying the laws.



**Figure 5: Three approaches for incorporating the informal construction into official system**  
*Derived from Smolka and Sabatini (2000), Payne and Majale (2004), Echanove (2008), and interviews*

*Liberalization of planning and revision of regulatory framework:*

Simple legalization and liberalization of planning regulations did not do much in solving problems related to informal construction. Case of land market deregulation in Chile have shown that, although there are no more officially informal settlements (since regulations are so liberal that they allow virtually any type of construction), still quality of the objects and services is on the same level as before liberalization (Smolka and Sabatini 2000). Liberal thinkers in Chile are complaining that market have never been fully liberalized and there is still much of state intervention in it, which is the reason why living standards are still on the same level as before. On the other hand, progressives believe that liberalization went too far and that free market cannot solve problems of land prices (that are still growing, although there are no more urban growth boundaries defined by plans), quality and durability of housing (same as in informal construction), servicing of land, urban poverty, inequity (resulting from growth patterns of the cities, and creation of exclusive, closed communities), etc. After almost thirty years of free market, Chileans now agree that some level of state intervention is necessary.

This shows another problem of free market approach in developing countries- this model is also replicated from developed Western countries, which have both

strong private sector and government institutions. This allows them to have free market competition that is providing better efficiency in housing and service provision, but in the same time hi-capacity administration is able to enforce very efficient taxing system that allows them to internalize negative externalities. Still, those countries have need to introduce government control in many areas since some negative externalities that free market is producing cannot be internalized. For example, Smolka and Ambroski (2000) are describing how same taxation systems are effective in North America, where institutions are well organized and efficient, and do not have effect in Latin America because of the inefficiency of the institutions. So, regulation of market through fiscal measures is possible in USA, but is not possible in majority of Latin American countries.

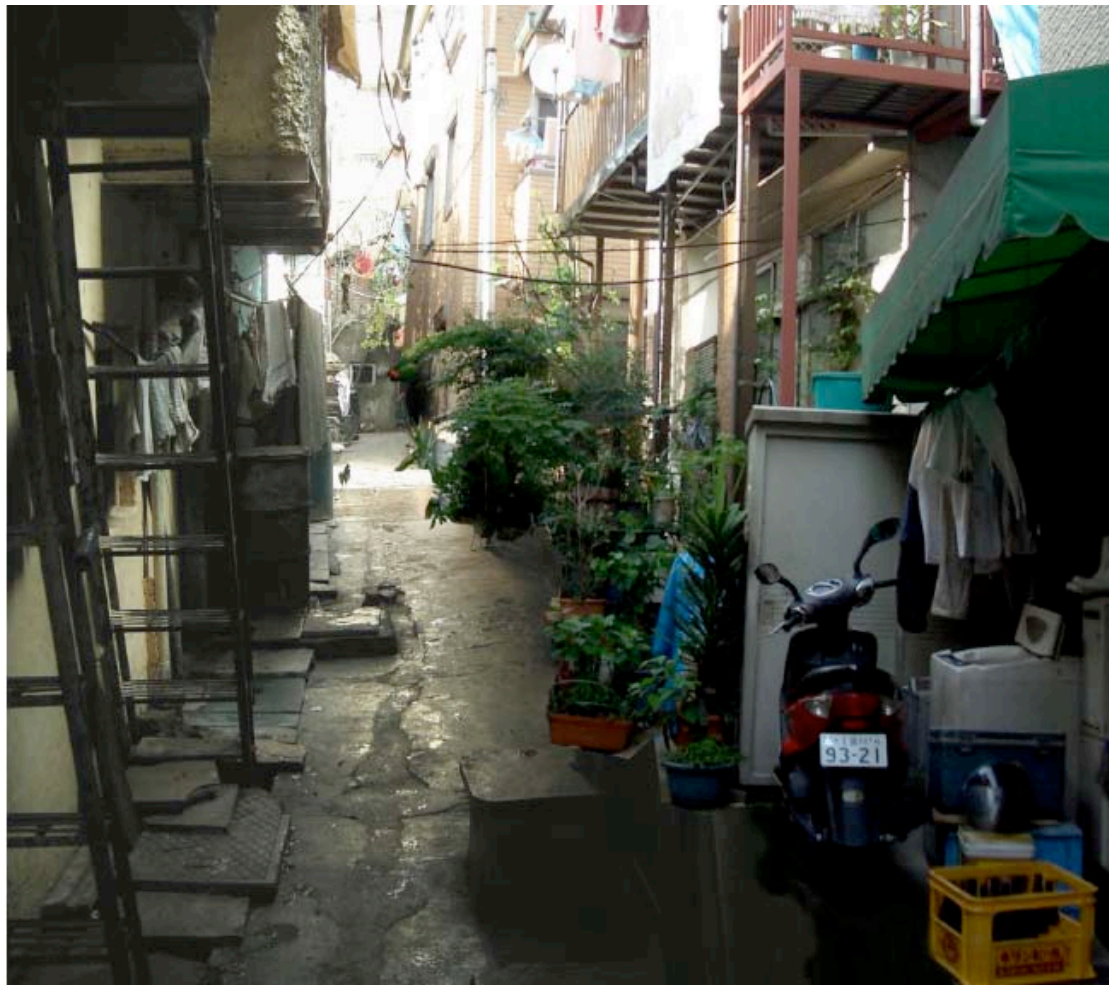
#### *Revision of regulatory frameworks:*

Revision of regulations is usually oriented in two directions: making the system more 'open' to different needs, and enabling incremental development with support from the official system.

Payne and Majale (2004) are not recommending reduction of standards, *'but enabling more people, especially the poor, to be able to conform to regulatory frameworks which are appropriate to local conditions'* (p. 1). They suggest that planning standards and regulations, as well as administrative procedures, have to be revised in developing countries, in order to meet expectations and become acceptable to local communities.

For example, Yugoslav planning was 'providing' virtually one type of housing in urban areas - multifamily residential blocks - whose level of services was in accordance with socialist ideological assumptions about people's housing consumption needs. These were suitable maybe to educated middle-class citizens (not even for all of them), but those who came from rural areas and had different expectations from housing (single-family housing with gardens, privacy, etc.), system was not providing by appropriate housing solutions.

Incremental development is seen as possible alternative to the official planning models. In the article that compares Dharavi slum in Mumbai and Shimokitazawa neighborhood in Tokyo, Echanove (2008) shows how two incrementally developed settlements had different histories because of different planning policies imposed to them. In Tokyo, bankrupted government did not have resources for large citywide urban development projects after WWII, so they concentrated to providing services, and housing and commercial development was left to local actors and grew incrementally. Shimokitazawa, one of the examples of such developments, is one of the most popular areas in Tokyo, with *'hundreds of specialty stores, small bars and exotic restaurants attracting a colourful crowd from Japan and abroad'* (Echanove 2008, p. 12). The structure of the settlement is, however, stunningly similar to that of Dharavi- the difference is that in the case of Shimokitazawa incremental development was allowed by plans and the settlement was provided by infrastructure and street network, while Dharavi grew illegally, without any support from the official policy-makers, and thus it is slum today (Figure 6). It has the same type of housing as Shimokitazawa, but with no services.



**Figure 6: Photo collage showing typological similarity between Dharawi (left side) and Shimokitazawa (right side of the photo)**

*Source: Echanove (2008)*

Payne and Majale (2004) are also proposing some kind of incremental development, but through making *'open supply system'*. One problem of regulations is that they limit the available options for commerce and housing, thus reducing possibilities of households with different need and aspirations to *'find the form of housing they need at a price they can afford.'* (ibid, p. 68). Thus, it is necessary to make a system that will have certain flexibility according to different demands- *'to increase the range of supply options rather than to act as a supplier itself'* (ibid. p. 69). The system should recognize different housing and commercial options that exist in informal sector, and incorporate them into the official regulatory framework. *'A sure sign that a review (of regulations) is needed is when the proportion of unauthorized housing and urban development becomes significant.'* (ibid. p. 68)

#### *Revision of the planning model:*

The proposal of this paper is, instead of revision just one part of the system (regulatory framework), to revise the whole planning model. By adjusting only certain regulations it is not possible to achieve much on the long run, since new

demands are constantly emerging in today's rapidly changing society. Revision of regulatory framework can solve only specific situations in specific context, in the short-run, but what is really needed is revision of planning model used. By doing so, it is possible to create system that will be much more flexible towards ever-changing context and be able to recognize and accommodate some new demands as they come. If we preserve existing model, with its wrong rationality and priorities, then revision of regulations will not give sustainable results. The change must begin from the 'top' – the very idea of planning, its *rationality* - and then change the regulations accordingly. In other words: systematic changes instead of cosmetic! (derived from interviews no. 1, 2, 3 and 8)

#### **2.1.4 Conclusions**

Although some authors consider the term 'illegal' as the most appropriate one for Serbia's situation, the term 'informal' construction will be used in this paper since it suggests more positive attitude towards the problem – planners and other experts can learn a lot from it (1); and it is not possible to completely stop it, just to stimulate its positive and discourage negative aspects (2).

Informal construction is a multi dimensional problem: it has legal, economical, sociological, political and spatial dimension. Therefore, it is not just the result of urban migrations, poverty and lack of funds, but is related to the planning itself – if the planning is considered as multidiscipline sector that connects socio-economic, environmental and spatial component, not only physical.

In order to face the problem properly, it is necessary to revise planning models that are used in the countries with huge informal construction, and not to simply liberalize planning or to revise only certain regulations and procedures. The changes should begin from the 'top' – from the very logic of planning – in order to make plans functional and implementable.

## 2.2 Planning theory

Faludi (1973) makes distinction between **two main streams in planning theory**: *normative (prescriptive)* and *behavioural (positive, descriptive)*. Normative theory focuses on what 'should' be, and positive on what 'is'. The positivist theory *'formulates general theoretical schemes (theoretical framework) for classification and interpretation of relevant data - for commencing necessary researches, while normative theory determines propositions and conditions for their practical implementation'*<sup>4</sup> (Vujosevic 2002, p. 3). These two theories are interconnected, since *'normative theory is formulated according to analysis of previous theoretical questions and testing of hypothesis, but reverse process is also legitimate - that analysis and implementation of descriptive model result from previous definition of normative propositions'*<sup>5</sup> (Vujosevic 2002, p. 3). From experiences of implementation of a normative model, initiatives for its modification and reconstruction are derived and they will shape new descriptive (positive) model.

### 2.2.1 Planning rationalities: instrumental and substantive

Rationality and scientific methodology in planning practice are often used to obscure questionable assumptions by making policies self-evidently justified (Sillince 1989). Planners are using this method for two reasons: in order to cleverly promote policies to doubtful politicians and public, that also need reassurance that planning works (1); planners are in defensive in the environment of departmental rivalry and bureaucratic conflicts and are taking more technical role (2). *'The planners vision of comprehensiveness is a clarion call to rationality and order amidst partiality and 'muddling through'* (ibid. p. vii). But this rationality is only a fiction, since comprehensive scientific analysis of social and environmental questions is obscure, and *'only techniques and language use a rationalist costume'* (ibid. p. vii). However, what is considered as 'rational' in traditional planning is only one of the rationalities that exist in reality, and which are in the essence of other planning tendencies and models.

Vujosevic (2004) sees rationality as the key category around which different planning models are confronted. Various types of planning are based upon various concepts of rationality. In the evolution of planning paradigm (and Western thinking in general), there is dichotomy of two confronted streams of rationality: **instrumental rationality** (of reason, ratio, etc.) and **substantive rationality** ('value-rationality', real, material). Traditional, synoptic (so called 'rational') planning model is, as well as some other models that followed, mainly based upon instrumental rationality, as opposed to all other types of 'rationality' in human thinking and behaviour, especially substantive. Majority of latter approaches have, therefore, tendencies towards exceeding this dichotomy, and constructing of some

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<sup>4</sup> Author's translation

<sup>5</sup> Author's translation



'third' ('joint') type of rationality. Critics of instrumental rationality are based upon its limits to recognize normative implications that are derived from it - *'delusive rationality of means cannot replace rationality of goals and objects'* (Vujosevic 2004, p. 13).

### 2.2.2 Main trends and legitimacy of planning

Hall (1992) defines three theoretical concepts of spatial (or urban, regional) planning, based on processes they use: 'master plan or blueprint era' that was *'developed from the earliest times down to the mid-1960s'* (ibid, p. 228), than 'systems view of planning' that was introduced in about 1960, and 'idea of planning as continuous participation in conflict' that evolved in late 1960s and 1970s.

First approach is the most traditional one, where plans had fixed goals that have to be achieved in certain period of time. Outputs of such processes were *'very precise large-scale maps showing the exact disposition of all land uses and activities and proposed developments'* (ibid, p. 4). It had prevalingly physical character - was concerned with physical aspects of city development with little or no integration with other sectors. This way of planning was criticized during 1960s because of its 'end-in' approach and impossibility to implement such plans in reality. It was argued that planning should concentrate on the process or time sequence through which the goals will be reached.

This brought 'systems view of planning', which was based upon the notion that planning is *'continuous process which works by seeking to devise appropriate way of controlling the system concerned, and then by monitoring the effects to see how far the controls have been effective or how far they need subsequent modification'* (ibid. p. 228). In this sense, spatial planning is just one sub-class of general planning, so like planners in industry are concerned with processes of production in order to make it as much efficient as possible, similarly spatial planners should be concerned with the process of managing the system called city or region. As a part of defining the process of reaching the given goal, planners are analyzing different alternative courses and their consequences. Although this approach made significant shift in planning practice from 'production of plans' towards 'process of planning', it was still heavily based on the concept of fixed master plan that was revised more often than in the previous system. Critiques of this trend were based upon its *scientific approach* (which implies that world could be completely understood and its future predicted using scientific methods), *value-free planning* (planners determine what is best for society), *treating the society as homogeneous aggregate* (welfare of entire society should be maximized, without concern with distributional questions) and the notion that planning should adapt to the rapid growth and change.

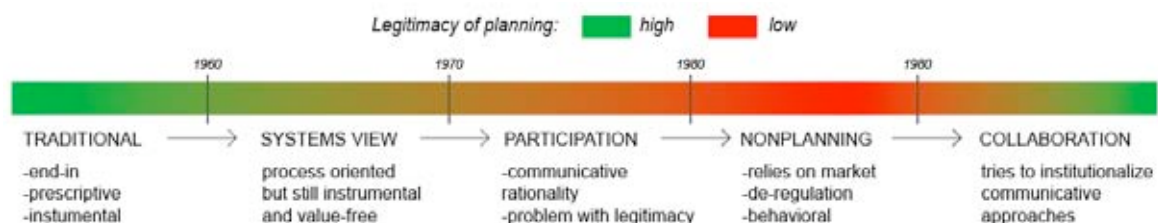
During the 70s ideas of participatory planning arouse. This was heavily influenced by neo-Marxist intellectual streams in advanced industrial countries of Europe and North America, and oriented towards involvement of citizens in making plans for themselves, rather than just being consulted about plans. The essence of this approach was more in analyzing changes that were going on in the cities as the result of structural changes in ownership and control, than proposing answers and

solutions - *'in urban studies rather than in urban planning'* (ibid. p. 248). Problem of legitimacy of planning from previous, system planning, stayed, as these new planners were discussing both how to reach given ends and the ends themselves, but when they reach the point of defining ends they can *'legitimately claim to plan and to control'* (ibid, p. 248), which was the main critique of the system approach as well.

In the 80s, with the development of post-modernist thinking, planning alone was heavily attacked. The planning rationality, methods, processes, legitimacy, etc. were questioned, which led to the movements that were suggesting complete exclusion of planning and regulation of urban processes through reliance on market mechanisms. Such attitude is reflected in the movement that Alexander (1986) defines as *'nonplanning'*: based on premise that *'people's behaviour and interactions will eventually produce socially optimal outcomes with a minimum of regulation'* (p. 78).

However, during 90s, planning is gaining significance again, mainly through communicative/collaborative trends that tend to define new theoretical framework for the discipline. Shift towards liberal concepts during 80s, in much of developed countries (primarily USA and UK) led to certain disappointments and realization that market alone cannot regulate certain social and especially environmental issues. It had various negative consequences, so today notion that development has to be guided and regulated through spatial plans is growing again, but on somewhat different principles. This is the case in European Union, where *'is awakening realization that there must be improved, and explicit, spatial coordination of those policies and programmes which have obvious geographic consequences'* (Gleeson and Low 2000, p. 273). But, European Spatial Development Policy (ESDP) is much more flexible than traditional spatial plans, since it gives just a list of recommendations for certain spatial disposition of activities, rather than trying to enforce them through strict regulations. Nevertheless, role of the governments is significantly changed, since the projects are now designed and implemented through co-operations, partnerships and participations, where government is one of the actors that have to manage the processes - role which demands new capacities, knowledge and expertise.

In this classification the shifts in the legitimacy of planning are noticeable: from high reliance on planner's judgment and expertise, towards the complete loss of faith in planning and emergence of radical critiques of the rationality of planning in general, and re-emergence of the significance of planning from 1990 onwards (Figure 7).



**Figure 7: Major trends and legitimacy of planning**

*Derived from Hall (1992), Alexander (1986) and Allmendinger and Tewdwr-Jones (2002)*

### 2.2.3 Planning models and rationalities

Planning model (or planning doctrine) is a conceptual scheme that consists of context-specific practices, defining area, development challenges and ways of approach towards them. When translated into laws and institutions, planning model constitutes **planning system** – plan-making, urban development and regulatory functions (Vujosevic and Nedovic-Bulic 2006). Planning system is specific to certain ‘*configuration of circumstances*’ (ibid. p. 277) – varies from one society to another, depending on specific ‘*constitutional structures and administrative and professional cultures*’ (ibid. p. 277).

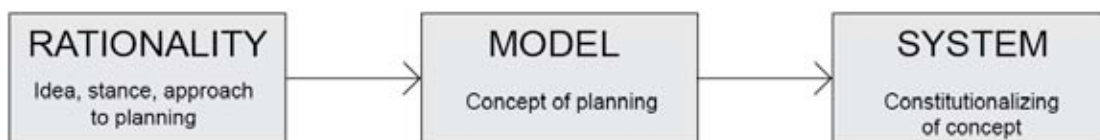


Figure 8: Relation between rationality, model and system of planning

Derived from Faludi (1999) and Vujosevic and Nedovic-Bulic (2006)

Sager (1994) makes classification of **normative planning theories** according to the type of rationality they are based upon. He makes five groups of planning theories (models), in SITAR classification<sup>6</sup>:

- **Synoptic planning**, or rational comprehensive approach. It uses rationality as main point of departure in setting-up the goals and their implementation- ‘*looks at the problems from system viewpoint using conceptual or mathematical models relating ends (objectives) to means (resources and constraints) with heavy reliance on numbers and quantitative analysis*’ (Hudson 1979, p. 389). It is deeply rooted in the Western intellectual, production and social practice (Vujosevic 2004, p. 9). Alexander (1986) describes that comprehensive planning emerged from earlier purely physical (traditional) models of planning, and the need to integrate spatial planning with other sectoral plans (economic, transportation, etc.). It was based on technocratic ideology and, as it was mentioned in the description of the ‘systems planning’ approach above, was giving to a planner the legitimacy to plan according to his/her scientific expertise. It was assumed that planner knows other people’s needs and that he/she can, according to the scientific analysis, define and implement proper planning proposals.
- **Incremental planning**, or ‘disjointed incrementalism’, is the main opposition to synoptic approach. It is also based upon normative (‘rational’) planning analysis, but the difference is in understanding the relation between goals and means: not all goals are set-up in advance, but many of them are formed in the process of planning interaction itself (Vujosevic 2004, p. 10). Hudson (1979) uses Lindblom’s definition of this planning approach as ‘muddling through’, and gives example from former Yugoslavia to describe it in practice:

<sup>6</sup> First defined by Hudson (1979) as Synoptic, Incremental, Transactive, Advocacy and Radical, and Sager introduces newer planning trends in the classification.

*'A good illustration of incremental planning is the apocryphal interview of a Yugoslavian official who was asked to describe his country's most important planning instrument. After a pause for thought official replied "the telephone". Yugoslavia in fact represents a blend of synoptic and incremental approaches. It promulgates national plans through a Federal Planning Bureau, but the country's economic and planning systems are composed of autonomous, self-governing working organizations. Plans are constructed by a mixture of intuition, experience, rules of thumb, various techniques (rarely sophisticated) known to individual planners, and an endless series of consultations' (p. 389)*

'Disjointed incrementalism' prescribes how decisions should be made, as alternative to rational-comprehensive approach. It focuses on much narrower range of alternatives, that are similar to each other, instead of making choices across the wide range of very different and extremely opposite alternatives, many of which are politically irrelevant anyway. Small number of consequences is calculated, and goals are adjusted to only what is feasible. The important feature of this planning model is that it is not focused on solving the problems, but takes them for granted and just try to alleviate them. It concentrates on symptoms of the problems, and tries to remedy them, but uses same, scientific methods as synoptic planning. Decisions are made among very large number of *'points in society'*, which makes it more realistic since it is a social process - many different points of view are represented. (Sillince, pp 53- 62)

- **Transactive planning**, so-called 'dialogical incrementalism', is based upon communicative rationality. Planning is not focusing on anonymous beneficiaries, but decisions are made through dialogue and communication with real people affected by decisions. It consists of inter-personal dialogue and process of mutual learning, rather than field surveys and data analysis. This theory also promotes decentralization of planning institutions and people taking control over the social processes that govern their welfare. *'In contrast to incremental planning, more emphasis is given to processes of personal and organizational development, and not just the achievement of specific functional objectives. Plans are evaluated not merely in terms of what they do for people through delivery of goods and services, but in terms of the plans' effect on people- on their dignity and sense of effectiveness, their values and behaviour, their capacity for growth through cooperation, their spirit of generosity'* (Hudson 1979, p. 389).
- **Advocacy planning**, or *'planning as questioning and shaping attention'* (Vujosevic 2002, p.5) and 'communicative/collaborative planning'. It was introduced in 60s, and its influence and importance are significantly growing in the last decade (Vujosevic 2004, p. 11). It represents the extension of idea of communicating the planning objectives, introduced in transactive approach. The important difference with transactive planning is that this group of models has 'limited' communicative rationality, meaning

that it is concerned with *'alleviating structural distortions in communication, in order to enable equal possibilities and creation of support for achieving reasonably efficient and equitable alternative'*<sup>7</sup> (Vujosevic 2002, p. 6).

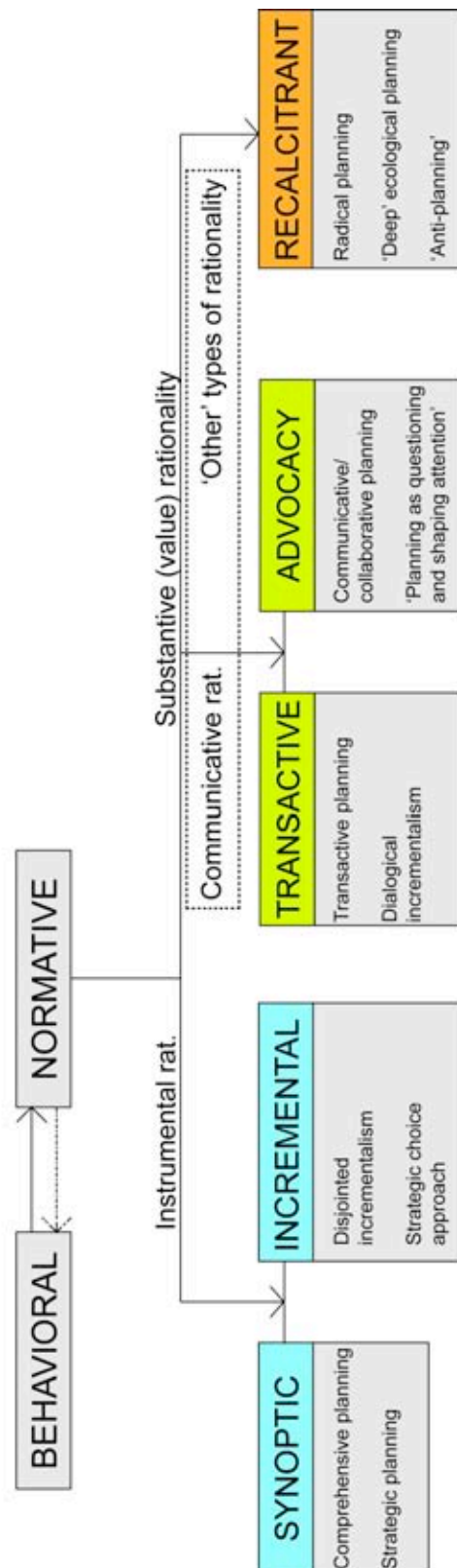
According to Hudson (1979) and Alexander (1986), advocacy planning emerged as reaction to previous centralist and technocratic models. It appeared in mid-60s and was analogous to USA legal system. It was based on notion that society is not homogenous system, but it is consisted of different actors with their interests and powers. Planners were seen as advocates of the groups that do not have power to fulfil their needs - the poor, neighbourhoods and other groups with limited access to the government - providing them with necessary experience and expertise.

Communicative/collaborative planning is continuation of the trend towards 'dialogical' approach and is added in the SITAR classification by Sager (1994). The collaborative planning was influenced by the work of Habermas (Theory of Communicative Action), Foucault - the attention towards the power that is always present in communication and is hidden behind the language and meaning, which deforms planning interaction - and Giddens through researching the way people communicate in wide and complex web of social relations (Harris 2002, pp. 24-28). It integrates series of topics related to issues of contemporary planning, which include: notions of community, relations of power, global economic trends and their local impacts, environmentalism, cultures and systems of governance, institutional design, technocratic control and the nature of expertise, mediation and conflict resolution, and spatial planning (ibid, p. 23).

- **Recalcitrant**, in original Hudson's (1979) classification named 'radical planning', but expanded by Sager (1994). It includes theories and types of rationality that do not fit in any other class given in the scheme, that have some 'other' rationality: preserving the system/political rationality, ecological rationality, market rationality, etc. (Vujosevic 2002, pp. 5-6). Yugoslav, and latter Serbian planning could be classified here, since they always had a political rationality on the first place – the main goal was to preserve the system or ideology, and other developmental problems were of secondary importance, as it will be explained later in this paper. (Vujosevic, interview no. 3)

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<sup>7</sup> Author's translation



**Figure 9: Planning theories, rationalities and models**

*Derived from Hudson (1979), Sager (1994) and Vujosevic (2002 and 2004)*

## 2.2.4 Conclusions

Several trends in planning theory and practice can be noticed from the classification described above. Originally, until the 60s, planning was closely related to the modernist philosophy, having the rationalistic point of view - the idea that reality can be completely objectively described by scientific method was in the heart of it. The planning was observed as value-free discipline, giving to the planner (or institution) authority to set up the goals and determine what is good for the overall society, with end-in approach - clear objective that should be achieved in certain period of time.

The legitimacy of this way of thinking was questioned during 60s, and planning trends moved into completely opposite direction - incremental approach. Since it was missing guiding objectives, had too narrow understanding of communication (focused only on 'rational' control of relation between goals and means, not different quality of communication), still signifying the importance of plan as a product, and there was no strategic frame for actions, soon new, alternative approaches emerged. The essence of all these ('advocacy', 'transactive' etc.) was to find the balance between two extremes - synoptic (rational) and incremental (Vujosevic 2004, p. 9).

The main shift is in observing planning as a 'process' instead of a 'product'. The importance of participation and decentralization of decision-making is also in the focus of planning theories in the last 40 years, with an effort to set up democratic process of forming arena for a public discussion, defining the rules of the discussion, 'learning on other', and defining the problems, means and relevant knowledge (Vujosevic 2002, p. 5).

Finally, in developed countries with high percentage of urban population and very developed infrastructure, terms city, town or even urban planning are replaced by spatial planning. This is because it became tautology: *'since great majority of population are classed in the statistics as urban and live in places defined as urban, 'town planning' seems simply to mean any sort of planning whatsoever'* (Hall 1992, p. 3). This shows the tendency to overcome institutional, administrative and even mental boundaries and to observe the processes occurring in the city as an undividable part of a larger context in which it is situated. This way, metropolitan regions, with main core city and smaller, secondary centres are subjects of most of the spatial plans. This shift of spatial focus is still going on, since understanding of planning spatial scope shifts from hierarchical disposition (one major centre with sub-centres around it) towards multi-nodal regions with two, three or more equally treated cores (for example Randstad in Netherlands). This shift towards *polycentricism* is caused by growing centre-periphery contrasts and rural depopulation, and understanding that regions surrounding cities has to be treated by plans and strategies in order to achieve more balanced development.

## **Chapter 3: Research methodology**

Research is based on collection of qualitative data from two sources: primary data through interviews with experts from the fields related to urban management (1) and secondary data from literature (2). Personal observation is used to set-up the initial assumption of the research, and to compare it with two sources of data collection.

The literature review is used for setting-up of the theoretical background of this paper, but more importantly for describing planning models and informal construction trends and processes in Yugoslavia and Serbia.

The interviews are used to cast more light on the trends and types of both planning and informal construction in the past, but primarily to provide data for description of current trends and to give proposals for possible solution of the problem.

### **3.1 Research questions**

The assumption of this paper is that there is direct relation between urban and spatial planning and informal construction – that the planning is among the reasons of appearance of informal construction. The informal construction is a consequence of the disproportion between demands for housing and jobs, and the supply that is should be provided by plans.

From that assumption, main research question is derived:

What planning model is appropriate for Belgrade, in order to manage demand and control informal construction?

The specific questions are focusing on different aspects of the problem:

SQ 1: What needs (demands) are expressed through informal construction?

SQ 2: What supply is enabled by plans?

SQ 3: What is the relation between planning and informality?

SQ 4: What changes should be made in planning in order to put informal processes under control?

Research is done using two methods of data collection: secondary data from literature review, and semi-structured interviews with experts from different fields- urban planners, people working in administration (city or national), sociologists, architects, and developers.

*First specific question:*

The purpose of this question is to explain reasons for the appearance of informal construction, by describing specific needs behind it. When needs are determined it is possible to compare them with supply provided by plans and discover reasons of failure of plans.

The answer is provided through creating typology of informal construction based on different needs expressed in them, actors involved and processes used. The



data is collected through literature, and interviews are used to give additional information for certain types of informality, especially about current trends – what types are still growing, what stopped, what is the number of informally constructed objects since 2000, etc.

*Second specific question:*

Focuses on supply provided by plans. In order to do so, it is necessary to describe logic behind different planning models, *planning rationality*, since it determines the attitude toward different needs that exist in reality – it determines what needs are valid, and accordingly focus the planning towards satisfying them. Those needs that are declared ‘irrelevant’ in the planning rationality are usually of secondary importance or are not in the planning horizon at all.

The answer is provided through analyzing trends in the urban planning in Yugoslavia and Serbia since 1945. The focus is on this period since the end of the WWII basically is a starting point of industrialization and modernization of the Serbian (and Yugoslavian) society, so it can be said that planning in contemporary sense started to be practiced since then.

The data is provided through literature primarily. The global trends in planning are compared with Yugoslav/Serbian planning practice in order to better explain certain planning paradigms that were global, and to distinguish local specificities (or local adaptations) of planning models.

Interviews are providing additional data, primarily to explain current planning practices.

*Third specific question*

The goal is to determine relation between planning and informal construction. On what informal processes planning has influence, and what are outside the planning horizon? To determine what processes could be controlled only by planning, what have to be addressed through ‘joint venture’ of urban planning and other sectors (social, economic, etc.) and what are completely out of planning influence and should be concerned by other sectors only.

The answer is given through comparing different planning models with different types of informal construction. The data is derived from answers to first and second question, combining and comparing them. So, majority of data is obtained through literature, and interviews provide additional information in order to better explain the findings.

*Fourth specific question*

Focuses on proposals for the change of current planning model, considering the answers on first three questions. The answer is primarily composed of various proposals given in the interviews – since there is scarcity of literature related to changing the planning model in order to ‘incorporate’ informal processes. The experts from relevant fields gave their opinions, and they are combined to form proposal for change in the Belgrade planning model.

## 3.2 Interviews

*Reasons for using interviews as research method:*

Interviews are used as a source of primary data collection. The data necessary for this research is both qualitative and quantitative, since the research is focused on explanation of current trends and proposing the possible solution.

The quantitative data needed for the purpose of the paper – number of informally constructed objects, incomes of builders, number of families, number of legalized objects, etc. on the city level – would be hard to obtain through physical field work (case study, surveys, etc.). Such study would be able to cover relatively small number of households, on limited area, and the results would hardly be relevant on the city-scale therefore. Rather, for the purpose of this research, already existing studies on the informal construction in Belgrade and Serbia are used and upgraded by the opinions of experts with significant experience in the topic.

The developers were the only direct representatives of ‘builders’ in the process of informal construction, and they explained ‘other’ side of the problem – from the builder’s point of view. The existing case studies and other types of researches rarely include developers, since the ‘limited’ understanding of informal construction phenomena – it is usually related to urban poverty and individual builders only. On the other hand, it was possible to find researches that provide the data on individual informal builders.

Of course, the detailed physical research of informal construction in Belgrade is absolutely necessary in order to deal with the problem properly, but it is impossible to be done by one person, with limited resources and time.

*Criteria for selection of respondents:*

There are several criteria used for selection of respondents. First, there was a need to explain the phenomena from different perspectives, so experts from different fields are selected: planners, architects, urban sociologist, administration staff, and developers as representatives of builders. Secondly, all the experts selected have significant experience in research of informal construction in Belgrade, each from her/his area of expertise, which provided insights in social, administrative, planning, economic, technical, environmental, etc. side of the phenomena. Thirdly, all experts have ‘positive’ attitude towards informal construction, meaning that they are all observing it as ‘two-side’ problem – both of builders and of the dysfunctional system, which provided recommendations that are usable for research.

Among experts, there are two opposing streams: those that think that planning (and system in general) should be improved but is developing in the good direction, and the others that are promoting systematic changes in planning and city management.

The developers selected are representatives of foreign companies that invest in Belgrade’s real-estate market. They have significant experience and knowledge on trends (administrative procedures, planning demands, construction, obtaining

permits, institutional arrangements, etc) in Belgrade and the region (former Yugoslavia), but also from their home countries (UK and Israel). That way they were able to give comparison of domestic and international practices.

*Operational questions used in the interviews:*

Interviews are semi-structured, open-end. Three main operational topics were defined in the interviews, focusing on explanation of current situation in informal construction and planning, reasons for such situation, and proposals for solution of the problem.

Operational question 1: How do you describe current situation of informal construction and planning?

The question has two parts, concentrating on explanation of current trends in informal construction and current planning practices. The data about informal construction processes are derived from here: number of objects, is it still growing, decreasing or stagnating, who are the builders, what are the processes, what other actors are involved, etc. For planning, the explanation of current system, hierarchy, types and roles of plans, institutional arrangements, etc.

Operational question 2: What are the reasons for such situation?

This question also has two parts – reasons for appearance of informal construction and reasons for dysfunctionality of planning system. Some respondents made clear relation between planning and informal construction, and others explained the phenomena by reasons ‘external’ to planning only: corruption, large migrations, poverty, lack of funds, etc. The additional information about the past trends is also obtained from this part of the interviews: planning models during socialist era, and initial appearance of informal construction.

Operational question 3: How the situation could be improved?

The goal of the question is to get proposals and opinions on how to prevent, or put under control, informal construction. The concrete proposals are obtained, that are covering all aspects of planning system – administrative procedures, institutional changes, education and role of planners, and changing of the planning model and regulations.

Answers from the first question are used as additional information for first two specific questions. From second interviews question, answers were used to check the validity of the main assumption of the research, and to provide additional information for third specific question (relation between informality and planning). Fourth interview question is used as main source of data for fourth specific research question.

### *The way of conducting the interviews:*

Majority of interviews (seven) were conducted in-person, and two were conducting by e-mail. In-person interviews had only three main questions described above, and additional questions were made in order to more precisely explain certain topics that respondents mentioned. The interviews were recorded.

Interviews conducted by mail had specific sub-questions already included in the form. The additional questions were asked after the review of the responds, and are also received by mail.

Each interview had slightly different focus, depending from the respondent's area of expertise. Also, some respondents have background from more than one area, so they were explaining the phenomena from different sides. For example, sociologist also has experience in working in public sector (city council), one of the planners worked in Ministry of Infrastructure, one planner also has background from economy, etc.

With planners, the focus was on explanation of planning model, system, hierarchy and types of plans, decision-making procedures, etc. The influence of 'extra-planning' factors was also explained – how politicians and investors influence planning procedures, etc.

People that worked in administration provided explanation of institutional arrangements and administrative procedures, and existing human and institutional capacities.

With sociologist, focus was on needs, types of informal construction, builders, other actors, processes, driving forces behind informal construction, etc.

Architect provided specific information on building techniques, regulations and standards, involvement of architects in the processes, but also conclusions from personal experience from various projects, workshops and seminars organized with students of the Faculty of Architecture in Belgrade related to informal construction.

Developers were asked to explain the obstacles they have in investing in Belgrade: how planning system is restrictive and confronted with their interests, what is the difference with other cities, etc.

### **3.3 Data validity and reliability**

The previous experience, expertise and positions (within institutions where they have access to relevant data) of respondents are providing the validity of data that they directly gave in the interviews, and the other resources (literature and existing studies) they recommended.

Validity is checked by triangulation technique, using various methods of data collection: primary data (from the interviews), secondary data (from official statistics, case studies and literature) and observation (personal experience of the author). In the interviews, similar sub-questions were asked to the respondents from the same group (planners, developers, etc.), and crosschecked with data from other sources in order to achieve validity.

Reliability is based on 'openness' of the research methodology: using the interviews designed as open-end conversation with wide topics, rather than questionnaires with precisely defined questions, provided non-guided answers. The respondents were given just the general direction of the interviews, they were not limited by time, or interrupted by sub-questions, and so they were able to give the personal opinion about the topic.

The data from the interviews is used to provide clarification, understanding and explanation of the topics relevant for this research, from respondent's own perspective, and not for generalization.

### **3.4 Data analysis**

Information from the interviews was processed through these steps: (1) 'getting to know the data' - making of transcripts (which includes listening to recordings several times) and re-reading them; (2) focusing the analysis on the key topics (questions) and comparing the answers from different respondents; (3) categorizing the information into the categories preset by the thesis structure (main assumption and research questions); (4) creating the classes of information for each of the categories. Processed information was then compared with information from the literature, and organized in research findings.

#### *Classes of information:*

For the main assumption, there are two classes of information: those that support the assumption, and those that represent opposite attitude. In the first class are different examples of direct relation between informal construction and planning, and in the second are examples of external factors on which planning can not influence.

For first research question, data is classified in five groups: (1) needs, (2) types of informal construction, (3) actors, (4) processes, (5) numbers and trends (quantitative data).

Related to second specific question, there are four classes of information: (1) explanation of current planning rationality and practice in Belgrade, (2) institutional arrangements and types and hierarchy of plans, (3) human and institutional capacities, (4) corruption.

For the purpose of third research question, information is classified in reasons for appearance of informal construction: (1) internal to planning and (2) external to planning, from which relation between planning and construction is derived.

Forth research question is covered by four classes of information, related to different factors related to planning: (1) changes in planning rationality and practice, (2) institutional arrangements, (3) education and new role of planners, and (4) fiscal mechanisms.

### 3.5 Research overview

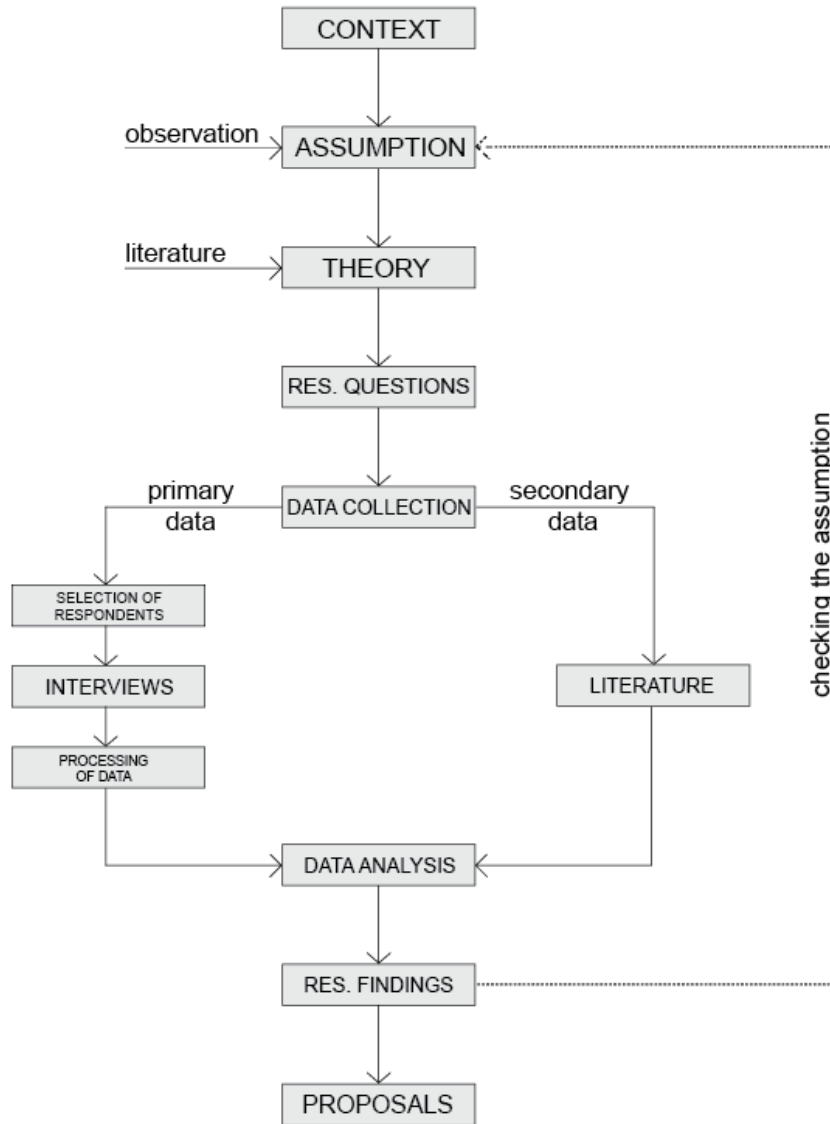


Figure 10: Research overview

### 3.6 Limitations

The principal critique of the research methodology considers selection of the respondents. There are several factors that influenced the selection: July, when the research was done, is a period of vacations, so it was not possible to reach all respondents that were originally planned (1); from the same reason, it was not possible to conduct all interviews personally, but two of the respondents submitted their answers via e-mail (2); it would be very useful to include in the selection main promoters of the current ‘investors urbanism’ approach – primarily former City Architect of Belgrade, but also some other people from the top of the city administration – but it was hard to find their contacts and to meet them because of their positions, busy schedule, and vacation period (3); finally, it would be useful to interview heads of some leading domestic development companies, for whom it

is often suspected that are involved with changing of plans, land speculations, etc. but they are even harder to reach than the previously mentioned group (4).

Further, the research would gain extra quality from field study of the informal construction processes on the city-level, but as it is explained previously, it is not a job that one person could do. With limited time and resources, it would be possible to conduct the field research on very limited sample, which certainly would not give relevant results. Moreover, those results would possibly just deform the real picture and thus lead to the wrong research findings.

However, this kind of detailed, comprehensive research of the informal construction sector should be the task for some future researches, and would serve as a basis of any systematic changes in the planning model.

## Chapter 4: Research findings

This chapter explains findings of the research divided in two parts: informal construction in Belgrade, focusing on roots of informal construction and typology (1), and Planning in Belgrade explaining planning models that were used in the past, current planning practices and relation between planning and informal construction.

### 4.1 Informal construction in Belgrade

#### 4.1.2 Roots of informal construction in Belgrade and Serbia

Informal construction represents significant trend of urbanization in Serbia. It started to appear during 60s, but during 90s it almost became synonymous with urbanization. The term, in Serbian context, represents *'not only construction in slums, unhygienic settlements and areas with no zoning regulation, but large number of buildings without zoning and building permits is located in central urban areas, residential blocks, suburban areas, protected natural and cultural areas, national parks, sanitary spring protection areas and village settlements'* (Milic, Petovar and Colic 2004).

From 60s to the mid-80s, informal construction was localized in the suburban edges of cities, in areas with no zoning. Sociological studies made during 80s have shown that informal builders were mainly workers in industry that came to the cities with their families.<sup>8</sup> In those studies, two main causes of informal construction were defined:

1. Unsolved housing needs of large number of families in urban centers, that were not able, in system of socialist housing production, to obtain social apartments from their companies- at that time, almost the only existing way of housing provision
2. Low supply of communally equipped land for individual housing construction and its high price, as well as complicated, long, slow and expensive procedure of acquiring all necessary permits for citizens that wanted to solve their housing issue on legal way, by building family house by their own means.

In parallel to this, second type of informal/illegal construction was situated inside the central urban areas- various adaptations, reconstructions and upgrading of private buildings that were build before Second World War. The owners could not get the permits for construction because, by existing spatial and regulation plans, those areas were designated for hi-density residential developments, so those objects had to 'wait' to be demolished. However, plans were very slowly, if ever, implemented, years were passing, and owners of the objects were forced to improve their houses. The only possible way was to do it illegally, without building permits. Also, in that period in Yugoslav cities regulated market for renting apartments or rooms did not exist, so the only mode of rental housing was

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<sup>8</sup> Saveljic (1988) - 98.1% of illegal builders were immigrants from rural areas and between 70-90% of these belonged to the working class.



illegal renting of rooms or apartments, usually in those, illegally built objects (Milic, Petovar and Colic 2004).

It was obvious even then, that housing and urban policies were generators of informal/illegal construction, but local or national governments did not do anything to change them. There was no political will to really face the problem, and to revise regulations and planning system. By opposite, both local and national governments were tolerating this kind of behaviour, at the same time staying in their positions that whole market should be ruled by the state, and that plans should be implemented as they are, without revision or change of the system (Milic, Petovar, Colic 2004).

During 90s, with disintegration of Yugoslavia, wars, international sanctions, hyperinflation, economic and political crisis, investments in the illegal construction were intensified. This was due to the fact that a banking sector did not exist, so people saw investments in real estate as the only way to secure 'cash' capital, and in the same time, as administration was destroyed with mismanagement, corruption and unselective employment, constructing the objects legally was even more complicated than before. Investments in illegal real estate market were also seen as a way to 'wash' money that was earned through black market during the war and international sanctions, so even luxurious objects, in the Belgrade's most prestigious residential areas, were built illegally. (Milic, Petovar and Colic 2004; Pillar Canamero and Euler 2006; Grubovic 2006)

At the beginning of 90s, these processes were 'accessible' only to the people close to the government apparatus and people from the Government itself. The anecdote that is said to be operative in some Latin American jurisdictions, 'for my friends everything, for my enemies, the low!' was widely on power in Serbia.<sup>9</sup> Ksenija Petovar, urban sociologist, in the interview for the weekly magazine *Vreme* (07 August 2003) claims: "*Criminalized state was responsible for that (illegal construction). The programmed chaotic situation was made on purpose: only those who were close to the regime made large capital and 'business empires'... Milosevic (in that time, President of Serbia) was the first who illegally constructed his own house: he demolished the old villa he bought, and constructed the new one without permission.*"<sup>10</sup> This example was followed by the rest of the 'warlords', so, huge, luxuriously equipped villas, that can be seen nowadays in the Belgrade's prime residential areas, are mostly built without necessary documentation and permissions, and opposite the regulations given by the plans.

In the same time, social housing fund was completely privatized, by low (unprofitable) prices, so citizens now had significant assets in the real estate, but were impoverished by bad economic situation. For those that did not buy apartments in this campaign of privatization the only way to obtain apartment was through illegal construction, so they followed the example of those close to the establishment. The huge emigrational wave of refugees from war areas in former Yugoslavia was additional trigger for illegal construction (estimated number of

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<sup>9</sup> This was mentioned by Smolka and Ambroski (2000) when describing the taxing systems and regulatory instruments in some Latin American countries

refugees and IDP-s in Serbia is between 800,000 and one million which makes around 10% of total population – Milic, Petovar and Colic 2004). During 90s, Belgrade had an average growth of approximately 50,000 people per year (Grubovic 2006, p. 132).

Changes in planning and construction legislation in 1995 were additional boost to informal construction:

*'In 1995 the law was changed in that way that informal construction was not considered anymore as criminal act, which was actually social policy to allow people, at the first place refugees, to solve their housing needs themselves since system was not able to do so. That gave extra boost to everybody to construct wherever and however they wanted.'* (Kucina, interview no. 1)

On the local elections in 1996, opposition parties won in Belgrade and other major cities in Serbia. Although informal construction is usually related to regime of Milosevic, paradoxically since these elections number of informally constructed objects increased by 15,95% and reached approximately 200,000 (Grubovic 2006, p. 131). This was due to the fact that, because of the conflicts between local and national governments, Belgrade was very often left without funds from national budget:

*'The city government as well as the municipalities realized that an alternative way of funding, not only for the city but also their parties and themselves personally, was to sell the most profitable resource of the city- building land. They did not block the illegal building, the profits from which were enormous.'* (Grubovic 2006, p. 131)

During the decade, since there was neither control nor support from the system, various modes of finding the way through the system were developed. In their essence, they are very creative, and this paper will try to analyze them and draw some conclusions that can be helpful for some new planning system in Belgrade. They can show real needs of people that are not met by planning and regulations, and alternative ways of providing housing opportunities.

### **4.1.3 Types of informal construction in Belgrade**

#### **4.1.3.1 Main groups of needs**

Petovar (interview no. 8) defines two main groups of needs that influence informal construction: **basic needs** for housing and access to public services (vicinity to schools, hospitals, etc) that were prevailing during socialist era until 1990 but are still growing today, and **'usurpation'** – or **opportunistic needs**: construction on publicly owned land (parks, parking lots, squares, land reserved for future infrastructure or public services, etc.) and 'privatization' of public land. People from the first group are 'pushed' to informality by not having other option, whereas second group is guided by 'opportunist behaviour' (Smolka - forecoming). Many of these latter were legalized after the new law from 2003 allowed the legalization of informally constructed objects, so city is left without valuable land reserved for public services.



Figure 11: Two main groups of needs expressed through informal construction

*Derived from Petovar (2003) and Smolka (forecoming)*

#### 4.1.3.2 Two levels of illegality

There are two main groups of objects, based on type of illegality. First are objects that **do not have building permission, but are respecting planning and construction regulations** (zoning, regulation lines, building standards, technical codes, etc. – depending on type of land and type of plans for the area). Second are those that **have some permits, but do not respect regulations** (Petovar 2003). Through first level of illegality, mainly basic needs were satisfied, and the second group prevalingly belongs to ‘usurpation’.



Figure 12: Relation between needs and levels of illegality

*Derived from Petovar (2003) and Smolka (forecoming)*

For example, majority of objects in sprawl were originally respecting the regulations when they were constructed – rural areas were not covered by strict regulations, but when the city boundary expanded, they automatically became informal. Today, informal sprawl is usually located within land zoned for housing, so they respect zoning and other parameters from General Urban Plan (since Plan of Detailed Regulation do not exist for the location) but do not have building permit. On the other hand, rooftop extensions are always built with some permit (from some department, sometimes even with all necessary documentation) but are exceeding the allowed total area, and other parameters (e.g. technical).

There is a third group, objects that **neither have any documentation nor respect regulations**, and they can be found among all types of informal construction described later in this chapter. However, their number is relatively small, since informal builders usually respect some regulations in order to be able to legalize the objects later, so great majority is in the two groups of legality described above.

#### 4.1.3.4 Main actors

The actors in the informal construction processes are various, but they can be roughly grouped in three main groups: **‘common’ people** - workers, middle class, refugees, urban poor, etc. (1), **very powerful actors**, so called ‘new riche’ (2) and **state instances and politicians** (3). Up until the beginning of 90s, mainly ‘common’ people were satisfying their housing needs through informal construction. Powerful actors are mainly developers that are connected with local governments, and are constructing multifamily or commercial objects with more area and floors than it is allowed, or those who construct luxury villas not respecting the planning regulations. Through tolerating informal construction and corruption, state instances were always involved in these processes. Sometimes even governments themselves (national or local) are inaugurating capital projects (infrastructure, etc.) without all necessary documentation, with the aim of political promotion (Vujosevic, interview no. 3).



Figure 13: Relation between needs, levels of illegality and actors

Derived from Vujosevic (interview no. 3) and Petovar (2003)

#### 4.1.3.5 Typology

Typology of informal construction is done with the aim to determine different demands that are in the root of it. It is derived from three researches on informal construction in Belgrade (Macura, Petovar and Vujovic 1997; Pillar Canamero and Euler 2006; Milic, Petovar and Colic 2004). Each type represents different kind of demands that official system failed to meet or manage.

##### *Type 1: Sprawl (or ‘urbanized villages’)*

Started during 60s and is located in the edge urban areas. These settlements were created in two ways: villages surrounding Belgrade were ‘swallowed’ by extension of limits of the city area, and immediately became informal (1), or in the latter period by illegal conversion of agricultural into construction land, just outside city area covered by plans (2). Those settlements are considered as

‘spontaneous’ – rural and other settlements in the land for which the law does not prescribe creation of urban plans (Petovar, interview no. 8). Prevalingly, the builders are guided by basic needs – for housing and city services. The settlements are always in the proximity of major roads, where the possibility to connect to infrastructure was the greatest - primarily electricity since it is the most expensive to introduce (R. Colic, interview no. 2). Houses respect some regulations so it is possible to legalize them. Formalization is not always possible, since almost whole available space is occupied, so it is hard to introduce public spaces and services, or transportation.

These settlements are still growing today, although current Master Plan 2021 managed to accommodate them in the areas zoned for individual housing (see Figure 24). Still, since detailed plans are not implemented (Land Development Agency is not expropriating the land for public use, or Plans for Detailed Regulation are not produced efficiently enough), houses are constructed informally – without permission. Zlata Vuksanovic-Macura, planner from the Institute for Urbanism Belgrade (interview no. 5), describes the process of creation of these settlements and creation of plans:

*‘We were working recently on a detailed urban plan of a settlement that just started to appear informally on agricultural land at the edge of Belgrade, and Institute for Urbanism made plan with land reserved for school, hospital, parks, market, etc. But in the meantime, before Agency for Land Development expropriated land for public purposes, people constructed houses on it. It seems that they do not need public functions now, but when the whole area is filled with the houses, than they will complain to the city administration that they want services. But the problem is always where to put services in such settlements. It is happening all the time with the plans that Institute makes.’*



**Figure 14: An example of sprawl**

**Source: Google Earth and Pillar Canamero and Euler (2006)**

#### *Type 2: ‘Patchwork houses’*

Briefly described in the previous part of the chapter. Demands expressed are: need for extra room because of family expansion, need for extra revenues (through renting of rooms informally, or opening of some small businesses) and need for housing in rental sector (in socialist era, rental market did not exist). These

processes are still going on, in same areas of the city, since the process of designing new detailed urban plans is very slow, and by current legislations without Plan of Detailed Regulation it is not possible to get building permit (types of plans used in Belgrade are explained later in this chapter).



**Figure 15: New development reached certain point, but was never implemented to the end**

*Source: Google Earth*

### *Type 3: Luxury objects*

Located basically everywhere in the city, from vacant land in the central city areas to the prime residential zones – any public land that is equipped with infrastructure. Builders were mainly warlords and people close to the regime of 90s that became rich using lack of the state control. They needed to secure ‘cash’ capital and to have luxury single family housing for which there was lack of equipped and zoned land. Builders usually have permits signed by some department. It seems that creation of these objects is stopped since 2000, especially in central areas of the city. This is partly due to the fact that building regulations in prime residential areas of the city were relaxed, so construction in them is intensive but mainly within the parameters given in the urban plan.



**Figure 16: Luxury houses built informally**

*Source: Pillar Canamero and Euler (2006)*

### *Type 4: Temporary objects*

These are mainly commercial objects that had temporary permits for kiosks, but were built of solid materials with two floors and, in some cases, even living space on top. They occupy undeveloped communal land reserved for large infrastructure

projects (metro stations, boulevards, parking lots, etc.) or public spaces (parks, squares, recreation, etc.). These objects were appearing from the need for commercial space, as so-called ‘kiosk economy’ was prevailing way of trade and generating income during 90s. Large number of them was demolished or removed since 2000, but only in very center of the city, so majority still occupies public land. However, new do not appear anymore. This group is distinct from others: it cannot be classified completely in any of two ‘streams’ described in the Figure 13 above. Builders are usually ‘common’ people, they usurp public space and have permit, but do not respect regulations.



**Figure 17: ‘Kiosks’ preventing the widening of the street (above left and first three photos below), and occupying space reserved for park (above right and last photo below)**

*Source: Google Earth (upper row) and author*

#### *Type 5: ‘Blown up regulations’*

This type represents buildings that were built legally, with all necessary documentation, but that exceeds number of floors and total area of the object allowed in the urban plan. They are located in the central city areas, and are built by private developers, for market (housing or commercial objects). This process emerges as natural will of private developers to maximize profit, and of city administration to fill the budget by allowing them to legalize the object by paying extra taxes. Alternative way to legalize such objects is through corruption. This type of informality prevails in Belgrade today, together with sprawling. These builders are usually very powerful, closely connected with political elites, and virtually do not have any obstacles to legalize those objects. They usurp densification rights more than physical space.

*‘...there is even the price that is known to all architects and investors, how much you should pay to some municipality official if you want to make more stores or larger total area than it is allowed, and it is 100 Euros per square meter. If you want to get all the building permissions legally, you will be purposely blocked, your case kept at the bottom of the pile on the table of some government official for 3 years, until you pay that kind of*

*corruptive tax. This 'tax' is not a problem for investors, since the profits are very high because of cheap labour and materials and high demand. On one side we have developers, small or large, that want to maximize the profit, and on the other there is corrupted state apparatus, so we can say that corruption- and informal construction accordingly- are some kind of consensus of all actors in city development process, including even architect that finds better to build larger houses because that way they get higher fees.'* (Kucina, interview no. 1)



**Figure 18: Exceeding the allowed size of the object – in the densely populated areas in the city centre (left), commercial (centre) and hi-rise residential (right) buildings in the low-density residential areas**

*Source: Pillar Canamero and Euler 2006 (left and centre) and Google Earth community (right)*

#### *Type 6: Rooftop extensions*

Basically they appeared as the result of privatizing social housing stock at the beginning of 90s. That transferred responsibilities of the maintenance of the buildings to the owners of the apartments inside the building, which additionally influenced explosion of these objects. Since the owners did not have money to maintain their buildings the solution was found in selling the attic or other common rooms in the building and using that money for maintenance (fixing façade, elevator, etc.). They are concentrated in the central areas of the city, creating densification and extra pressure on infrastructure and street network. Sometimes, negative externalities are related to the safety of the buildings on which extra floors are added. Builders are usually middle-class citizens that prefer to live in the city central areas, close to the services that city provides, than to live in the periphery in individual houses for approximately same investment. Gradually developers also became involved in these processes – they make agreement with households in the building, construct the rooftop apartments, and sell them on the market. This is due to the fact that by time, owners of the apartments in the buildings started to ask higher prices for common rooms, not anymore for maintenance of the building, but for making profit (NIN weekly, 22 February 2001). It also presents usurpation of densification rights, and is done with building permit, but exceeding regulations.





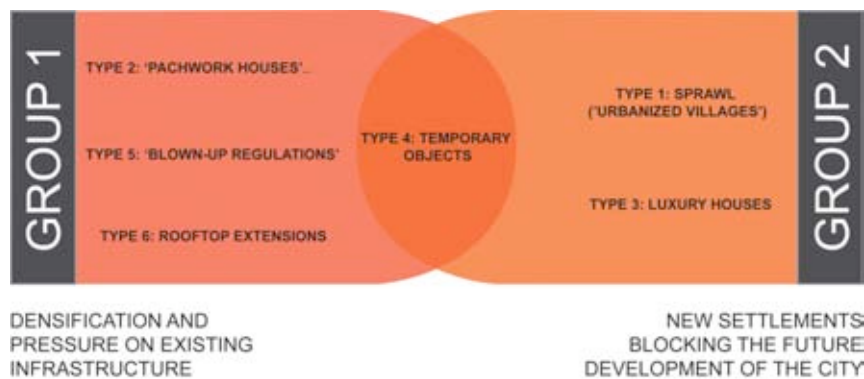
**Figure 19: Examples of rooftop extensions**

*Source: Author (upper row), Sekulic (2003) lower left and centre, and Pillar Canamero and Euler (2006) lower right*

There is one additional type of informal construction – Roma settlements. However, they are not in the focus of this paper, for several reasons: the overall problematic of Roma settlements greatly exceeds the domain of urban planning and management, but concerns overall exclusion from the society of this population (1); the number of objects in these settlements makes small percentage of total number of informally constructed objects, although the poorest in average – Roma population makes approximately 5% of total Belgrade population (2); Roma settlements have their own typology, and can be found in similar forms like Type 1 here (sprawl and urbanized villages), but also slums in the urbanized city areas, ‘unhygienic’ settlements, Roma ‘mahalas’, etc. (Macura, Petovar and Vujovic 1997).

#### **4.1.3.6 Influence on the city development**

Respondents in the interviews identify various negative influences of the informal construction. Among them are: substandard quality of the housing, spatial patterns (density, dispersion, routes for infrastructure, locations available for public services, inefficient energy consumption, etc.), environmental degradation, pressure on existing infrastructure, etc. They can be roughly divided in two major groups: those that increase density and by that make pressure on existing infrastructure (streets, parking spaces, water, sewage, electricity, etc.) (1); and those that prevent future regular growth of the city by occupying free space on the city edge (2). In both cases, they are obstacle to sustainable growth and development of the city, since their legalization and formalization makes introduction of infrastructure and services much more expensive than in the case of planned city growth.



**Figure 20: Classification of types by influence on the city development**

### 4.1.3.7 Conclusions

Different types of informally constructed objects can be roughly classified in two streams. In first one are types whose builders are ‘common’ people, guided by basic housing and employment needs, and that usually comply with some regulations (zoning etc.) although do not have permission. In second stream are those that usurp and ‘privatize’ public space, have certain permits usually obtained through corruption of some department’s staff, and have power to avoid legal consequences – powerful individuals or companies, or ‘new rich’. State instances (local and national government, administration, planning departments, etc.) are involved in all those types, through (a) tolerating informal construction done by poorer groups, as an unofficial social policy and /or (b) tolerating ‘opportunistic’ behaviour of powerful individuals or firms.

Two types are ‘in-between’ those main streams: temporary objects are constructed mainly by common people, but they use usurpation as method to obtain land – opportunistic behavior (1) and rooftop extensions, that are in most cases built by middle-class citizens, with building permits, but they do not comply with regulations and therefore usurp ‘public’ property – densification rights, and sometimes endanger the physical structure of whole building (2).

According to the information provided through the interviews, the number of informally constructed objects is still growing – estimations are that 50,000 new objects were constructed since 2000. Those are the estimations made according to the number of applications for legalization in 2003, when new law allowed that possibility. The real numbers are probably much higher since not all owners were able or willing to pay expensive legalization taxes. (interviews with Kucina, Colic, Macura, Vuksanovic, Vujosevic, Petovar)

From the types described above, sprawl, ‘patchwork’ houses and blown-up regulations are still growing significantly, and number of object in other types is stabilized. New rooftop extensions are appearing occasionally, but their number is small since there is no more space for adaptation (almost all attics in the central city area are already occupied), and prices are now extremely high and inaccessible to common people. Mainly developers who construct apartments for market now do this.

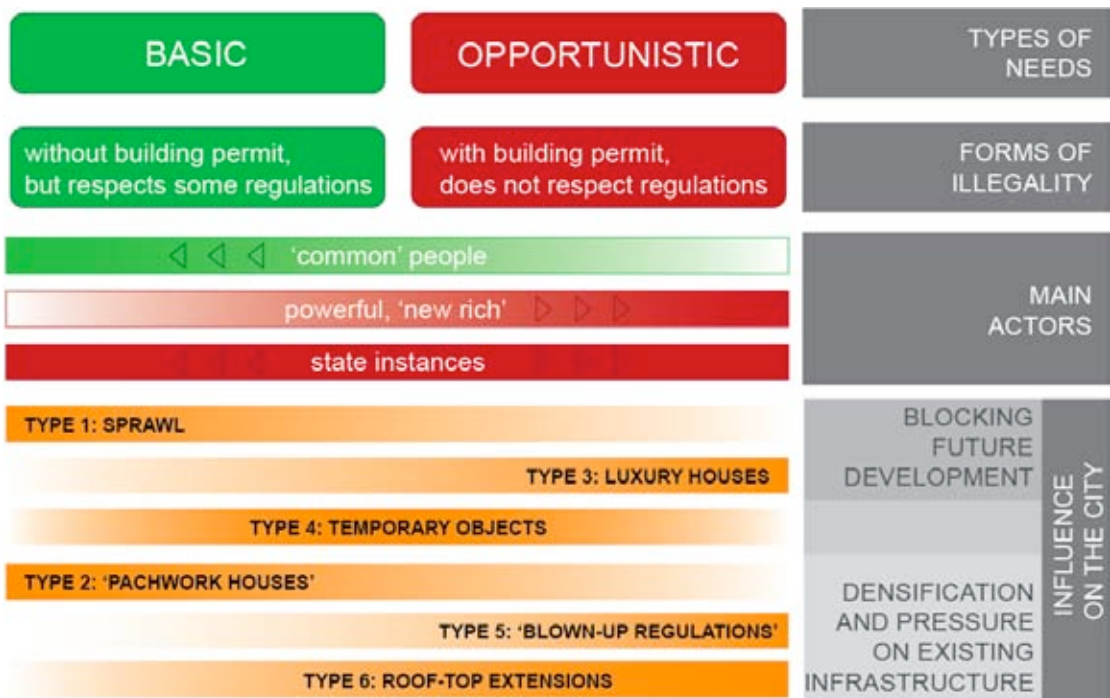


Figure 21: Needs, levels of illegality, actors and types of informal construction

**Table 1: Types, demands, builders and processes of informal construction, compared with the existing supply**

TYPE	DEMANDS	BUILDERS	PROCESS	OFFICIAL SUPPLY
<b>TYPE 1: SPRAWL</b> -from 1960s onwards -still growing	- Basic demand for housing and access to city services	- Industry workers that moved to the city with their families - Refugees and IDPs (since 90s)	- Conversion of agricultural land - Building on land zoned for housing, but without building permit	- Social housing units in multi-family residential areas (provided by public companies for their employees) - Lack of equipped land for self-built individual housing - Almost none - complete housing stock was privatized, and production of social housing was stopped because of hard economic situation - Reconstruction: land was reserved for future development - Rental: no official supply
<b>TYPE 2: PATCHWORK HOUSES</b> -from 1960s onwards -still growing	- Extra space in existing objects - Extra revenues, through renting	- Families in old, pre-WWII individual houses - For rental: students, seasonal workers, etc.	- Illegal reconstructions, adaptations and extensions of houses	- Shortage of well equipped land for high-class individual housing.
<b>TYPE 3: LUXURY OBJECTS</b> -from 1990 onwards -partly stopped	- Luxury individual housing - Securing 'cash' capital - Sometimes: creation of 'gated', exclusive, communities	- War-lords, 'new-rich', people close to regime	- Usurpation of (prime residential / public) land - 'Status' of builders guaranteed immunity against plans and regulations	- Limited number of small commercial spaces, thus very expensive - Permits for kiosks can be extended every 5 years, cheap to obtain, with simple procedure
<b>TYPE 4: TEMPORARY OBJECTS (KIOSKS)</b> -from 1990 onwards -stopped, partly demolished	- Space for small businesses	- Common people, new private entrepreneurs	- Usurpation of public land - Builders had permits for mobile kiosks, but built solid objects	- Very expensive city construction land, shortage of vacant, equipped locations - Strict and rigid regulations, slow and expensive procedures
<b>TYPE 5: BLOWN-UP REGULATIONS</b> -from 1990 onwards -still growing	- Commercial and housing space on central city locations - Maximizing profit	- Developers, usually domestic, influential and powerful	- Avoiding limitations and maximizing profit. - Legalizing 'extent' through corruption or negotiation with government	- No more social housing supply by the state - Very high prices for housing in city central areas - Shortage of services outside city-center, thus not attractive for middle class families
<b>TYPE 6: ROOFTOP EXTENSIONS</b> -from 1995 onwards -still growing	- Housing in central city areas - Securing 'cash' capital - Funds for maintenance of the building (for owners of the apartments in the extended building that is extended)	- Middle-class families - Developers - for the market - Sometimes: 'New rich'	- Negotiation with private owners of the apartments in the building - Building more space than it was allowed	

Basic needs

Opportunistic behavior

Common people

Powerful actors

Without permit, respect reg.

With permit, do not respect reg.

## 4.2 Planning models in Yugoslavia/Serbia since 1945

Planning models that were used in Yugoslavia and Serbia over the last 60 years can be divided in four periods. They were influenced by changes in socio-economic and political context, and were focusing on different priorities accordingly. They are mainly derived from Vujosevic and Nedovic-Bulic (2006), Grubovic (2006) and Pajovic (2006). The relation between each planning model and different types of informal construction is also given on following pages.

### *Central command planning 1947-1965*

In the years after the Second World War and communist revolution that occurred during it, planning was shaped according to the new ideological and institutional framework. Although Communist Party of Yugoslavia (CPY) departed from Stalinism quite early (in 1948), the power was still concentrated on the national (federal) level. In this period, several priorities for government and planning can be noticed: rebuilding of country that was heavily devastated during the war (especially cities), industrialization and shift from pre-modern agricultural to modern industrial society, addressing extreme regional inequalities, developing infrastructure, etc.

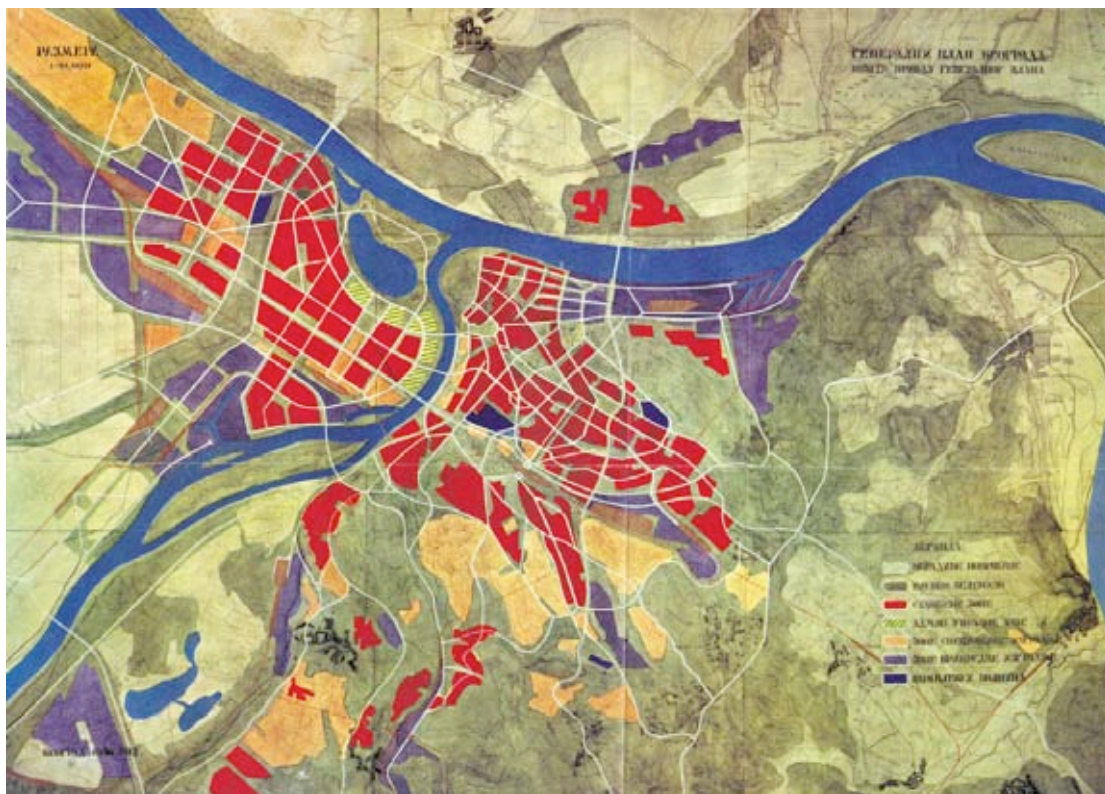
The planning system was *'locally adapted, Soviet-based centralized administrative planning, with hierarchical control mechanisms and substantial legal power exercised through 5-year plans'* (Vujosevic and Nedovic-Bulic 2006, p. 278). It was based on state ownership and distribution of nationalized means of production and property, rejection of market principles and mechanisms, role of the state as the main urban developer - particularly in housing provision, proclaimed public interest that was used to pursue economic objectives and 'top-down' allocation of resources. Public interest – imprecisely defined as 'common interest' (Grubovic 2006) - was set up as priority, justifying government intervention in urban structure.

This model was based upon instrumental rationality, and can be described as synoptic (comprehensive) rationalistic planning. The focus of urban planning was on establishing minimum standards (for housing and other activities) and ensuring planned development through allocation and equipping of land that meets those standards. The problem was that those minimum standards were made in accordance with those of developed countries (regulations related to minimal plot sizes, living area per person, building standards, etc.) and also that they tended to become 'the Standard', since the official socialist ideology presupposed that everybody are same, with same needs, demands, aspirations, etc. This model was traditional in most of its aspects: it was oriented to production of detailed plans and fixed end, observing planning as mere physical regulation of disposition of activities and functions, not integrated with other sectors.

Actually, the rationality behind planning was political – the system was oriented towards establishing new ideology, socialism, and normative instruments from comprehensive planning were used in that direction. Glance at housing policy gives maybe the best explanation of the system: the state was the only actor in housing provision, which was a part of egalitarian philosophy that considered

housing, together with other necessities (education, healthcare, etc.) as constitutional right that should be provided to all citizens. However, since housing was considered only as consumption good, and not production sector, and was highly subsidized, it was not possible to provide everybody with apartments in multifamily housing units. In the same time, self-building was discouraged since it was confronted with ideology – no private property was allowed (Grubovic 2006, pp 82-84). Inefficient housing sector and rejection to modify the planning rationality and to provide more housing options eventually lead to huge informal housing sectors in almost all socialist countries.

So, planning model was nominally ‘rationalistic/comprehensive’, but but with political rationality – promotion of the new, socialist ideology at any price.



**Figure 22: General Urban Plan of Belgrade 1950**

*Source: Institute of Urbanism Belgrade, [www.urbel.com](http://www.urbel.com)*

The informal construction was virtually non-existing in this period. There are several reasons for that, but size of the city and level of industrialization (that was just at the beginning) seem to be most important. Sociologist Petovar (interview no. 8) explains that in that period workers were travelling to work in the city on daily basis (daily migrations) and were living in villages surrounding Belgrade. Socialist ownership system was allowing free market transactions of agricultural land and plans were not so strict in rural areas, so it was possible to build individual houses in those villages. In the later period, those villages became part of the city by change of the boundary in the General Urban Plan, and became immediately illegal (ibid.).

### *Self-management 1965-1989*

From 1965 political and administrative system was decentralized and economically liberalized. This was partly due to the fact that country was finally industrialized, and economy started to grow significantly, so there was no need for 'mobilization of masses' on redevelopment as in the post-war period, and central control was not necessary. Also, new trends towards participation and decentralization were in-line with global, especially Western, shifts in planning doctrines - both Hall (1992) and Alexander (1986) are mentioning shifts in planning doctrines in this direction, approximately in the same period (end of 60s and beginning of 70s). Regional inequalities from the first period were still present, and already in the 50s and first half of 60s the industrial decentralization was seen as possible solution of this problem (Vujosevic and Nedovic-Bulic 2006). The intensive rural-urban migrations were occurring in this period as the result of industrialization that was concentrated in the cities. Belgrade population was growing rapidly since WWII: according to the Statistical yearbook of Belgrade<sup>11</sup>, in 1945 population was 378 000, in 1953 population of the metropolitan area was 643 190, in 1961- 843 209, and in 1971 census, Belgrade had more than million people for the first time- 1 209 000.

The new system brought restructuring of economy, through self-management of enterprises by their employees. *'Yugoslavia was known for having one of the most decentralized systems of decision-making, applied equally to social, economic, environmental, and spatial (urban) planning and policy, and shared by central, republic, and communal branches of government as well as by individual enterprises'* (Vujosevic and Nedovic-Bulic 2006, p. 279). Local communities were given the authority to design and implement plans. Federal level was dealing with socioeconomic and environmental planning, by no spatial, and Republics were making their own long-term plans.

Participatory approach was essential characteristic of the system. Decisions were made through 'bottom-up' approach with principle of 'cross-acceptance'. However, despite innovativeness, the system was very dysfunctional and overloaded by various types of individual, group and general public participation. (Vujosevic and Nedovic-Bulic 2006)

The problem was in the fact that participatory processes were not set up properly-improper selection of stakeholders, giving roles and responsibilities to actors without capacity to carry them, participation of some stakeholders was often only nominal, without real influence to decision-making, etc. The bureaucratic system was huge and dysfunctional, too.

Hudson (1986) described this model as incremental. However, it also had political rationality as its basis, with just slight shift: now the focus was on preservation of the ideology that was established in the previous period.

Real focus of the planning model can be recognized in the attitude towards informal settlements that started to emerge around Belgrade in this period: most of

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<sup>11</sup> Statistical book of Belgrade, in Selinic (2005)

the respondents in the interviews conducted as part of this research are describing tolerance towards informal construction as ‘unofficial social policy’. System was not able to accommodate all migrants so they were allowed to build informally, but the possibility that those settlements can be legalized was out of the question because of the collision with socialist ideal of inexistence of private property.

*‘While the General Urban Plan was designed, sometime during 1969 and 1970, boundary of the plan was positioned just in front of that area where Kaludjerica<sup>12</sup> is today. Everybody knew that, since the plan was preventing self-built individual objects, Kaludjerica will accommodate all those that cannot penetrate the system from various reasons- they were not members of the Party, or were unqualified, and so on, and were not able to get apartment through official housing provision. So Kaludjerica was unofficially made for those who couldn’t penetrate official barriers.*

*...because the country had an ideology. Ideology had to be preserved, and allowing informal construction was a kind of vent for those that were not able to fit into the system. Part of the ideology was that private property does not exist, so it was impossible to allow that individual houses to be built on private plots.’ (Macura, interview no. 4)*

Social housing production continued to be inefficient, although in Belgrade about 15,000 apartments were constructed annually but it was still not enough to accommodate all migrants (Macura, interview no. 4) – in this period whole new part of the city, New Belgrade (*Novi Beograd*), was built, with more than 200,000 inhabitants. There were two main criteria for allocation of social apartments: ‘need’ and ‘merit’. Gradually, criteria of ‘merit’ became the main one, and certain groups have been favoured in access to housing: political and party officials, military members, bureaucrats and employees of the strategic industrial sectors, rather than workers and disadvantaged social groups- which eventually created non-equitable housing system, contrary to official ideology (Grubovic 2006, pp. 82-84).

Furthermore, economic liberalization enabled that large public construction companies became very powerful by the 1980s. They started to behave according to market rules, and gradually became powerful enough to be opposition to government. That was the first time that plans were changed according to interests of the large capital (Kucina, interview no. 1). This is the period when, for the first, time traditional planning ‘tools’ are merged by ‘market values’, the ‘model’ that prevails until today:

*‘Since the end of 1980, illegal construction is only one of the manifestations of merge between ‘market planning and urbanism’, in*

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<sup>12</sup> Kaludjerica is the largest and most famous informal settlement in Belgrade, the population is estimated to more than 20,000. It was created in the beginning of 70s, and was partly legalized, but still does not have services or infrastructure sufficient for the amount of people living there. The largest problem is that houses occupy all available land, so there is no space to introduce schools, hospitals, parks, etc. and streets are too narrow for public transport. (Saveljic 1988)



*transitional period of 'building the capitalism after collapsed communism', whose magic formula, observed on the level of groups and organizations, is supported by the 'investors' and urbanists-planners-bureaucrats. There is no other 'doctrine' except that, although it is obvious that for solving our 'urban issues' (A. Lefevre), it is necessary to have emancipating and modernizing doctrine.'* (Vujosevic, interview no. 3)

During the whole period of SFRY – from 1945 until 1990, only two Master Plans (General Urban Plans) for Belgrade were created. First one was made in 1950 (Figure 8) and second in 1972 (Figure 9). Both were very rigid and complex, resulted from hierarchical order of plans – urban plans for cities were derived from long-term spatial plans on the Republic level. Informal construction was treated as 'clandestine' – it was ignored in plans like it do not exist. The attitude towards informal construction is best explained by the description in Grubovic (2006): in the Master Plan of Belgrade, Kaludjerica – *'the biggest illegal settlement in Europe'* (type 1: sprawl) – was treated as a location for a golf course (p. 98).



**Figure 23: General Urban Plan of Belgrade 1972**

*Source: Institute of Urbanism Belgrade, [www.urbel.com](http://www.urbel.com)*

### *'No planning' 1990-2000*

Similar to other post-socialist countries, Serbia began 1990s with attempts to introduce political pluralism, democratization, civil society and market, but those efforts were soon stopped by authoritative regime of Slobodan Milosevic, so proclaimed goals were only nominal.

Country went into wars with its neighbours (other former Yugoslav republics), and soon it was under the international sanctions. Together with hyperinflation in the first half of 90s, destruction of economy, industry and administration (by corruption, unselective employment, neglecting and mismanagement), large inflow of refugees and IDP-s started. Since the state-control mechanisms practically did not exist during that time, ‘black’ economy and illegal construction dominated urban development. This period can be considered as ‘no-planning’, although official regulations existed, but there was virtually no administrative, technical or financial capacity, nor will, to enforce them.

*‘Main characteristic of this period was re-centralisation of government and weakening of institutional role and planning authority of local communes’* (Vujosevic and Nedovic-Bulic 2006). Planning, that already lost legitimacy during 80s because of severe dys-functionality of the system (which was caused not by planning per se, but with poorly developed institutional solutions – ibid.), was further deprived with an upsurge of new, private interests (mainly guided by maximizing profit) followed by complete collapse of public interests and values that were proclaimed in previous, socialist era. Changes towards privatization and implementing market mechanisms were only cosmetic.

Vujosevic and Nedovic-Bulic (2006) describe planning of this period in 13 points:

1. Lost legitimacy of planning
2. A nonexistent or vague notion of public interest
3. Centralization of government and planning institutions
4. Lack of planning expertise, support and administrative capacity at the local communal level
5. Lack of regional governance and planning
6. Lack of strategic planning
7. Inadequate or ineffective implementation mechanisms
8. Prevailing ‘physicalism’ in planning
9. Lack of participation, openness and transparency in the planning process
10. Confusion regarding local ownership patterns and revenues, which hindered foreign direct investment
11. Persisting distortions in land markets
12. Undeveloped national land-use policy
13. Political instability, manipulations, corruption and clientism

Planning rationality was still political - focused to creation of ‘new elite’: those that have had privileges in previous system were trying to keep positions in the transitional period. Due to the change in the definition of the public interest, planners lost the main legitimizing base for decision-making, but planning stayed one of the instruments of social regulation and control. The state was mainly focused on introducing of more rigor into the already over-regulated planning system (Grubovic 2006).

Informal construction was an important source of financing for the local budgets, but also political parties, as it is already explained earlier in this chapter. The number of informally constructed objects in Belgrade is estimated to amount between 150,000 and 200,000 (Grubovic 2006, Pillar Canamero and Euler 2006 and interviews).

### *'Investor urbanism' 2000- onwards*

After political changes in 2000, post-socialist transition in Serbia really started. This put new problems on planning, since the way in which planning should be modelled is blurred. Reasons are twofold: contextual difficulties inherited from the previous period, and the fact of transition towards civil society and free market. This transition is going on in all post-socialist countries in Eastern Europe, and has different ways and different intensities. Since planning ideology was *'one of the backbones'* of socialist/ communist ideology (Vujosevic 2003, p. 27) the transition is affecting planning doctrines significantly. There is also scarcity of research on the effects of social transformation on urban planning and practice, since in great majority of these countries transition is not finished yet. Also, there were different types of socialism (and planning accordingly) in different countries, and there are different types of capitalism that those countries have as their role model. So far, process of planning transformation in Serbia is based upon simple replication of neo-liberal and institutional models, lacking alternative approaches provided by theorists or experts (Vujosevic 2003).

Latest institutional changes on national level made confusion even greater: on one hand, in *The Act on Self-governance (Zakon o lokalnoj samoupravi)* from 2003, local authorities are given back legal powers and roles in urban planning, development programs and strategies, and budgeting but on the other, *The Planning and Construction Act (Zakon o planiranju i izgradnji)* from the same year centralizes construction and planning at the national level. This act sets up hierarchical order of spatial plans, in which plans from upper level are binding for plans on lower levels (urban or regional). It is based on traditional urban planning system that is limited to physical planning ('design'), construction and building control. Concept of ownership rights defined in it is pretty radical, giving the owners wide development rights and simplifying procedures for legalization of illegally constructed objects. *'Planning continues to be practiced as crisis management, focusing on projects that are rarely coordinated and harmonized, given the inappropriate institutional setting and lack of an overall strategic development framework.'* (Vujosevic and Nedovic-Bulic 2006, p. 282)

The overall shift towards 'New Right' and setting up of new, private interests without new public interests defined, is making pressure to planners to de-regulate planning and simplify procedures. It is done under the 'veil' of attracting investments, but in practice it seems to be creation of appropriate climate for legalizing cash capital that was earned during 90s and invested in informal construction sector. *'The newly emerging social values often do not reach a useful and effective consensus, as they are basically relevant only to specific interest groups and consequently cannot represent the public interest and a set of the key criteria upon which decisions are made'*<sup>13</sup> (Vujosevic 2000, p.6).

*Master Plan of Belgrade 2003-2021* was made under this framework. *The Planning and Construction Act* defines the role of the master plan as defining the long-term settlement development and spatial organization, and main themes for it: designating building areas and dominant planned destinations therein, defining

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<sup>13</sup> Author's translation

key spatial parameters for various types of technical infrastructure and zoning for specific urban plans.

One of the proclaimed goals of the Master Plan is to deal with informal construction and illegal use of communal services, through assessment of current situation, legalization when it is possible, and prevention of further informal construction. One of the ways to legalize existing and prevent further informal construction is seen in zoning the land for housing around existing sprawl, and capturing much larger area than it is needed according to predictions on future demands (Figure 23). However, because of inefficiency of institutions that should expropriate land for public services, informal construction is still growing. The only difference is that it is located inside the areas reserved for housing, but there are still no services and infrastructure (Ferencak, interview no. 7).

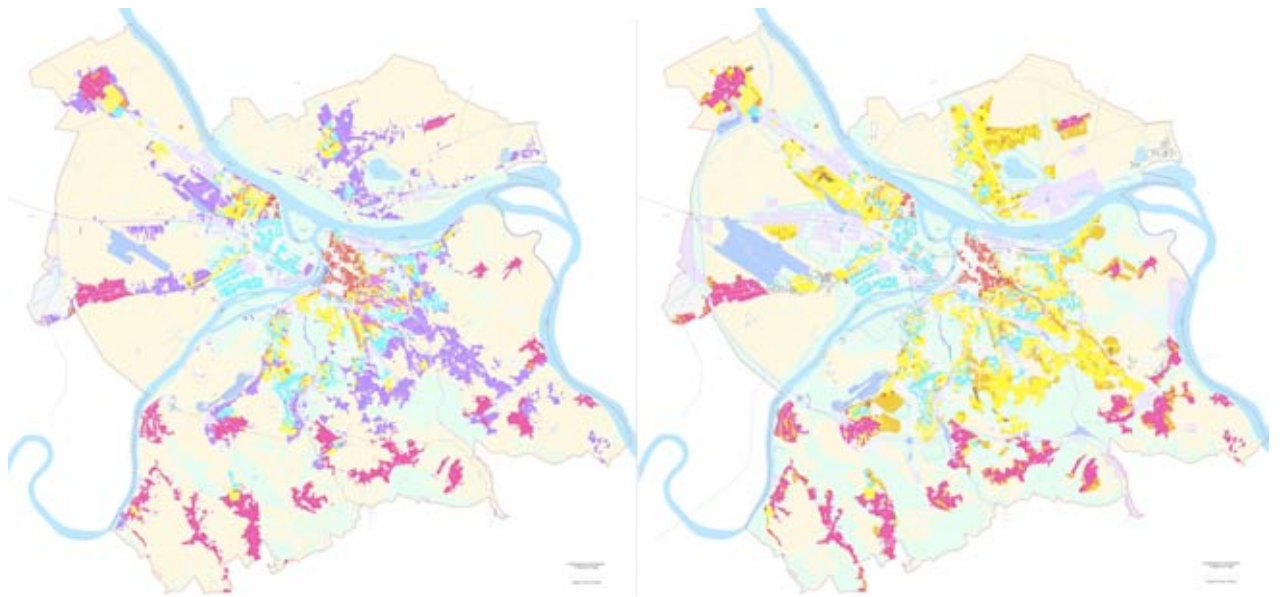
According to research done by Pillar Canamero and Euler (2006) only in legalization of commercial and hi-class objects had significant success (75% are in the process, 35% have been already legalized), while for low-income households the process is almost stopped due to the too many regulations, complex and long procedures, and costly taxes that have to be paid (app. 10% of objects was legalized). It seems that this master plan makes the best out of the regulatory framework designed at national level, and the problem with regulations and procedures stays.

Two types of informality are significantly growing still: sprawl (type 1) and 'blown-up' regulations practiced by private developers (type 5). Criticizers of the existing GUP claims that it was created with intention to allow laundering of the 'black' money that was earned during 90s, and to protect new elites. So it can be said that planning still has political rationality as the basis.

### *Conclusion*

Planning models in SFRY have always had political rationality as a basis, although they were nominally using elements from synoptic (traditional comprehensive) and incremental models with instrumental approach. This 'duality' of planning rationality is still present – proclaimed public interest, which in reality serves as covering for fulfilment of private goals - but the 'political' rationality seems to be the only one since 90s, because public interests are not defined.

In such situation, planning is inefficient – regulatory framework, procedures, institutional arrangements, etc. are all set up according to the planning rationality that is used, but since rationality is false, they are all improperly set up and dysfunctional. As the result, needs of certain groups and individuals are not recognized by the system, and therefore are solved through informal construction. Inefficiency of the system is also making hard to determine which of those needs are valid and should be 'covered' by plans, and which are absolutely in conflict with overall welfare of the society and should be oppressed.



**Figure 24: Existing (left) and planned (right) land-use; land that is occupied by informal settlements (purple) is now zoned for housing (yellow)**

*Source: Master Plan of Belgrade 2021*

**Table 2: Planning models and relation with informal construction in SFRY and Serbia**

PLANNING SYSTEM (YU/SER)		REAL		CONSEQUENCES	INFORMAL CONSTRUCTION
PROCLAIMED	Instrumental rationality	Political rationality			
CENTRAL COMMAND 1947-1965 <i>Synoptic ('rational')</i>	<ul style="list-style-type: none"> <li>- Rebuilding the country after the WWII</li> <li>- Industrialization=urbanisation</li> <li>- Mobilization of resources</li> <li>- Egalitarian philosophy</li> </ul>	Establishing ideology	<ul style="list-style-type: none"> <li>- Putting public (common) interest as the only relevant</li> <li>- No private property</li> <li>- Nationalization of means of production and resources</li> </ul>	<ul style="list-style-type: none"> <li>- Housing provision only through social housing system</li> <li>- State as only developer</li> <li>- Forced 'urbanization' discourages peasants to live in rural areas and transforms them into urban, working class</li> <li>- 'Top-down' planning and decision-making</li> <li>- Hierarchical order of plans</li> </ul>	<ul style="list-style-type: none"> <li>- There is still no significant informal construction</li> <li>- Worker living in the villages around the city are commuting to work, their children to school, hospitals, etc.</li> </ul>
		SELF MANAGEMENT 1965-1989	Preserving ideology	<ul style="list-style-type: none"> <li>- Unequal distribution of public goods, especially housing</li> <li>- Gradual creation of 'classes' by favouring certain groups: political, party, military members, bureaucracy, industrial, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Decisions are made through 'bottom-up' system of 'cross-acceptance'</li> <li>- Housing provision is very inefficient-poor selection procedures and financing</li> <li>- Housing considered only as consumption good</li> <li>- System became severely dysfunctional-decision making processes overloaded with bureaucratic procedures and participation</li> </ul>
'NO PLANNING' 1990-2000	<ul style="list-style-type: none"> <li>- Re-centralization</li> <li>- More rigor into already over-regulated system</li> <li>- Change of politics and definition of public interest that was key legitimizing base for planning</li> </ul>	Creating 'new' elite	<ul style="list-style-type: none"> <li>- Collapse of old public interests</li> <li>- Emergence of multiple individual interests and their establishment as public</li> <li>- Lost legitimacy of planning</li> </ul>	<ul style="list-style-type: none"> <li>- Privatization of social housing stock (over 90% of apartments were privatized)</li> <li>- Land-leasing as a way to fill the city and privateparty budgets</li> <li>- Lack of strategic planning</li> <li>- Lack of capacities (financial, institutional, human, etc.) for planning and implementation</li> <li>- Corruption, manipulations, clientism</li> </ul>	<ul style="list-style-type: none"> <li>- Explosion of informal construction: 200,000 objects in Belgrade</li> <li>- Informal construction practiced by all levels of society (not only working class anymore)</li> <li>- Sprawl continues to grow (type 1), but other types are emerging (3, 4, 5, 6)</li> <li>- Official housing production almost completely stopped</li> </ul>
INVESTORS URBANISM 2000 onwards	<ul style="list-style-type: none"> <li>- De-regulation</li> <li>- Attracting investments</li> <li>- Shift to 'New Right' and neo-liberalism</li> <li>- Legalization of informal objects</li> </ul>	Preserving positions	<ul style="list-style-type: none"> <li>- Private interests as public</li> <li>- Profit maximizing</li> <li>- Closing the market (creation of monopoly)</li> <li>- 'Washing' the cash capital earned during '90s</li> </ul>	<ul style="list-style-type: none"> <li>- Creating institutional and administrative 'short-cuts' for investors</li> <li>- Allowing negotiation</li> <li>- Informal construction done by rich developers is mainly legalized (app 70%), but legalization of individual objects almost stopped (app. 10%)</li> <li>- 'Physicalism' in planning still prevails</li> </ul>	<ul style="list-style-type: none"> <li>- Some types of informal construction are stopped (types 3 and 4)</li> <li>- Sprawl, 'blown-up regulations and rooftop extensions are still going on</li> <li>- 50,000 new informal objects since 2000</li> <li>- No stimulatory mechanisms for legalization of individual objects</li> <li>- Plans are still not implemented-lack of public services</li> </ul>

### 4.3 Current planning model and planning environment

Current planning practices are already briefly above. Further, focus will be on more detailed explanation of the current planning model and related issues – human capacities, institutional arrangements, decision-making procedures, hierarchy and function of plans, and influence of private interests and corruption.

There are two environments that influence planning and should be taken into consideration when decision on planning model that should be used is made.

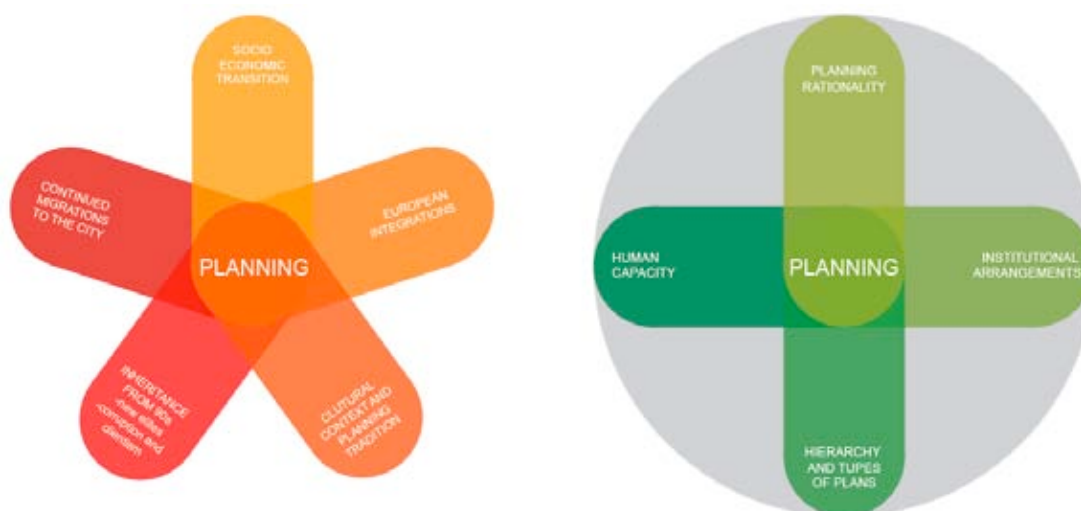


Figure 25: External (left) and internal (right) planning environment

#### 4.3.2 External environment: challenges for planning

External environment in the case of Belgrade and Serbia consists of five groups of influences. Those are: economic and social transition towards market economy and democracy (1), EU integrations and obligations that they put on the society and planning respectively (2), cultural context and tradition (3), ‘inheritance’ from 90s (4), and continued migrations to the city (5).

**Socio-economic transition** introduces number of factors that are influencing role of planning. Those are following (according to Vujosevic 2003, pp. 121-127):

1. Privatization – creates new actors who should have a say in the decision-making arena. Means of production and property are departing from the full state-control to the new owners that are becoming significant ‘centres of power’ and are influencing planning processes.
2. Political pluralization and democratization – puts new tasks and demands on decision-making, development management and planning: transparency, publicity and openness, participation, dominating types of power, ‘planning language’ (balance between ‘expert’ and ‘common’ language in planning), and independence of expertise. They all make planning interaction more complex that it was in the past.

3. Changes in the constellation of interests, breaking-down of old public interests and appearance of large number of new and legitimate individual/partial interests
4. Creation of market institutions
5. Distortions in the triangle power – knowledge – action

**European integrations** are the certain future of Serbia, although it very often seems that Serbian society is still indecisive towards these processes. Still, even if today membership of EU seems far away, it still brings number of new tasks for society, and planning accordingly. It brings obligations and new trends in societal organization (that are more or less the same as those mentioned above), but urban and spatial planning are also directly influenced through number of initiatives, programmes, projects and documents. They can be considered as opportunities as well, since they could be source of funds for different projects if planning is set-up properly.

The INTERREG initiative (European regional initiative that regulates trans-regional, trans-national and trans-border cooperation), ESDP (European Spatial Development Perspective), as well as regional initiatives – ESTIA and OSPE, are especially important for planning and funding the developmental projects. Regional initiatives are more or less replicating the propositions from ESDP to the South-Eastern European region, which Serbia is part of.

In those documents, especially ESDP, certain trends in planning that can serve as guidelines for future Serbian planning are noticeable. ESDP represents renewed interest for strategic approach to the urban and regional spatial organization in Europe. It is defined as ‘umbrella’ document that aims to integrate EU policies from other sectors with spatial planning. Three general aims that document defines are: polycentric spatial development and new urban-rural relationship (1); parity to access to infrastructure and knowledge (2) and wise management of the national and cultural heritage (3). They are all consisted of sub-goals describing in more detail each of the three main. (derived from Vujosevic 2002, Hall 2002 and ESDP)

When proposing the changes in planning, one should take into account current European planning practices since future of Serbian society is related to European integrations, which implies new demands for planning and necessity to harmonize planning system in accordance with requirements and planning trends in European Union.

The general conclusions that can be derived for the Belgrade planning are: the necessity of strategic orientation, better coordination of urban-rural linkages, promotion of equity in access to services and information (transparency), and development of policies oriented towards preservation of natural environment and historical heritage - all closely related to informal construction as well.

Some respondents in the interviews stress **cultural context and tradition** as important factor for the relation between planning and informal construction. Informal construction is seen in those interviews as lasting characteristics of planning and space/city management in Serbia, but also other Eastern-European countries. The way people understand the property rights, construction, land-use, etc. are important to be explored and implemented into the planning model.



Culture of planning (planning tradition) is another factor that is important for planning – Pajovic (2006) claims that, aside five big European planning families – ‘Nordic’, ‘German’, ‘Napoleonic’, ‘Anglo-Saxon’ and ‘Eastern European’ (former USSR and other Eastern-European ex-socialist countries), ‘South-Slavic’ family should be defined as separate one, since this space (approximately territory of former Yugoslavia) was, since creation of Roman provinces, always under the unique state rules: first Roman, then Byzantine, and latter Austro-Hungarian and Ottoman. This brought unique planning tradition that cannot be classified in ‘Eastern European’, ‘German’ or ‘Napoleonic’, since it merges influences from all of these, plus Islamic legislative concepts. Regulatory framework and planning practices and rationalities were, therefore, gradually developed in the context of these distinct civilizational influences, but were interrupted with the appearance of socialism. Accordingly, normative planning has long tradition in this region (pp. 9-21).

Additional to this, **‘inheritance’ from 90s** should be considered as external factor that cannot be influenced by changes in the planning model only, but is present and will define certain relations. This include overall poverty of the society, corruptive institutions and individuals, overall political shift toward right and respective appearance of conservative values, and upsurge of individual or partial interests that are connected to new elites which are hard to distinguish from valid interests that are mentioned above (in ‘socio-economic transition’). Additionally, during 90s both planning and institutions that are involved lost legitimacy, and it will be hard task to recover it.

Future **migrations to the city** will stay significant. The current inflow of migrants, at a pace of approximately 10,000 people per year (Vujosevic, interview no. 3) will continue in the next decades.

*‘In the future, total population in Serbia will not have significant growth- it can maybe grow from present 7.5 to 8.5 millions- but speed by which rural areas are emptying and cities are growing will stay the same. In other words, we will have next 10 or 20 years of intense urbanization- and intensive informal construction as the parallel process.’* (Macura, interview no. 4)

This trend is similar to other Eastern-European countries, where the economy, education and employment are concentrated into one big city. Belgrade is the largest job market in the region, with almost half of total Serbia’s GDP (and only 1/5 of the population), largest educational centre, with highest salaries in the country which attracts people from other parts of the country and the region. On the other hand, small towns and villages in Serbia are constantly shrinking as people are migrating to Belgrade.

### **4.3.3 Internal environment: ‘target’ of changes**

As opposite to those described under the external environment, internal is composed by factors that significantly influence planning efficiency and effectiveness, but that can be influenced and changed by shift in planning practice as well. External environment puts new performance requirements on planning, which in return implies new institutional requirements and capacities, and changes

in organizational structure (F. Davidson, 'Planning change: institutional change', lecture on UPPF course, 17 November 2008). Here, current situation in the internal planning environment will be described.

### 4.3.3.1 Planning rationality and practice

#### a) Rationality

Planning rationality in Serbia can be classified among 'recalcitrant' rationalities (see Chapter 2). Officially, system is based upon 'instrumental' rationality, still using tools and techniques from traditional planning practice. However, the purpose of this is 'political' – to allow certain powerful actors, that appeared in the 'wild' transitional processes during 90s, to preserve the power, resources and control over societal processes. This causes that proclaimed planning goals are only nominal, but in reality they are never really focused on solving the real problems of urban development.

*'In Belgrade there is 'growth without development'. It really reminds to the situation that Ilf and Petrov described as 'car race through nonchalance and negligence', that describes period of New economic policy in USSR – the time in which, after political decisions that tried to prevent total socio-economic collapse of the society, greater private initiative was made possible, with liberalization, marketization, etc.'* (Vujosevic, interview no. 3)

In the period after the collapse of communism, old public interests diminished, but new are still not defined. This makes planning without framework in which it should be practiced:

*'What is going on lately is largely due to the trends we had during the second half of 20<sup>th</sup> century, but it is also new. It should be kept in mind that in our society is present, for a long time now, something that sociologists call 'social anaemia', which has its spatial, urban and environmental equivalent and manifestation. In socialism, although in situation of ideological and political monopoly, there were official and unofficial rules that were applied for space-use, urbanism and environmental issues. There was a certain balance between those two types of rules, and it was known who can brake them and who cannot!... The economic and political balance is lost, old rules are gradually diminishing, and on political and economic scene the fight for new rules is going on. In that, like always in history in the times of political brake-downs and instability, the most powerful are trying to set-up what suits them as official rules. But, solid rules are not set-up yet, so the existing chaos can be described as result of that.'* (Vujosevic, interview no. 3)

In the multiplicity of interests that are emerging, the overall shift towards 'New Right' is prevailing. This brings new approaches to spatial problems, and planning is practiced mainly in the frame of 'New Public Management' in public sector, which is reflection of global trends that appeared by shift from old, 'bureaucratic professionalism' towards corporation and business values. The aim is to allow private initiative, liberalization and marketization. The problem is that there is no

system of social values by which it would be possible to determine what interests are valid, and no strategic framework that could balance between different interests of stakeholders. In such situation, certain groups are favoured, and others are excluded from 'benefits' of planning.

*'It seems that planning 'works' only for some actors, and for many other do not, or even works against their interests and chances, and the reason for this is inexistence of strategic framework that would be accepted by all actors and in which everybody would be able to find some 'niche' for themselves.'* (Vujosevic, interview no. 3)

#### *b) Strategic orientation*

The unstoppable processes or transition are already going on, so gradually actors are defined, stakeholders are getting increasingly influential, and partnerships are gradually establishing. The problem is absence of strategic approach to planning, in which procedures for uninterrupted planning interaction and communication would be defined, and made possible that individual interests are balanced in relation to public. The absence of strategic planning results from observing spatial/urban planning as single sector discipline, reserved for architects and urban planners, without connection with socio-economic and environmental planning (Interviews: Colic, Vujosevic, Kucina, Petovar). This further causes that certain problems in city development, and informal construction is one of them, are addressed by tools for physical planning and regulations only, without relation with other measures (taxation, incentives, etc.):

*'Those regulations functioned well during socialist period, and Yugoslav planning was even pretty much respected internationally. But that is because everything was much better organized- urban planning, construction, communal departments, social system, system of subsidies, etc. Today all of these do not exist, and urban planning cannot bring load of the problems of whole society.'* (Colic, interview no. 2)

#### *c) Planning practices*

The shift towards 'New Public Management' reflects in planning procedures and practices. It causes that *'new managers' dictate the tempo to planners by speeding the work on planning decisions, insist on quicker issuing of building permits and simplifying and reduction of procedures of decision-making. Participation is turned into mere public consultations on already made decisions. All this together leaves no time for deep, wide and qualitative public participation, and influence of wider public.'* (Vujosevic, interview no. 3)

Ksenija Petovar, sociologist, describes current planning in Belgrade as 'organized chaos': *'In Belgrade there is no concept of public good as a criteria in planning and city organization. During the socialist period urbanism was rigid with the domination of public sector and the monopoly of the public construction and design companies, and inferior professional organizations (such as associations of architects, urban planners etc.). After the organized chaos from the last decade of the 20<sup>th</sup> century, in which the previous rigid system was torn apart, and*

*'hunting in the mud' was the basic methodological approach, there was a change in 2000. In the period after 2000 there is a wave of 'neo-liberal Talibans', which are promoting principles such as 'investors urbanism', and other similar nonsense, which are masks for doing 'black' activities with the City construction land, such as construction in protected green and public land, the change of urban plans, as a result of investor's intervention, the change of zoning etc.'* (interview no. 8)

Shortening procedures results in observing planning as 'risk management', and practicing of so called 'piece-meal urbanism' (Vujosevic, interview no. 3). Problems are solved partially, as they come, without 'planning for the future'. Regulatory approach is still on the scene, too demanding for both investors and administration that should control the implementations of plans and planning regulations. Developers are complaining on too rigid and detailed plans, long and expensive procedures, high demands put on them by regulations, etc. (Interviews with Faiz, no. 6 and Saar, no. 9), so they are not investing in Belgrade in the amount that local governments expect. The solution for attracting investments is seen in creating 'shortcuts' for obtaining building permits. This is again only nominal goal, but it seems that real goal is to remove any control of construction and investments, in order to allow certain individual interests to be fulfilled.

*'The proclaimed reason for doing that (reducing procedures), attracting the investments, is false. It is actually about elimination of any system of control. When you eliminate control of procedures and control of technical norms and parameters, you are actually canceling the stability of planning profession. The experts cannot base their work anymore on regulations and procedures, but on the demands of investors and developers.'* (Colic, interview no. 2)

The planning does not have a focus, since this regulatory approach demands control of too many things. So, plans are trying to control all physical parameters of the city development - construction processes, zoning, urban design, etc. – but in reality they do not manage to control any of these.

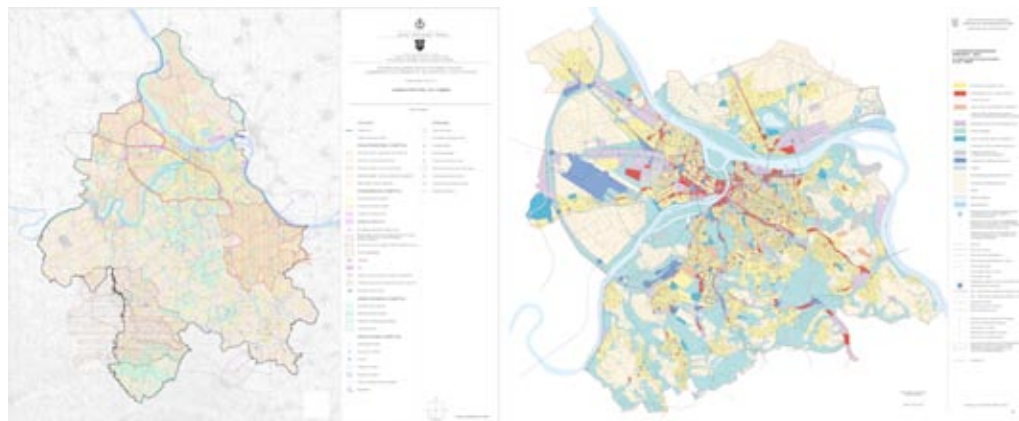
*'The control of construction, through building regulations, zoning, etc. have never actually existed, since all planning models we had were failing to regulate this... Architects and planners are always running behind reality, in the same time imagining that they are setting the goals that should be achieved by that same reality. But reality always goes to some other direction, and their goals are left as idle markers in space.'* (Kucina, interview no. 1)

In the framework of 'instrumental' planning, the system of monitoring demands is not developed enough, so planners do not have proper inputs for their work. Implementation mechanisms are reduced to restrictions, which do not work in reality, and there are no any stimulatory mechanisms. This is why majority of low-income families did not legalize their informally constructed objects, although *The Planning and Construction Act* from 2003 gave the possibility for legalization (Colic, interview no. 2).

### **Hierarchy and types of plans:**

According to current *Planning and Construction Act*, plans are hierarchically organized from the top – national – level downwards. The local plans, Master and lower, must be in accordance with higher-level plans, Regional and National Spatial Plan, as it is already explained.

Since Belgrade has a status of region within Serbia, it is covered by both **Regional Spatial Plan for the Administrative Area of Belgrade (RSPAAB)** and **Master Plan of Belgrade (General Urban Plan – GUP)**, which cover only area of the City of Belgrade. According to the *Planning and Construction Act*, the role of regional plan is defined as ‘*working out of the spatial organization principles, and defining the objectives of spatial development, organization, protection and utilization of space, as well as of other relevant elements*’. The Master Plan of Belgrade 2021 covers the area of the City of Belgrade only, and defines ‘*long term perspective of settlement development and spatial organization*’ (The Planning and Construction Act) – basically zoning and main transportation corridors.



**Figure 26: Spatial Plan for Administrative Area of Belgrade (left) and Master Plan of Belgrade 2021 (right) - land use maps**

**Source: Institute for Urbanism Belgrade, [www.urbel.com](http://www.urbel.com)**

**Plans of Detailed Regulation (PDR)** are made for smaller areas of the city – settlements, several blocks, localities, etc. – and are defining elements of detailed regulation: density, height of objects, construction indexes, etc. They are launched by Land Development Agency (described under ‘*Institutional arrangements*’).

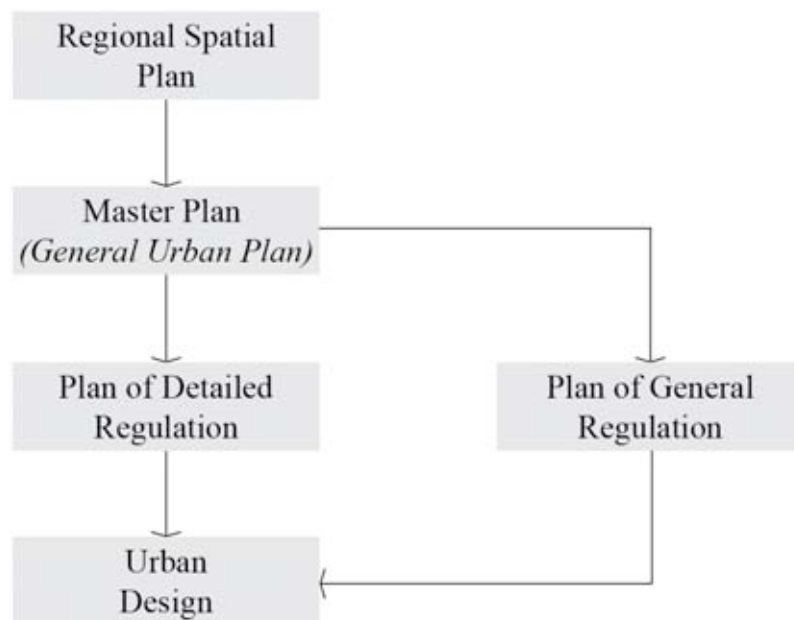


**Figure 27: PDR for a central city blocks (left) and for a spontaneously created settlement (right)**

*Source: Land Development Public Agency Belgrade, [www.beoland.com](http://www.beoland.com)*

**Urban Designs** are made in accordance with PDR, for one plot, and are launched and financed by individual builders or developers.

In order to enable direct making of the Urban Design for certain locations, without waiting for creation of PDR, the **Plans of General Regulation (PGR)** were created. PGR gives parameters for physical regulation on the wider area, thus making creation of numerous detailed plans unnecessary. This is part of the ‘shortcuts’ described above, and it gives opportunity for investors to build by parameters derived directly from PGR, without detailed regulations specific for certain location. The parameters can be negotiated with city government, through Commission for Plans (*Planska Komisija*), which role is also described below.



**Figure 28: Hierarchy of plans in Belgrade**

*Derived from interviews with Colic (no. 2), Macura (no. 4) and Vujosevic and Nedovic-Bulic (2006)*

### **Institutional arrangements:**

There are three institutions that are directly involved in production, financing and implementation of plans in Belgrade. *Belgrade Land Development Public Agency* orders and finances creation of plans, expropriates land for public use and collects land-use taxes. *Institute for Urbanism Belgrade* creates plans, and *Department for Urban Planning and Construction* guides preparation and implementation of plans.

Poor coordination between these three institutions causes slow procedures in preparation of plans, delays in implementation and complex procedures for issuing building permits. Land Development Agency should expropriate land for public use, according to plan, but since it does not have enough resources, and negotiations with land owners are long and complicated, the area for which plan is made is usually occupied with informal construction before land for public services is obtained. This is the case in creation of type 1 settlements – sprawl.

In order to simplify procedures for big investors, city governments formed Commission for Plans, that is institution parallel to public administration, and that has a mandate to evaluate certain projects and to allow construction, without going through usual procedure of getting approvals of different institutions and fitting into different detailed plans. ‘Blowing up’ of regulations (type 5) usually occurs that way.

*‘There was in the past totally different hierarchy of the plans: it was not possible to have PDR that is not in accordance with higher plan, GUP. Today it is allowed, through different institutions such as Commission for Planning, that some individuals are making decisions, by complete approximation, whether some Urban Design is in accordance with GUP or not. This allows ‘blowing up’ of the parameters that are given by the plan of higher level. These things are negotiated in offices of some commissions and similar bodies, in private, skipping official procedures. Commission of Planning (Planska komisija) was introduced as parallel institution to government in order to attract investments by simplifying procedures. Its opinion is more important than what is given in the plans.’*  
(Colic, interview no. 2)



**Figure 29: Institutional arrangements**

*Derived from interview with Colic (no. 2)*

For smaller objects (up to 800 square meters), building permits are issued by municipal departments – there are seventeen municipalities in Belgrade. So there are the cases that investor obtains permit from municipality, for the object that do not exceed 800 square meters, but then construct larger object. This is the second way in which type 5 of informal construction emerge.

### **Human capacity:**

*‘Large problem of planners and architects in Serbia is that they are trying to be authoritative but actually they are completely marginalized in the whole process of development and construction, because of that outdated knowledge they got through educational system that cannot be used in reality anymore.’ (Kucina, interview no. 1)*

Low capacity of planners and administration staff is consequence of several factors: 1) In the period during 1990s, almost 300,000 young experts from all fields of expertise left Belgrade. Among them are the people that would today be leaders of transition, introducing new knowledge and practices in the planning. Because of that, people that were influential during socialism, are still on leading positions, preventing changes and trying to use old, outdated knowledge in drastically changed situation. 2) Selection of staff on all levels is poor: *‘the city is not managed by best experts, but by political/parties affiliates, since that is the procedure for recruitment of experts’* (Vujosevic, interview no. 3). 3) Educational institutions are also not transformed yet, and with same problems with human and institutional capacity. Therefore, even young experts that the educational system ‘produces’ are mainly equipped with same knowledge of planning as their professors – traditional techniques, ‘modernist’ approach to problems, physical planning attitude, etc. Additionally, because of the international sanctions during 90s and rigid visas regime since 2000, majority of young people were not able to travel and get new experiences from contemporary planning practices.

*‘There are certain qualities in it (regulatory planning), it is only regulative at the end, without developmental dimension. Developmental issues are lost because there are no connection with economic development- our planners do not know what is business incubator centre, or science and technological park, what are innovations in the area of new technologies or new sectors of development, etc. ... we are missing new abilities- new knowledge about economy, feasibility studies, communication, investments, etc. in order to be able to compete on international level in attracting investments. There is no use to be ‘open for investments’ if you don’t know what it demands from your expertise. Our experts do not have knowledge for that.’ (Colic, interview no. 2)*

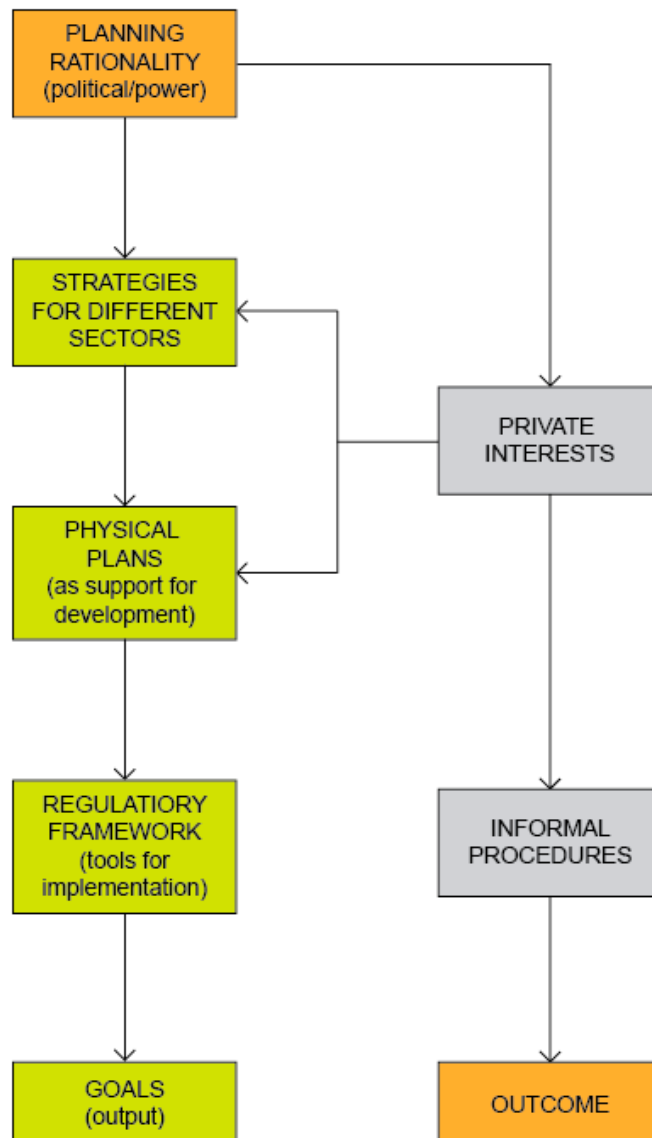
Therefore, in parallel with changes in planning model and institutional arrangements, it is necessary to gradually educate new experts, primarily through reforms on the universities. These processes are already launched, but they can give results only in the long-run.

*‘...expertise is running after the present, and not to mention some contemporary trends in urban development that are going on in developed countries, and that will come to us soon. We are slowly changing teaching*



*methods on the Faculty (of Architecture), and we will have new generations of planners with new knowledge, they will have more opportunities to travel and share experiences from experts from other countries, and so on.* (Kucina, interview no. 1)

*'If we want seriously to change methodology of planning, we need to have scientific institutions on our side. Faculty (of Architecture), for example, should do significant job, but there is only few people there that are into this topic, and they are usually not invited to participate in projects, discussions, etc. Without involvement of the Faculty, the transformation cannot be successful.'* (Colic, interview no. 2)



**Figure 30: Planning processes with political rationality**

*Derived from the interviews*

## Chapter 5: Proposal for changes of planning in Belgrade

Real, long-term results in dealing with informal construction cannot be achieved by just changing regulatory framework, or liberalizing planning. It is necessary to establish proper planning system, from the very beginning – new planning rationality, as a basis for further changes in the planning regulations and procedures, and to set up institutional arrangements properly. The reform of planning is not possible if other related factors are not considered as well, that is, if there are no reforms in all segments of management that are important for planning (Vujosevic 2002, p. 31). The reforms should therefore include changes in all factors that are described as ‘internal to planning’ in the Figure 25.

It is hardly possible, however, to make ‘revolution’ in planning practice, in the sense of deep reforms in institutional and organizational frameworks. It must be gradual change in planning, and step-by-step development of new model that will enable the society to cope with structural changes that occurred in the last two decades. In the Western planning, these changes are also occurring since the beginning of 90s, and institutional and organizational changes so far were developing in four main directions: a) improvements in existing systems, especially in coordination in decision-making processes; b) merging, balancing and harmonizing of socio-economic, urban-spatial and environmental approaches; c) partnership between public, private and so-called ‘voluntary’ (third) sector; d) strengthening of democratic base and framework of planning (Vujosevic 2002, p.31).

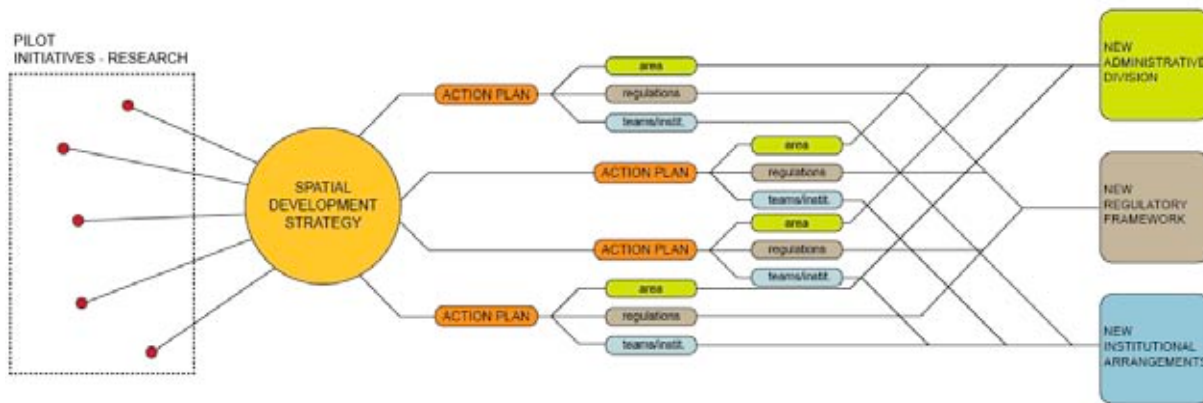
*‘I do not believe in positive experiences gained from processes that are result of wrong policies. Illegal construction is result of rigid urban policy and domination of public sector in construction, especially housing. No matter what resources we invest in sanation of areas covered with illegal construction, those areas will always be largely dysfunctional. It is not without reason urban ‘order’ one of the bases of European cities urbanity.’ (Petovar, interview no. 8)*

In order to implement changes that would be effective towards informal construction and other developmental problems, it is necessary to start from the ‘top’ – first to change planning rationality, than to set up the planning model (or doctrine), and that will gradually result in changes of the planning system (Figure 8 in chapter 2.2: ‘Planning theory’).

### 5.1 Changes in planning rationality and practice

By introducing the different idea of planning, the different *rationality*, that is, new approach towards existing problems could be made. The proper research of the informal construction – types, processes, actors, trends, etc. – should be made by multidisciplinary teams, that should cooperate with actors involved in the informal construction. By creating series of pilot projects, different possibilities could be explored, and with that experience it would be possible to create proper strategy for systematic solution of the problem. From strategy, different action plans can be made, on concrete areas of the city, using different regulatory mechanisms, with different institutions and individuals involved (depending on situation and

type of informality). This would gradually define new planning system – regulatory framework, administrative division and institutional arrangements. So, changing of planning model should be ‘top-down’, starting with very idea of planning, its rationality, and reform of the system (regulations, institutions, administrative arrangements) should be reverse, ‘bottom-up’ process, gradually formalizing experiences from the practice and interaction among actors.



**Figure 31: Steps in changing the planning model – research, strategy, actions and new planning system**

*Derived from the interviews with Colic, Vujosevic and Kucina*

The possible direction of changes in planning rationality and model will be described further in this chapter, briefly explaining possible ‘outcomes’ of the changes – the directions in which planning system could be changed as a result of change in the model. Also, possible approaches to currently existing types of informality are presented in the table at the end of the chapter.

### 5.1.1 Planning rationality

As it is explained earlier in this paper, during socialist era planning was based on ‘other’ rationality – it was primarily concerned with promotion of ‘common interest’, where private interests were not recognized as valid. Nowadays, we still have basically the same ‘planning tools’ – procedures, types of plans, institutional arrangements, etc. – but there is no more public interest. Therefore, multiple private interests are confronting in the undefined space – there is no ‘public arena’ in which these confrontations would be guided and regulated. In this completely liberal ‘market of interests’, the strongest are getting the best from urban development, but everybody are focused only on their own benefit.

In the case of informal construction, this reflects in different ways, depending on type of informality and actors: powerful actors have monopoly on land and real-estate market, and guided by natural ambition to maximize profit they are constructing virtually without any control, transferring negative externalities to whole city. The others are taking the ‘leftovers’ – they construct houses on less attractive land in the suburbs, and also are focused only on their private interest. Thus, in those settlements almost all available land is ‘privatized’ – streets are of minimal width, just enough to have access to the house, and there is no space at all

for any public function - school, hospital, park, pavements, even the street lightning is hard to introduce.

Only introducing proper communication in planning can solve these problems. **Communicative planning rationality** would enable that solutions are found in negotiation, communication and participation of all actors involved, enabling all of them to fulfil their needs and minimizing negative externalities. In order to introduce any of the 'tools' for dealing with informal construction – action planning, land re-adjustment, provision of equipped land for self-built individual construction, inclusionary zoning, etc. – the planning based upon communication between all actors is inevitable.

The new rationality does not have to be introduced officially. It is enough, for the beginning, that planners start practicing it: in the process of decision-making, planners themselves can initiate the involvement of all stakeholders. It is in the interest of planners too, since it will enlarge the success of the implementation. In the triangle of power – political influence, money and knowledge – planners have knowledge, so they can influence changes in urban planning, even if there is no political will to support this processes. Introducing communicative rationality is the only sustainable way to re-establish legitimacy of planning in the long run.

### **5.1.2 Collaborative planning model – one possible alternative**

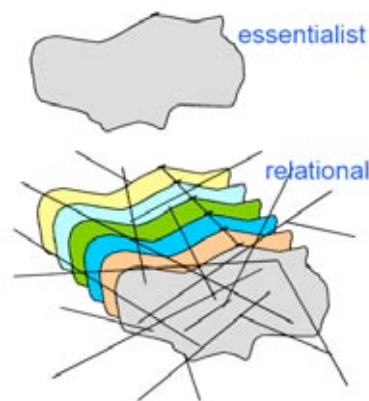
Collaborative model of planning is already briefly described in Chapter 2. After the crisis of planning during 1980s and general 'anti-planning' attitude, in the 1990s new theoretical concepts were developed on the basis of communication and argumentation in planning. 'Communicative turn' in planning theory was in essence *'a reorientation towards interactive understandings of planning activity'* (Harris 2002). The work of philosopher Jurgen Habermas, 'Theory of Communicative Action', served as principal theoretical resource in establishing new planning model as alternative to *'clean, calculation and homogenizing instrumental rationality'* (ibid, p. 26). With the decline of rational planning model, the alternative is seen in the role of planner as communicator rather than 'autonomous, systematic thinker'. There is a growing importance of interpersonal skills of communication and negotiation in the processes of planning and implementation.

However, Habermas theoretical work turned out to be too idealistic to be directly used in planning. The theory is therefore upgraded with the works of Foucault (role of power in communication) and Giddens. Collaborative model is still having Habermas work as the main basis, but *'institutionalist sociology and regional economic geography'* derived from the work of Giddens, are used as an *'analytic complement to the normative framework provided by communicative planning theory'* (ibid, p. 24). So, it can be said that communicative planning was 'behavioural' theory, hardly implementable in practice, and collaborative model is an attempt to set up the communicative styles and approaches as normative planning theory.

The collaborative planning is concerned with issues of context (the nature of particular places and systems of governance), structure (institutional organization), manifestation of power in relations, and creation of explicitly

normative agenda of developing ‘more democratic’ planning practices (ibid, pp. 33-34).

**The concept of place and space** is among key concepts of the collaborative planning. In the ‘relational’ understanding (Healey 2004), the place is observed as social construct, product of ‘*competing and collaborative groupings in space, and it may sustain multiple meanings and references contemporaneously*’ (Harris 2002, p. 34). The place is not understood merely as physical space, but it carries social dimension in it. This is important since traditional planning was concerned with place as only having physical dimension, and importance of social and other relations connected with particular location were not of its concern. This is one of the reasons why ‘rationalistic’ planning often failed to achieve proclaimed goals.



**Figure 32: Essentialist (physical) and relational concept of space**

*Source: Davidson (2008)*

**The concept of stakeholders** is another key element of collaborative planning. The stakeholders are defined as those who are ‘linked’ with certain place for which plan is made. Therefore, in order to create proper plan, all of them have to be included in the process and their individual or group interests must be accommodated. The issue of diversity is very important here, as this concept recognizes very diverse interests and their relation to planning. However, although the model is inclusive – allowing access to strategy-making arena to diverse actors and interests – it is not ‘*radical in orientation as the giving of ‘voice’ to poor and marginalized groups or actively attending to the ‘voices from the borderlands*’ (ibid, p. 35). The communication should be conducted with proper selection of stakeholders and proper participatory procedures.

**The concept of strategy** is more far-reaching than traditional understanding of strategy in the context of plan-making. The concern is to ensure democratic and open process of participation in the strategy-making, but in the same time to have appropriate spatial strategy. The strategy is object of revision, as ‘*strategies may be altered or undermined by conflicting strategies arising from shifts in the bases of power or may simply be subject to interpretive drift*’ (ibid. p. 35). Therefore, the model assumes certain flexibility of plans and strategies, that is, incorporation of some future contextual changes.

**Progressive normative agenda** assumes that normative criteria can be modified in light of some emerging processes and changes in the context. ‘*The*

*collaborative approach attempts on the one hand to admit alternative methods of knowing and reasoning and to be able to accommodate different cultural standpoints within spatial planning processes'* (ibid. p. 36). The normative procedures have to be derived from the processes going on in reality, and have to be regularly revised according to changes in the context.

### **5.1.3 Strategic approach**

Introduction of strategic planning should be preceded by detailed, multi disciplinary research of current situation. It should provide data on current needs, types of demands, precise number of informally constructed objects and households, etc. as a valid input for creation of strategy for solving the problem. The part of the research should be on-site pilot projects, capturing each of existing types of informal construction and maximizing the efficiency of exiting capacities. There is currently scarcity of knowledge on informal construction in Serbia, since only a few experts are concerned with it. The scientific institutions, university and experts from different fields must be motivated to take part in the research process.

The urban planning should be 'merged' with developmental. This means urban plans should be made in parallel with integrated development strategy, and key strategic goals that have clear spatial component should be transferred into the urban plan. This way, planning mandate could be better determined, since urban or spatial plans would be focused on implementing key goals defined from development strategy.

The planning must contain in itself the idea of constant change and adaptation. This does not mean that there are no long-term goals, but that those goals have to be regularly revised, and that flexibility is allowed in short and mid term actions, which opens the possibility to experiment, sometime even inconsistency, and autonomy in policies and actions for certain areas and sectors (Lazarevic-Bajec 2002).

Strategic planning is made for mid-term period, and has better chances to be successful in addressing problems than long-term spatial and urban plans (Davidson 1996). The procedure of strategy making is multidisciplinary – it must include experts from different fields and relevant stakeholders from the city level. Further, strategic plan does not necessary have to be officially accepted, since the goals defined in it are result of agreement of all actors involved, and they will act according to them even without official recognition of plan by City Assembly – in the UK, for example, strategic planning is a non-statutory process (ibid, p. 455).

If the goals from development strategy are transferred into urban plan, it will create possibility for defining priority projects that are of strategic importance for the city, and create partnerships or apply for funds from EU or regional programmes mentioned in previously. Similar was done in Rotterdam:

*'We should have a mixture of strategic development plans and urban plans, like Rotterdam did for example. They made a 'mish-mush' - they defined priorities in development strategy, and then according to it made urban plan of the city, defined priority projects for which they latter*

*applied for EU funds. That is how they constructed Erasmus Bridge, for example, and many other projects. They made parallel process of making development strategy and urban plan at the same time.’ (Colic, interview no. 2)*

This way of planning enables focus on small number of goals and more efficient and effective use of available resources (financial, administrative, human). In the case of Belgrade, it is obvious that problem of informal construction would be one of the strategic goals. When strategic goals are defined, then it is possible to analyze each case of informal construction and to create action plans and partnerships focused on its solution. This would enable financial resources necessary to deal with the problem.

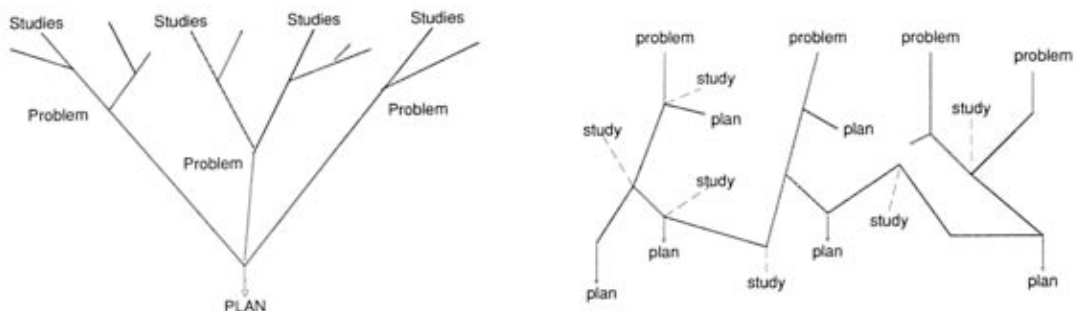


**Figure 33: Providing focus through strategic planning**

*Source: Davidson (2008)*

### 5.1.3 Action planning

One of the major characteristics of action planning process is its **innovativeness and learning through the process itself**, that is - **adaptiveness** (Baross 1991), so that, through constant expanding of the network of interrelationships between different problems and possible solutions, most feasible and sustainable actions can be found. It is process that is based on ‘single point entry’- one *action field* that is *appropriate to yield the results*, and spread its influence and outreach on other field and levels, rather than to be stacked in endless studies of ‘existing situation’ in order to find a single, ‘best’ solution, as was the case with traditional, analytical planning approach.



**Figure 34: Analytical (left) and action (right) planning approach**

*Source: Baross (1991)*

Action plans can be used for three purposes: to determine the proper ways of legalization and regularization of already existing informal construction (1) and to

explore the ways of prevention of further growth of informality (2); and as ‘pilot’ projects to gain more precise knowledge on the sector before starting the process of strategic planning – as a part of research of the informal construction trends (3). In all cases, they are good basis for raising funds for implementation: through regional and European funds, or creation of public-private partnerships on precisely defined projects where private sector will be able to find their interest.

*‘...if we want to have partnerships, it is possible only on the level of concretely defined projects in which all stakeholders can find their interest- chamber of commerce, association of small enterprises, railways, etc. You cannot expect to include everyone permanently, but to gather different stakeholders around some specific projects. It is in domain of the action plan. This is also why definition of strategic priorities is important to be part of urban plan. Strategic planning is important for resource management, too. Our traditional urban planning, on the other hand, focuses only on construction management.’ (Colic, interview no. 2)*

By using action-planning approach, it would be possible to maximize the efficiency of existing human, institutional and financial resources by focusing them on the concrete problem. The short-run results are achievable on the smaller scale, which would result in better motivation of the all actors involved in future projects, commitment, but also constant learning through the process and improving the methodology.

*‘We should start from serious problems, and in areas where we already have certain capacities of staff that is able to try to implement some new approaches. Action plans can be used for this purpose. They can give visible result in short period of time, according to which we can make the next step. I do not believe in enormous resources to be invested and covering the whole territory by plans, because it would not solve any problems. We should examine, through concrete pilot projects on concrete localities, what is possible to be done, and how. That results should be discussed among experts and politicians, and also to include those that are main actors of informal construction - so to have real participatory approach. I think that is the only way to come to the core of the problem, which is still blurred. Planners, politicians, and all other sectors must discover real reasons for appearance of informal construction. Planners are only assuming the reasons, but they do not have solutions because designing the plans alone will not solve the problem. It should be done through action plans, on limited area, where it is possible to achieve certain progress. (Colic, interview no. 2)*

Defining the special zones in the city, with diverse location, structure, types of informality, etc. and designating them as ‘areas for experimenting’ would be a good way to try different approaches and get to the proper mechanisms for the future. The Brazilian experience with ZEIS (Zones of Special Social Interest) could be used as a model here. Different zones could be established at the suburban area, central city area, residential and commercial areas, each capturing different part of the city with its distinct structure and type of informal construction – sprawl in the suburbs, rooftop extensions and ‘blown up’ regulations in the city center, and so on. It would be possible then to gather



different stakeholders form both city and local level, and form partnerships between public, private and 'third' sector on the concrete area.

Each action plan would be concentrated on an area with different characteristics, involving different institutions and actors, and using different methods for dealing with informality, so gradually it would be possible to define elements for the new planning system: administrative division, institutional arrangements and regulatory framework (Figure 31, above).

#### **5.1.4 Demand monitoring**

Currently, there is no proper monitoring of demands. The fact that there are still no official data with precise numbers of informally constructed objects in Belgrade proves this statement. Planners are basing their work mainly on the data received from official statistics related to census. There is no data about the number of households, just total population.

The monitoring should include more relevant data, related to the existing and future housing demands, credit capabilities of those who need housing, unoccupied locations suitable for new housing construction, etc. A regularly updated database on demand and existing supply is crucial for the planners in order to know for whom they are making the plans. So far, without those inputs, planners do not know who are the future users of the space, and because of that plans are retroactive.

*'We need to create a database that will be regularly updated. Data about the number of households, not population as we have now, because it does not say anything about the demand. We need to have age structure of the population in order to know for whom we are planning. We must know what are vulnerable social groups, and so on. So far we are only concerned with property rights and legalization - something that is at the end of the process, when an informal settlement is already set up. We need to know which social category needs apartments, and to plan for them accordingly. There is no institution that monitors housing structure - number and size of households, what are the demands, what are average incomes, etc. Those data are necessary parts of urban plans, and everywhere in the world planners are using them as inputs.'* (Colic, interview no. 2)

The regularly updated database should serve as a basis for revision of regulations, too. The policies and regulations need to be revised according to some changes in the demand – supply relation.

However, it is also important to determine the needs that are valid, when dealing with informal construction. As it was mentioned previously in this paper, in current 'social anemia' and multiplicity of various interests, it is still undefined what are the needs and interests that should be concerned as valid (and should be supported by the planning system), and what are not. Those should be the target of some future researches.

*'The need is an term that still have to be defined. How the need is articulated? Whose needs? Which are interest groups and their needs?'*

*How the certain need relates to public interests? What is the relation between needs and economic potential? Those are all question that demand deep research...* (Petovar, interview no. 8)

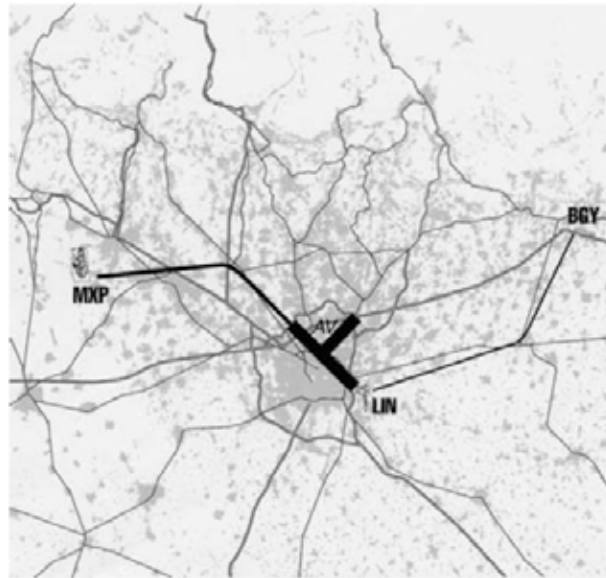
### **5.1.5 Types and hierarchy of plans, and graphical representation**

The relation between Regional Spatial Plan for the Administrative Area of Belgrade, and General Urban Plan (Master Plan) should be revised. So far, regional plan is obligatory for general urban plan, as the higher-level plan. Also, all detailed plans have to be in accordance with the General Plan. As Miodrag Ferencak, co-author of current Master Plan of Belgrade, says, creators of Master Plan tried to *'relativize this hierarchy by making a 'hybrid' plan: on one hand the methodological basis from previous periods is kept because of the strong opposition to any changes in the planning circles, and on the other hand, the plan introduced the principle of 'adjusting' instead of 'accordance' '*, meaning that General Urban Plan can be revised if latter work on more detailed lower-level plans show the necessity for that. This was, however, used by politicians and investors to negotiate on certain projects, making plan completely flexible, which caused that the plan has very often been revised, and that some detailed plans are not in accordance with parameters given in the General Plan.

Possible solution could be merging of these two levels of plans – Regional Spatial and General Urban Plan – into one, 'spatial development strategy'. Similar problem with various 'centers of power', corruption and rigid General Plans exists in Milan, and the solution was found in The Milan Framework Document (*Reconstruire Grande Milano: Documento di Inquadrimento delle Politiche Urbanistiche Comunali*):

*'By the 1990, Milan was facing the pressure of congestion as well as decentralization, with the wider region capturing much of the growth dynamic which used to locate within the city boundary... The Comune (di Milano) was also seeking ways of moving beyond its history of corrupt government, in which communal projects and planning regulations became opportunities for extracting the political bribes that became known as 'tangentopolis' practices' (Healey 2004, p. 58). In the same time, Luigi Mazza, creator of the Framework document, was proposing the 're-organizing of the planning tools in order to overcome the problem of effectiveness connected with the legal rigidity of Italian versions of a General Plan' (Balducci 2003 , p. 65). The proposal was to re-define General Plan as General Regulatory Plan, focused on the conservation of the existing city as it is, and to introduce a flexible, strategic document that would define strategies for areas where transformation was required (ibid, p. 66). Basically, the concept of General plan is kept for the City of Milan itself, focused mainly on regulating the already densely constructed areas where redevelopment and creating more space is not possible, and Framework document is covering the whole administrative area. 'The crucial innovation of the document is the simplification of the city's zoning regime and the introduction of unified project evaluation procedure' (Healey 2004, p. 58). The document has advisory status, aiming at framing argumentation and encouraging debate among different stakeholders interested in the development of the city and the wider Greater Milan region.*

*'Rather than lodging the regulatory power in the legal instrument of the plan, major developments in Milan now pass through an evaluation process, in which the ideas of the Framework Document are put to use, with recommendations made to the Comune's elected councilors'* (Healey 2004, p. 61).

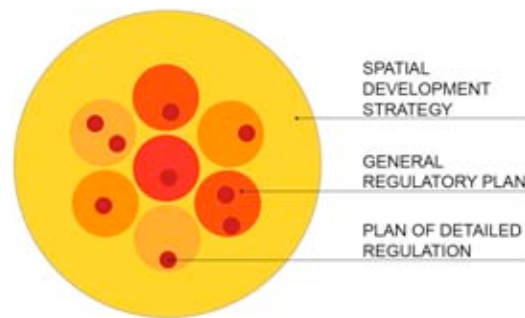


**Figure 35: Graphical presentation of The Milan Framework Document**

*Source: Balducci (2003)*

Similar solution could be introduced in Belgrade, with somehow different strategy since Belgrade's wider region is capturing informal construction together with growth. The flexible spatial strategy can be made for the whole region, 'capturing' areas of informal sprawls and giving broad regulations for them, and General Regulatory Plans can concentrate on different areas of the city itself, dealing with informal construction in it, together with other things. General regulatory plans should cover different zones with different regulations, 'overlapping' with administrative and taxation zones, as it is described previously in this chapter. Informal urban sprawl needs more flexible regulations, while informality that is occurring in the city itself needs to be tackled more by different, instead of more 'relaxed', regulations.

Detailed plans than should be made only for some areas of 'special interest': parts of the city with important historical or cultural heritage, protected green areas, etc. or some especially complex situations. This would give an opportunity for builders (both individual builders and developers) to construct according to regulations from General Regulatory Plan.



**Figure 36: New types and hierarchy of plans**

Graphical representation of Spatial Development Strategy should be significantly different than today – it should be more sketch-like, aiming at initiating ‘a *thinking process which may ultimately result in a more developed spatial strategy*’ (Healey 2004, p. 61).

## 5.2 Possible directions of change in the planning system

Once the model is set-up, its implementation, i.e. changes in the planning system, evolve. Following pages describe some possible directions of systematic changes.

### 5.2.1 Administrative division

The administrative division would gradually be shaped through the usage of action plans on the specially designated locations. They would provide experiences and lessons for revising the current administrative division. This would further lead to new spatial organization of Belgrade. Currently Belgrade is divided into 17 municipalities, 10 urban and 7 suburban. Administrative area is immense, covering a network of towns around Belgrade, but that are not connected with the city in the reality. On the other hand, some cities that are really close to Belgrade, and are connected with it through daily migrations, are not included into the administrative area. The size of the area, and thus area that spatial strategy is covering, should be revised.

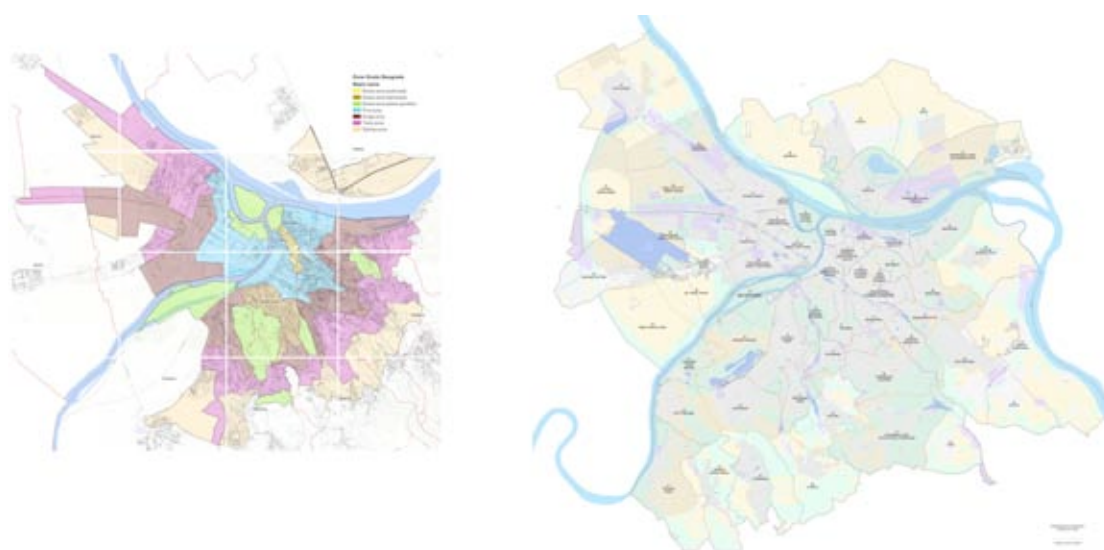


**Figure 37: Administrative division of Belgrade**

*Source: City of Belgrade official website: [www.beograd.org.yu](http://www.beograd.org.yu)*

There are only five zones for property taxation in Belgrade, each of them capturing very different areas of the city, with very different ‘commodities’, construction possibilities and land prices, but with the same land-use and construction taxes (Figure 38). In parallel, it is possible than to design various stimulatory measures, also depending on very local context of the zone – subsidies for poor households, or incentives that would enable payments of infrastructural equipping in monthly instalments, etc.

Also, current Master Plan of Belgrade defines different zones within Belgrade with different regulations and level of control of construction, depending of certain characteristics of each zone – cultural heritage, architecture and urban styles, natural environment, etc. (Figure 38). The problem is that those zones are not following administrative division, and both are not in accordance with zones for land-use taxation. It would be more appropriate to merge them into division that would cover administrative, taxation and planning regulation in the same time, thus simplifying procedures of control of construction, value-capturing and administration. (Macura, interview no. 4)



**Figure 38: Current taxation zones (left) and zones of Master Plan (right)**

*Source: Land Development Public Agency Belgrade, [www.beoland.com](http://www.beoland.com), and Master Plan of Belgrade 2021*

By starting from specially designated zones for different action plans, as it is explained earlier, it would be possible to gradually develop completely new administrative division, and cover different areas of the city with different planning regulations and taxation, thus providing diverse conditions in parts of the city with different contexts.

## **5.2.2 Regulatory framework**

*‘We should try to gain new knowledge, based on analysis and research of those informal processes. This new knowledge should enable us to create new instruments for planning that would take into account unpredictability and*

*uncertainty of the city development processes. Instead of setting up new goals that should be achieved in certain period of time, we should analyze processes that are going on in reality and use new instruments to stimulate some of them and slow down others (not to completely prevent, since it is obviously impossible). So planners should plan series of interventions that should be used in some time frame in order to cultivate that spontaneously created shape and energy it brings.'* (Kucina, interview no. 1)

Through series of problem-oriented action plans in different areas of the city, it would be possible to gradually define new regulatory and legal framework that would be 'bottom-up' - based on the real needs and possibilities of the society. The regulatory framework can be 'flexible' in the sense that it provides different 'rules of the game' for different situations and different zones of the city – to respect diversity of contexts in different areas of the city.

*'New laws and other legal regulations should enable greater possibility for different solutions, depending on location or city/settlement, in the sense of planning procedures, types of plans, content of plans, way of implementation, etc. in contrast to existing solutions that are uniform for very different situations.'* (Vujosevic, interview no. 3)

'Trial and error' approach through series of action plans can also bring regular revision of regulatory framework, as new trends are discovered through the process of action planning.

In designing regulatory framework in each of the zones, the 'openness' towards what is going on in the reality should be kept in mind. Some of the currently 'illegal' processes could be transformed in official procedures – for example, 'corruptive tax' for building more square meters than it is allowed could be transformed into official tax for additional densification (applicable for type 2 – 'patchwork houses', type 5 – 'blown-up' regulations and type 6 – rooftop extensions), and previously creating the absolute limits for densification according to capacities of certain area and existing demands.

Having in mind current scarcity of resources, as well as human and institutional capacity, it is possible to have minimal planning regulations in the beginning, and to gradually introduce more complex solutions in parallel with strengthening of the capacities and need to control certain processes that would be noticed through the process of implementation of action plans and experimental zones described above. This was the case in Czech Republic, in which after the 'planning minimalism' in the early stages of socio-economic transition, the more complex planning system is gradually developed and new generation of strategic planning documents is made (Vujosevic 2002, p. 39).

### **5.2.3 Institutional changes**

The need for shift 'from government to governance' is of great importance, since in the new context of market economy and privatization city needs to find new ways of financing the projects important for future development. Allowing other actors to take part in the city development and management is the core idea of governance, and is necessary in dealing with informal construction. Regularizing

existing settlements, introducing infrastructure, or equipping land for future construction demand huge financial resources that city does not have, and new ways of providing them have to be looked for.

The multidisciplinary teams that would guide strategic planning processes, should be created on the city level. It is also possible to form similar, multidisciplinary bodies that would develop strategies for suburban areas of the city only, since those areas are large ‘reservoirs’ of informal construction.

Better coordination of planning institutions (Land Development Agency, Institute for Urbanism and Secretariat) is necessary.

Special institution for monitoring should also be formed on the city level, that will provide decision-making processes with popper, regularly updated inputs.

#### **5.2.4 A new role of planners and education**

The collaborative planning demands different attitude from planners to be taken – urban planning must be understood as multi-disciplinary area, and urban problems as social, economical, environmental, not only spatial and technical, so urban planners must cooperate with experts from other fields, and all together take different roles in the planning processes.

Role of the experts in general is changing nowadays. They are becoming more advisors than expert authorities that are giving correct answers to the problems. So, planners and other experts should be mediators in the decision-making processes, advising different sides in the communication and guiding the negotiation.

Thus, the involvement of educational institution and ‘education of educators’ is a necessary first step in this direction.

#### **5.2.5 Fiscal mechanisms**

Various taxation and fiscal measures should evolve from the experience with different types of informality, same as regulatory frameworks and administrative organization. However, they should develop in two main directions: more diverse taxation system according to different ‘contexts’ in the city (1), and development of series of stimulatory mechanisms (incentives) –instead of only enforcing that exist today (2).

Further, calculation of the taxes should be simplified – for example, charging land-use, densification and extra value (value-capture tax) through single property tax, in the same time making mechanisms for calculation simple. Determining property tax through area of the building or land, flat rate taxes based on location, as percentage of rental value or self assessment are ways to simplify procedures of calculating the taxes and thus make it easier for government to collect them (Walters 2009).

At the same time, system should stream towards better efficiency of tax collection through spreading the tax-base, and not putting unreasonably high taxes on

potential builders. Thus, diversity of taxation mechanisms in different areas would enable that appropriate value is more precisely determined for different users.

### 5.3 New model: possible approaches for each type of informality

Table 3: Possible approaches for each of the existing types of informal construction

TYPE	STAKEHOLDERS	TYPE OF PLANS	PROCESS	REGULATIONS	FISCAL MECHANISMS
TYPE 1: SPRAWL CREATION OF NEW SETTLEMENTS	- LAND OWNERS - POTENTIAL BUILDERS - LAND DEV AGENCY - PLANNING INSTITUTIONS - PRIVATE SECTOR - THIRD SECTOR	Plan of General Regulation, giving broad prescriptions, focusing on main transportation and infrastructural corridors, allowing negotiation with private investors about amount and type of services in the new and existing settlements	1. Land readjustment: uniting the small plots into one piece of land - each owner has "deal" share in new plot 2. Partnerships with private sector for construction of services and infrastructure 3. Creation of plan 4. Selling the land for self-construction 5. Providing technical assistance to builders - on-site architects giving advices based on regulations	Flexible, more advisory than regulative in nature - Allowing multi-use zoning - Flexible towards height, size, and density of the objects - Strict towards regulation lines - preventing occupation of public land and 'keeping' the width of the main streets (for public transport)	Stimulatory, allowing payment of infrastructure connections and land-use taxes in monthly instalments; self-assessment property taxes
	- BUILDERS/OWNERS OF THE OBJECTS - CITY AND MUNICIPAL GOVERNMENT - LAND DEV AGENCY - TEAMS OF EXPERTS - PRIVATE SECTOR - THOSE THAT ARE/COULD BE AFFECTED BY LEGALIZATION			1. Negotiation with owners of the objects on providing space and financing the services 2. Partnerships with private sec. 3. Creation of plan 4. Providing technical assistance to builders - on-site architects giving advices based on regulations	
LEGALIZATION AND REGULARIZATION OF EXISTING SETTLEMENTS			Simplifying procedures for obtaining permits; Increasing the effectiveness of the control of construction	Flexible, allowing increase of density up to some maximum extent; multi-use zoning; preventing transformation in hi-rise residential or commercial, without previous negotiation with gov.	Introducing densification tax and densification rights as tradeable good
	- MUNICIPAL GOVERNMENT - OWNERS OF THE OBJECTS - TEAMS OF EXPERTS - THOSE AFFECTED BY LEGALIZATION OR FURTHER DENSIFICATION	Plan of General Regulation defining zoning (single family residential), maximum density and necessary services in the area, but allowing negotiation with investors for future development; PDR in some areas	Allowing private investors to develop prime residential areas and to equip them with infrastructure and services, on attractive locations around the city (negotiation with city government)	Single-family residential zoning; keeping major infrastructural corridors and natural environment	tax for prime-land use (high)
TYPE 3: LUXURY OBJECTS	- LAND DEVELOPMENT AG. - PLANNING INSTITUTIONS - PRIVATE DEVELOPERS	Plan of General Regulation same as for Type 1	Partnerships with private investors about development of the area Negotiation with owners and investors about providing the space for small business on other locations	Depending on area	
	- MUNICIPAL AND CITY GOVERNMENT - LAND DEVELOPMENT AG. - OWNERS OF THE OBJECTS - PRIVATE SECTOR - THOSE AFFECTED		Preserving the ambient of the central areas; negotiating with investors about financing services Negotiation with investors about conditions for densification and services financing infrastructure and services	Defining plots that can be densified, and precisely determining limits; promoting pedestrianization Defining only maximum density; defining number of parking sp.; type adn amount of services	Increasing the taxes for temporary objects; incentives for obtaining the space on other locations (for owners)
TYPE 4: KIOSKS		Plan of Detailed Regulation for central city areas (historical, ambiental areas, etc.)			High land use and densification taxes and densification rights; providing incentives if certain services are financed
	- MUNICIPAL AND CITY GOVERNMENT - LAND DEVELOPMENT AG. - PLANNERS - OWNERS OF THE OBJECTS - PRIVATE SECTOR - THOSE AFFECTED	Plan of Detailed Regulation for areas that are not of cultural or historical importance	Preserving the ambient of the central areas; developing arrangements for maintain. of bul. buildings (PPPPs if possible)	Defining objects that can be upgraded; strict regulations, even estetical norms Densification limits; technical regulations.	
TYPE 5: BLOWN-UP REGULATIONS		Plan of General Regulation for areas that are not of cultural or historical importance			High densification taxes and densification rights; providing incentives for permanent maintenance of the building
	- MUNICIPAL AND CITY GOVERNMENT - LAND DEVELOPMENT AG. - PLANNERS - OWNERS OF THE OBJECTS - PRIVATE SECTOR - HOUSING ASSOCIATIONS				
TYPE 6: ROOFTOP EXTENSIONS					



## Chapter 6: Conclusions and recommendations

Informal construction is multi-dimensional problem. It has the spatial, social, economic and environmental component, and all these need to be addressed in order to solve the problem. Still, the phenomenon that is happening on such a large scale as the informal construction in Belgrade cannot be fully prevented – the systematic changes are needed in order to allow some of the processes to develop under the legal frame. That way it would be possible to control the informality, to stimulate its positive and discourage negative aspects.

Among reasons for its appearance, there are those ‘external’ to system and planning – those that cannot be changed or influenced by planning and other experts, such as rural-urban migrations, lack of funds and poverty, or inexistence of political will to face the problem. However, there are factors ‘internal’ to planning, that planning system could change and influence: ‘political’ rationality of planning – tolerance towards informality from political reasons (1); ignorance towards context (traditional values, customary laws, heritage, etc.) and using universal approach for each context and situation (2); and planning system that is too complex and demanding for existing capacities, or out-dated and focused on wrong goals, etc. (3).

In order to change the ‘internal’ factors that cause informal construction, it is necessary to change the planning. New approach demands not only changes in regulatory framework, but deep change of the attitude towards the meaning and purpose of planning – we need to change the planning rationality, than planning model we use, and only then it is possible to develop regulatory and other mechanisms that will enable effectiveness and efficiency in addressing the problems of city development.

### 6.1 Findings for each research question

*First specific question: What needs (demands) are expressed through informal construction?*

The needs are diverse, and certainly not only those ‘basic’ – related to housing, jobs and services that emerge from poverty of informal builders – as it is usually assumed when informal construction is analyzed. There are other needs, in this paper described as ‘opportunistic’. Those are not negative for the society per se, but many of them are valid – maximizing profit, securing capital, demand for specific kind of housing (and not ‘any’ housing) and services, and other ‘consumption needs’. They exist in the society as a given fact, resulting from diverse understandings of housing, job or services, depending on cultural, social, economic and other ‘status’ of each individual or group.

Therefore, the attitude towards informal construction needs to be more inclusive and open. It is not the problem that results only from poverty, and cannot be solved by partial solutions (satisfying basic needs of urban poor and ‘risk management’ approach). The reasons are much wider, and include the general exclusiveness of the system that does not recognize diversity of interests and diversity of needs but has uniform approach to each situation.

*Second specific question: What supply is provided by plans?*

From the fact that the whole planning system has a 'political' rationality results that plans are failing to meet demands properly. In the past, they were concentrated on public (or 'common' how it was improperly defined) interest, ignoring the validity of multiple private interests. Accordingly, the definition of housing needs was very narrow, thus providing virtually one type of housing - multifamily social - and one option for obtaining it - through public companies that were providing apartments for their workers. The alternative way did not exist, and system was eventually so demanding for the public sector itself, that it was not possible to accommodate all those that needed housing.

Today, in the context of socio-economic transition, old public interests diminished and multiple private interests have appeared. But, planning is hardly changed - it still uses the old 'techniques' (set up for satisfying 'common' interest only), and as such cannot respond to multiplicity of interests and needs that exist in reality. It serves only for certain groups and their interests. The others are excluded from the planning horizon.

*Third specific question: What is the relation between planning and informality?*

From the dualism explained above - planning procedures shaped in accordance with the 'public interest', and actual existence of the 'free market' of individual interests - the informality appears. The planning procedures are very demanding, standards are so high, that they are impossible to fulfil with existing capacities (human, institutional, financial, and overall societal). Therefore, those powerful enough are breaking them in order to fulfil their 'needs', and additionally use rigidity of the system to impose control over the market (that is only virtually free but actually stacked by all kinds of monopolies) and preserve their influence and positions in the society. The others simply do not have other options: they cannot break the barriers that system imposes on them, so they are pushed into the informal sector.

In such situation, current planning cannot respond to the problems even if there is will: its 'physical' character prevents having a wider picture of the phenomenon of informal construction (or any other developmental problem). Thus it seeks the solution in physical techniques, trying to cover all areas of the city by detailed plans, putting more rigor into already saturated system.

From the same reasons, it cannot see positive side of the informal construction, and possibility to turn it from threat to opportunity of the future city development.

*Fourth specific question: What changes should be made in planning in order to put informal processes under control?*

The revision of very essence of planning is necessary for long-term, sustainable changes. We need to form 'decision-making arena' where all interests existing today would be represented, and from this discussion it would be possible to

define wide societal goals thus separating valid interests from those that are threat to society.

With communicative rationality, it is possible to define strategic framework for the planning and focus existing resources on vital goals. In a society such as Serbian, with scarce financial resources, planning must be oriented towards a small number of strategic goals, thus enabling efficient and effective use of limited resources that currently exist.

Only then, it is possible to establish proper planning 'doctrine' (or model) and to develop mechanism for its institutionalization: regulatory framework, institutional arrangements, administrative procedures, etc. The planning needs to be turned into a multi sector, communicative discipline, and plans need to be created by allowing all those 'affected' by them to influence the decision-making.

A step away from understanding the role of planner as the absolute authority must be made. In a contemporary society, with all possible sources of information, everybody is becoming an 'expert' – everyone can find information on the Internet, use software and make his own plan proposal, and then question expert's authority. Thus, experts need to take more advisory role, mediating the communication processes and standing for those less powerful in order to enable acceptable level of equality in communication processes.

*Main research question: Which planning model is appropriate for Belgrade, in order to manage demand and control informal construction?*

The locally adapted collaborative model could be the solution for Belgrade. It provides good basis for changing the rationality of planning and promoting communication. Its important feature is understanding that relative power of different actors in decision-making arena can deform the process of communication, and thus it is not idealistic but takes into account certain 'givens' (realities) and tries to achieve the best out of existing situation. It gives theoretical base for challenge of powerful interests and collective action and understanding.

It provides theoretical framework for all planning factors that are necessary for planning in Belgrade today: strategic approach, concept of stakeholders and communication between them, 'relational' concept of space, and progressive normative agenda.

## **6.2 Reflection on the literature**

In recent decades, discussions about informal settlements among urban experts are intensive. There are many studies of informal sector and principles of functioning of informality, in which the attitude that urban planners and managers should learn from it is gradually crystallized. Accordingly, attitude that many of these principles should become a part of official planning systems and procedures emerges as a logical result of these studies.

Nevertheless, there are few suggestions on how to really incorporate these principles into the planning practice. How to go through often extremely complex

structure of official plans, regulations, laws and administrative systems, and to set them up on such a way that these positive aspects of informal sector become incorporated in official policies?

This paper collected and summarized the proposals from the number of eminent Serbian experts, from various fields related to urban management, with significant experience on the problematics of informal construction, and compared them with international experiences. Therefore, it can serve as an orientation for future changes in urban planning, in relation to informal construction processes.

Further, the paper tries to go beyond usual understanding of informal construction as related to urban poverty and the satisfaction of basic needs only, and provides examples of informal construction that is practiced by different layers of society, and from reasons that are diametrically opposed to poverty. It relates the phenomenon with the factors internal to urban management and planning – the relation that many ‘practitioner’ usually negate.

### **6.3 Areas for further research**

This research focuses on broad principles of planning that should be adopted in order to make any systematic change possible. It gives proposals of planning rationality and planning model, but only briefly explains possible systematic arrangements (institutional, administrative, regulatory) that could result from it.

Further research should therefore explore the possibilities of changes in the system of planning, which includes researches in several directions:

- Detailed research of existing informal sector, and gathering relevant data on total number of objects, number of households and their social and economic profiles, in order to determine who are the ‘users’ of any future plans.
- Designing communicative processes: who are the stakeholders, what are their interests and needs, and how to balance the differences in power of those stakeholders in the planning interaction? On what basis to define public interest - through consensus of all individual interests or enforcing some minimum of ‘ideological’ premises? Which of existing individual interests are valid? How to achieve balance of public and individual interests?
- Research focused on changes in institutional arrangements: How to make a shift from government to governance in the current context? What changes in existing institutional arrangements are possible? What new institutions are necessary in Belgrade and what should be their mandate? How and to what extent to include other sectors (private, ‘third’) in the decision-making?
- Changes in administrative division of Belgrade: how to change the territorial organization? In what areas we need re-centralization and in what decentralization? What mandate should local councils have? What relation should be made with secondary towns around Belgrade?

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## **Annex 1: Interviews – list of respondents**

**Interview no. 1: Ivan Kucina**, Architect and Professor at Faculty of Architecture, University of Belgrade;

**Interview no. 2: Ratka Čolić**, Planner, UH-HABITAT Belgrade, coordinator for Planning of local development; former advisor in the Ministry of Infrastructure of Serbia

**Interview no. 3: Miodrag Vujošević**, Economist, Spatial and Environmental Planner, Institute for Architecture and Urbanism Serbia;

**Interview no. 4: Vladimir Macura**, Urban Planner, Co-creator of Master Plan of Belgrade 2021, Institute of Urbanism Belgrade;

**Interview no. 5: Zlata Vuksanović-Macura**, Urban Planner, Institute of Urbanism Belgrade and national consultant for housing in UN-HABITAT Belgrade;

**Interview no. 6: Justin Faiz**, Executive Manager of Pluto Capital, UK

**Interview no. 7: Miodrag Ferenčak**, Urban Planner, Co-creator of Master Plan of Belgrade 2021, Institute of Urbanism Belgrade;

**Interview no. 8: Ksenija Petovar**, Urban Sociologist, Professor at Faculty of Architecture, University of Belgrade;

**Interview no. 9: Nir Saar**, Deputy Manager of Aviv Arlon Holding, Israel

## **Annex 2: Interview form (conducted in – person)**

Name:

Date:

Topic 1: Current situation

1a: How would you describe current situation in Belgrade planning?

1b: How would you describe the current situation related to informal construction?

Topic 2: Roots of the problem

What are the reasons for this situation?

Topic 3: Proposals

What should be changed in planning in order to eliminate informal procedures and construction?

### **Annex 3: Interview form for Ms Ksenija Petovar**

Urban Sociologist, Professor at Faculty of Architecture, University of Belgrade;  
(conducted via e-mail)

#### Topic 1: Current situation

##### 1a Informal construction

1. How would you describe the current situation in planning and informal construction in Belgrade?
2. Which are the characteristics of the informal construction in Belgrade?
3. Number of illegally constructed objects?
4. Who are the builders?
5. Who are the other actors in this process?
6. Which types of illegal construction exist (according to different needs fulfilled through the informal construction)?
7. How does the informal construction influence the development of a city (positive and negative)?

##### 1b: Planning

1. How would you describe current situation in planning in Belgrade?
2. How do the existing Master Plan of Belgrade and Space Plan of Belgrade, as well as regulations on the national level, treat the informal construction?
3. To which amount are the plans implemented?
4. Is the number of informal buildings still growing?

#### Topic 2: Causes

1. Which are the reasons for existence of informal construction in Belgrade?
2. Which are the reasons for poor implementation of plans?
3. What is the relation between planning system and different forms of informal construction?
4. Are plans and regulations in conflict with interests of builders? If yes, with what interest?
5. Is the planning system adequate for existing development challenges and capacities?

#### Topic 3: Proposals for solution of the problem

1. How to improve the present situation?
2. What could planners learn from the processes in informal construction? How could that knowledge be applied in praxis?
3. Which regulations should be changed, which abrogated and which enacted, in order to improve the efficiency of plans and stop illegal construction?
4. How would you identify the needs reflected in the illegal construction, and how to implement them in the planning system?

#### **Annex 4: Interview with Mr Nir Saar**

Deputy Manager of Aviv Arlon Holding, Israel (conducted via e-mail)

##### Topic 1: Current situation

How would you describe current situation in Belgrade, related to planning and building regulations?

- What are the obstacles for developers?
- Are developers able to complete their projects in legal way?
- Do plans offer enough opportunities for investments?
- Are there any problems with finding suitable construction locations?
- How do procedures look like?

##### Topic 2: Roots of the problem

What are the reasons for this situation?

- Why some developers are not able to work legally, but they are trying to maximize profit through informal procedures?
- How planning regulations (regulatory frameworks) are confronted with interests of private developers?

##### Topic 3: Proposals

What should be changed in planning in order to eliminate informal procedures and construction?

- Do we need more or less governmental control?
- Are there too many regulations?
- Which regulations should be changed, which abrogated and which enacted, in order to improve the efficiency of plans and stop illegal construction?
- How to change urban plans in order to prevent informality?