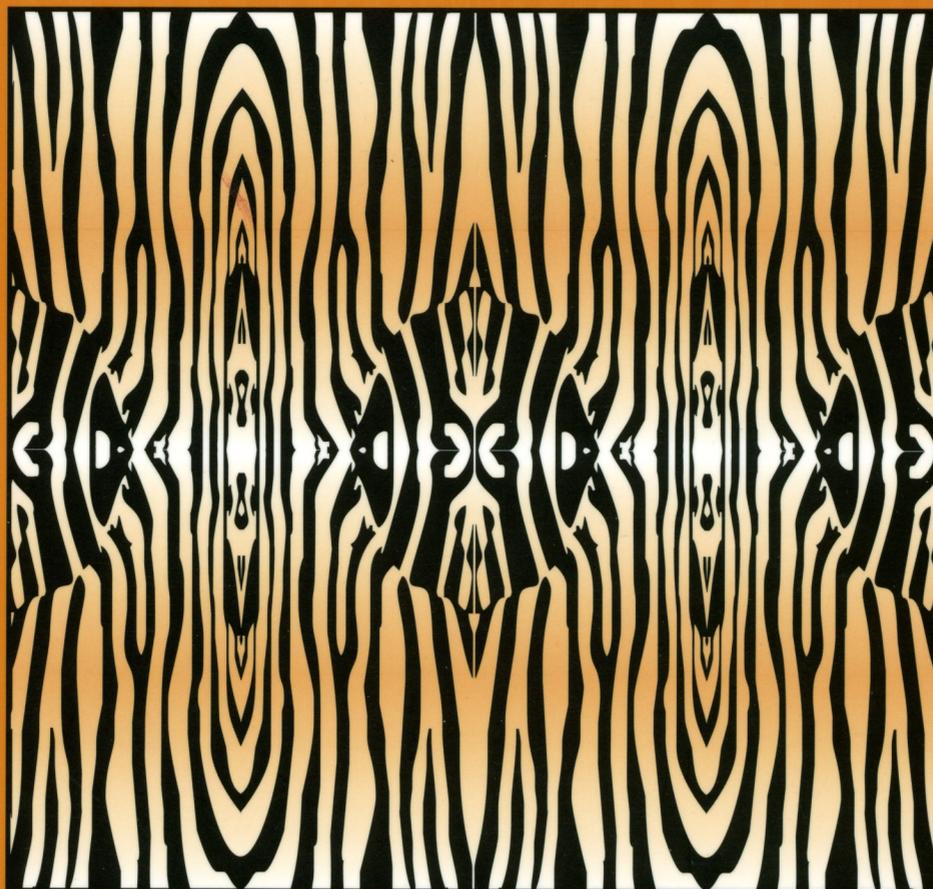


Culture and Development in Africa

Ismail Serageldin
June Taboroff, Editors



*Proceedings of an International Conference held at
The World Bank, Washington, D.C.*

Sponsored by
The Government of Norway, The Government of Sweden
The Rockefeller Foundation, The World Bank, UNESCO



Environmentally Sustainable Development Proceedings Series No. 1

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Ismail Serageldin
June Taboroff, *Editors*

Alicia Hetzner
Editorial Consultant

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for Reconstruction and Development/The World Bank
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First printing April 1994
Second printing April 1998

This report has been prepared by the staff of the World Bank. The judgments expressed do not necessarily reflect the views of the Board of Executive Directors or the governments they represent.

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ISBN 0-8213-2780-1

Library of Congress Cataloging-in-Publication Data

Culture and development in Africa : proceedings of an international conference held at the World Bank, Washington, D.C., April 2 and 3, Lundin, editors. 1992 / Ismail Serageldin, June Taboroff, editors ; sponsors, Government of Norway ... [et al.].

p. cm. — (Environmentally sustainable development proceedings series ; no. 1)

Includes bibliographical references.

ISBN 0-8213-2780-1

1. Africa—Economic policy—Congresses. 2. Africa—Social policy—Congresses. 3. Economic development—Social aspects—Congresses.

I. Serageldin, Ismail, 1944– . II. Taboroff, June, 1949– . III. Norway. IV. International Bank for Reconstruction and Development. V. Series.

HC800.C853 1994

338.96—dc20

94-5169

CIP

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Foreword

On April 2 and 3, 1992, a major international conference was held at the World Bank in Washington, D.C. The topic was "Culture and Development in Sub-Saharan Africa." The conference was sponsored by the Government of Norway, the Government of Sweden, The Rockefeller Foundation, the World Bank, and UNESCO. It represented an important event within the context of the United Nations World Decade on Cultural Development, which began in 1987.

The interim *Proceedings*, published in two volumes in October 1992, made available the papers presented and the major interventions made at the conference. The present, final *Proceedings* is a more complete version. It includes an introduction and an abstract of each presentation, and is being published simultaneously in English and French.

The deliberations at this conference were planned to encompass the status of taking culture into account in African development in the widest possible context. This conference was to be followed by two regional seminars in Africa that would narrow the focus to specific practical topics. The first regional seminar, sponsored by UNESCO, the World Bank, and UNICEF in cooperation with the Ministry of Culture of Cote d'Ivoire and hosted by the African Development Bank, took place in Abidjan from November 2 to 6, 1992. It was entitled "The Cultural Dimension of Development in Africa: Decision-making, Participation, and Enterprise." The second, planned for 1994, will focus on "Indigenous Management Practice: Lessons for Africa's Management in the 1990s." However, beyond its contributions to these follow-up meetings, the present conference stands in its own right as a self-contained body of work that should prove of enduring value to scholars and practitioners alike.

The editors wish to record here their deep appreciation to Alicia Hetzner for her invaluable assistance in bringing these volumes to publication, and to Frank Mancino and James McKinney for their tireless efforts in producing the document.

Ismail Serageldin

June Taboroff

Introduction

Ismail Serageldin

Why do some countries, such as Japan and the East Asian "tigers," seem able to deal with ease with innovation and transformation while other societies suffer apparent rigidities? Even more striking is the change that occurs in the *same* society over time. Sometimes, after long periods of apparent stagnation, there suddenly emerges a newfound capacity to absorb the new and reinvent the past as China has done twice in the last half-century. All these manifestations invariably call to mind the need to study much more effectively those more elusive qualities of a society's reality that we call "culture."

Nowhere is this elusiveness more apparent than in Sub-Saharan Africa (SSA). To many outside observers, SSA shows remarkable strength in terms of social solidarity and mutual support in the face of adversity. This capacity was amply demonstrated in the 1980s when the extended family support system was able to provide a social safety net during a severe economic crisis. On the other hand, the difficulty of various institutional models to be either adapted or adopted leaves these same societies unable to benefit more fully from the advantages of the economic incentive structures they put in place or to respond swiftly and effectively to a rapidly changing international economic landscape.

The causes of such phenomena are to be studied and understood in the context of a broadened analytical perspective that transcends economics, but does not abandon it. This broader analysis requires incorporating the social and political and institutional dimensions of the situation along with the economic dimension. Intuitively, a suitable framework for linking all these dimensions is found in the idea of culture broadly defined.

How broad should this definition of culture be? From a narrow perspective, culture can be defined as "...that complex of activities which includes the practice of the arts and of certain intellectual disciplines, the former being more salient than the latter."¹ But, as development practitioners, we must adopt a broader perspective, even if it is one in which the boundaries are still vague and the constituent parts rather ill-defined.

[Culture] comprises a people's technology, its manners and customs, its religious beliefs and organization, its systems of valuation, whether expressed or implicit. If the people in question constitutes a highly developed modern nation, its social organization and its economy are usually excluded from the

¹ Lionel Trilling, *Beyond Culture* (New York and London: Harcourt Brace Jovanovich, 1965, uniform edition 1978), preface.

2 Introduction

concept of culture and considered separately, although the reciprocal influence of social-economic and cultural factors are of course taken into account. When the word is used, in [this] larger sense, the extent of its reference includes a people's art and thought, but only as one element among others.²

The international community formally adopted this view of culture in the UNESCO-sponsored definition in the Declaration of MONDIACULT:

Culture . . . is . . . the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions, and beliefs.³

Do we have an effective framework of analysis for such a broad view of culture and development? At present this is still sorely lacking. Indeed, the *raison d'être* of this conference was to take the discussions of culture and development a step further.

It is not an easy task. Nevertheless, the International Conference on Culture and Development in Africa did succeed in putting the questions squarely before the interested practitioners. Culture matters. And to understand culture, we must understand both the present and the past. History matters. Furthermore, promising lines of investigation also emerged, even if we are a long way from achieving a synthesis between the rigor of current economic analysis and the intuitive and qualitative character of much of the current work on culture and development, or the highly localized quantitative work done in some anthropological field investigations.

The editors of these proceedings struggled with the lure of reorganizing the material and adding to it from material not formally presented at the conference. In the end, however, we made the decision to limit the material to that presented at the conference, which was deemed rich enough to warrant presentation by itself. The material is presented in the same sequence in which it was delivered at the conference because the logic of the original program provided a sensible framework for these explorations. Thus, the material starts from the broad sweep of the practical and conceptual challenges and moves to the methodological approaches to the state of current knowledge and empirical work to concluding reflections by the participants. We hope that readers will agree that this was a rich, and enriching, conference.

² Lionel Trilling, *Beyond Culture* (New York and London: Harcourt Brace Jovanovich, 1965, uniform edition 1978), preface.

³ The Declaration of MONDIACULT emerged from the World Conference on Cultural Policies, which was held in Mexico City in 1982.

The Challenge of a Holistic Vision: Culture, Empowerment, and the Development Paradigm

Ismail Serageldin

Vice President
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Clarity of cultural identity and its evolving continuity are essential to create an integrated and integrating cultural framework, which is a sine qua non for relevant, effective institutions rooted in authenticity and tradition, yet open to modernity and change. Cultural identity is essential for the self-assurance that societies need for endogenous development. Expanding the opportunities for the expression of people in these rapidly modernizing societies remains the only long-range solution to assist their cultural evolution. This space of freedom is linked to the issues of empowerment and governance.

My presentation deals with culture, empowerment, and the development paradigm.¹ It is an exploration of avenues toward which I hope that mainstream developmental thinking will be heading in the years to come. It does *not* represent the current thinking of the World Bank nor of other major development agencies. One day some of these ideas *may* be adapted and adopted in the work done by the World Bank.

The World Bank and the Development Challenge

The World Bank is committed to development. It is perhaps useful to understand how the World Bank's view of development is a dynamic and evolving one that

¹A version of this paper was presented at "Evaluation of Development Strategies: Prospects for Growth in Africa in the 1990s," A Multidisciplinary Colloquium Series, held at San Francisco State University on April 19 and 20, 1990. This version also reflects elements of a speech entitled "Themes for the Third Millennium," delivered by the author at the First Meeting of the Inter-Agency Steering Committee for the United Nations' World Decade for Cultural Development, held at UN Headquarters in New York, January 23, 1991. The views expressed are those of the author and not necessarily those of the World Bank or any of its affiliated organizations.

has responded with an ever richer array of concepts, instruments, and programs to the ever more complex reality of the development challenge.²

The Bank is an economic institution, but it does not deal with the abstract notion of economy, detached from the welfare of the human beings concerned. From its origins, the Bank recognized the need to deal with the welfare of the people of its member states. This truth is embedded in the statutes of the Bank, which define its purpose to be, among other things, "... assisting [member states] in raising productivity, the standard of living and conditions of labor in their territories" (Article 1, para. (iii)).

It is true that in the early years of its operation, the World Bank fulfilled this mandate by relying on identifying sound investments with high rates of return, promoting economic growth, and seeking the welfare of the citizens through the health of the economies. But even then, the Bank added new instruments to its arsenal. The key to understanding the Bank's evolution as well as the reality of its current programs is to understand the additive nature by which it works.

Thus, even within the same conceptual framework of the early years, the Bank consistently added new sectors to its field of involvement. But when we started lending for education in the 1960s, we did not stop lending for roads or power. When we added lending for programs targeted for the poor or added population, health, and nutrition to our concerns, we did not stop lending for agriculture and industry. In fact, the only direct form of lending that has been formally stopped by the Bank in all its years of operation has been lending for tourism projects, which were deemed to be better handled by the private sector.

Likewise, the Bank has been evolving its *concepts* for understanding and dealing with development issues. In the early 1970s a major debate within the Bank on the issue of poverty reduction and economic growth resulted in the milestone research on "Redistribution with Growth" and then-President Robert McNamara's call at Nairobi in 1973 for dealing with the problems of the global poor. But the fact that the debate in the 1970s focused on the issue of poverty

²The World Bank's thinking is captured best by its annual thematic *World Development Report*. The last three, dealing with poverty (1990), economic development policy (1991), and environment (1992), are particularly relevant. See *World Development Report 1990: Poverty* (New York: Oxford University Press, 1990); *World Development Report 1991: The Challenge of Development* (New York: Oxford University Press, 1991); and *World Development Report 1992: Development and the Environment* (New York: Oxford University Press, 1992). Individual publications emanating from the Bank by eminent staff members are also very important. See, for example, Michael Cernea, ed., *Putting People First: Sociological Variables in Rural Development*, 2nd ed., (New York: Oxford University Press, 1991).

did not mean that the Bank stopped its work in the traditional infrastructure sectors of the past, even as it was adding new types of operations to support poverty reduction. Likewise, the 1980s saw the introduction of structural adjustment lending and sectoral adjustment lending, which for the first time provided quick-disbursing balance of payments support. This, however, was not at the expense of the poverty work of the 1970s. It was for the reason that poverty had become part of the Bank's "mainstream" work that the Bank's public discourse seemed to focus on the new, controversial, and debated aspects of its current work. Allow me to present this fact for your consideration: in 1978, perhaps the peak year of the Bank's discussion of "Basic Needs," and in 1984, perhaps the peak year of discussion of macroeconomic adjustment and trade liberalization, the Bank's share of lending to the "social sectors" remained virtually unchanged.

Thus, our discourse is not divorced from the reality of our work; it simply reflects the cutting edge of the present concerns as we try to cope with the ever more complex reality of the development challenge.

Indeed, the process of debating new concepts, shifting the paradigms of development, and internalizing these new ideas in the Bank's work are an essential part of how our institution functions and remains relevant to a rapidly changing world. I would venture to say that the 1970s saw the internalization of the concept of "poverty reduction" as an essential part of the Bank's mission. From that time on "poverty reduction" and "economic growth" have been the twin objectives that have guided the Bank's work. The 1980s have been the decade in which a sound macroeconomic environment and sound sectoral policies were recognized as essential preconditions for investment lending—a necessary *but not sufficient* condition for sound and sustainable development.

I submit that many of the initiatives underway today in the Bank that are well known to the international community, especially "Environment," "Women in Development (WID),"³ and the "Social Dimensions of Adjustment (SDA),"⁴ will be internalized in this decade. It is now impossible within the World Bank to deal with investment without considering environment. Likewise, in the future

³See *Women in Development: A Progress Report on the World Bank Initiative* (Washington, D.C.: World Bank, 1990), and "Gender-Responsive Development," WID Unit Fact Sheet, Africa Technical Department, World Bank, Washington, D.C., 1992).

⁴See Ismail Serageldin and Michel Noel, "Tackling the Social Dimensions of Adjustment in Africa," *Finance & Development* (September 1990): 18-20; Tony Addison and others, *Making Adjustment Work for the Poor: A Framework for Policy Reform in Africa* (Washington, D.C.: World Bank, 1990); and *The Social Dimensions of Adjustment in Africa: A Policy Agenda* (Washington, D.C.: African Development Bank, United Nations Development Programme, and World Bank, 1990).

it will be impossible to address development generally and poverty specifically without being sensitive to gender issues, and no one will be designing macroeconomic policies without thinking of their social dimensions.

Today, some of us at the World Bank are talking about *culture, empowerment, and the development paradigm*.⁵ Some of us are grappling with these issues of cultural identity and empowerment of the people in relation to development, conscious of the fact that we are at the threshold of a complex and different vision of development, but one that promises an infinitely richer, and hopefully more effective, understanding of the realities of the development challenge.

We, like all of you, do not yet have satisfying answers to many of the problems that we recognize in seeking to operationalize this new vision. Indeed, much work lies ahead of us to *conceptualize, operationalize, and internalize* these ideas. In the long view of the evolution of the Bank's work, which I have described, these could well be termed *Themes for the Third Millennium*. The third millennium is at our doorstep, and we must move now to grapple more effectively with the seemingly stubborn obstacles to effective development in many parts of the world, especially in Africa.

The Cultural Dimension of Development

The cultural dimension of development is the place to start this discussion. In dealing with development we must adopt a broad interpretation of the concept of culture. The UNESCO World Conference on Cultural Policies, held in Mexico City in 1982, adopted a declaration that stated:

Culture may now be said to be the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions and beliefs.

At the outset, I am happy to endorse this broad definition of culture and its direct link to development. Indeed from our own work in Sub-Saharan Africa, we have recognized that many of the long-term issues of development in Africa seem to be tied into the deep weaknesses of the institutional structures concerned with development.⁶ Some would argue cogently that these weaknesses reflect the

⁵See Ismail Serageldin, "Culture, Empowerment and the Development Paradigm," *Development: Journal of the Society for International Development* (1991): 88-90.

⁶See World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth; A Long-Term Perspective Study* (Washington, D.C.: World Bank, 1989). Also note *World Development Report 1983* (New York: Oxford University Press, 1983), which addressed

absence of the cultural dimension. We in the Bank have started to focus on these issues in terms of capacity building,⁷ human resource development, streamlining of administration, and economic liberalization. Yet, it seems to me that we should go further, and that the whole paradigm⁸ of development needs to be refocused on two intertwined sectors of change: *promotion of cultural identity* and *empowerment of the people*. The first is unlikely to happen without the second, nor can empowerment be developed in isolation from the cultural realities of a society.

Promoting Cultural Identity

Every region has cultural manifestations that strike deep responsive chords in the people. This occurs partly because they draw upon an authentic heritage that helps define the shared image of self and society that creates a collectivity. The clarity of that cultural identity and its evolving continuity are essential to create an *integrated* and *integrating* cultural framework. A cultural identity is *integrated* insofar as it provides a coherent framework within which norms of behavior are articulated and *integrating* insofar as it allows for the incorporation of new elements. Such a cultural framework is, I believe, a *sine qua non* to have relevant, effective institutions rooted in authenticity and tradition yet open to modernity and change. Without such institutions no real development can take place. Indeed, the lessons of failure in Africa frequently can be traced to the absence of such institutions.

More importantly, the absence of a viable cultural framework in this sense tends to translate into an absence of national self-confidence and social fragmentation with Westernized elites and alienated majorities.

All these points converge in the need to put "cultural identity" at the center of the development paradigm that should guide our actions. Let us talk about these alienated majorities, a great percentage of whom, especially in Africa, are *poor*.

institutional development issues.

⁷See World Bank, *The African Capacity Building Initiative: Toward Improved Policy Analysis and Development Management* (Washington, D.C.: World Bank, 1990).

⁸Among recent works dealing with paradigms see Amitai Etzioni, *The Moral Dimension: Towards a New Economics* (New York: The Free Press, MacMillan, 1988).

Poverty and Culture

Poverty has been defined in two ways.⁹ *Absolute poverty* is the inability to secure the minimum basic needs for human survival according to standards so low that they challenge the adequate comprehension of most members of industrial societies. As many as one billion people in the world still live in absolute poverty.

The second notion of poverty is *relative poverty*. Various identified as the lower 30 or 40 percent of the income distribution, the relatively poor may have barely secured the minimum basic needs but have such limited resources that they lack the means of adequate social participation. They are marginalized from mainstream society even though they may constitute a majority of the population.

Programs to fight poverty rightly have focused on eliminating absolute poverty and reducing the income disparities affecting relative poverty. All of these programs have been designed in monetary or physical terms. Allow me now to try to address the *cultural dimension of poverty*.

Culture is often considered an article produced by the elite for the elite. Yet culture as we are addressing it here is much broader. It is the collective output that defines a society's identity, its ethos, and its values. In this context culture is something continuous, something that relates past to present to future. It is also all-encompassing. All members of society interact with culture and participate in creating it. Adequate social interaction is a fundamental means of this participation.

Rarely able to participate in mainstream cultural activity, the relatively poor are forced into several, equally problematic situations:

1. Creating a distinct subculture, thus institutionalizing the folk-elite cultural dichotomy. This evolution is inevitable for the absolute poor for whom affiliation with the mainstream is clearly out of reach.

⁹This section is taken from Ismail Serageldin, *Poverty, Adjustment and Growth in Africa* (Washington, D.C.: World Bank, 1989), 223-25.

There are many different ways to approach the measurement of poverty. See among them Paul Glewwe, *The Distribution of Welfare in the Republic of Côte d'Ivoire in 1985*, Living Standards Measurement Study (LSMS) Working Paper No. 29 (Washington, D.C.: World Bank, 1987); and Christian Grootaert and Ravi Kanbur, *Policy-Oriented Analysis of Poverty and the Social Dimensions of Structural Adjustment: A Methodology and Proposed Application to Côte d'Ivoire, 1985-88*, Social Dimensions of Adjustment in Sub-Saharan Africa (SDA) Working Paper No. 1 (Washington, D.C.: World Bank, 1990).

2. Remaining at the periphery of the mainstream culture, trying to associate with its myths, symbols, and codes while denying their own individual contributions to the national cultural milieu.
3. Experiencing the drift, anomie, and the self-deprecation associated with ultimate adoption of negative images of self and society, and the consequent problems. This is especially the case for the young, whose frame of reference and values are not well anchored in a coherent set of traditional beliefs and whose conditions and resources marginalize and prevent them from effective social participation.

These aspects are exacerbated by the general tendency toward semantic disorder among rapidly modernizing societies of the developing countries, which is caused by another set of considerations:

1. The accelerated pace of change implicit in the developmental process that shakes up the age-old, slowly evolving structure of traditional cultures in traditional societies. This accelerated change brings discontinuities and does not allow for the evolution of existing perceptions to cope with and internalize change.
2. The vast currents sweeping traditional societies, such as demographic growth, urbanization, partial education, and marginalization of traditional economic activities (farming and artisanal production).
3. The break-up of traditional units of community, such as village and extended family, with consequent loss of definition in "ligatures" and "options" (to use Dahrendorf's phrases from *Life Chances*).¹⁰
4. The overwhelming impact of Western culture, whose presence is frequently transferred only in its rudimentary, consumption-oriented behavior and technology.
5. The large impact of mass communications, especially through radio and television, with their twin effects of global exposure and rapid propagation.
6. The homogenizing efforts at building a national identity by using the mass media, political organizations, and the

¹⁰Ralph Dahrendorf, *Life Chances* (Chicago: University of Chicago Press, 1979).

school system, which narrow geographic and tribal lines of affiliation.

7. The inadequate adaptation of the education and training system to the opportunities of employment and the needs of self-employment in most developing countries.
8. The rapid loss of authentic traditional cultural legacies, which are primarily orally transmitted, due to mobility and perceived lack of (short-term) relevance by the young.

The impact of all these forces on society is difficult to assess. In Africa the present ruling generation is the "hinge" generation—those who witnessed the transition from colonialism to independence. The next generation is the product not of the successful struggle for independence but of the incomplete struggle for "modernization" and "development." The success of this next generation of Africans in forging a sense of cultural continuity and authentic identity is essential if long-term developmental scenarios are to become reality. Yet this new identification of self and society cannot be achieved without integrating both the old and the new. Only thus can an "integrated" and "integrating" cultural framework be created.

Efforts at poverty alleviation, therefore, should include the broadened cultural dimension. This is not just for the benefit of the poor, but because without such efforts, the entire society and polity will be impoverished. Worse, without them the door would be open to less constructive tendencies of an ideologically charged populism with its degraded version of the popular and its appeal to inherently negative values.

Whether they are swelling the cities or being left behind in rural areas, cannot be excluded from the formulation of this new cultural framework if their creative talents and productive potential are to be brought to bear for the advancement of society as a whole. That very effort to reach out and include them in the momentous communal and national enterprise of development will reduce the deprivation and exclusion that are part of the definition of relative poverty.

The Role of International Agencies

International efforts to assist in confronting this cultural dimension of development, such as this the UN's World Decade for Cultural Development, should be encouraged and supported. It is vital to highlight the importance of culture and the promotion of cultural identity, to recognize cultural identity as a *sine qua non* for the self-assurance that societies need to change and develop. This is the self-assurance required to create a cultural framework that is both integrated and

integrating, the framework that is essential to allow modernization to be something more than a veneer of Westernization.

But we must also recognize that adopting such a stance poses a wide array of problems that are extremely complex both for national governments that are trying to design and enforce such policies as well as for international institutions and bilateral aid agencies trying to help. Indeed, there is a down side to the positive aspects of affirming cultural identity and establishing a paradigm of development that is sensitive to the cultural specificities of each society. They can often lead to stereotyping and the perpetuation of negative and false images about peoples and groups. There is ample evidence of such misuse in the past. The 1954 Bantu Education Act in South Africa, whose text claims to be seeking to create a culturally sensitive and relevant educational system, was in fact an instrument for the perpetuation of apartheid—the separateness and subjugation of the black peoples of South Africa—even though it reads much as a liberal call for cultural sensitivity in educational programs might read.

Likewise, well-intentioned efforts of national governments to promote a sense of national unity and a modern state using a national education system with a language of instruction different from that of the local roots leads not only to a system that is demonstrably biased against the poor but also to the destruction of a significant part of the heritage of the original language, especially if it is part of an oral tradition. With the death of elders, large parts of that oral tradition are lost. Every death is like the loss of a precious library. It is the closing of a window on the past. It is a severance of part of one's ancestry and roots.

Undoubtedly, then, the issues of culture are complex and should be approached only with the greatest of care. But approached they must be, for it is in their culture that human beings become whole. It is here that societies find and define themselves. It is here that development is forged in the crucible of the minds of the people aware of their own selves and of their societies—cognizant of their past and their present and imagining their future. This is what development is all about.

Hence, expanding the opportunities for the expression of the intelligentsia of these rapidly modernizing societies remains the only long-range solution to assist the process of cultural evolution in the societies. A *space of freedom* for the intelligentsia—artists, academicians, journalists, politicians, technicians, religious leaders, and all those who would express themselves—is essential if constructive solutions are to be found. This *space of freedom* brings us to the issues of *empowerment and governance*.

Empowerment of the People

Ultimately, the essence of development will find its manifestation, its reality, its meaning, in the extent to which the changing patterns and indicators that we monitor (for example, per capita income, life expectancy, infant mortality, school enrollments, and balance of payments) are translated into a real change in the ability of people to live fuller lives and to have power over their own destinies. This empowerment includes the power to express themselves to the full richness of their evolving cultural identities . . . evolving by their own manifest *abilities* in response to their own wishes and aspirations.

The empowerment idea manifests itself at all levels of societal interaction. It is found in giving voice to the disenfranchised, in allowing the weak and the marginalized to have access to the tools and the materials they need to forge their own destinies. In allowing each and every household the possibility of becoming the producers of their own welfare, rather than consumers of others' charity. In allowing each household the unconstrained pursuit of the fulfillment of its members subject to the limits of the law and the unremitting discipline of the market.

This may sound like rhetoric. It is not. It is a fundamental and governing concept in how one approaches project design, institution building, cost recovery, and policy conditionality. *Projects* should be designed with the users or beneficiaries in mind. Their involvement should be a key in the design and their empowerment a key in the implementation. *Institution building* is more than designing organization charts, defining terms of reference, and drafting legislation. It is primarily a matter of ensuring that the institution is responsive to the real felt needs of the people whom it is intended to serve and is subject to their control. *Cost recovery* is more than a way of balancing the books; it is a means of giving *rights* to the purchasers of the service. *Policy conditionality* should seek to promote access to assets for the asset-less and to increase the return on the assets held by the poor and the politically weak.

Some may think that I am talking about Western-style democracy or multi-party parliamentarianism I am not. I am talking about *governance*, good governance, the form of which should be left to each society to develop in accordance with its cultural realities.

Let us talk about *governance*.¹¹

¹¹The following section draws heavily from Ismail Serageldin, "Governance, Democracy and the World Bank in Africa" (Unpublished address delivered at the World Bank Legal Department Staff Meeting on Governance, Washington, D.C., November 30, 1990).

A Debate on Form and Substance

First, it is important to recognize that while there are large overlaps between "governance" and "democracy," they are not the same.

"Democracy" connotes a representative form of government with participatory decisionmaking and accountability and the guarantees of human and civil rights without whose exercise the *political* system of democracy could not function. It does not connote "good government" or efficiency or lack of corruption, except to the extent that having the possibility to "vote the rascals out" acts as a rectifier of ineptitude or malice in government behavior. Democracy emphasizes universal suffrage and periodic elections as key features. It can be argued that it deals primarily with the "form" and not the "substance" of governing although advocates of democracy quickly point out that we know of no other "form" that has successfully delivered the substance and that this is one area in which "function follows form."

"Governance," on the other hand, does not presuppose a particular form of government but rather connotes "good government," in the sense of greater efficiency and rationality in resource allocation, an enabling environment, and lack of corruption. It emphasizes as its key features transparency, accountability, institutional pluralism, participation, the rule of law, and, implicitly, the guarantees of the civil and human rights needed for effective participation. Many of us consider these to be the "substance" as opposed to the "form" implied in discussions of "democracy."

Both of these general "journalistic" descriptions fall short due to lack of clarity on such key areas as the nature of the relationship between state and society and its constellation of interlinked concepts and issues of agency, instrumentality, legitimacy, power, and authority.

This address is not the place for a treatise on political science. Rather, let us agree that we can advocate *empowerment* of the poor and the marginalized

1. On the *global scale*, by giving weight to the needs of the developing countries versus the OECD countries
2. On the *national scale*, by giving voice to the poor and the disenfranchised.

Let us agree that such calls for *empowerment* and good *governance* do not necessarily prescribe a particular *form* of government and that such calls in and of themselves do not constitute political interference in the domestic affairs of our member states (which the World Bank's statutes forbid).

World Bank Action on Governance

The four levels of problems with which the Bank must grapple in tackling the issues of governance are (1) *philosophical*, (2) *conceptual*, (3) *operational*, and (4) *statutory*. I have discussed these issues at some length elsewhere¹² and will not repeat these discussions save to emphasize that external interventions in support of good governance must be of the nurturing type, recognizing that good governance must be an endogenous phenomenon.¹³ A tree cannot be made to grow by pulling on its branches!

What then can the World Bank do?

The World Bank can:

1. Engage in a major international dialogue on the issues of governance, as we are now doing
2. Launch a serious thinking effort focused on the philosophical and conceptual underpinnings of the issues related to governance and relying on specific country case studies
3. Systematically promote, in the context of its many operations, six areas of concern: *transparency, accountability, institutional pluralism, participation, the rule of law, and pilot and experimental approaches*.

Indeed, we can state that, without fanfare, many of the things already being done by the Bank in its current lending operations promote good governance in terms of transparency, accountability, institutional pluralism, participation, and the rule of law. True, these worthwhile objectives are pursued under different labels, but a significant start has already begun in each of these five categories. Likewise a beginning is being made on some pilot and experimental approaches. All of these approaches can promote empowerment of people, which I consider the key to promoting both culture and development. These six types of operational interventions deserve elaboration.

¹²Serageldin, "Governance, Democracy and the World Bank in Africa."

¹³For a discussion of these ideas see Pierre Landell-Mills and Ismail Serageldin, "Governance and the External Factor," *Proceedings of the World Bank Annual Conference on Development Economics, 1991* (Washington, D.C.: World Bank, 1992), 303-52. For an abbreviated version of the argument see Landell-Mills and Serageldin, "Governance and the Development Process," *Finance & Development* (September 1991): 14-17.

Transparency

Transparency is absolutely essential for any form of accountability and for understanding the factors that underlie any public decision. The information should be available to the public in a sufficiently transparent fashion so that both the costs and benefits of particular decisions and to whom such benefits accrue would be known.

Through its structural adjustment lending the Bank has promoted transparency by insisting on a consolidation of national budgets, by combining expenditures of parastatals with central government expenditures, and by spelling out the nature of subsidies. More needs to be done to bring in military expenditures and to consolidate central and local government expenditures, the latter being particularly important in certain areas such as health and education. When the true picture is seen, the issues will be cast in a new light. Here I again call your attention to the work done in the World Bank's *World Development Reports 1990* and *1991* on poverty and development policy respectively, and to the United Nations Development Programme (UNDP)'s *Human Development Report 1991* on restructuring public expenditures.¹⁴

Accountability

For transparency to be truly useful, it must be linked with accountability. Accountability requires the appropriate political processes to enable the sanctions for failure to take place. We often think of this in terms of governments voted out of office for failures in macromanagement of the economy, and this is undoubtedly true and needed. But accountability is also *a frame of mind that should permeate all facets of socioeconomic life*. In parastatal reform programs the Bank's work is promoting performance contracts. Performance has to be measured against some agreed targets subject to some contextual assumptions. This is, of course, being done to some degree also at the macro economic level in the areas of debt service and International Monetary Fund (IMF) programs, but these are peripheral aspects monitored by the outside world. The key to real progress is *internal accountability within the country*: accountability that is both *systemic* and *systematic*. Much of what the Bank now does moves, albeit in small steps, in this direction.

¹⁴The United Nations Development Programme, *Human Development Report 1991* (New York: Oxford University Press, 1991).

Institutional Pluralism

Nurturing good governance is inconceivable without nurturing institutional pluralism. By this we mean the nurturing of independent unions, chambers of commerce, professional associations, academic institutions, research centers, trade associations, and nongovernmental organizations (NGOs), all of which have their own views to express as well as access to instruments for mobilizing support for their views.¹⁵

The question of adopting a multiparty structure within the political domain will be seen by many as the ultimate manifestation of institutional pluralism. This transition has to be made with care. The United States has only two real political parties but countless institutions. Ultimately, in any society, it is the multiplicity of such institutions that is the saving grace against the evolution of the unitary structure that is essential for totalitarianism.

It is difficult within this realm not to address the issue of freedom of the press and the media. They are perhaps *the* institutions in which pluralism is most important. Perhaps the presence of numerous legitimated institutions and fora would involve endowing them with appropriate means of expressing their views. This in turn is likely to be a direct challenge to the existing state monopolies of the media and would place at the forefront of the agenda the issues of freedom of expression that inevitably accompany the birth and expansion of institutional pluralism.

The present weakness of many central governments and the poor record of state intervention as a tool for economic progress are, in reality, assets when it comes to promoting institutional pluralism. This pluralism is a means of sharing the burden of development and of ensuring necessary services that government structures and government budgets are increasingly unable to provide. The times offer an opportunity for forging a new pluralistic socio-economic landscape filled with institutional structures that reflect the cultural specificities of each society as well as ideas that have been shown to be of universal relevance and appeal.

¹⁵Robert Putnam's paper for this conference, "Democracy, Development, and the Civic Community: Evidence from an Italian Experiment," describes the critical importance of voluntary horizontal affiliations or organizations in a society. His data for Italy prove that the number and health of voluntary organizations in a country are prognosticators of the economic growth of that country.

Participation

Since 1985 much of the Bank's thinking has gradually reflected a changing perception of beneficiaries from passive recipients to active agents who must identify with, or feel ownership of, the projects and carry them forward long after the final disbursements. Subsequent work in different parts of the Bank has moved towards a greater recognition of the importance of the beneficiaries and their surrounding community as potential active agents of change who need to be understood, organized, and provided opportunities if lasting development is to occur. This move has been particularly pronounced in certain subsectors, such as population and rural water supply, in which the appreciation of peoples' own values and behavior and the involvement of their energies and resources has been particularly critical to project success. The legitimation of "beneficiary assessment," a largely qualitative method of "listening to the people," was another manifestation of this attention to people as actors, rather than passive recipients, in development.¹⁶ In short "participation" is no longer a fringe concern but is practiced widely.

As we progress in the 1990s, the movement is toward a more holistic development vision in which the people in borrowing countries, at the various levels of the beneficiaries, the service providers, and the policymakers, all have to be understood on their own terms, within their own cultural parameters, and, in the case of the poor, given increased power to act on their own behalf. It is towards the reinforcement of indigenous institutions that will provide for the increasing empowerment of the poor within their own cultural reality that the next stage of the Bank's work on participation must move. A pilot program in collaboration with UNESCO is underway.

The Rule of Law

The rule of law is essential for order and predictability and requires an independent effective judiciary. Neither transparency nor accountability can be enforced without an independent judiciary to enforce the rule of law. The Bank is on strong grounds to insist *vis-à-vis* its member states that the systematic enhancement of an independent and effective judiciary is just as important as having clear sets of laws and statutory regulations and an open, trusted, and accessible litigation procedure. These are all essential parts of economic as

¹⁶See Lawrence Salmen, *Listen to the People* (New York: Oxford University Press, 1987), and Salmen, "Beneficiary Assessment: An Approach Described," Working Paper No. 1 (Washington, D.C.: Poverty and Social Policy Division, Africa Technical Department, World Bank, February 1992).

distinct from political management even though they are also essential for the protection of human and civil rights. Indeed, it is inconceivable that sound investments would come forward or that economic activity would flourish without such prerequisites. Without them economic transactions are likely to be severely curtailed or forced into an underground economy. It is equally clear that the rule of law is essential to provide that *space of freedom* so essential for the flowering of cultural expression and for the empowerment of peoples everywhere to develop their own societies in their own image.

Pilot Experiments and Action Research

The sixth area of the Bank's endeavor involves a proactive approach to undertake field research on these complex issues. It involves the launching of pilot experiments with the collaboration of national specialists, international NGOs, and sister organizations in the UN system as well as bilateral aid agencies. Among these one can name the collaborative venture with UNESCO in exploring the effectiveness and reality of spontaneous organizations in Benin, Cameroon, Guinea, and Togo. Another is the exploration, in collaboration with the Japanese aid agencies, of the applicability of "quality circles" in Burkina Faso. A third venture is collaboration with Makerere University in Uganda in researching and understanding informal institutions.

These efforts need to be pursued and others started elsewhere on the continent. I invite all those present to participate with us in exploring these issues, both in designing new experiments and in collaborating with the respective governments and national researchers in implementing them. Pooling the results of all this action research should immeasurably enhance our knowledge of some of these complex issues and assist us and those national governments concerned in dealing more effectively with the complex issues of culture and empowerment.

Conclusions

What we have been talking about is a new vision of development. It is not the official view of the World Bank and not even (yet) a prevalent view in the World Bank. But it does represent part of the evolving World Bank thinking—a small, but an important part of that evolving thinking that goes beyond the economic and financial aspects of development, that goes beyond investments and outputs, and looks to a holistic view of development in human and societal terms.

Harking back to the declaration adopted at the UNESCO World Conference on Cultural Policies held in Mexico City in 1982, we note the following statement:

Growth has frequently been conceived in quantitative terms, without taking into account its necessary qualitative dimensions, namely the satisfaction of man's spiritual and cultural aspirations. . . . Balanced development can only be ensured by making cultural factors an integral part of the strategies designed to achieve it; consequently, these strategies should always be devised in the light of the historical, social and cultural context of each society.¹⁷

This is the holistic view of development that is being pursued by myself and some colleagues at the World Bank.

It is this vision, this holistic view, that we should be pursuing here today.

Will this view be radically different than the prevalent view? Will it add something? Will it bring "truth" replacing what today is "error"? Truth and vision are relative things. One vision of humanity is that we are nothing more than three buckets of water and a handful of minerals held together by some chemical reactions. While that scientific reductionist view of human beings is undoubtedly true at one level, it certainly misses the differences between a Mozart and a Hitler, an Einstein and a Mother Teresa or a Pol Pot. In fact it misses all the marvels that make human beings what they are. Reducing development to the measurable, quantifiable aspects of economics and finance is the equivalent of reducing society to three buckets of water and a handful of minerals. We need to go beyond that; we need to capture the uniqueness of every society. That unique wonder that humans as individuals and as groups forge together, and which we call society.

We in the World Bank want to participate in developing this holistic view of development, to put together this new paradigm. Not by slogans, not by easy rhetoric, but by the patient application of careful analytical approaches to build, block by block, a new structure on the foundations of the present one. To enhance current thinking until it is not just quantitatively more accurate but qualitatively better. This is a challenge. I and others with me in the World Bank are eager to work with you on this worthy challenge.

Let us rise to the challenge. Let us dare to be bold. Nothing is impossible, for we have seen that an intellectual, a man of culture, can go from being a dissident playwright in jail one day to becoming president of his country the next day. The world around us is indeed changing and we must dare to change along with it and to set down today the first markers on the road to the third millennium. We must move in this direction *now* if, as agencies nurturing

¹⁷Declaration of MONDIACULT, UNESCO World Conference on Cultural Policies, Mexico City, Mexico, 1982.

development, we are going to continue to contribute to empowering each nation and each community so that each can constructively assert its cultural identity and endogenously promote its own development an endogenous development in which each human being is given the opportunity and the means to achieve the full measure of his or her potential.

Revitalizing Historic Cities: Towards a Public-Private Partnership

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Any effort to restore and conserve historic cities must include renewal of the economic base, increase in investment, and revitalization of the economic and financial structure to both fund and maintain the restoration. To do so, adaptive reuse is a flexible approach, combining area conservation with preservation of individual monuments, upgrading, and some renewal. To surmount the interlocking regulations, competing authority, fragmented ownership, and various laws and practices that impede conservation and revitalization, passage of a single piece of legislation could define the "Historic Area" and create a "Historic Area Development Corporation (HADCO)," which would provide the framework for a new private-public partnership and generate tax revenues and return on investment. Mainstream development agencies should support projects to rejuvenate historic cities as a priority within the growing urban sector of developing countries because these projects protect humanity's cultural heritage, address pockets of persistent urban poverty, and attract private investment.

Excluding some rare cases, such as Chinguetti in Mauritania or Suakin in Sudan,¹ most historic cities today are historic districts within larger modern cities.² Such historic cities are not only marvelous witnesses of our past, they are also parts of living organisms rapidly growing cities of enormous dimensions. The dynamics of rapid urbanization, shifting economic activities, and rising costs

¹See Jean Pierre Greenlaw, *The Coral Buildings of Suakin* (London: Oriel Press, Routledge & Kegan Paul, 1976), and Magdi Tewfik, "Suakin: A Unique Example of Arab Architectural Planning in Sudan," *The Arab City; Its Character and Islamic Cultural Heritage*, ed. Ismail Serageldin and Samir Al-Sadek with the assistance of Richard R. Herbert, Proceedings of a symposium held at Medina, Kingdom of Saudi Arabia, February 28 to March 5, 1981 (Washington, D.C. and Riyadh: The Arab Urban Development Institute, 1982), 251-55.

²The preparation of this paper benefited from research supported by The Aga Khan Trust for Culture and from the work done by Professor Mona Serageldin, Harvard Graduate School of Design, to whom a special debt of gratitude is owed. The views expressed here are those of the author and should not be attributed to the World Bank or to any of its affiliated organizations.

of urban land are putting serious pressure on old structures and an urban scale that do not easily accommodate modern transport technologies.

Furthermore, the social characteristics of these older districts have undergone dramatic changes. Patterns of invasion-succession of immigrant populations have been superimposed on decaying guild and ethnic neighborhoods. The rich and well-to-do have tended to escape the old historic cores of their cities (even when they retain businesses there). New activities such as warehousing have taken root. Old buildings have been subdivided for multiple families. Densities have risen to inordinate levels. Infrastructure is inadequate, and pollution threatens not only the well-being of the citizens but also the architectural and urbanistic heritage that makes these places special. Almost universally, this heritage is at risk.

Conservationists rightly have taken up the call for conserving the heritage embedded in historic cities. But the best-intentioned efforts and the most meticulous restoration projects are unlikely to succeed if the underlying conditions that led to this crisis state are not also tackled. This paper makes suggestions to tackle these underlying causes without ignoring the physical aspects of architectural design and restoration in culturally sensitive areas. The underlying causes, in my view, are the inadequacies of the institutional structure to facilitate modernization of the economic base while promoting social welfare and protecting the physical environment within a financially sound and sustainable framework.

Defining the Problem

The starting point for a discussion among practitioners, scholars, and decisionmakers on matters pertaining to historic cities should be to establish a common understanding among the various interested parties about *key philosophical questions* that frequently remain not only unanswered but even unasked.³

First, *what are we trying to preserve?* A number of major buildings? The urban character? A way of life? Clearly, each answer will generate a completely different set of solutions.

Second, *why do we want to preserve whatever it is we choose to preserve?* Because it is part of our heritage? Then all citizens and in some cases

³See among others Norman Williams, Jr., Edmund H. Kellogg, and Frank B. Gilbert, eds., *Readings in Historic Preservation: Why? What? How?* (New Brunswick, N.J.: Center for Urban Policy Research, 1983) and Mohammed Arkoun, "The Meaning of Cultural Conservation in Muslim Societies," ed. Abu H. Imamuddin and Karen R. Longeteig, *Architectural and Urban Conservation in the Islamic World* (Geneva: The Aga Khan Trust for Culture, 1990).

even the world at large should be made to pay for it. To improve the lot of the inhabitants of the old city? Or is it to generate a new resource to earn money from tourism? Again, depending on how these questions are answered, the types of interventions to consider, the pattern of finance required, and the way to implement them will differ.

And then, *for whom are we preserving?* Are the present users to be the prime beneficiaries of whatever intervention is to be made? Or the country at large? Or is it for the sake of generations yet unborn? Again, the responsibility for action and the type of intervention will differ depending on how these questions are answered. And unless they are answered, the parties will continue to talk at cross-purposes and confront administrative paralysis, if not outright opposition, when it comes to implementation.

Even after having confronted these questions, having identified the key actors, and having reached a common understanding of the basis for future action, we are inevitably confronted by a knotty institutional and economic problem. Because dealing with historic cities involves more than the restoration of monuments or the protection of an urban character, any effort to restore and conserve them must include adequate attention to the renewal of the economic base, an increase in investment, and the revitalization of the economic and financial structure. These are essential to enable both the payment of the restoration costs and the maintenance of the restored environment.⁴

The Social Dimensions

The evolving social structures of historic cities are a topic deserving major study and reflection. A number of important studies have been done in recent years that highlight the complexities of this subject. For this paper I will mention only that the social dimensions of any proposed action or set of actions should be thoroughly explored and carefully integrated into the design of the interventions planned for historic cities. This paper will focus more on the institutional and economic aspects of such interventions.

⁴See Ismail Serageldin, "Financing the Adaptive Reuse of Culturally Significant Areas," *The Challenge to Our Cultural Heritage: Why Preserve the Past?* ed. Yadhishthir Raj Isar (Washington, D.C.: Smithsonian Institution Press and Paris: UNESCO, 1986), 67-95; and Alfred P. Van Huyack, "The Economics of Conservation," Imamuddin and Longteig, *Architectural and Urban Conservation in the Islamic World*.

The Physical Dimensions

Whether through restoration of historic buildings or constructing new buildings or upgrading the existing built environment, there is much to be done physically to reverse the degradation and blight threatening historic cities.⁵ Much of this physical work is in upgrading basic infrastructure, which is not directly visible. But important as such infrastructure is, it is the new buildings and the restoration projects that have tended to fuel the most public controversy. A few words on the architectural challenge may therefore be pertinent before proceeding with the heart of this paper's proposals.

Architecture and Urban Design of a Special Kind

The restoration of historic buildings poses certain technical problems,⁶ but far more controversial is how to handle new building activity next to these monuments.⁷ The essence of the *problématique* lies in the relationship between the old and the new, between the past and the future.⁸ This relationship manifests itself at multiple levels:

- *At the level of urban townscape.* The historic areas are usually central to the overall structure of the city. How does a proposed building or development scheme relate to the old city and to the new? How does it blend with the surrounding traffic patterns and land uses?
- *At the level of scale.* The treatment of the spaces and buildings on or near a historic site must relate to the historic monuments, to the pattern of the old city, and to the larger modern geometry of the automobile and the high-rise.
- *At the level of texture.* Urban texture cannot be examined only in terms of scale and form. Forms reflect lifestyles of human beings and families. Their patterns of work and leisure, their

⁵See among others Roger Kain, ed., *Planning for Conservation* (New York: St. Martin's Press, Inc., 1981); and Imamuddin, and Longeteig, *Architectural and Urban Conservation in the Islamic World*.

⁶See Ronald B. Lewcock, "Conservation in Practice," Imamuddin and Longeteig, *Architectural and Urban Conservation in the Islamic World*.

⁷This section parallels the arguments presented in Ismail Serageldin, "The Samarkand Revitalization," *MIMAR Architecture in Development* 41 (December 1991), 34-41.

⁸Diane Maddex, Alice M. Bowsher, and Sandra Baden, eds., *Old and New Architecture: Design Relationship* (Washington, D.C.: The Preservation Press, 1980).

social interactions and social rituals are all part of a living reality of which the built form is but one dimension.

- *At the level of architectural language.* The architectural language, in both scale and vocabulary, cannot merely copy the old style. But does it adapt to it or ignore it? How can creativity and imagination find expression while respecting the uniqueness of sites (next to historic buildings)? In other words does the new architectural language make a compelling statement? Does it *enhance* the historic environment to which it is being grafted? The Registan in Samarkand was built over two centuries. The Sher-Dor and Tila Kari Madrassas enhance the original Ulugh Beg Madrassa, creating a whole that is more than the sum of its parts. Can we build today next to the Registan in a manner that will enhance it? ⁹
- *At the level of dialogue between past, present, and future.* The historic heritage cannot be taken lightly in any composition. Yet, respect for the architectural heritage should not engender pale copies of its splendor.¹⁰ Thus, can the new design find the right balance to link these three worlds? To separate them? To bridge them?¹¹

Thus, from scale to materials to architectural language to functional uses at each level, linking the past to the future is at the core of any solution.

A successful design must fuse all of these, including siting, form, and scale, to create *a sense of place*.¹² An effective architectural statement is seldom achieved by slavishly copying the past nor by ignoring the regional heritage. It is at this juncture of innovation and authenticity that tradition and modernity meet and are resolved.¹³ This is easier said than done. The paucity

⁹Serageldin, "The Samarkand Revitalization," 34-41.

¹⁰Michael Graves and Gary Wolf, "Beyond Mere Manners and Cosmetic Compatibility," Maddex, Bowsher, and Baden, *Old and New Architecture*.

¹¹Peter Blake, "The Architecture of Courtesy," Maddex, Bowsher, and Baden, *Old and New Architecture*.

¹²Louis A. Sauer, "Reinforcing a Sense of Place," Maddex, Bowsher, and Baden, *Old and New Architecture*.

¹³See Ismail Serageldin, *Al-Tajdid wal Ta'sil fi 'Imarat Al-Muitam'at Al-Islamiyya: Dirasa li Tajribat Ja'izat Al-Aga Khan Lil'Imara (Innovation and Authenticity in the Architecture of Muslim Societies: A Study of the Experience of The Aga Khan Award for Architecture)* (in Arabic) (Geneva: The Aga Khan Award for Architecture, 1989).

of successful examples of modern insertions in historic urban texture¹⁴ attests to the continuing difficulty of developing an architectural language that can successfully speak to the present and the future without breaking its discourse with the heritage. The challenge is still there.

Adaptive Reuse: An Approach

If a consensus exists around the answer to the key philosophical questions mentioned in the first section of this paper, and appropriate sensitivity to the physical and social dimensions of the problem exists, there can be purposeful movement towards a solution to the problems of the old cities. Such movement must concentrate as much, if not more, on the economic and social parameters as on the physical, architectural, and urbanistic aspects (including special consideration for the technical issues of conservation and preservation). In so doing, we can set aside the debate on "renewal versus upgrading," in which we have tended to favor upgrading based on the aspects of cost, displacement, and cultural sensitivity. *Adaptive reuse*, which combines area conservation with preservation of individual monuments with upgrading and some renewal, is a more nuanced and flexible approach.¹⁵ However, to be successful, adaptive reuse should focus above all on a rejuvenation of the economic base of the old city.

For such an approach to work, it must bear in mind the socioeconomic as well as physical *linkage of the historic core with the rest of the city*. The area in question is indeed part of the overall city, albeit a special part, and we should look carefully at economic and infrastructural links. We must also consider the need for spaces outside the perimeter of the historic district if we are to reduce densities selectively by expanding shelter and commercial opportunities nearby.

Adaptive reuse should be accompanied by area conservation (not just single buildings), which focuses on the conservation of urban character as well as some monuments.¹⁶ Urban character is defined by street patterns, the

¹⁴A notably successful example is the Willard Hotel complex in downtown Washington, D.C.

¹⁵ See Ismail Serageldin, "Project Finance, Subsidization, and Cost Recovery." The Aga Khan Program for Islamic Architecture at Harvard University and the Massachusetts Institute of Technology, *Adaptive Re-Use: Integrating Traditional Areas into the Modern Urban Fabric*. Designing in Islamic Cultures 3. Proceedings of the Third Seminar in a Series...August 16-20, 1982 (Cambridge, Mass.: The Aga Khan Program for Islamic Architecture, 1983), 92-102.

¹⁶See Charles N. Tseckares, "Design Considerations in Adaptive Use Projects," Maddex, Bowsher, and Baden, *Old and New Architecture*.

proportions of buildings (not necessarily their decorative elements), the variable age of buildings on the street, and activities in the streets a major determinant of urban character. Legislatively this means the control of new and offensive construction and the restoration and reuse of key buildings as appropriate.¹⁷

A successful application of total area preservation has been made in Bath, United Kingdom, and Sidi bou Said, Tunis. It should be noted, however, that Sidi bou Said involved mostly wealthy residents and was primarily touristic. The experience is not transferable to the *medinas* of Marrakesh and Algiers or old cities like Cairo and Lahore.¹⁸

But, whatever we do, we should concentrate on rejuvenating the economic base. This can be done by bringing in investments and creating jobs (subject to certain nuisance factors). To do this, incentives and proper institutional mechanisms are needed.

Rejuvenation of the Economic Base

In earlier studies I have addressed in detail the kinds of activities that could contribute to rejuvenating the economic base of historic cities.¹⁹ The most important would be the *tourist industry*. Hotels, entertainment, restaurants, shops, art galleries, craft shops as well as myriad microenterprises that accompany tourism would be the backbone of the new economic base. *Professional offices* of either individuals or associations such as lawyers, doctors, and syndicates as well as museums and cultural centers could be responsible users of renovated historic buildings within an adaptive reuse approach. Outstanding examples of this are found in Tunis,²⁰ where the offices of the Association pour la Sauvegarde de la Medina (ASM) are located in the Old City. Dar Lasram, a historic building in Old Tunis, has been turned into a cultural center. Such economic activity to rejuvenate the economic base should go hand in hand with an improved infrastructure.

Given the importance of this theme in my advocacy of adaptive reuse, it is pertinent to explore three promising options: tourism, services, and "high tech."

¹⁷Christopher J. Duerksen, ed. *A Handbook on Historic Preservation Law* (Washington, D.C.: The Conservation Foundation and the National Center for Preservation Law, 1983).

¹⁸See Reza H. Ali, "Urban Conservation in Pakistan: A Case Study of the Walled City of Lahore," Imamuddin and Longeteig, *Architectural and Urban Conservation in the Islamic World*.

¹⁹Serageldin, "Financing the Adaptive Reuse of Culturally Significant Areas," 67-95.

²⁰See Jellal Abdelkafi, *La Medina de Tunis* (Paris: Presses du CNRS, 1989).

Tourism

The most striking vision of a marriage between economic and restoration and conservation interests is the tourism option. The ability of an attractive historic environment to draw tourists is established, and revenues from *appropriate* tourism should be able to finance the restoration and maintenance of historic areas. It is curious that conservationists and tourism agencies have not seen themselves as natural allies. The relationship of tourism to conservation was already the subject of a conference organized by the European Travel Commission in collaboration with Europa Nostra in Copenhagen in November 1973. The conference focused on how well-managed recreational use can support and encourage conservation efforts. Convened in support of the European Architectural Heritage Year, the conference encouraged linkage between tourism agencies and conservationists. Despite the many positive links between the two parties, it seems that many conservationists are still suspicious of the tourism option, fearing that tourism poses a threat to the environment, both natural and man-made. While this fear may be justified in extreme instances²¹ of commercial exploitation that threaten to trivialize the heritage and destroy the environment, examples of success and potential areas of cooperation are numerous enough to encourage further exploration of this promising avenue.

Services

A second option worth considering is services. This option focuses on old cities as uniquely well-placed centers for particular types of service activities other than tourism. Used selectively, this option could prove helpful in protecting key parts of the old cities as, for example, the work being done in Tunis by ASM. The restoration of thirteen old *madrasahs*, at present publicly owned, has been carried out with a view to renting the space for a viable amount to professional associations of lawyers, doctors, journalists, and architects. Such groups not only populate (and gentrify) the Medina but also contribute to the maintenance of the restored facilities. This kind of creative and adaptive reuse, aimed at matching suitable clients with the availability of space in restored buildings, is intended to expand the economic base of the old Medina while ensuring proper maintenance and use of the existing buildings. This type of effort is also being undertaken in other areas, such as historic Jeddah, Saudi Arabia.²²

²¹An extreme case was the proposal for a World's Fair in Venice for the year 2000.

²²See Abdulla Y. Bokhari, "Conservation in the Historic District of Jeddah," The Aga Khan Program for Islamic Architecture at Harvard University and the Massachusetts Institute of Technology, *Adaptive Re-Use: Integrating Traditional Areas into the Modern*

High Technology

A third option, which is not sufficiently discussed given its promise, is "high tech." This option recognizes that many types of new economic activities do not require elaborate physical arrangements and can use quite small spaces. Adequate access to telecommunications equipment, power supplies, and relatively pleasant surrounding are sufficient for a wide range of modern services, including computer-related activities and academic think tanks. It is possible to imagine a number of high-tech service activities using old buildings and refurbishing their surroundings to match their needs and to maintain a suitable and enjoyable environment. This would preserve the urban environment and the architectural heritage while rejuvenating the economic base of the old cities.

True Obstacles: The Institutional Structures

Designing a program that would promote such activities in the historic districts runs into the widely held perception that such an effort would be enormously costly and could never pay for itself. This is not necessarily true, as has been partially demonstrated by the successful examples of Mostar in Yugoslavia²³ and Asilah in Morocco,²⁴ both of which have won the Aga Khan Award for Architecture, in 1986 and 1989 respectively, and both of which cost the central government coffers very little.

The reality of the problem is elsewhere. It starts with the need to break a stifling combination of interlocking regulations, competing authorities, fragmented ownership, and counterproductive laws and practices. Most of these old cities have very small, fragmented parcels of land, making any effort at consolidation of significant tracts for decisionmaking, if not for outright redevelopment, very difficult. Public buildings tend to be leased monuments or linked to trust arrangements, especially in Muslim countries in which such

Urban Fabric, 60-67.

²³See Dzihad Pacic, "The Preservation of the Built Heritage in Mostar, Yugoslavia," Imamuddin and Longeteig, *Architectural and Urban Conservation in the Islamic World*; and Ismail Serageldin, *Space for Freedom: The Search for Architectural Excellence in Muslim Societies* (Geneva: The Aga Khan Award for Architecture and London: Butterworth Architecture, 1989), 102-17.

²⁴Serageldin, *Al-Tajdid wal Ta'sil fi 'Imarat Al-Muitam'at Al-Islamiyya: Dirasa li Tajribat Ja'izat Al-Aga Khan Lil'Imara (Innovation and Authenticity in the Architecture of Muslim Societies: A Study of the Experience of The Aga Khan Award for Architecture)*, 88-91.

Religious Trusts (*Waqf*) have posed problems for efforts at physical restoration and economic renewal. Private buildings frequently are owned by absentee owners and inhabited by poorer families or squatters who are protected by rent controls and anti-eviction laws. This common arrangement creates incentives to destroy the structures and rebuild them, thus sometimes enabling eviction of the tenants. Few, if any, incentives exist to restore the buildings in a financially sound environment.

Furthermore, dense as these cities once were, they have become denser. The pressure of the growth of cities goes way beyond what the traditional fiber of the urban tissue can sustain, resulting in situations in which the basic infrastructure suffers from systematic overload and where low-cost sanitation technologies are unlikely to be successful. In my judgment the infrastructure of old cities tends to collapse when density reaches 400 persons per acre (1000 persons per hectare). Not only is the absence of adequate sanitation facilities contributing to pollution and an unhealthy environment, but it is also causing significant problems for the existing monuments and historic spaces, leading to their deterioration.²⁵

Dealing with this complex web of issues confronts the problem of urban management. Again, fragmentation of responsibilities among multiple agencies municipalities, central governments, local government, *Waqf*, public works, and private parties leads to institutional paralysis and to the inability to marshal the resources, the administrative talent, or the political will to bring about the significant improvements required if these jewels of the world's heritage are not to be lost to future generations.

A Proposal: The Historic Area Development Corporation (HADC)

One possible solution would be to create, through the passage of a *single piece of legislation*, a geographically defined *Historic Area* (designated conservation and action area), where the writ of a new *Historic Area Development Corporation (HADC)* would run unopposed. As will be shown below, such legislation would provide not only an effective and efficient means of dealing with the problems of revitalizing historic cities but also the basis for an equitable approach to sharing costs and benefits among interested parties. Such legislation would be the framework for a *new private-public partnership* and could also provide the

²⁵See Ronald B. Lewcock, "The Problem of Subterranean Water in the Old Urban Areas of Arab Cities," Serageldin and Al-Sadek with Herbert, *The Arab City: Its Character and Islamic Cultural Heritage*, 204-08.

means to surmount the many obstacles that presently impede any decisive action for the conservation and revitalization of historic cities in many parts of the world.

Outline of the Proposed Legislation

The single piece of enabling legislation would have the following characteristics:

Delimit an Historic Area. A special "Historic Area" would be geographically defined and designated as a conservation and action area. Such an "Historic Area" would incorporate the key elements of the historic city area as well as sufficient interconnecting space to allow for a comprehensive and meaningful urban design in terms of land use, transport, infrastructure, facilities, and economic base. It should be large enough to capture the extent of the area needing conservation but small enough not to threaten the municipal authorities responsible for the entire city or to undermine the need to consider it a special case. Clearly, this selection is critical and has to be done based on detailed study of each case.

Create an Historic Area Development Corporation (HADC). An Historic Area Development Corporation (HADC) would be created to function within the geographic boundaries of the area defined as the conservation and action area. The HADC would have sweeping powers and would involve a unique structure described below. It would represent a *private-public partnership* and would give a voice to local residents as well as to outside investors. While having sweeping authority and power, it would also be held strictly accountable for the actions performed. The equity of the arrangements are discussed in connection with the proposed operating structure of the HADC.

Define the mandate of the HADC. The HADC would have the responsibility and authority for restoring all monuments, defining and enforcing all building codes and regulations to conserve the character of the historic area, and undertaking the mandatory review of all new construction within that area.²⁶ The HADC would also undertake the bulk of the infrastructure and commercial development within the designated area. In addition it would be responsible for the financial aspects of all these activities that aim at integrating land use, transport, residential-commercial construction, infrastructure, open space, landscape, management of services, and air-rights development.²⁷ It would

²⁶See William J. Tinti, "Design Review from a Legal Point of View," Maddex and others, *Old and New Architecture*.

²⁷See Ismail Serageldin, "Organization and Finance of Projects to Upgrade Older Areas," paper presented at the Seminar on "Adaptive Re-Use: Integrating Traditional Areas into the Modern Urban Fabric," sponsored by The Aga Khan Program for Islamic

have financial authority to borrow without government guarantee and would be able to use some of these borrowings to provide working capital as explained below.

Establish checks and limits on the HADC. So sweeping a mandate must be subject to checks and limits to protect the public from rapacious or insensitive development and from abuse of authority. Such checks, however, should not stifle the HADC's ability to properly execute its mandate. Four specific checks or limits against the HADC's mandate should be considered:

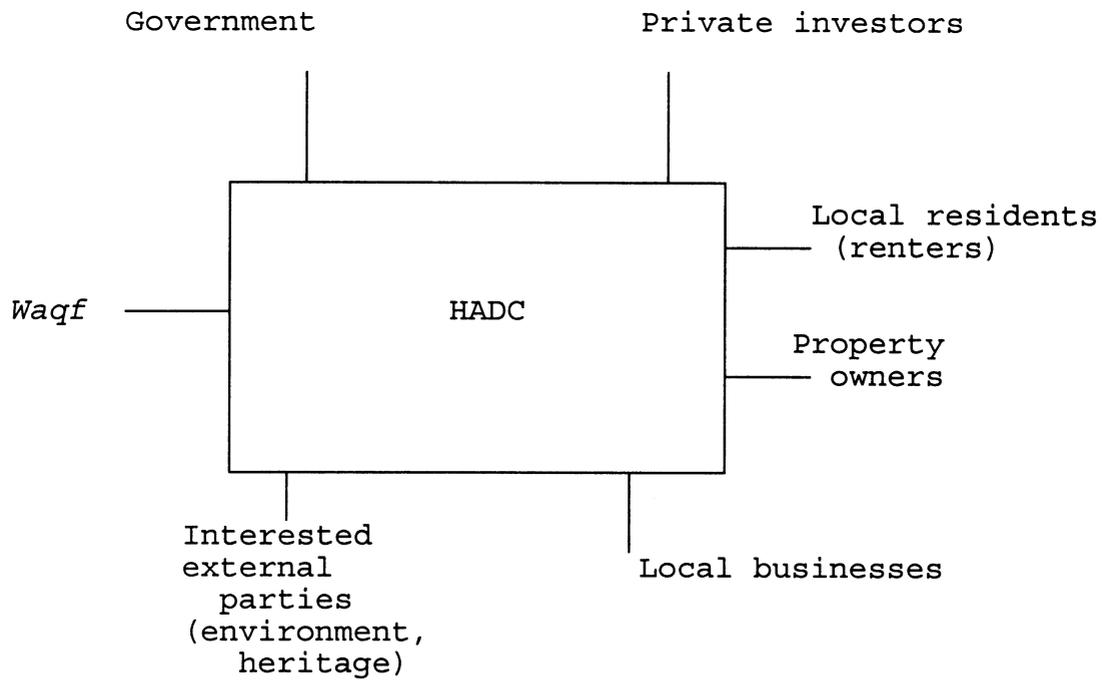
- Protection or restoration of important monuments as well as review and approval of new construction would be undertaken by an expert panel of recognized international authorities, on which governmental as well as international agencies, such as UNESCO, and others might participate.
- Periodic review of the work would be presented to both the executive and the legislative bodies of the country in question at the appropriate levels.
- Periodic reporting and review of the financial affairs of the HADC would be undertaken by the appropriate public bodies by submission of the audited accounts of the HADC to the government auditors or their equivalents. The HADC would publish an annual report that would be available to the public and would include the audited financial statements of the HADC.

Proposed Structure for the HADC

The idea behind the HADC is to design it like a modern corporation, or preferably like the "limited liability partnerships," which have proven effective in many large real estate development ventures (see Figure 1). These limited liability partnerships have vested the management of the enterprise in the hands of a designated "general partner" who may hold only a minority stake in the total partnership. The other partners have a limited liability and limited authority, and are constrained by various regulations from divestiture. The alternative is to design the HADC as a straightforward corporation with voting weighted by shares (allocated to the different parties as explained below). The limited liability partnership, however, would probably be more effective although both forms would represent a major improvement over current approaches.

Architecture of Harvard University and Massachusetts Institute of Technology, Singapore, April 28-May 2, 1984 (to be published in the Aga Khan Program Monograph Series, *Architectural Transformations in the Muslim World*).

Figure 1. Historic Area Development Corporation



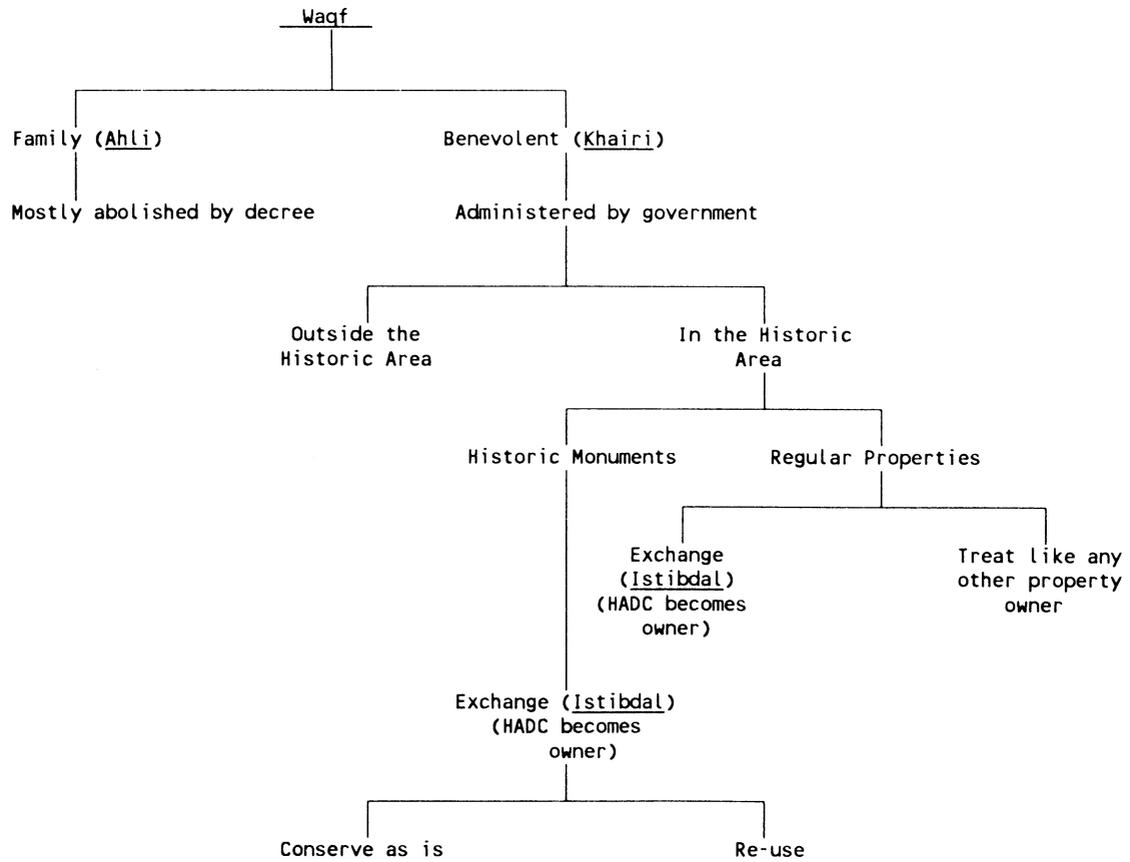
A. *Partners in the HADC*

The government, as its share in the partnership, would bring to the HADC all the real estate that it controls in the area. This could include vacant lots, streets, and alleys as well as public spaces, public buildings, and other government-owned land. These landholdings could be significant. Just looking at *surface area*, we find that in *Old Cairo* government buildings account for 11.94 percent of the total land area while vacant lands account for another 8.94 percent of the area. Streets and alleyways account for 33.74 percent (Appendix 1). The figures for *Old Tunis* are not significantly different with government holding 16.74 percent of the total land use in built-up areas and an additional 11.8 percent in vacant land (excluding possible government claims in approximately 7.6 percent of the land use which is in undetermined ownership). Streets and public spaces account for an additional 11.5 percent in that example (Appendix 2). In *Old Delhi* circulation spaces accounted for 15.6 percent of the total, community facilities for another 14.9 percent, and open spaces for 18.7 percent (Appendix 3). All these examples show that an immediately significant government contribution can be made to the HADC with minimal, if any, additional outlay of cash from the government itself. Indeed, government could, without putting up a penny but by putting its assets at the disposal of the HADC, have a significant bloc of shares in the corporation (or limited liability partnership) to anchor the public portion of the public-private partnership.

All of the remaining actors within the boundaries of the Historic Area would become partners within the HADC with shares allocated to them in direct proportion to the commercial values of their holdings. *Tenants* could have a share approximated by the market value of their tenancy while *owners* would have the actualized market value of their property as the basis for their acceding to shares in the HADC.

Religious Trusts, or Waqf, properties within the Muslim countries of Asia and Africa, where many historic cities are at risk, pose a slightly different problem (Figure 2). Many of these properties tend to be historic monuments, and others tend to be nontransactional by virtue of being tied up in trust. Scholarly studies within the Islamic tradition underline the possibility of exchange, if not outright sales, of *Waqf* properties, whether of historic value or not. Hence, the *Waqf* authorities

Figure 2. Decisions on Handling Waqf Properties



would enter into a negotiation with the HADC to surrender the *Waqf* properties that are deemed of historic merit and value to the HADC. These properties would be listed as national monuments, and the HADC would seek to restore and upgrade them. The *Waqf* authorities would be compensated by public land *outside* of the historic district in a swap arrangement (*Istibdal* under *Shari'a* Law) to enable those swapped properties to come under the aegis of the plans of the HADC. *Waqf* properties not deemed to have historic value could be either treated the same way as the historic ones or the *Waqf* authorities could continue to hold title to them and be given the same treatment as other private property owners within the historic area.

Private investors would bring capital and know how to the venture. These investors should be structured as a single juridical person and should involve national as well as foreign partners; conversely, the national investors could choose to enter on their own as limited liability partners. The foreign investor would best be a corporate structure that could enter into contractual agreements under both international and national laws. This foreign investor would bring a limited amount of capital but primarily would bring in expertise and management abilities. They should help bring in hotels and tourist facilities of international repute. In the case of a corporate structure the foreign partner could be a minority shareholder and hold (under separate contract) the management responsibility for the HADC. In the alternative approach the foreign partner would become the managing partner of a limited liability-general partnership, in which all of the other partners would have shares equivalent to the holdings that they bring to the creation of the HADC structure.

B. *Nature of the Partnership*

Whether the structure of the HADC is closer to that of a limited real estate partnership than to an outright corporation or not, it is essential to ensure broad day-to-day authority to *the managing partner*, or the corporate *management*. In the limited liability partnership the managing partner should be the private investor. If that arrangement proves politically unacceptable, one could go to a straight corporate structure with the allocation of stocks and voting shares distributed among the partners in the same pattern as described above. However, in the latter case the foreign partner may very well have to be given an additional bloc of created stock equivalent to a goodwill value for its name and established record in management and expertise, and be paid by the

corporation for the management task that is expected of it. While such arrangements would be workable, the "managing partner" in a limited liability partnership approach appears preferable as being, on the whole, more efficient than the straight corporate model.

Start-up costs of the management could be refunded either from sold shares, or by direct payment by the shareholders, that is, an indirect levy, or by accrual of a priority claim against an escrow account, whose pre-agreed funding would have first claim on any earnings made by the HADC. The details of such arrangements can be worked out case by case. Every situation has its unique characteristics. Every society and every city is different.

Operation of the HADC

Assuming that the HADC is now created and empowered with the legislative framework and the difficult part of sorting the assessments of the shares has been completed and contracted, the mandate would be given to the HADC management to prepare a plan of action. Such a plan should spell out the proposals for the physical administration of the historic area and of the buildings, and the proposed approach to the conservation and restoration efforts. This plan would have to be agreed upon. Public hearings and the testimony of an international panel of experts selected by the government and the HADC would be required before the plan would be authorized for implementation. This authorization would constitute the mandate of the HADC to physically intervene in all parts of the Historic Area.

The next step is to raise the funds to undertake the physical work. To that end, the following means can be employed:

A. *Vacant Land*

The vacant land that is immediately at the disposal of the HADC corresponds, in Tunis, to 12 percent (public) and 7.14 percent (private), or nearly 20 percent of the land use. In Old Delhi it would be some 6 percent (the official figure in 1970 was 18.7 percent, but two-thirds of that area was designated as parkland around the Jama Mosque in an area cleared by the Delhi Development Authority). In Old Cairo the open land accounts for 9 percent of the land use.

That vacant land constitutes an immediately available asset that does not involve any tenancy or any ownership dispute, nor does it require tearing down structures. The land would be effectively free and unencumbered by the enabling legislation. The HADC could use it for

collateral, against which borrowings from commercial banks could be undertaken to launch the project and provide additional working capital beyond what could be provided by the partners directly as cash payments.

An alternative worthy of mention is that should the HADC not wish to borrow using the open space as collateral, it could sell these parcels to developers who would agree to develop them in full consonance with the overall physical plan designed for the HADC under HADC's supervision. The revenue from sales would provide the working capital, and the increased tax revenue that would come from the development of the vacant lands would be an ongoing source of strengthening the tax base of the historic area and the revenue base of the HADC.

B. *User Charges*

The HADC would, in fact, be in a position *to levy user charges* on all the improvements that it would introduce into an historic area, including linkages into infrastructure and connection charges. It could use other mechanisms of raising funds, such as sales, rentals, leases, or cost recovery measures for provision of services. No specific taxes are envisaged because this would require taxing authority that is not provided in the mandate of the HADC. Taxing authority an inherently public function would compromise the predominantly private character of the proposed HADC.

C. *Stabilizing the Financial Position of the HADC*

The whole approach of the HADC should be to recapture the full value-added that the improvements will create in the area and to plow this back into the area, thus, over time, strengthening and consolidating the financial position of the HADC.

D. *Upgrading Residential Buildings in the Historic Cities*

Rent controls have always been major obstacles to the improvement of buildings in historic cities since owners have no incentive to maintain or upgrade the structures because they cannot recoup their investment. Rent control laws are not likely to be circumvented easily, and it would be difficult to argue that the tenants within the historic area should be treated differently than the tenants living outside the boundaries of the

historic area. To overcome the obstacle of rent control, it is suggested that the "sharing formulae" that are now found in several countries in the Middle East be used and developed further. These existing, legally recognized formulae allow *the costs of improvements to be shared by the owners and tenants in accordance with a predetermined formula*. Where such regulations do not exist, arrangements could be made whereby a loan to cover the costs of the improvements would be made to the tenants and the owner. The tenants would designate the owner as their proxy to negotiate the loan. The owner negotiates the loan, if need be using the building as collateral. The tenants would then agree to pay their prorated parts of the loan in a fixed series of installments that the owner would collect in parallel with the rent. Nonpayment by a tenant would be defaulting on a commercial claim and allow the owner, as proxy manager for the "syndicated" loan, to seek redress for a financial obligation without any reference to the owner-tenant relations covered by the housing and rent-control laws.

The HADC would have little, if any, direct involvement with upgrading housing stock that is not listed as historic buildings. The HADC could provide technical advice to ensure the quality of the upgrading and facilitate the linkage to improvements, such as in infrastructure.

E. *Government Taxes*

Government taxes, which would increase in proportion to the massive improvements in the whole area, should go directly to improving the public facilities, schools and dispensaries, for example, within the Historic Area. It should *not* be siphoned off to other areas. This is essential for the success of the overall scheme because the quality of these public services which will remain outside the HADC's mandate should also be upgraded.

Likely Returns on Investments

That investments in upgrading the old city's infrastructure will have a positive Economic Rate of Return (ERR) is demonstrable from World Bank-financed projects. These can be significantly above the opportunity cost of capital as demonstrated in the case of Tunis (calculated in the early 1980s), which showed an Internal Economic Rate of Return (IERR) of 18 percent. Furthermore, the estimates of the IERR tend to be quite robust. The base case for Tunis was subjected to a sensitivity analysis with the following results:

<u>Assumed Case</u>	<u>IERR</u>
Base case	18%
10% increase in costs	16%
10% decrease in benefits	16%
10% increase in costs <i>and</i>	14%
10% decrease in benefits	
<i>One-year delay in benefits</i>	15%

Source: Ismail Serageldin, "Financing the Adaptive Reuse of Culturally Significant Areas," ed. Yadhishthir Raj Isar, *The Challenge to Our Cultural Heritage: Why Preserve the Past?* (Washington, D.C.: Smithsonian Institution Press and Paris: UNESCO, 1986), 89.

As can be seen, even in the worst possible combination of a 10 percent cost increase *and* a 10 percent reduction in benefits, the IERR is still a respectable 14 percent.²⁸

This, of course, could argue for direct government investment in that part of the rehabilitation of the historic city program. However, the indirect costs of such government intervention, such as dilution of the clear mandate of the HADC and the presence of two sets of contractors reporting to different institutional clients on the same site, incline me to argue in favor of *not* seeking government intervention unless the financing plan could not be completed without it. Maintaining the HADC proposal as sketched out would have the added attraction of underlining the philosophical essence of a good public-private partnership: government creates the "enabling environment" and then lets the private sector do as much of the work as possible.

Impact on Poverty

In the cases for which we have detailed comparable data, the residents of the old historic cities tend to be among the poorer if not the poorest urban dwellers. In Tunisia the analysis for the Hafsia Project in the historic city showed that the residents of Hafsia were the poorest among the other poor districts in Tunis

²⁸The Hafsia, Tunis project's projections were conservative. For comparison purposes, the returns on upgrading *next* to (not *in*) the old historic center of Sanaa, Yemen, calculated at the same time as the Hafsia project were around 24 percent and equally robust as shown by the following figures:

<u>Case</u>		<u>IERR Upgrading</u>	<u>External Sites and Services</u>
Base Case		24%	27%
Cost	+ 20%	20%	23%
Cost	- 20%	28%	33%
Benefits	+ 20%	27%	32%
Benefits	- 20%	19%	22%
Costs	+ 20% and		
Benefits	- 20%	16%	217%

Source: World Bank Calculations, Report No. 3642-YAR, December 30, 1981 (Unpublished).

(Ettadhamen and Kram-Ouest) as can be seen from Figure 3, which plots the income distribution curves for the three neighborhoods.

Thus, the involvement of all parties, international and national, public and private, in such an enterprise should also be part of a carefully structured poverty-reduction approach. Gentrification and displacement, if they do occur, must be accompanied by adequate compensation and assistance. The benefits that should accrue to the poorer residents should be protected from possible "hijacking" by the wealthy and the powerful. The government and international community's involvement would help ensure that the private sector brings its expertise and efficiency and earns a fair return on its investments but is not allowed to run rampant over the poor and destitute or to destroy the cultural heritage in search of quick profits.

The Case for Development Agency Involvement

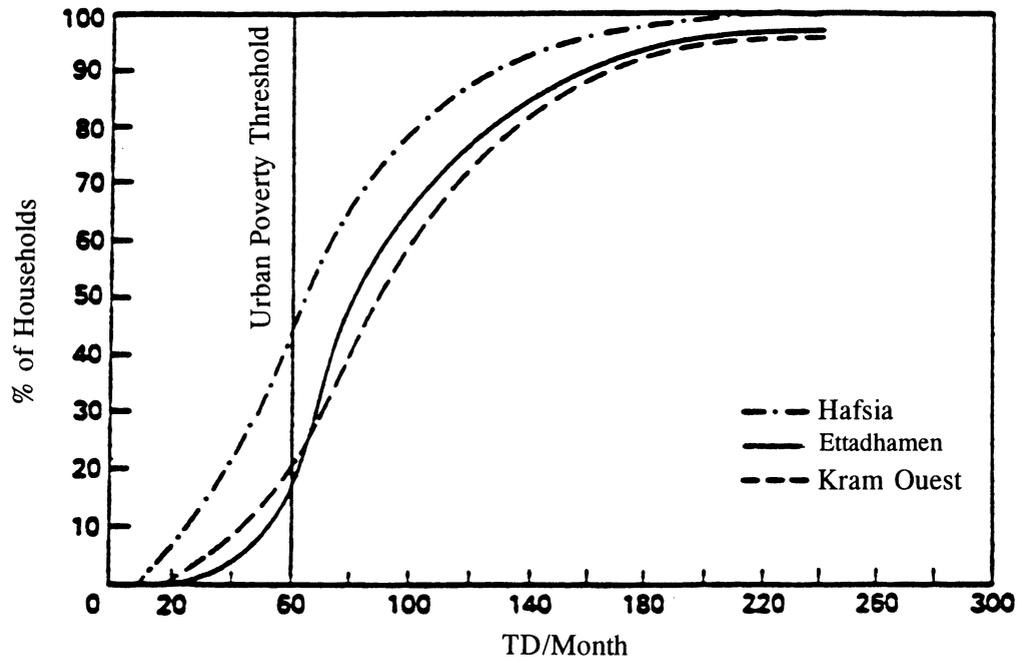
Projects aimed at the rejuvenation of historic cities should be supported by all the mainstream development agencies because:

- They are intrinsically sound investments.
- They have a major impact in protecting the cultural heritage for humanity at large. Cairo and Fez, for example, are on the world heritage list.
- They deal with pockets of persistent poverty in urban areas.
- They attract private investments.
- They help establish a new framework for public-private partnership a truly "enabling environment."

Development agencies, therefore, should support such interventions. International institutions can help together such a "package" involving national policy changes, institutional development, foreign direct investment (FDI), and sensitivity to culture and the poor in an economically and financially sound framework.

The risks of failure are no greater than those encountered in most urban slum upgrading projects that the World Bank and other donors have financed before and continue to finance. The novel features of the institutional structure (the HADC) and reliance on the private sector should in fact *reduce* the complexity of implementation although they could delay the start of implementation while the enabling legislation is put in place and the initial distribution of shares is made. But that potential delay is itself a guarantee of greater chances of success. By making the HADC a go/no-go condition, the donors and the foreign private partners are assured of the structure before they go in.

Figure 3. Income Distribution in Three Tunisian Districts



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Finally, institutions such as UNESCO and the International Centre for the Study of the Preservation and Restoration of Cultural Property (ICCROM) should be involved in every one of the issues surrounding the historic monuments.

Concluding Remarks

Dealing with historic cities is difficult and demanding, but the unique cultural contribution they make must challenge us all to find workable solutions to this complex problem. The Historical Area Development Corporation, or HADC, is one suggestion that, I believe, deserves further attention. There are doubtless many others, but whatever approaches are actually adopted, it behooves development agencies to see the problem of historic cities as an important priority within the growing urban sector of developing countries.

*Appendix 1***Pattern of Land Use in Old Cairo¹ (ca. 1970)**

<i>Residential and Mixed Uses (Private)</i>		45.84 percent
Residential only	18.28	
Residential/commercial	18.56	
Residential/industrial	0.78	
Commercial	6.24	
Industrial	6.30	
Commercial/industrial	1.68	
 <i>Public Buildings</i>		11.94 percent
Schools	3.54	
Other public buildings	5.50	
Religious buildings	2.32	
Listed monuments	0.58	
 <i>Circulation (Public)²</i>		33.28 percent
 <i>Vacant Lands</i>		8.94 percent
Public open space	2.95	
Vacant	5.99	
 <i>Total</i>		100.00 percent

Note: Floor area ratio (F.A.R.) was around 3.0.

¹Includes Darb Al-Ahmar, Gamalia, Bab Al-Sha'riya, and Boulaq.

²Includes Al-Azhar open areas and Al-Husain Square (which was then parking and is now a garden). If parking is excluded, this category would be 28 percent.

Appendix 2

Pattern of Land Use in Old Tunis (Hafsia Quarter, 1982)

<i>Streets and Public Open Space</i>		11.49 percent
<i>Community Uses</i>		9.41 percent
<i>Built-up Areas</i>		
	Private	35.84 percent
	Public	16.74 percent
<i>Vacant Land</i>		
	Private	7.14 percent
	Public	11.80 percent
	Unknown	7.58 percent
		<hr/>
<i>Total</i>		100.00 percent

Note: Floor area ratio (F.A.R.) (excluding cleared areas) varies between 1.6 and 2.5.

Appendix 3**Pattern of Land Use in Old Delhi (1969-1970)**

<i>Residential (mostly private)</i> ¹	34.7 percent
<i>Commercial (mostly private)</i>	10.7 percent
<i>Industrial (mostly private)</i>	2.4 percent
<i>Community facilities (mostly public)</i>	14.9 percent
<i>Circulation (public)</i>	15.6 percent
<i>Open space (public)</i> ²	18.7 percent
	<hr/>
<i>Total</i>	100.0 percent

Note: Floor area ratio (F.A.R.) varied between 2.0 and 2.5.

¹Includes about 25 percent in open-to-sky courtyards.

²Includes (about two-thirds of the area) clearing by the Delhi Development Authority (DDA) around the Jama' Mosque.

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