

A Study on Urbanization and Housing Development in Yangon

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Abstract

The objective of the study is the conditions of housing demand due to urbanization and how relevant institutions supply this need. The paper focuses on the evolution of urbanization process and the structure of housing development in Yangon. With forces of the urban growing and urban pushing and pulling factors, most of the world countries are changed to formation to megacity. These urbanization processes are also prominently in Yangon that one of Myanmar cities where has a present population of growth up to over 7 million. Based on major milestones in the history of urbanization and housing development, the papers provide the history of housing development in Yangon city. The study reveals that housing problems ' are the most critical problems and dwellers in Yangon have to live with housing shortage to be tackled compulsorily. So the government has initiated many housing schemes since the last two decades especially in Yangon so that it can solve to some extent of housing supply needed for the majority of population in Yangon. This paper aim to study Yangon urbanization and housing supply condition.

Key words: Urbanization, Housing development and Department of Human settlement and Housing Development, Yangon City Development Committee.

1. Introduction

Most countries in the world especially the developing countries, face housing problems, the main reasons that cause it in the urban areas is the population explosion, and the movement of people from rural to urban areas. Housing is the basic human need and the most principal thing for human being. United nation Declaration of Millennium development goals setting in its involvement is also very crucial for poverty alleviation. Housing development and human ownership of their properties strongly link with each other in the real world because housing is also one of the long-term investments as long as we are alive. However, housing condition compliance is complementary with the facilitation of infrastructures and environmental amenities. Currently, more than 1 billion people are living in slums in the world. Over the next 25 years, more than 2 billion people will add to this growing demand for housing and basic infrastructure services. The situation is particularly serious in developing countries where governments at central, regional and local levels often Lecturer, Department of Economics, Co-operative University, Thanlyin' lack the resources to adequately address this challenge. The housing challenge is particularly evident in urban Asia. Although Asia is still predominantly rural, it is urbanizing at the fastest rate in the

world. Predictions suggest that between 2010 and 2050. The Urban population in Asia will nearly double to reach 3.4 billion. Every day Asian cities will need to accommodate the 120,000 new residents, equate to at least 20,000 housing units.

Accordingly with the urbanization process, pulling factors of better opportunities for economic, social from rural to urban migration processes and regular growth rate of urban population is also figured one. Myanmar was expected to more growth of population, on the one hand, urban housing market is expected to grow continuously in the near future. According to the national development reform program and the changing reform to political practices, economic opportunities open up and supply more of infrastructure. At present, the key challenges to Myanmar housing development become with its calculated households size of 4.7 in 12 million household throughout the country. Thus, demand for housing comes to increase annually around 20000 units for Yangon city's dwellers. Especially, Yangon city's population growth is more than past decade. Yangon city experienced migration process since 1950. In 2013, the Myanmar Ministry of Construction announced a target to build more than one million houses across the country. There has been slated to take a period of 20 years (50,000 units annually) to meet the demand for residential real estate. According to the Department of Human Settlement and Housing Development (DHSHD), only 7,000 houses are currently being built versus the annual demand of 20,000 units. The government has indicated its willingness to cooperate with private sector construction companies in major cities such as Yangon and Mandalay while wholly carrying out construction in other areas of the country using government loans. Yangon has been slated to receive 50,000 new units.

The implementation of Housing Provision system is set up to appropriate level of income households. There were upper-middle and high income households that live in housing built by themselves or built by the private sector, middle income households often occupy formal housing types and low quality housing and low-income households can be found in slums and squatter settlements, or informal rental housing. DHSHD and Yangon City Development Committee (Y'CDC) are perpetually solving in several ways to the demand for housing needs of Yangon city. Since the past decades, DHSHD has already created low-income housing and rental housing projects for low income households, government servant, and pensioners. The 2013 Urban Development Conference held in Yangon displayed plans to transform Yangon into a megacity with sprawling industrial complexes and middle-class housing projects. And then there has already begun two massive low-priced housing estate complexes in Yangon's suburban area. Indeed, these are being built in mind for the expected influx of people moving to urban Yangon for better work opportunities.

1.1 Objectives of study

This study is intended to explore conditions of housing demand due to urbanization and solutions for housing need in Yangon city. In this regard, it also aims at studying how the responsible organizations solve for that problems and functioning of that organizations.

1.2 Method of study

The method used in this paper is mainly a descriptive method of research employing secondary data sources based on information published from relevant institutions. The major secondary data utilized were collected from the Department of Human settlement and Housing development (now Department of Urban and Housing Development)

1.3 Scope and limitation κ

In the study, urbanization and housing conditions after 1990 has been emphasized. Some data have been limited only up to 2011.

2. Literature Review on Urbanization and Housing Development

2.1 Urbanization

Urbanization also refers to the process by which rural areas become urbanized as a result of economic development and industrialization. Urbanization as a structural process of change is generally related to industrialization but it is not always the result of industrialization. Urbanization emerges due to the concentration of large-scale and small scale industrial and commercial, financial and administrative set up in the cities; technological development in transport and communication, cultural and recreational activities.

Urbanization is a process of population concentration. In the developing countries, urbanization is being occurred quite fast because people are moving from rural areas to urban areas, and also from smaller urban areas to big cities. When people move from rural areas, where density of population is lower, to urban areas, where density of population is higher, urbanization takes place. The reasons are associated with high density of population, economies of scale, culture that promotes creativity and innovation and frees individual from traditional institutions, greater participation in global processes, better transportation and communication facilities, better infrastructure and conditions that promote need for achievement.

However, the implication of rapid urban growth includes increasing unemployment, lack of urban services, overburdening of existing infrastructure and lack of access to land, finance and adequate shelter, increasing violent crime and sexually transmitted diseases, and environmental degradation. Even as national output is rising, a decline in the quality of life for a majority of population that offsets the benefit of national economic growth is often witnessed. Urbanization thus imposes significant burden to sustainable development.

Urbanization involves millions of individual decisions about where to live and work. Hence, urban growth has a number of positive impacts on the environment and human well-being, i.e. higher population densities, decline to low per capita income, providing to water and energy supply, health care, infrastructure and services. Also, urbanization has historically been associated with population pressure on land and natural resources. On the other hand, almost all major cities of the region are increasingly plagued by environmental problems.

- (a) Urbanization and economic development are intimately related, and the concentration of resources on labor and capital is a part of this process in the cities. To the extent that s • movements of these factors represent a rational response to market signals about scarcity, there is no reason for concern about the size of any city or the size distribution of cities in general. To the extent that external effects, such as pollution and congestion, are un-priced in cities, conurbations will be too large, but not by too much. Public concerns about pricing congested roadways and about water supplies and public health investments to decrease the chances of epidemic are well placed. From this perspective, the concern with urban slums and low-quality housing, which impose no externalities per se, is less important. Urban poverty in developing countries is not an excuse for adopting policies that limit the extent of urbanization.

Rural-Urban Migration-Primary driving forces of rural-urban migration include the opportunities and services offered in urban areas - especially jobs and education, while in some cases, conflict, land degradation and exhaustion of natural resources in rural areas are also important. The patterns of rural-urban migration may change the city's economic base, labor market and age structure. They also reflect social, economic and political changes within the region and nation. Increasing the income and level of education of rural population accelerates migration and this phenomenon, coupled with the greater access to urban areas, has led to an inevitable increase in rural populations seeking employment opportunities in urban areas.

2.2 Housing Development

Housing (also referred to as 'shelter') has contributed as a holistic and multi-dimensional concept. According to this, adequate and affordable housing depends fundamentally on the structure and functioning of the entire housing sector and its components. It can enhance economic performance and place competitiveness, but it can also lead to segregation and spatial concentrations of poverty. However, too often housing investment has taken place in isolation from the wider economic context. Thus implementing a more integrated response to housing and economic development will be the key challenge for most countries.

Housing is often viewed as a barometer for the state of the economy, and this is certainly the case at the moment. The relationship between housing and economic performance, however, operates at a number of spatial levels. Moreover the type and quality of the housing offer can have a significant impact on the health and wealth of places.

The Role of Government in Housing Development

A housing problems and issues in the urban areas begin from the process of urbanization and industrialization, which bring in many immigrants from rural areas. Most of immigrants come from the lower and medium income groups. They can't afford to pay rental or purchase houses at a higher price. Thus, it created socio-economic problems, especially in the urban areas. To solve these problems, the government intervention is needed. Government intervention can be in the form of introducing various housing policies and regulations. During the 1970s and 1980s, it became increasingly clear that governments could not maintain a role as direct producers of housing, and that this role must necessarily be performed by the formal or informal private sector. Governments have retreated from ambitious public housing programs that demanded heavy yet unsustainable subsidies and have increasingly opted for programs focusing on assistance, rather than direct production. Some governments have moved from producing low-cost apartments to providing serviced sites on which people could build their own houses, for example. Other governments have abandoned housing projects altogether and concentrated instead on arranging for mortgage financing. In general, the move has been away from the role of government as producer, to a new role as enabler, facilitating and encouraging housing activities by the private sector. Population Growth and Housing Problems in Urbanized Yangon. The biggest cities of Yangon is 6 million over, Mandalay is 1.5 million and Naypyitaw is 0.9 million in Myanmar. Among of these cities, Yangon City is booming urban center as it is one of the fastest growing metropolitan areas in Myanmar. Due to the urban opportunities and economic development, population of Yangon City historically increases by labor migration year after year. The Yangon's population is growing after 1948 as many people whose people are migrated from other states and Regions since 1950. But after 1990s,

population growth of Yangon city is more than past period. Furthermore, SPDC government's open up market policies that allowance to shape new modern country. Economic system changing after 1990, government was established new towns for settlement which are pull factors for migration from rural to Yangon. The formation of new towns, Industrial zones and other economically or socially urban opportunities are more attractiveness for migration process.

3. Urbanization

More than 50% of people worldwide live in cities, and people migrate to cities for many reasons including family ties and job opportunities. Urbanization changes the economic, social and political set up of a country or region and has several negative impact. Urbanization leads to deficit in jobs. Businesses and government cannot produce enough jobs to meet the demand of a fast-growing population as well as enough housing units and residential areas. And urban pollution poses a serious threat to health. Urbanization limits our access to the resources and affects the crime rate.

Many intractable problems typically accompany rapid urban growth such as poverty, unemployment, inadequate shelter, expanding squatter slum, poor sanitation, contaminated or depleted water supplies, secure fire, air pollution and overloaded public transport system. Of all, housing need is the first and most important problem we must solve.

4. Population Growth and Housing Problems in Urbanized Yangon

Now, Yangon has a population of over 7 million, Mandalay with 1.5 million and Nay pyitaw 1.06 million in Myanmar. Among them, Yangon City is booming as an urban center as it is one of the fastest growing metropolitan areas in Myanmar. Due to the urban opportunities and economic development, population of Yangon City increased by labor migration year after year. The Yangon's population is growing after 1948 as many people migrated from other states and Regions since 1950. But after 1990s, population growth of Yangon city is more than past period. Furthermore, State peace and Development Council (SPDC) government opened up market policies that allow to shape new modern country. After 1990, government established new towns for settlement. The formation of new towns, Industrial zones and other economically or socially urban opportunities are more attractive for migration process.

Yangon City which is the primate city of the country had a total population of 2.02 million in 1973, nearly 2.513 million in 1983, 3.5 million in 2000 and 6.944million at the end of 2010-2011 and 7.355 million in 2014. Nation population is 54.164million in 2014. Anyhow it represented approximately nearly 14% of the nation's population . It is caused by three events which are naturally increasing, migration from other regions and boundary expansion. Among of these, the major cause is found in migration from other regions for urban advantages.

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5. Approaching to Housing Development Processes in Yangon

After independence, in 1951, Rangoon Development Trusteeship (RDT) was transformed into National Housing Board (NHB) with the promulgation of Town and Country Development

Act and in some cases to the relevant ministries and public corporations. In 1965, responsibilities for the construction of houses was taken over by the Public Works Corporation, while NHB continued to plan, finance and manage housing. It was changed into Department of Housing Development (DHD) in 1972 and the Department was recognized as Department of Human Settlement and Housing Development (DHSHD) in 1990. Through changes in name only (during 1974), NHB became HD and the Public Works Corporation became the Construction Corporation. The May 1990 City of Yangon Development Law transfers land-administration, planning and land- development functions to the YCDC from HD, and provides for amended financial arrangements.

5.1 Housing Projects Practices after 1988

Since 1988, under the new economic policy, many projects actions affecting the housing sectors in urban development were launched.

These can be summarized as:

- Development and extension of sub-urban residential areas in Shwepyithar, Hlaingthayar and Dagon South and North, resettling approximately (400,000) population into the respective newly developed areas.
 - Reclamation of squatter settlements (approximately: 51020 families) and resettling in either in the above mentioned areas or in the multi-storied apartments which were developed jointly between YCDC, DHSHD and the private sector
 - Allowing and encouraging building activities of private sectors
 - Overall improvement of urban environment by constructing and improving new roads, and open green areas.
 - Extension and improvement of city's infrastructure.
 - Enlarging the city area from about 71 square miles to approximately 300 square miles.

These activities and projects increase the housing supply (approximately 5000 from 1987 - 1997) that consists of Resettlement families (74472), hut -to- apartment families (3960). The action to encourage and cooperate with the private construction sectors alone provided approximately (1500) apartment during 1988-1992 period.

During the early of 1990, the Yangon squatter clearance and resettlement program was launched. Major Land Development schemes (i.e. site & services) were implemented in four new suburban townships. Two new settlements, (South & North Dagon), are located in the north- east of CBD and the other two (ShwePyiThar and HlaingTharya) are in the north & north-west respectively. At that time, city area has reached up to 150 square miles.

5.2 Institutional Intervention at Housing Development for Yangon City

Department of Human Settlement and Housing Development (DHSHD), implemented programs such as;

- (a) Public Rental Housing
- (b) Site and Services Schemes (after 1989, large scale developments of approximately 160,000 plots for around about 490, 000 persons. From 1989 to 1993 about 200,000 households of squatter dwellers within Yangon City were relocated to four New Dagon Townships, Shwepyitha and Hlaingtharyar).
- (c) Squatter Slum Upgrading (hut- to- apartment scheme) (Average of minimum 600sq.ft to maximum 1000 square feet of floor space and those equipped with water and power supply have been provided to the squatter families. There are 44 hut-to-apartment projects of more than 1,777 dwellings).
- (d) Urban Redevelopment Projects.
- (e) Low-cost Housing Development: Since 1997, low cost housing programs such as housing in Dagon, Hlaingtharyar, North Okkalapa and Danyingone have been introduced and 2,676 apartments units have been constructed for the benefits of lower and middle-income people especially government servant and pensioners.
- (f) The Ministry of Construction planned 20 years Long-term Development Plan in Housing

Sector and intends to produce for one million housing during 2011 to 2031 in regions/states'

capital cities and secondary towns of Myanmar. Among these plan, from 2013 to 2016, 100,000 housing units will be targeted to produce. This time- adjustment housing schemes was prepared for;- Locations where are in Regions/State's capital cities & secondary towns.- Target Group - Priority for government servants and low-income people - Delivery system - income level & status accordingly - Financing system - Housing Mortgage Loan for 20'years - Housing Financing System (Bank, Finance Institution) - Investment - Government Budget/ Revolving Fund/ PPP & Loans, grant - Planning - Township Development - Infrastructure - water, sanitation , electricity supply, waste management, road & drainage's - Operation & Management - DHSHD + ward council + community

5.3 Housing Provision in Yangon City

During the decade 1993-2003, the growth rate was 3.4% annually due to mass migration into the urban areas of Yangon. Furthermore, economic system was changed after 1988 and establishment of new towns are pulling factors for migration from rural to Yangon City. According to the economic scale, the net production value of the Yangon Region was Myanmar kyat (MK) 8,818,345 million in 2010-2011, accounting for approximately 22% of the country's gross domestic product (GDP). Annual population growth rate in Yangon City is estimated as 2.61% per annum during the 2003-2013 which means 130,000 persons are increasing each year. During 1993 to 2013, housing units was produced up to 54402 units from DHSHD. But, growing population and housing units produced are not matched.

Table-1 classification of housing constructed by DHSHD

No	Year	Low cost housing	Hut-to apartment housing	Urban redevelopment/ area development housing	Rental housing	High-class housing	Total	'Site and service
1	1993			369			369	
2	1994		351	231			582	
3	1995		1402	661			2063	
4	1996		2223	766			2989	
5	1997		3617	2504			6121	
6	1998		1838	3661			5499	
7	1999	128	666	3709			4503	
8	2000	1072	576	3540	20		5208	
9	2001	1187	314	3216			4717	
10	2002	299	454	2653	24		3430	

11	2003	115		2741			2856	
12	2004	547		2806	24	80	3457	
13	2005			2350		203	2553	
14	2006			2412		236	2672	
15	2007			1065		353	1418	
16	2008			617		520	1137	
17	2009			775	24	618	1417	
18	2010			788	24	463	1275	
19	2011			739		221	960	
Total		3348	11441	35603	140	2694	53226	233444

Source-Department of Human settlement and Housing development

According to housing Delivery system, main provider, DHSHD in Yangon launched rental housing, low-cost housing, hut- to- apartment housing and urban redevelopment projects. Such these projects implemented from 1993 to 2011 are classified in Table-1. According to table, up to 2011, 53226 housing units have been implemented.

Looking at the table, it is found that although low -cost housing is very important for low-income families in Yangon, DHSHD could not supply it abundantly from 1993 to 1998 and from 2005 to now. Hut-to-apartment housing are not also constructed from 2003 to now. Thus, squatter slums are increasing day by day. Because the rental housing cannot be created, the need for housing becomes greater and greater year by year. It can be seen that DHSHD could support for urban redevelopment and area development housing only from 1993 to 2011.

5.4 Housing Project Planning by DHSHD&YCDC through Public-Private Partnership program (2013-2015)

For achieving adequate shelter for all, most of the governments of Myanmar are solving experiences in several ways; housing needs is a frequently- faced- problem by migration or population growth processes. After 1990s, housing co-operatives, construction companies, contractors and private developers were allowed to operate housing construction works. Participation of the Private in housing sector was encouraged. Therefore, landowners and construction contractors who have capital investment and expertise and persons who need housing made joint efforts in the implementation of housing project. Since that time, housing market has developed and market structure has been changed. Housing industry has become a kind of business in which investment opportunities are emerging. So the government implements the city housing projects by joining hands with the private developers in doing so. Yangon City Housing Projects Supervisory Committee was formed and the private developers have to carry out the housing projects under the guidance of the committee. The committee makes arrangements for the private developers to gain reasonable benefits and also to

enable the households buy apartments of reasonable prices. In according with the guidance of committee, developers have to implement the housing projects by making earnest efforts for timely completion and the set standard. Thus by joining the hands, the government and private developers would have successfully upgraded Yangon City to international standards.

In the arrangement for private sector housing development, the agreement between land owners and contractors has to make first and step by step undertakings to build new buildings. For construction of high-rise buildings, land owners joined hands with the contractors. Land owners must cooperate with the contractors who are familiar with the procedures of getting license for building new ones from YCDC. Initially, land owners contract directly (or) via brokers the contractors. Depending on the size of land plots and size, land owners and contractors constructed high-rise buildings on a mutual benefit basis. Usually, land owners and contractors enjoy equal profits. Depending on the size of the land site and money taken by the land owners from the contractors, they made agreement on apartment-sharing of the buildings. Land owners and contractors, first of all make construction agreements. And Land owners have to hand over the general power for land plots and construction of building to the contractors. Land owners and contractors make mapping of land plots from YCDC (Land Department). By attaching blue print of the building design, soil tests of land plots and calculation of cost estimates the construction contractor has to apply for permits to Building Department of YCDC. YCDC launched to ease the housing project for housing demanded burden of Yangon city. This is that The YCDC initiated to affordable housing projects in three areas (Bo Min Yaung, Bo Ba Htoo and South Dagon) where was targeted to be constructed 4224 units of affordable housing for budget year 2013 to 2015.

5.5 Housing Development Projects for low and Middle-Income Families in Yangon

These high demanded housing projects were initially intended to enable those with sufficient saving to purchase an apartment with reasonable cost. Unit prices have been charged lower only for the construction cost of buildings and basic infrastructure excluding land cost. The dimension of apartment if minimum 620 square feet to maximum 900 square feet of floor space equipped with water and power supply for a unit of household consists of two bedrooms. Well-known low cost housing projects have been constructed for the benefits of lower and middle-income people, government servant pensioners and several servant staffs. There were four locations (Hlaing Tharyar, Mingalardone, Dagon Seikkan Dagon East) demarcated for low-cost housing in 7 projects for output units aimed at 11868 number and four locations (Dagon Seikkan Hlaing Tharyar, Dagon South, Shwe Pyithar) have been chosen for 7 affordable housing projects to get outcome into units 26142 number in coming 2015. DHSHD PPP designated projects were structured upon redevelopment project and other projects, which aims to produce into 42578 units.

6. Conclusion

This paper is only a preliminary study to pave the way for additional study. Availability of data are somewhat limited by availability of data, the following conclusion and discussion will be made. Most countries in the world especially the developing countries have been facing with huge problems of housing. The major reasons for these problems are rapid urbanizations, rapid population growth, the movement of people from rural to urban areas. So, it cause serious problems for settlement and resettlement slum and squatter.

As for housing construction, the net production value of Yangon was Myanmar kyat (MK)8818345 million even during 2010-2011. But it is found that annual population growth rate in Yangon city is estimated as 2.61% per annum during 2003-2013. Thus, housing supply and demand are not at equilibrium level. In the process of Yangon housing development, the region government is enforced to solve at the housing problems by public rental housing, sites and services schemes, slums and squatters resettlement (hut-to apartment housing)? Now Myanmar has regulated to participate as provider or facilitator in housing development. The two authorized department of Urban and Housing development (UHD) and YCDC have laid down PPP policy in housing supply. In this regard, low cost affordable housing for low and moderate income households are given priority.

6.1 Recommendation and suggestion

Urban development planning requires wide spread consideration to be matched with the current situation of economic development. The government has adopted housing strategies clear visions. The visions to be realistic in the near future are;

1. To assign relevant institutions
2. To fulfill the gaps of housing needs
3. To upgrade the low standard housing
4. To adopt procedures for sustainable housing development

Of all, low cost housing and hut-to-apartment housing projects are very effective way of housing solution. Since the DHSHD (now UHD) and developer have to incur basic infrastructure costs, the price of low cost apartment could be reduced for low income family. Such development projects would have to implement in the future by coordinating public and private partnership. With regard to housing delivery, there should be transparent in distribution for low income families especially low cost housing distribution as well as other value level of housing. There should be given priority to families needed for houses and free buying system for everybody who want to buy. Equity and equality based system of housing delivery should be adopted instead of defining criteria based on positions of government officials. For private developers of low cost housing development, bank loan mechanism should be practiced for convenience of working capital especially in long term high -valued housing projects. By developing capital market for housing, the economic activities related with housing and real estate would accelerate the economic development.

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