Comparative Public Policy Paper: Development and Urban Planning in China and Iran

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"*On my honor I have neither given nor received unauthorized information regarding this work, I have followed and will continue to observe all regulations regarding it, and I am unaware of any violation of the Honor Code by others.*"

*Introduction*

Due to demographic changes, urbanization, and the globalization of communications and the economy, urban planning and infrastructure development have become increasingly important aspects of a government’s bureaucracy. Depending on the concentration of power and modernization of a state, urban planning and development can either be efficient and effective, or can further inequality between rural and urban areas, lead to an affordable housing crisis or hinder economic output. Both the People’s Republic of China and the Islamic Republic of Iran (hereafter referred to as China and Iran, respectively) have similar state bureaucracies, yet face different organizational and policy challenges toward urbanization and development.

*China*

With a rapidly urbanizing and growing population, urban planning and development is a central policy issue in China. While slowing, China’s urban population growth of 2.7% and population density of 147.7 people per square kilometer require continuous planning of urban spaces.[[1]](#footnote-1) Additionally, China’s electric power consumption of 3,927 kWh per capita and industrializing economy have led to an increased need to invest in energy production and infrastructure.[[2]](#footnote-2) In 2015, China invested over $598 billion into domestic transportation infrastructure projects, including maintaining and creating new roads and rail lines.[[3]](#footnote-3) While China’s total transportation infrastructure investment in 2015 was a comparatively high 5.4% of their GDP ($11.065 trillion), the World Economic Forum currently ranks China’s roads as 39th globally in terms of quality and safety.[[4]](#footnote-4) China will have to continue its investment into new transportation systems while increasing maintenance of existing roads. Overall, China’s yearly infrastructure spending, which far outpaces the rest of the OECD in terms of spending levels, should result in one of the world’s most comprehensive inland transportation systems, not one that trails Western Europe and parts of the Middle East and East Asia.[[5]](#footnote-5)

Part of China’s planning and development problems are a result of their national land-use policies, which inevitably ensure that urbanizing areas receive a disproportionate amount of spending and investment compared to rural areas in need of new roads. In her article on the impacts of land-use policies on Chinese urbanization, Lynette H. Ong reports that China’s land-use policies and national grain security policy encourage high population density in urban areas and shield rural areas from development, while pouring investment into the remaining urbanizing areas.[[6]](#footnote-6) China’s policies protect farmland from being turned into high-speed rail or road systems, yet they also ensure that infrastructure projects avoid protected rural areas and focus only on urbanizing areas. Ong writes that “urbanization in recent decades has become an entrepreneurial and profiteering enterprise actively pursued by the government in order to augment revenue,” showing that China’s principle concerns are not about increasing infrastructural support and safety for all citizens, but instead primarily focus on developing more urbanizing and suburban areas for economic gain.[[7]](#footnote-7) This creates regional inequalities in China, with eastern and developed states receiving greater amounts of project investment than northwestern and underdeveloped regions due to the central government’s land-use policies.

In addition to policies and investments that prioritize developing in economically developed areas, China’s bureaucracy hinders development projects in rural areas. Through their use of a top-down centralized system, all localized development and infrastructure projects are determined and funded by the government at the national level. Sabrina Habich-Sobiegalla, in her study of how this federalized decision process impacts local water projects and governance, reports that most of the development money is given “to regions that do not necessarily need such funds but which have the greatest prospects of achieving their targets quickly.”[[8]](#footnote-8) Going further, Habich-Sobiegalla details how “projects pass through top-down tendering processes and bottom-up competition,” which further disadvantages more rural and poorer areas.[[9]](#footnote-9) China’s policies further regional inequalities in development by ignoring the policy needs of disadvantaged areas.

*Iran*

While China struggles with creating policies that benefit both highly developed urban areas and their vast stretches of rural farmland, Iran has a more homogenous spatial organization. With a population density of just 49.8 people per square kilometer and an urban population growth rate of 1.8%, Iran’s population is industrializing and developing at a slower pace than China’s.[[10]](#footnote-10) However, Iran currently experiences a more uniform push to industrialize, which means that all areas are facing pressures to urbanize in order to stay economically competitive. The stability of Iran’s economy largely relies on oil exports and prices, which can reduce available funds for development and planning projects when oil prices drop. Iran currently struggles with an outdated infrastructure system, with the World Economic Forum ranking Iran as 66th in terms of road quality, and an over-complex bureaucracy which hinders new development projects.[[11]](#footnote-11)

The failure of the government to plan for industrialization in Iran has led to housing shortages, problems with urban infrastructure and agricultural difficulties.[[12]](#footnote-12) A journal article studying urban planning in Iraq over the last five decades found that due to the war with Iraq that consumed most of the 1980s, urban growth skyrocketed as the government’s attention was focused on foreign policy.[[13]](#footnote-13) Combined with an increasing centralization of power by the national government, new policies have been implemented that fail to address local urban planning and development issues. The journal article found that “the requests and facilities of municipalities are not necessarily considered in either the preparation or the approval process.”[[14]](#footnote-14) Additionally, unlike the Chinese bureaucracy where the Ministry of Housing and Urban-Rural Development is in charge of development projects, the process in Iran can often be complicated: as many as four Iranian agencies and additional municipal governments may have to approve each project.[[15]](#footnote-15) For example, the urban development process in Iran requires input and approval from the Technical Bureau of Province Urban Development Council, Provincial Urban Development & Architecture Council, Technical Bureau of Supreme Council of Urban Development & Architecture of Iran, and the Supreme Council of Urban Development & Architecture.[[16]](#footnote-16) In addition to creating bureaucratic inefficiency, this results in a lack of transparency over development decisions and provides no measure for public input on projects.[[17]](#footnote-17) Iran’s centralized state is unable to create effective development and planning policy to address the problems that come with urbanization and industrialization.

*Conclusions*

Both China and Iran have authoritarian and unitary central governments where one leader has extensive control over both legislative and policy implementation. However, China’s transport infrastructure ranks 12th in the world, while Iran ranks 69th.[[18]](#footnote-18) This is because China’s state organization is more efficient than Iran’s, where the requirement of multiple state agencies to approve development projects hinders the creation of any clear urban planning policy in Iran. The relationships between the central and local governments in each state for determining developmental and planning policy are quite similar: the central governments establish infrastructure goals and policy for the entire country, regardless of public input or priorities. While a degree of superiority of the central government over local governments should be expected (especially in unitary systems), bureaucracy structures that are oblivious to or ignore the needs of certain local areas are uncommon and decrease the accountability of the overall government. China’s lack of accountability to rural regions and Iran’s ignorance of their localities development priorities are born out of the same problem: a policy of allowing unaccountable central bureaucracies to determine infrastructure development and urban planning projects for the entire country.

However, despite similar government structures, infrastructure problems in Iran and China also face other challenges; Iran’s infrastructure struggles because its complex bureaucracy is unable to identify and fund solutions to their infrastructure problems, while several Chinese regions’ face problems with infrastructure because those regions are not a priority to the Chinese government. Instead, China prioritizes infrastructure projects in urbanizing and urban regions vital to manufacturing and both domestic and international trade. In fact, China’s “One Belt, One Road” plan to invest over $1 trillion into infrastructure projects in Europe and Asia shows that while China has the money and state capacity to invest in infrastructure in the poorer and less developed regions in China, China instead focuses on other domestic and international projects.[[19]](#footnote-19) Somewhat ironically, the “One Belt, One Road” is also investing into railroads and road projects in Iran, where “Chinese state companies are … building highways, digging mines and making steel” in an effort to widen their access to oil and increase trade accessibility to Iranian ports.[[20]](#footnote-20) China’s state is extremely capable of identifying and funding infrastructure projects that are vital to economic development—as long as they are in regions where the Chinese state predicts a good return on their investment.

China’s infrastructure spending, bureaucracy and policies have a far greater capacity and efficiency than Iran’s, where their infrastructure consistently ranks worse than other countries in the Middle East.[[21]](#footnote-21) However, until China invests in its rural areas and Iran simplifies its bureaucratic management of planning and development projects, both countries will continue to face infrastructure problems that hinder economic trade, modernization, and industrialization.

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