

HOUSING AND REVOLUTION IN IRAN

by

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"The Imam will come and he will give us each a house of our own." This was the hope often proclaimed by Iran's homeless and urban poor during the revolution. They had already been lured to the cities in previous years by promises of the Pahlavis' "Great Civilization", and had found only poverty. Imam Khomeini has since returned ^{to Iran} with the success of Iran's revolution and housing has emerged as a crucial social issue in the new republic. *be objective*

this is the main point.

The revolutionaries (have) inherited a mammoth problem ^{from} years of corruption and mismanagement. Pahlavi housing policy had led to the neglect of sophisticated indigenous building industries while too often favouring overseas manufacturers. *consider how after this will lead in 2 yrs time*

The Promise of the City

Rural-urban migration, which has existed on a large scale in Iran since the late 1940's, accelerated rapidly in the 60's due to the government's land distribution policies and encouragement of capital intensive agricultural techniques. During the 1963-1970 land reform only about half of the peasant population received any land.¹ Many of the remaining people who had previously been agricultural workers on the old estates were forced to the cities to sell their labour. Lack of rural investment and official neglect reinforced regional income differentials. Agricultural policies (have) favoured the establishment of large mechanized farms and foreign managed agro-industries. These capitalist enterprises have often been established by expropriating land that small peasant farmers had only recently acquired through the land reform. While such rural policies had a negligible affect on increasing food production, they led to a massive influx of rural migrants to the cities.

While the population of Iran grew at an average rate of 3.2% per year the urban rate rose to 6% and the rural rate fell to 1%, indicating a very large rural to urban population shift.² Tehran itself grew at a much faster rate than any other urban area, attracting not only rural migrants but also people from the provincial urban centres. Before the revolution Tehran had grown to almost five million people and was increasing at a rate of 380,000 per year.

*Official estimate
small amount
probably more.*

New migrants, often young males with little experience outside of agricultural labour, were immediately confronted with a housing problem on their arrival to the city. Temporary accommodation though could sometimes be found with already settled family members or fellow villagers. The most fortunate newcomers found periodic employment as unskilled construction workers but many were forced to look for what little income they could find in the tertiary sector as bazaar porters or streetside peddlers. Accommodation for them was a low economic priority but a constant problem. Rents in Tehran's working class district rose to \$100 or \$120 per month for a single room, an amount approaching many migrants' complete incomes. Extreme overcrowding resulted when numbers of workers would occupy a single room, often sleeping in rotation to reduce costs.

Housing became a much more important problem when the young migrant chose to bring his family to the city. Squatter settlements sprang up in vacant speculators' lots, utilities clearances, and unused land in the margins of the city. Between 1967 and 1977 the proportion of urban families living in only one room increased from 36 to 43 percent.³

In Tehran accommodation came to account for about fifty percent of the average worker's salary.⁴ Housing, when available, was rarely located near industrial areas where workers found employment. Up to three hours were spent each day by many workers in getting to and from their jobs.

As time went on housing conditions became more critical and the migration to the city continued to increase.

Pahlavi's Housing Economy

The 1973-74 Middle Eastern oil boom saw in Iran a 61% growth in money supply, accompanied by an increase in demand for consumer goods, including housing.⁵ Housing supply, like all other infrastructural commodities, could not respond quickly to rising demand. The market therefore showed extreme price rises.

The particular nature of the Iranian economy sent housing prices rising well beyond other commodities. Due to the lack of potential channels for investment in productive activities and industry, the monied classes sought to invest their new found capital surpluses in building and land as a speculative venture. Huge profits were made by those who invested early. Land, houses, rents, and building materials rose in price astronomically. Construction costs almost quadrupled between 1971 and 1977 from \$43. to \$140. per square metre on average,⁶ and rents rose at an annual rate of 70%.

During the mid 70's housing construction boom only the top end of the market was served. There was no serious low income housing policy put forward by either the public or the private sector. The boom did affect the lower classes though in providing short term employment on construction sites. The higher wages offered at this time were a major inducement for even more people to forsake their rural poverty for a new urban kind.

The problem of housing for workers lucky enough to have full time employment in industry was officially relegated to their employers. Laws were passed after considerable worker pressure, encouraging industry owners to house their workers near the factory sites. Industry owners complained that since their average investment was between \$3000 to \$7000 to create one work place, they could scarcely afford to put out further capital for workers' housing, from which they could expect little return.⁷ These laws were rendered meaningless in any case by conflicting zoning legislation which prohibited new industrial units from locating within city limits on one hand, while stopping house building beyond the city boundaries on the other.

what is a 'prefab'

The Prefab Myth

In spite of the fact that only 20% of the steel needed for construction was produced nationally⁸ and over 15% of the cement had to be imported,⁹ the government decided that the answer to Iran's housing crisis lay with even greater reliance on industrialized solutions. Ignoring Iran's long tradition of fine masonry construction, decentralized industry of local brick production

and a wealth of building skills, the regime declared that it would import pre-fabricated housing to meet Iran's needs.¹⁰ At a time when the 1960's "prefab bubble" had burst at home, western industrialists discovered that they could sell their unwanted products in the Third World, particularly on the Middle Eastern market. Despite the obvious thermal drawbacks of a light weight enclosure in a hot arid climate, and the tremendous loss of foreign exchange that large scale purchases would imply, planners could not resist the temptation to try to solve Iran's housing problem, and relieve a tremendous political pressure overnight. Plans were put forward to buy hundreds of thousands of pre-fabricated housing units from overseas, some as ready to build packages and the rest in the form of factories equipped for the production of components. The Pahlavi's "Great Civilization" rhetoric obliged the building industry to produce an impossible sum of almost one million dwellings per year in order to double the housing ratio from the existing 117 units per thousand of population to the western level of 250 units per thousand.¹¹

Overseas purchases of prefab systems were rationalized by the argument that rising labour costs were the cause of high building prices, and that by increasing the capital investment in mechanized production, construction costs could be lowered.

According to official figures about 8% of Iran's productive population of 9,100,000 works in the construction sector.¹² *when* The figure is probably closer to one million if one considers rural, migrant and seasonal labour as well. Construction wages had risen along with other costs and commodities during the last decade of economic expansion. *however* A study published in 1973 by the International Labour Organization (ILO) showed ~~although~~, that pre oil boom construction wages in Iran were considerably lower than the average for underdeveloped countries. Despite the rapidly increasing productivity of the building sector, wages lagged behind at a level of only 1/3 of the international average.¹³ Even during the mid 1970's surge of building activity, wages did not consume an inordinate share of the construction budget.

By the end of the 1974 the price of land had reached 60% to 80% of total construction costs.¹⁴ Of the remainder: 45% went to the purchase of raw building materials, 13% to equipment, and 41% was split between wages and profits.¹⁵ This means therefore that labour costs accounted for only about 10% to 12% of total building costs. Even if savings could be made on labour they would have little impact on overall costs.

While the goal of capital intensive labour saving industrialization was being pursued on one hand, the authorities recognized on the other ^{hand,} ~~the~~ the conflicting need to ease employment by creating 300,00 new jobs annually.

* ^{however} There is considerable evidence ~~although~~ that a switch to industrialized pre-fabricated construction would have the opposite effect than that ^{which was} intended by the government. While in Europe the argument for industrialization is made on the grounds that prefab production requires only one third of the conventional labour input, experience in developing countries indicates that the two systems require about the same level of labour. Differing economic conditions, technical training and the lack of infrastructure account for the great discrepancy. The creation of a work place in a 'prefab' industry costs about twenty times that of a work place in conventional construction.¹⁶

where for the figure come from
[but it is still uneconomical compared to conventional materials]

With labour wages in pre-fabrication roughly the same as in conventional construction and all other costs higher, housing production expenditure in Iran could have been expected therefore to increase significantly if the regime's policies were to be followed through.

In reality, the most important issue in housing was not the choice of technique but the cost and accessibility of land. This problem required radical solutions that the Pahlavi government was unprepared to contemplate. Only the economic recession and the political upheavals that were to follow could offer possible solutions.

Search For a Revolutionary Solution

On the eve of the revolution conditions were critical. By 1977 prices had reached a level well beyond the means of even the upper middle class buyer or tenant, and stagnation set into the housing economy. The housing market decline corresponded with a general economic slowdown due to a falling off of oil production. Private capital, no longer finding speculative construction a lucrative channel for investment began to look elsewhere. Since industry had never really provided a profitable alternative, large sums of Iranian money began to find its way into overseas banks and real estate markets, foreshadowing the massive outflow to follow when the revolution began to gain momentum.

A glut of luxury flats estimated as numbering in the thousands lay empty, while the squatter settlements in the peripheries of Tehran and other cities continued to be swollen by a never ending flow of rural-urban migrants. With few jobs in private construction the unemployment rate began to accelerate.

It was from the classes of urban poor and unemployed that the revolution gathered most of its recruits. The revolution's early political demands for an end to tyranny and corruption took on a new social dimension when the people's needs for jobs and housing began to be articulated. The "Pahlavi's housing economy" had succeeded in generating huge private profits but had failed those in need of basic shelter. An alternative had to be found. Many people looked to a new ideal order, with an economy based on Islamic social justice rather than profit; hence the belief that the new Islamic republic would bring "housing for all."

The revolution changed the balance of forces and brought new actors to the fore of the housing scene:

- 1) the homeless and urban squatters acquired a voice for the first time;
- 2) religious inspired para-official charity and militant organizations were established to implement the aims of the revolution;

- 3) property owners and landlords tried to maintain their position within the market structure;
- 4) and finally the government, its Ministry of Housing and other related departments attempted, often without much success, to extend the authority of the official planners and administrators over the unleashed housing movement.

Conflicts inevitably arose between these four major interest groups.

The first to act were those in the greatest need. In Iran, the homeless and the squatters from the urban peripheries moved in to occupy unused buildings and vacant land all over the city. Housing units which had been kept empty by speculators, luxury flats for which no market existed and dwellings vacated by many middle class Iranians and the estimated 100,000 strong foreign community which left during the revolution, were occupied by squatters. Land and property owned by the elite classes associated with the Pahlavis were taken over by peoples' committees, claiming that such individuals had lost their rights under Islam and their property could be confiscated.

Many property owners who had left during the revolution returned later to find their properties occupied. Land owners demanding rights under Islamic law claimed that their property ownership was guaranteed by the religion. They often resisted official orders to lower rents and pressures to rent out vacant flats. Islam, they maintained permits the functioning of a market economy and entrenches their ownership privileges.

Shortly after the revolution the religious leadership established the "Mostazafin" Foundation for the Deprived. Khomeini's first act was to pledge the provision of housing for the masses and set up the famous account number 100 to accept charitable donations for this purpose. In the absence of concrete developmental strategies on issues such as housing, the clergy employed traditional charitable solutions. At the same time they gave an open mandate to anyone who thought that they could solve the problem. ¹⁷

The Mostazafin's Housing Bureau established itself with its own armed militia to enforce its policies. They soon amassed a long list of homeless people eager for support in finding accomodation. The Bureau called for wide spread rent reductions, then put forth a proclamation that stated that while landlords' ownership rights would be respected, all empty dwellings were to be rented out by a given date. After that date the Housing Bureau would take charge of the assignment of occupants.

The landlords generally resisted ^S~~X~~ Mostazafin coercion, maintaining that the Housing Bureau's actions did not represent official government policies and were therefore illegal. As the Foundation's housing wing went about their charitable work, working as a para-authority on behalf of the "deprived", they came into inevitable conflict with not only the propertied classes but the government as well.

The Housing Ministry had been initially bypassed by Khomeini, who on his return to Iran had given a new Islamic organization the mandate to solve the housing problem. However, the Ministry remained the true legal authority with direct responsibility to the government and the Revolutionary Council. Despite major changes to the top levels of authority, much of the government's infrastructure and bureaucracy remained essentially intact after the revolution. Power to act on issues such as housing though was unclear. The Mostazafin on the other hand could count on public support for their popular positions, at least in the early days of the revolutionary republic. As time went on the government found that it could rely on the growing forces of the newly formed Revolutionary Guards to enforce their own policies.

The government's housing policy tended to favour conventional forms of private ownership. A mortgage programme was established which fell in line with Islamic economic tenets forbidding interest payments. Based on bank deposits of about \$4000 a sum of about \$40,000 could be borrowed on a long term loan basis. This sum was to be used toward the purchase or construction of a house. Bank charges replaced interest fees.

Despite the generous subsidy implied in these loan arrangements the mortgage plan could scarcely meet the aspirations of the unemployed and low paid workers who could not hope to raise the initial \$4000 guarantee.

The government has more recently initiated plans for some public housing such as the 5000 units prescribed for the province early this year.¹⁸ They took a still more popular position against property owners by lowering rents by 20%. The government however by and large opposed radical initiatives by independant squatters' organizations and the Mostazafin Foundation's Housing Bureau.

what province 1980

IT

*Who?
the Gov.
if so it
Simple*

The government's attempts to regain control of the housing economy inevitably led to clashes with the Mostazafin in late 1979. Despite other disagreements, the officials, on this issue, could count on strong support from landlords and property owners who opposed the Foundation's unauthorized activities and land selling. Finally in mid January of 1980 the government called on their revolutionary guards to close down the Mostazafin Foundation's Housing Bureau. The Bureau's chief was arrested and its militia disarmed.

Popular protest over the Bureau's closure indicated general impatience with bureaucratic procedures and support for the Mostazafin's direct action on behalf of the homeless.

Tale of Two Settlements

The most dramatic movement on the housing front during the months since the revolution has been undertaken by the homeless themselves. A day rarely passes without news of the occupation of some property such as the group of ghetto families who took over a twelve storey building in central Tehran earlier this year.

1980

Within the squatters' ranks though, strategies vary. Narmak in Tehran's east end contains one of the city's oldest squatter settlements. Some families have lived there for almost twenty years. Presently it is estimated

*In 1980 it was estimated
it changed - check
figures that follow*

that 20,000 families live in the Narmak shanti town. Construction materials are mud, oil cans, and sheets of canvas or plastic. There is no piped water or electricity, except for that which has been pirated from the city grid. Animals wander about picking amongst the garbage piles and open sewage drains. During the Shah's time soldiers would come periodically, particularly to those settlements visible from well travelled roads, and they would order the people to leave. Then they brought in the bulldozers, razed the settlement and arrested those who resisted eviction. Gradually people would move back and re-colonize the land; they had nowhere else to go.

In a last attempt to win some worker support, the Shah's government made vague promises to the Narmak squatters about relocating them in public housing. Surveys were made but the promised project failed to materialize.

Nine months after the revolution, in the autumn of 1979, the physical conditions of the Narmak squatters had not visibly changed. Neither the new government nor the local revolutionary committee had yet found the time to focus on the settlement's problems. Many of the inhabitants, however, spurred on by Islamic revolutionary slogans, promising a solution to the housing crisis, still believed that the government would come to their aid. Some showed their disapproval for those involved in illegal occupations or land grabbing elsewhere in the city.

Further north in Lavassan, a suburb of Tehran, another group had organized to provide themselves with much needed housing. Before the revolution a large parcel of land had been assembled by real-estate agents and speculators who were working on behalf of the Shah's younger brother, Gholam-Reza. Local owners had been bought out or expropriated with the aim of providing land for a satellite town to house expatriate American military and civilian personnel. The proposed plan for 3000 pre-fabricated housing units even included military and private helicopter pads - no doubt a selling point for those who wanted to avoid Tehran's anarchic traffic and grossly inefficient

^{transport}
public transit system. When local property owners showed reluctance to selling their land to Gholam-Reza's agents, they resorted to coercive tactics even calling in SAVAK, the secret police, to assist in the persuasion. In spite of this a handful of people had resisted selling and the project was held up. By the time of the revolution only land clearing had commenced and the site lay empty.

Gholam-Reza, being one of Iran's largest land owners, was a symbol of the 'old regime's corruption.' His ill-acquired property all over the country became subject to occupations soon after the revolution. At Lavassan, people considered the land to have been liberated and free to the poor and deprived.

Though Islam protects private property, Gholam-Reza and the rest of the Pahlavi ruling class had officially been labeled as "Corruptors" by the clergy. This meant that they had no rights under Islamic law and their property was forfeit. Under the religious code their belongings could be confiscated and given to the poor. With this principle as their legal justification, squatters moved in and occupied the Lavassan site.

The local "revolutionary committee", apprehensive of the sudden influx of homeless and unemployed into their neighbourhood, called in the central authority's revolutionary guards (Pasdaran) to resist the occupation. The neighbourhood "revolutionary committee" itself composed of property owners and other respected people, was frightened by the anarchic aspects of the occupation movement.

The squatters saw a need for themselves to organize against these unforeseen pressures. They established their own committee and assembled a makeshift headquarters/tea shop on the disputed site. They delegated their own representatives to go to the planning office to research the legal ownership of the site. Finding that Gholam-Reza owned all but six of seven plots, they proceeded with the occupation on all land except that which was still privately owned.

To further justify their occupation the squatters adopted an earlier pre-revolution official plan for the area and subdivided the land accordingly. Roads were laid out and house plots assigned. The plan was modified to include land for a school, a park, a mosque, and a public bath house. Families were assigned plots of either 150 or 200 square metres, depending on their needs. The committee went to great lengths to ensure that each extended family had not laid claim to more than one plot, that occupiers were indeed previously homeless and that the distribution was carried out fairly and equitably. When the old legal owners who had successfully resisted Gholam-Reza's coercion appeared, they were given back their land and invited to join the community.

A standard "core house" plan was put forward, and it was generally agreed that this model would be adopted by all squatter settlers. The unit allowed for adaptation and extension in the future and an ample walled outdoor courtyard, essential in the context of the Iranian family. Though services were not initially laid, the planning allowed for easy installation of water and electric lines when the community could afford them. It was felt that the priority was to build quickly in order to establish the settlement as a material reality on the landscape as quickly as possible.

Once plot allocations had been successfully completed, the problem remained with each family of how to finance the construction. For the sake of the image of permanence, it had been agreed generally that fired bricks would be employed as the principal construction material. For this reason it was important to assemble enough capital for materials and labour fairly quickly. The extended family could be called on to meet these needs. Co-operation between a number of brothers to meet costs and labour requirements often meant that the house built would shelter several separate though related household units.

Revolutionary Guards were sent to blockade the site. They turned back trucks delivering materials to the Lavassan squatters. Materials subsequently had

show that this is an action by others -

to be smuggled into the settlement at night. Skilled builders from Tehran's growing pool of unemployed began to show up on the site. The squatters' committee organized builder teams to work with each family in turn, paid at a flat rate per unit completed.

The lack of public construction during and since the revolution has meant that labour is plentiful and costs are correspondingly lower. Small owner controlled projects like the one in Lavassan can make use of the human resource. Whereas before the revolution builders had found themselves working on large scale projects being built in the interests of profit, they now find the only significant market for their skills is in working for those in most need of shelter.

The Lavassan experience has shown that once the basic problems such as access to land have been overcome, people are willing to take the initiative in providing their own shelter. It is true of course that the Lavassan squatters can not be considered representatives of all homeless people in Iran. Through informal borrowing they were able to amass enough capital to begin the construction of their houses in a substantial way. Other newly settled families are forced to begin more modestly. The product is less important than the process of self help and popular initiative that this example leaves us.

The revolution in Iran was the key that unlocked the door to some of the land which had been held idle by property speculators. As political authority begins to re-exert itself and the private land market becomes re-established free access to land will again be restricted.

The new revolutionary government is left with the choice of encouraging the housing movement or suppressing it by allowing the re-emergence of old land owning relationships. It is essential that the government discovers a way of making land accessible to those who need it. Credit and mortgage schemes must be geared to the low income owner builder's family economy,

which may call for incremental house construction or upgrading of an existing shelter, rather than a large initial investment implied in the existing mortgage plan. Although subsidized public housing projects are no doubt important for certain sectors of the population, Iran can not hope to meet the requirements of all those in need of housing in this manner. Investment can be more profitably made in providing services and infrastructure to new settlement areas or in upgrading existing ones, such as Narmak and Lavassan.

It is hoped that the new government will be able to learn from Iran's current housing movement and transform its energy into sustaining forms. Old market solutions have failed and even Iran's oil wealth can not provide every needy family with public housing. Charitable solutions in themselves can rarely be expected to change the status quo. Collective participation and community initiative are the strongest characteristics of the present housing movement and it is therein that the answers may lie.

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