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REGIONAL PLANNING AS A TOOL OF  
STRENGTHENING THE NATIONAL  
ECONOMY

BY

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## Introduction:

The larger part of the theory of development planning has been developed without the inclusion of the element of space. The economy has been usually divided into sectors and within sectors projects, and methods of production have been studied, in addition for obvious reasons, the element of time plays an important part, but a subdivision into geographical areas has had less attention. Recently an intensified interest in the economic aspect of the element of space has been developing and economists are now trying to make their contributions. To be sure there have been economists who long ago paid some attention to the spatial aspects of economics, but they have been somewhat isolated and the subject was given little attention either in general economic textbooks or in the theory of development planning.

The views about the role of the element of space have undergone a radical change. The traditional approach, which consisted in locating facts, events and processes as well as appropriate decisions in a space which in itself was passive and a more resultant of other

factors, is no longer possible. Of course it was possible in the past to take into account the character and suitability of an area for various uses, but those were supplementary premises emerging in the course of the process of decision-making. Quite a number of developmental processes and transformations were taking place without being submitted to any control of their spatial aspect. The uncontrolled character of this type of processes led occasionally even to evident drawbacks and to violating the tenets of rational space policy.

Nowadays the element of space fulfills a strongly active role in determining the economic growth and social development and especially in qualitative and structural transformations. It is unquestionable that by rationally making use of the advantages that a space may offer, we can remarkably stimulate the rate of socio-economic development and to contribute to its optimization in the broad sense.

One of the essential achievements of the post-war period of spatial planning is that integral, i.e., complex location decisions have been granted supremacy. To put it in simple terms, this denotes passing from the location of

individual objects or industrial plants to the location of whole groups of objects, industrial combines or of a series of enterprises. What does make the difference between yesterday and today is the scale and dynamics of the process of socio-economic growth and the scope of structural transformations, which are immense as compared to what was known in the past. For these reasons the necessity to apply a fundamentally different approach to location decisions and to treat them in a much more comprehensive integrated way together with putting the spatial problems into the proper scale has come up so conspicuously. Approaches based on unitary criteria, i.e., applying to the national, regional and local levels, may however lead to actions that are obviously wrong from the standpoint of the intentions of the local regional or national plans. It is constantly necessary to emphasize the indispensability of joint calculations and joint treatment of the cost of different spatial scales and against the background of linking the economic and social premises of development.

## The Sector - Branch Pattern of Planning

By their very nature, transformations of the spatial structure of the national economy proceed at a relatively slow rate and therefore both the policies and the planning of spatial changes involve the perspective and even supra-perspective period. It is only by taking into account a long-time horizon that the desired scale of profound transformation of the existing spatial pattern can be obtained. For needs of the desired spatial structure transformations and possibilities of affecting the developmental processes in the close and remote time horizon are considered.

Thus it is evident that the spatial structure of the national economy, especially its modelling, is inextricably bound up with the planning of growth and of its changes in the distant future. Excessively one-sided, sometimes even functional approaches to both the form and the substance of planning long-term spatial systems may make us blind to certain concrete realistic possibilities inherent in the national economy or to some relevant links with the directions and intensity of social development.

For these reasons, the most crucial problem of the theory of space economy is how to secure its closest possible cooperation with the theory of socio-economic growth and how to join these two theories into a common search for new ideas in their comprehensive treatment of the total body of the phenomena and processes of development both in economic and social life. It has often been emphasized that all growth processes and phenomena occur in space. This fact furnished a sufficient reason for treating spatial planning and the future spatial structure as a point of departure or else as a foundation of the general economic planning.

If planning sticks rigidly to the sector-branch pattern and neglects the spatial aspects of creating and distributing the national income, wrong decisions are inescapable. Moreover various adverse effects in the natural environment, disproportions in the living conditions of the population, what is more important, various losses and damages in the national income of the ensuing periods are - in such cases - bound to occur.

The sector-branch version of growth does fulfill its role in the phase of devising conceptions, when the economic-

technical elements come to the fore within such context as the scientific and technical progress in the world, the international division of labour, the economic integration of different groups of countries etc. But before it can be used as material for the plan, the general outline of a concept of growth must be submitted to a broad spatial confrontation and verification. All objectives of the plan that are elements of growth will be implementation of the tasks which are brought from different regions or mobilised in the latter.

The annual growth rate attained by the economy is a resultant of the dynamics of growth of the particular regions. What is at stake, though, is to exercise a planned influence on the development of regions in a desirable rate adjusted to that growth which has to be performed. The growth rates of the regions should not be resultants of planned or unplanned production effects but they should be afore-planned tasks which have to be materialized by mobilizing adequate means. Thus the differences in the growth rates of the individual regions which are assumed in the plans should express the tendency to accelerating the economic growth of the retarded regions with a relatively low living standard,



and on the other hand, to slowing down that of the advanced regions which enjoy living conditions that are higher than elsewhere or in which the high development of production caused undesirable handicaps and adverse repercussions in the life and work of the population. By accelerating or checking the rate of economic growth and of its elements in the spatial aspect it is possible to obtain desirable changes in the spatial structure of the economy.

Such policies would directly affect the other economic indexes involved in the plan, primarily the spatial allocation of industrial investments and their generic structure. This problem can only be solved by complex decisions comprising all sectors of the economy in each region and from the point of view of the function performed by the individual regions in the economy of the whole country. The planning of long-run structural transformations in the spatial structure of the economy must therefore be preceded by programming the growth of the discussed indexes in their spatial aspect, for it is only in this way that a desired scope and degree of the changes can be achieved in a planned and controlled way.

R e g i o n a l P l a n n i n g a s a M a j o r  
S u b s y s t e m o f t h e O v e r a l l S y s -  
t e m o f P l a n n i n g

Primary oriented to the future, regional planning looks to the relation between social purposes and spatial arrangements. Thus we can say that regional planning is the process of formulating and clarifying social objectives in the ordering of activities in supra-urban space. The basic question, therefore, is "How are activities to be distributed in space so as to meet social objectives?" Or put in another formulation, what are the proper social objectives in accordance with which activities are to be allocated in space? This formulation links regional planning to its basis in the pure theory of location without, however, making them identical.

To the extent to which there is national planning there will inevitably be spatial implications of any set of resource allocations. What principles should guide the geographic allocation of resources within the country? Basically in policy planning, the technical, economic and political elements are closely interconnected.

Modern economic development leads necessarily to shifts in the organization of the space economy. Those shifts pose serious problems for the society: where should concentrations be encouraged? How may areas of emigration - the traditional economic regions of the country - be adapted to the new requirements of the economy? What should be done with areas that fail to adapt to the changed conditions? what may be done to assist the process of concentrated development?

The spatial shifts which are implicit in economic development necessarily create regional inequalities. These inequities may lead to serious social consequences where the traditional economic areas are densely populated, and where opportunities in the centre are insufficient to absorb into regular employment all newcomers in the labour force.

But the rationale for regional policy does not derive solely from inequities on the periphery. Regional policy should be thought of as a tool for comprehensive national development in which all parts of the country contribute in their own ways to the attainment of national objectives.

In modern approaches regional planning is treated as a major subsystem within the overall system of socio-economic planning on the national scale. Regional policy is a form of enriching the general tenets of the socio-economic policies with specific problems connected with the need to optimize the factor of space in the national economy, to make the best possible use of all the available resources of both the country and the regions and to protect the natural environment.

The approach to regional issues in the economic policy and in all national planning seems to be mainly determined by the weight of the social, economic and political phenomena that are connected with the disproportions in the level of the development of the individual areas within individual countries. Here we are going to speak of certain models of regional planning which also determine the character of the links and relations between regional and national planning.

1. The traditional model: This model reduces the total body of issues included in regional plans to the allocation of areas to specific uses and construction

development, but it neglects the economic factors of growth. Consequently governments implement their regional policies by means of intervention measures applied for the benefit of one or another area. This model corresponds principally to a low level of development of planning in economic policies on the national scale.

2. The dualistic model: This is a model which corresponds to a higher level of development of planning. Here, the economic and social policies of the state find their expression in programmes for developing the whole national economy, its individual sectors and branches as well as in the programmes for the spatial development of both the country as a whole and of its individual regions. Thus we have to deal with two coexisting systems of planning each of which has its own sphere of interest - Economic planning and Regional planning. The necessity of carrying out an economic policy with reference to individual regions generates two types of regional planning. One type corresponding to the traditional model, i.e., physical planning, the other is regional economic planning.



3. The model of integrated planning: An essential feature of this model is that it includes into the system of planning of the national economy the total process of preparation and decision-making as regards the goals, means and structure of the country's socio-economic development in terms of both the branch-sector and the regional patterns. The integration of planning however, is a difficult and complicated problem. A fundamental prerequisite for achieving success in integrated planning is to know and handle the mechanisms of socio-economic development in terms of time and space. Another important preliminary condition is that the time horizon of national planning should be moved farther into the future, and great significance should be attached to what is called perspective planning within the planning system of the national economy. Integrated planning must have a well-developed system of patterns of passing from perspective plan provisions to activities on multi-year scale and next to current activities.

To conclude it is necessary to assure that the spatial plan is not only indispensable to regional planning but conversely too, regional plans are indispensable conditions of the completeness of the system of planning the national economy and of working out optimum programmes of socio-economic development on the national level.