

REVIEW AND RE-EVALUATION OF THE SUCCESSIVE HOUSING POLICY IN EGYPT

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Abstract

Abandoning the socialist systems and the open-market uncontrolled market systems completely, all the pro poor interventions such as low cost public or social housing, sites and services projects among others targeted the poor exclusively. However, in fact these interventions led to the same conclusion: the poor never accessed what was targeted for them.

This problem really lies in designing policies for all to ensure that the lower and middle class's needs are addressed. Plots, apartments, rental units, cooperative housing, building loans, and other alternatives if encouraged and available would address a variety of modalities of housing provision that would together address the needs and contribute to covering the housing needs.

This paper aims to review successive policies for housing in Egypt, referring to the previous experiences. Through wide review of literature and precedent reports describing and guiding the formulation of Egyptian housing policy, the paper discusses their suitability to the setting.

The paper ends by re-evaluating precedent policies to find main drops and lessons and to benefit from the advantages of each of these policies and forge the way forward.

Keywords: Housing, policies, informal settlement, low income housing, Egypt

INTRODUCTION

Housing is a social good, responding to basic needs of the citizens. The welfare of individuals, families, and communities depends on the steady growth and improvement of the housing stock.

The Housing Policy sets the broad parameters for the development of the housing sector. It reflects the need to accelerate housing production to meet demand and enable economic growth. It considers the fundamental role that housing must play in sustaining a productive and mobile population. It also considers the importance of public investment both for the growth of the sector as a whole and for the provision of housing to vulnerable and low-income groups.

As the national economy recovers, housing demand will increase, and more and more investment in housing will be undertaken. This investment will spur further economic growth. The policy seeks to build on this positive, synergistic relationship to stimulate simultaneous improvements in the housing sector and the national economy.

1- CHALLENGES OF HOUSING POLICIES

Housing and development standards must be continually reviewed to ensure affordability of housing while not compromising key health and safety concerns, nor compromising environmental conditions. Continual innovation in design, materials, energy efficiency, and environmental impacts is to be supported.(Tipple, G 2010). Based on the growing need of housing provision, following key challenges to the formulation of the housing policy (INHP 2009)

1. The attentiveness and the clarity of the role **of the public sector**
2. The sufficiency rate of housing production to meet emerging needs
It will require contributions from a variety of actors. Strategies are required to enable households to develop their housing units more efficiently and at **an appropriate standard.**
3. The housing finance system
It must rebuild as a matter of urgency. A key feature of a well-performing housing finance system is sustainability: funds must be recovered efficiently from borrowers at all levels and then re-used to finance additional housing activities.
4. The centralization of governing Housing
Decentralization from the national to local governments for land use and infrastructure planning is favored wherever possible. For resources to flow effectively to secondary cities and rural areas, participation by lower levels of government will be vital.

2- EVOLUTION OF HOUSING POLICY ABROAD

In this part, the paper will demonstrate the progress of housing policies over years and its main directions

2-1 PHASE 1: THE STATE PROVISION POLICY

The 1960s and 1970s were the era of planned cities and public sector shelter production. Cities were growing. Housing was provided by the state in mass provision. While, this was the period in which squatter and other informal settlements began appearing (Tipple, G 2010). This occurred either by households settling on peripheral land singly, hidden in the long grass for safety, or by organized invasions in which the weight of numbers overcame official controls. Official (government and local authority) reactions in this period tended to the eradication of informal (squatter) settlements and re-house the people elsewhere (Turner, 1976). Urban development was driven by the informal sector with local authorities and governments running behind trying to provide the infrastructure but failing to keep up. In most developing country cities, it still is.

2-2 PHASE2: THE SELF HELP HOUSING AND PARTIALLY PROVISION POLICY

In the early 70s Redistribution with Growth focused on how to improve the GDP per capita without increasing the gap between rich and poor (Chenery et al., 1974). The idea gained currency that informal (squatter) settlements might be part of the solution rather than the problem.

From the mid-1970s, low-income housing was supplied in the context of specific state supported projects to encourage self-help ownership with finite objectives and geographical limits. Within the chosen settlements, roads, drains, water supply, power, etc., were fitted into the settlement with the minimum of disturbance to the existing dwellings and some security of tenure was awarded to existing occupants (Davidson and Payne, 1983).

Thus, there had been sufficient World Bank and other squatter settlement upgrading schemes to show that the informal sector supply had the potential for formalization and retrofitting services. In this context, 'The Lusaka Project', an early World Bank-sponsored squatter upgrading and self-help housing project in Zambia (Mayo, S. K. and D. Gross (1987)) improved many squatter settlement and established overspill areas for those whose dwellings must be demolished to make way for roads, etc.

In them, self-help housing was encouraged by providing plots, services, technical assistance, and cheap materials. It was expected that improved security of tenure and servicing would generate sufficient confidence to encourage owners to improve their dwellings to formal standards.

One important component of this was successful recovery of costs, but this proved more difficult in practice than on paper (Pugh, 1995b). Improving the housing of the poorest households, provided a very small proportion of housing and tended to be mostly beneficial to the middle income groups who could afford to build to formal standards (Kessides, 1997).

Policies in all the above phases tend only to be possible if subsidies are given to land and housing to reduce their costs, so that, the target groups can afford them. While this is excellent for the recipients, such schemes were inevitably of limited scale and so many of those who qualified did not receive the subsidized good. The burden it places on the government, however, grows as the schemes are rolled out, encouraging cost recovery rather than continuing subsidy (Pugh, 1995b).

2-3 THE ENABLING APPROACH AND DEVELOPMENT POLICY

In the late 1980s, and continued until today, address the whole housing system not just projects. This began at a time when it was recognized that housing was just one of many markets operating in developing world cities, all of which needed to operate effectively (Malpezzi, 1990; World Bank, 1993).

the enabling approach is that it is not government's job to provide housing but to generate an environment which enables the housing market to work effectively (World Bank, 1993). Governments have almost universally adopted the enabling approach but it has not necessarily acted. The idea that governments should withdraw from direct housing delivery and at the same time provide an enabling environment for housing supply.

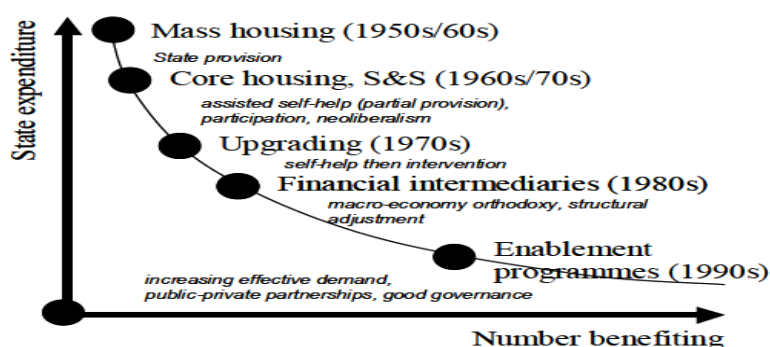
Making sure that the components of housing supply are in place: These components consist of five markets and one government function: Land; Finance; Infrastructure; labor;

building materials; The governments should provide as welcoming environment for enabling effective housing provision and the regulatory framework needed. Encouraging apprenticeships for skills training or setting up a guarantee system for Housing Micro-Finance institutions may be the governmental role.

Involving all actors in the process according to their efficiency: it is required that governments recognize which actors are most effective. Thus, governments should work with informal sector and community operators who might function as; Developers; Land allocators; Financiers; Building materials suppliers; and Service providers.

Accepting the informal sector as a partner: The informal sector should be accepted as a partner (that is, its contributions should be validated and encouraged) in extension activity on formal dwellings, the construction of new housing, land allocation and service supply. Thus, governments should recognize all supply – informal sector, squatters, extensions, rented rooms – and assist it, either in advance by enabling serviced land supply, finance, etc., or after supply by servicing informal areas and providing security of tenure where none exists. (UN-Habitat (2006))

FIGURE 1: HOUSING SUPPLY POLICIES: COST PER DWELLING AND NUMBERS BENEFITING



Source, Tipple, G. 2010

The enabling approach has been adopted by governments around the world, some with more success than others, and is the continuing dominant paradigm in international advice on interventions. Nothing has replaced it as a supply paradigm but it has been overlaid by other international policies

Comments

Based on the above demonstration, the success of the housing policies can be assessed by the comparison between the percentages of governmental expenditure to the number of benefiting from this policy, i.e. how many households are served and benefiting from the government expenditure. Accordingly, the success of the housing policy is based on the less expenditures and the more beneficiaries as shown in the following table.

TABLE 1: THE ECONOMIC ASSESSMENT OF THE HOUSING POLICY

Economic Assessment <i>According To World Bank 2007</i>	% of Government Expenditure	Number benefiting	success
The state provision policy	Maximum	limited	minor

The self help housing and partially provision policy	medium	wider than the previous phase	fair
the Enabling Approach and development policy	minor	Maximum	major

Source: the world Bank 2007 with modification

It shows that the policy that generates an environment which enable housing market to work efficiently achieve the major success

3- THE UN-HABITAT APPROACHES TO LAND AND HOUSING

UN-HABITAT is one of the few international institutions. It provides an overall perspective on urbanization processes and the only one with housing and urban development as its principal mandate. its core competencies in monitoring urbanization globally, developing policy guidelines, disseminating knowledge and best practices, and implementing new approaches to pro-poor housing and sustainable urban development.

Text box 1 show the role of UN-HABITAT in improving land and housing policy

UN-HABITAT & the Evolution of Land And Housing Policies

The 1996 Habitat II Conference, 20 years after the first, focused on ‘Adequate Shelter for All’ (UNCHS, 1997b). It reinforced the importance of sustainable human settlements development and the need to integrate the previous policies. Therefore the Istanbul Declaration and the recommendations of Habitat II (1996) emphasized on:

“Commitment to the right to adequate housing for citizens and to ensure legal security of tenure and protection from discrimination and equality in access to adequate housing, with moderate cost while ensuring the participation and cooperation of Public and private sectors and non-government in order to provide that”

Since the Millennium Summit 2000, the MDGs have driven international policy within the enabling approach. They are based on the indicators approach, popular at the time, delineating specific targets on several indicators to be reached either in 15 years or in 20 years. There are two targets specifically relevant to the housing agenda:

- Target 10: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation
- Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers (United Nations, 2005).

The increasing emphasis on sustainable development led to holistic planning to balance efficiency, equity and sustainability. Housing interventions within the enabling approach had to include an emphasis on environmental management and poverty alleviation, both of which are seen to be core concerns of sustainability.

A Session of General Assembly in 2001 was formed for the review of progress in the implementation of the Habitat Agenda., The United Nations Housing Rights Program (UNHRP) was launched in April 2002, as a joint initiative by UN-HABITAT and the Office of the United Nations High Commissioner for Human Rights (OHCHR). The substantive focus of the program is grounded in the [Habitat Agenda](#), which states that

"Within the overall context of an enabling approach, Governments should take appropriate action in order to promote, protect and ensure the full and progressive realization of the right to adequate housing" (paragraph 61).

In 2008 UN-Habitat declares that the development objective of the UNHRP is to assist States and other stakeholders to ensure the full and progressive realization of the right to adequate housing as provided for in international instruments considering affordability, accessibility, and sustainability. UN-Habitat addresses issues that cover the multiplicity of approaches and disciplines that are necessary to address the needs of sustainable urbanization. It's role is:

- 1- To support enabling land and housing reforms;
- 2- To support increased security of tenure;
- 3- To promote slum improvement and slum prevention policies.

Comments

In all the above sections there is a strong relationship between the housing policy and the emergence or growth of slum and informal areas. The main finding of the above section reveal the necessity of having a **global policy** that gather housing policy with slum improvement and prevention policy. Its important activities should include: a renewed effort to promote alternatives to eviction, articulating a framework for slum prevention, developing land tools to implement pro poor land policies, promoting a range legislations to address housing, land and property issues.

4- PRINCIPLES WITHIN HOUSING POLICIES

Housing the urban poor has always and will continue to be one of the main challenges facing concerned governmental bodies whether on national or local levels. Egypt is one of those developing countries which are currently struggling to meet the tremendous housing demands especially after the vast destruction caused by the several wars. Several countries in the third world have adopted various approaches to enable the urban poor to get formal and affordable access to housing. These approaches vary from direct provision in form of affordable housing units to offer land parcels combined with access to credit for housing development, to mobilize different legislation and financial mechanisms to actively work in the housing market such as mortgage.

4-1 HOUSING RIGHTS AND RIGHT TO THE CITY AGENDAS

Under the housing rights protocols (United Nations, 1966), all people are entitled to adequate housing (as defined by UNCHS, 1997a) , though not necessarily through government provision. There is even a provision that lack of funding is not a reason for not fulfilling the right to housing (UN-Habitat, 2002). The exact meaning of the right and how it is to be fulfilled has been challenged in the courts in a famous case in South Africa which has been adopted internationally.

The rights to the city protocol focuses on the need to regard all occupants of the city , various social groups, as important and deserving of sharing in its benefits. So, the city is for all, regardless of income, ability to pay, or legality of residence. so cities should provide **affordable** houses for all social groups with **the quantity** that meet needs

4-2 SUSTAINABLE DEVELOPMENT

One of the most important issues in the sustainable development paradigm is to ensure that housing is built at a reasonable density. Sustainable development ensures the **integration** of the deprived group with the society and avoid their segregation

Sustainable development will be well-served by efforts to reduce embodied **energy** and **water** (Grifa, 2006) in new development and minimizing their **waste by unnecessary demolitions** of serviceable and **re-usable** buildings and infrastructure. Slum upgrading ensure the sustainable development

The issue of sustainability has opened the door for analyzing and reforming the housing finance strategy and mechanisms in some countries. It aims to encourage other stakeholders apart from the government to contribute actively in providing **sustained source of housing finance** to all society groups including the urban poor. The main concerns is to evaluate the effectiveness of the existing governmental subsidy policy and to shift the role of government to support financially the most deprived group

4-2 HOUSING AS ECONOMIC DEVELOPMENT

UN-Habitat and ILO have been concerned with improving the understanding of housing as economic development since 1995 (UNCHS/ILO, 1995). It is well-known that housing supply is uniquely beneficial to economic development, through direct employment, income multipliers and backward and forward linkages in the rest of the economy, when constructed using local, **labor** intensive technologies used by small-scale builders. Where it is built by large (and often foreign) contractors using 'modern', often imported, materials and a high proportion of skilled labor, the development effects are minimal and may be negative because of the balance of payments deficits involved (UNCHS/ILO, 1995; Tibaijuka, 2009).

Some countries have included encouraging local initiatives in providing shelter and credit for housing development through NGOs or community associations such as in India, Pakistan and Brazil. Such policies are valuable for economic development. However, one of the main concluding remarks from recent housing provision strategies within those countries is the withdrawal of government from direct provision of housing towards contributing to the vitality of a free **housing market** through supportive legislation and **credit mechanisms** especially for the urban poor.

FINDINGS

Section 4 demonstrates that the success of housing policies is based on the coverage of three main principles.

In view of that, success of housing policy should not be assessed quantitatively according to the amount of housing provided compared to the governmental expenditure. Also success of housing policy can be also measured qualitatively, i.e. to what extent housing policy was considering the mentioned principles.

The main issues covered by each principle, found in section 4, are:

- a) To perform the principle of “*The right of adequate housing*”, the research will investigate
 - 1) the status of affordability of provided housing, i.e. if the housing offers do fit with incomes specially deprived group
 - 2) the quantity , which means : if the quantity of affordable housing alternatives do cover needs
- b) To perform the principle of “*Sustainability*”, the research will investigate
 - 3) the integration of different social groups , i.e. to what extend the housing policy avoid the segregation of low income and ensure their integration in the society
 - 4) The considerations of environmental restrictions concerning energy, waste management, ..etc , but because of the difficulties of tracking that factor, the research will highlight the slum upgrading effort as a sign of action toward environmental sustainability
 - 5) The sustained sources of housing finance, i.e. the capability of the policy to derive a renewable financial options and providing credits that can be a sustainable way to refund another subsidies.
- c) To perform the principle of “*Economic growth*”, the research will investigate
 - 6) The status of housing Market, and its stability, i.e. whether the intervention of housing policy was positive or negative for the housing Market. The study will tackle also whether local labor were used intensively in housing markets
 - 7) The partnerships, which means: the capability of the housing policy to attract different actors (contractors, private sector, associations, funds..etc) to contribute in the housing market without weaken it in order to provide many options of housing for consumers

The following table clarifies the factor of assessing housing policy that will be used in the research.

TABLE 2: THE HOUSING PRINCIPLE ASSESSMENT

Housing principle assessment	effects						
	<i>Right of adequate housing</i>		<i>sustainability</i>			<i>Economic growth</i>	
	affordability	quantity	integration	Environment	finance	Markets growth	partnership
The housing policy							

Source: author

The paper tries to assess the evolution of housing policy with the related informal improvement actions in Egypt to reveal real draw backs and progress in order to follow adequate direction, for preparing for the future housing policy.

5- EGYPT HOUSING POLICY

5-1 EGYPT CONTEXT

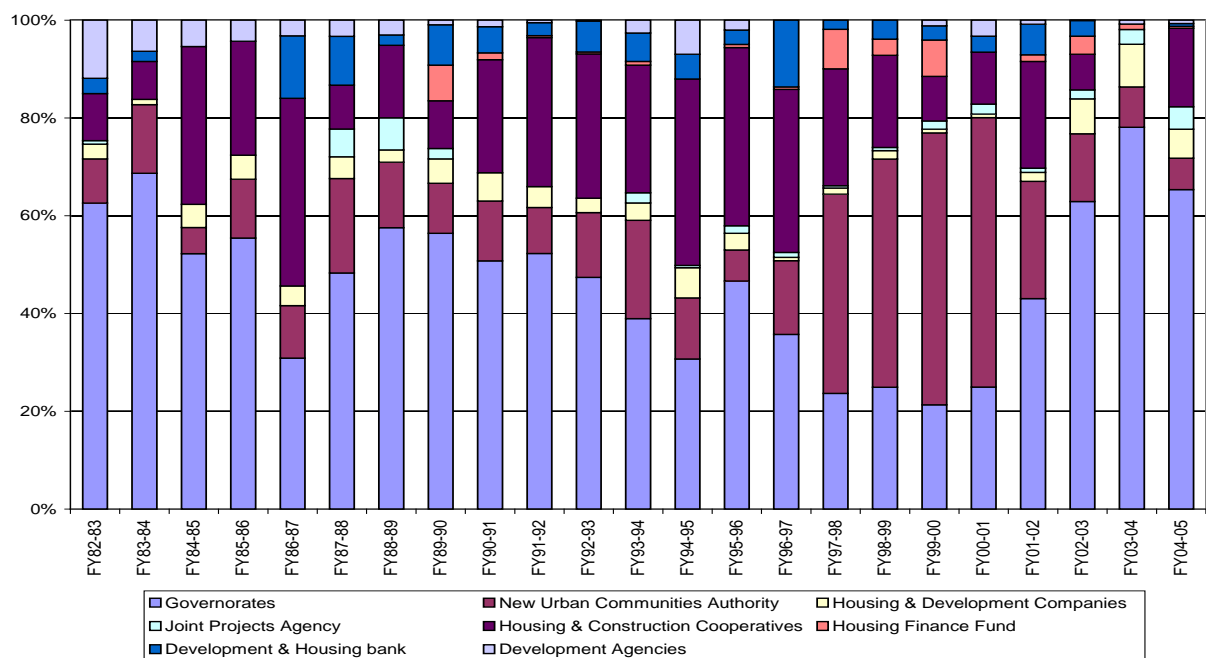
Egypt is one of few comparator countries where government still is directly involved in large-scale housing construction activities, although the past decade has witnessed a major expansion of private sector participation in formal housing construction. The problem is that over the past decades several government policies have caused significant distortions to the housing market.

Analysis of the housing sector reveals a broad set of challenges in the years ahead. Many of these challenges “interlock” with others; that is, they form a constellation of interrelated factors that are best addressed in a comprehensive manner. The challenge emerged when the role of the private sector declined and was unable to cope with the unprecedented population increase in Egypt. Reasons for the housing problem can be summarized as follows

- 1- Low investment return in the housing sector in general and in economic, medium housing in particular.
- 2- The legal framework that may hinder the public/private partnership at the local level to provide the middle class housing, which represents the backbone of investment in the fields of affordable and middle housing;
- 3- Continuous decrease in land suitable for housing;
- 4- Relative rise in building cost for housing units;

The table below shows the decline of the governorates share in housing production, and the enlargement of the share of other agency, i.e. the ministry of housing and New Urban Community. This shows the direction to the centralization from 1993-2004, which was a problem for the balance distribution of housing and efforts.

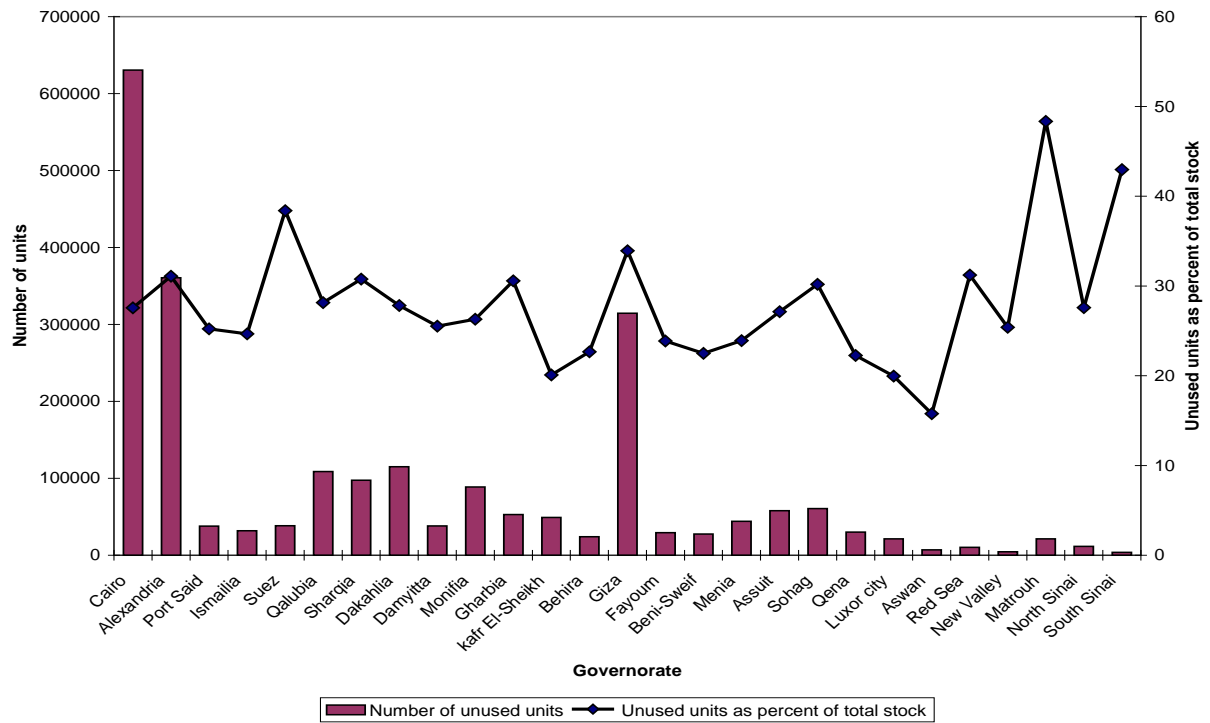
FIGURE 1: IMPLEMENTING AGENCIES' SHARE OF TOTAL PUBLIC HOUSING OUTPUT, 1982-2005



Source: Ministry of Housing, Utilities and Urban Development (2005)

The review of the phenomena of vacant units that raised after war 73 in all governorates, reveals the complexity of the housing problem, which is not the shortage in the housing provision, but the desire of the investment prevent these units from been present in the housing market.

FIGURE 2: VACANT HOUSING UNITS NUMBER AND SHARE OF TOTAL STOCK BY GOVERNORATE, 1996



Source: Based on CAPMAS 1996

Most such informal development took place through the conversion of agricultural land on the peri-urban fringe to urban uses. It is estimated that over the course of the past 4-5 decades more than one million feddans of agricultural land were lost to urbanization, resulting in the formation of unplanned settlements with very high population densities and which for the most part lack basic services.

The research will assess the successive phases of housing policies in Egypt since 1952 till 2010 according to the economic consideration, using the assessment of the World Bank done in 2007. Then it will do an assessment according to the housing principles realized as discussed in section 4 and using table 2.

5-2 EVALUATION OF THE SUCCESSIVE POLICY OF EGYPT

The paper will evaluate the examination of successive policies over the last decades and their impact on the housing market done through the Egyptian context cited in the report of the World Bank June 2008.

Policies can be divided in four distinguished phases, according to the aims and the circumstances.

The first phase can be divided into the period before war 67 was characterizing by the total responsibility of the state toward the public, The next period is between war 67 to war 73, was characterized by the diminution of housing production and expenditure for military affairs. The phase can be named by "*The State Provision Policy*"

The second phase is after the war 73, before 1981, where the desire to re-open the housing market and to encourage private sector to share without lessening the role of the government as responsible of the housing provision. This phase can be called "*the partial participation policy*"

The third phase from 1982 to 2005 was characterized by the direction of the governmental investment to the new cities and limiting the provision of housing scheme in some areas using the principle of site and services or self-help. This phase can be called "*the self-help housing and partially provision policy*"

The fourth phase is the last; it was characterized by (1)direct movement towards free market and (2)enabling the environment to share the housing provision through different partners and (3)to supply different housing schemes. This phase can be called "*the housing policy within enabling approach*"

5-2-1 PHASE 1: THE STATE PROVISION POLICY

Before 1967

- **Rent Control laws**, Freezing housing rent increase and reducing rent by 35% of 1944 value to ensure affordability (construction had come to a halt in the 1940s and rents greatly increased)
- **Provision of subsidized public housing projects**: Providing subsidized housing to low-income groups in cities; Lowering housing supply cost through using prototypical units without services/facilities
- **Nationalization of private** construction and housing development companies
- In line with government policy to nationalize privately-owned companies
- **Limiting annual investment in housing**: lowering capital investment in housing and shifting towards industrial development;

Effects

- Private sector withdrawal from an unprofitable rental housing market, resulting in the long-run in a deficit in housing stock mainly for lower-income groups.
- Reluctance of private owners to maintain existing housing stock because of insufficient rent revenues, deterioration of stock.
- Encouraging rural/ urban migration
- Unclear maintenance responsibility led to deterioration of stock
- Inflexible cookie-cutter design not adapted to family size or evolving needs led to significant transformation of housing blocks, increased densification, and poorer living conditions.
- Significant expansion of housing construction in Cairo (new suburbs of Maadi and Medinet Nasr)
- Major reduction in housing construction, coupled with rapidly growing population in cities, resulted in the emergence of informal settlements

After 1967 till 73

- **Major reduction in public investment in housing and infrastructure** Focusing limited financial resources to rebuild the military forces after the 1967 war
- **New rent control laws** in reducing rent for newly built units
- Further attempt to appeal to low-income groups faced with limited housing options
- **Public housing supply in existing (old) cities stopped** Focusing government resources on new urban communities; poor people encouraged to settle there

Effects

- Additional reduction in housing and infrastructure investment, further increasing informal development
- Continued general private sector withdrawal from rental market; increase circumvention of restrictive rent control through furnished flats; emergence of key money (upfront lump-sum payment) to make up the difference between low rent and market rents;
- Increasing the gap between supply and demand of affordable housing in existing cities, and further encouraging informal development;

COMMENTS

The State Provision Policy characterized the policy in this phase. Moreover, according to findings of section 2, this policy can be assessed as policy with minor success, from the monetary point of view. The research tries to make the assessment in a comprehensive and integrated way through the effects realized. It will examine if each effect is positive or negative to achieve the housing policy principles.

TABLE 3: SHOWS THE ASSESSMENT OF THE POLICY ACCORDING TO THE RESEARCH FINDINGS

Housing principle assessment						
Right of adequate housing		sustainability			Economic growth	
affordability	quantity	Environment	integration	finance	Markets growth	partnership
Housing Policy Before war 1967						
Provide public housing unit for low income group to Ensure affordability through Freezing housing rent increase	Offering large quantities of subsidized affordable houses by Lowering housing supply cost by lowering construction cost	Reluctance of owners to maintain existing housing stock Deterioration of housing stock.	integration with the society by Providing subsidized housing to low-income groups integrated with the society in cities	Instability in public investment in housing and infrastructure towards industrial development	Negative impact to housing market growth due to the intervention through rental law	Sole responsibility of the state to provide low income housing stock Private sector withdrawal from an unprofitable rental housing market,
Housing policy After war 1967						
Increasing the gap	low-income groups faced	emergence of informal	Focusing government	limited financial	Major reduction in	Continued general

between supply and demand of affordable housing in existing cities	with limited housing options	settlements Encroachment upon agriculture land.	resources on new urban communities; poor people encouraged to settle there	resources to rebuild the military forces after the 1967 war	housing construction Increase gaps between low rent and market rents.	private sector withdrawal from rental market
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PHASE 2: PARTIAL PARTICIPATION

After 73- to 81

Encouraging private sector return to housing market Encouraging private sector to return to housing and urban development sector; allowing foreign-owned companies to bid without maximum ceiling; and allowing private sector to enter into trading and production of some building materials along with public sector.

New rent laws to encourage private sector return to housing market Rents kept low (7% of cost) also for new units built just before law, but above-middle/luxury units exempt from control. Newly built units can rent at higher rates but rate is frozen after agreement is reached. Effects

- Move in the right direction but continued rent control meant focus on housing supply for sale without investment in rental, a burden on low/middle-income groups who could not afford market units.
- Government set a ceiling of 33% of units in any building for sale and the rest for rent, yet investors circumvented rule. Phenomenon of vacant units started as owners preferred to leave their units unoccupied rather than renting under rent control regime.
- Increased building material supply in the market (after scarcity)
- Directing private housing investment to upper income groups to avoid rent restrictions.
- Universal key money phenomenon to overcome rent control restriction resulting in major distortion in the housing market
- Low and middle income groups without affordable housing alternative except in informal settlements.
- Poor maintenance of housing stock estimated not to exceed 0.7% of asset value.

COMMENTS

In this phase, the housing policy was characterized by *the Partial Participation*. In addition, according to findings of section 2, this policy can be assessed as policy with fair success, from the monetary point of view. This policy led at that time the need of recovery after war. The research will examine if each effect is positive or negative to achieve the housing policy principles.

TABLE 4: SHOWS THE ASSESSMENT OF THE R POLICY ACCORDING TO THE RESEARCH FINDINGS

Housing principle assessment		
Right of adequate housing	sustainability	Economic growth

affordability	quantity	Environment	integration	finance	Markets growth	partnership
Housing Policy after war 1973 till 1981						
Negative impacts due to the burden on low/middle-income groups who could not afford market units.	Many vacant units (as owners preferred to leave their units unoccupied rather than renting under rent control regime)	Poor maintenance of housing stock The continuous encroachments on agriculture land	Low and middle income groups settled in informal settlements which is socially and physically segregate from the society in cities	Lowering housing supply cost by Increasing building material supply in the market	Negative impact to housing market tending to sale instead of rental unit and to upper income groups instead to the lower income to avoid rent restrictions	Allowing private sector to enter into trading and production of some building materials along with public sector

PHASE 3: THE SELF HELP HOUSING AND PARTIALLY PROVISION POLICY

From 1982 to 2005

Establishing new cities and communities: Directing population growth to the desert outside Nile valley and protecting agricultural land from informal encroachment, Incentives to expand economic activities and create new jobs in these new locations

Direct public supply of formal, affordable housing to low-income groups and new formed families to settle in these new cities

Reactivating Housing Cooperatives through presidential decree: Encouraging individual/cooperative investment in low/middle income housing via subsidized building materials, serviced land and below-market housing finance

Informal settlement upgrading

Law 4 of 1996 concerning rent of vacant housing units Encouraging private owners of vacant units and investors to return to rental market on a free market basis without any government restriction on rent levels or duration

New public housing schemes in new urban communities (Mubarak Youth Housing,) Offering affordable quality housing to new formed families with heavy subsidies to encourage settling in new cities

Effect

- Concentrating public investments in new cities
- Unbalanced development in new cities with housing construction without adequate infrastructure services in initial phases resulting in vacant units and deserted new towns
- Increased direct public involvement in implementation increased cost of housing and services in new cities and increased fiscal burden to make them affordable.
- New communities attracted industrial development and created jobs (especially after Cairo's closure to new industry) but could not attract people to live there
- In this period the Construction of more than 275,000 units, in the last two decades was executed by more than 1,900 cooperatives , although with significant leakage to non-deserving groups.
- Providing subsidized loans exceeding LE 14.6 billion between 1982 and 2004 to construct the housing units.
- The provision of infrastructure and services for the deprived areas had encourage the growth of the informal area
- Allowing in the end, large number of vacant units to rent on free market basis, thus were providing a solution to a large number of newly formed families and middle/upper-middle income groups. Slow start as owners of vacant units are still wary of whether courts will enforce tenant eviction
- Imposing heavy financial burden on State budget in the long run, which threatens the ability to sustain this program (which could only offer about 70,000 units in 10 years)

COMMENTS

The self-help housing and partially provision policy can distinguish the policy in this phase. Moreover, according to findings of section 2, this policy can be assessed with fair success as the heavy expenditures due to the establishment of the new settlement, with the encouraging of different partner of the society to share in the operation, from the monetary point of view. Although this policy was not able to meet low income needs and could not to widen the benefiting. The research will examine also if each effect is positive or negative to achieve the housing policy principles.

TABLE 5: SHOWS THE ASSESSMENT OF THE POLICY ACCORDING TO THE RESEARCH FINDINGS

Housing principle assessment						
Right of adequate housing		sustainability			Economic growth	
affordability	quantity	Environment	integration	finance	Markets growth	partnership
Housing Policy 1981 to 2005						
Difficulties in making the housing unit for low income group affordable due	wasteful of housing development although there were a large number	Left for housing supply in existing cities, Encourage	Segregation in the society by Providing subsidized housing to	threatening the ability to sustainable finance by Imposing	Allowing in the long-run large number of vacant units to	Encouraging individual/cooperative investment in low/middle

the high cost of construction in the new cities	of vacant units for low income group in the new cities because either they no infrastructure or services or because cost of transportation and living in the new desert city	the formation of new informal settlements inside the cities The uncontrolled growth of informal settlement and the creation of housing use upon unsafe area	low-income groups in the new cities or in informal area within the city	heavy financial burden to encourage settling in new cities	rent on free market basis Governmental intervention through subsidized building materials, serviced land and below-market housing finance market,	income housing Providing subsidized loans to construct the housing units Increased direct public involvement in implementation
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PHASE 4: POLICIES WITHIN ENABLE APPROACH

From 2005 till 2010

The National program of social houses

- Provision of utilized lands in new cities and governorates
- Provide direct support for the implementation of the project, by 25 thousand Egyptian pounds non-refundable grant for the benefit of the citizen's subsidized unit
- Provision of soft loans: a protocol was signed with the Central Bank and Al Ahly, Egypt, Housing & Development banks, to provide a house loan to the citizen of 30 thousand pounds to be paid over 20 years with monthly payments starting from 160 pounds per month in the first year increasing by 7,5% annually.
- Activating Partnership With The Private Sector in financing and implementation lift the burden from the government and reduce the pressure on its budget

Building Law No. 119 for year 2008 aims to

- Enable an adequate legal framework for improving housing systems and mechanisms and achieving sustainable development and prevent any new slums.

The state strategy for upgrading and prevention the emergences of new informal areas

Effects

- Due to the hurrying to achieve the target, many project are lacking roads, scattered
- Private sector developers were major player in social housing production. Therefore some decisions toward free markets concerning building materials (iron) and lands, made the cost of construction being very high.
- Many agencies were contributing in providing houses through the NP, like NUCA, governorates Awqaf.
- Luck and first come first, are the main factors in determining who benefits

- The price of several scheme of National programs (except the AlAwla BelReaya) are based on unreal assessment of incomes, which negatively affect the affordability of low income group, and the subsidies were been gone to the undeserved groups. The result is Only 2-5% of delivered subsidized units oh NP had been occupied
- Moreover, the wrong estimation of the cost of serviced land or the infrastructure provision absorbed extra subsidies during the implementation. Then, the subsidies were not sufficient to make the units affordable.
- A reading of the articles of the law gives the impression that the already onerous, bureaucratic and costly building permit regime became more than before. The localities that are responsible of building permits had stopped any new construction in cities due to their ignorance of weak capacity to urban governance. This situation was good environment for corruption and the expansion of informal buildings
- Although it was a good strategy, but the duality in responsibility, between localities and ministry of housing and the ISDF, hindered its goals achievement

COMMENTS

The policy in this phase can be distinguished by the enabling approach. In addition, according to findings of section 2, this policy can be assessed with major success as the shared expenditures due to the contribution of different partners, credits, association in the housing operation from the monetary point of view. This policy enable also variety in supply to low and middle income group (land, unit, credit) which widen the beneficiaries. Although this policy was criticized from, the viewers as not been able to meet needs. The research will examine also if each effect was positive or negative to achieve the housing policy principles.

TABLE 6: SHOWS THE ASSESSMENT OF THE POLICY ACCORDING TO THE RESEARCH FINDINGS

Housing principle assessment						
Right of adequate housing		sustainability			Economic growth	
affordability	quantity	Environment	integration	finance	Markets growth	partnership
2005 till 2010						
Different scheme of the National program for the social housing were unaffordable	Quantity of supplied social housing represent only 1,5 % of increased total population during this period, and only 3-5% of the demand of	Major environmental problems due to the establishment of informal housing units on borders of hills or on flood currant areas The high rate of construction	Although different scheme of the housing program, (serviced lands, housing units, rental system) there is a total segregation from the society,	stability in public investment in housing and infrastructure due the loan systems several means of finance for housing sector based on the principle of payback	Achieve a free market for housing operation starting from building material to land and unit value.	Many agencies were contributing in providing houses through the NP, like NUCA, governorates Awqaf. Private sector developers

	the low and middle income group	due to the policy towards free market affect negatively the environment (no EIA necessary for small housing project, and no obligation for paving or planting after construction)	except the case of direct credit that enable the liberty to have a formal unit anywhere	system guarantee its sustainability		were major player in social housing production
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The key findings and issues are as follows:

- Withdraw of private sector from the housing market as a result of restrictive rent control and strict tenant protection laws,
- There was a limited supply of formal housing in existing cities versus considerable supply of social housing in new urban communities, at the most undesirable location. The cost of living there rose due to their distance from job opportunities and the lack of adequate services and amenities.
- Amplification of the informal settlement phenomenon continued unabated in meeting the need and demand for affordable housing that aligns with low, moderate and middle-income groups' location preferences.
- A consideration of the housing stock remaining vacant, held by households as investments or for their children's future use, or remaining in public and private developers' and were not considered to be on the market

TABLE 7: SHOWS THE ECONOMIC ASSESSMENT ACCORDING TO WORLD BANK

policies	Economic Assessment <i>According To World Bank 2007</i>		
	% of Government Expenditure	Number benefiting	success
The state provision (before 1967) (after 1967-73)	maximum limited	limited No one	minor minor
The partial Participation	partial	wider	fair
The self-help housing and partially provision	medium	better	fair
The policy within Enabling Approach	lesser	maximum	major

Source: author

Last housing policy in Egypt was the first step towards improving economic growth. It proposed the possible alternatives to increase the accessibility of the urban poor to formal and affordable housing finance channels. Although, this could be a substantial step to prevent the development of further informal settlements, they were being developed due to inefficient formal housing policy instruments.

TABLE 8: SHOWS THE ASSESSMENT OF THE FOUR POLICIES ACCORDING TO THE RESEARCH FINDINGS

policies	Housing principle assessment
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	Right of adequate housing		sustainability			Economic growth	
	affordability	quantity	Environment	integration	finance	Markets growth	partnership
The state provision (before 1967) (after 1967-73)							
The partial Participation							
The self-help housing and partially provision							
The policy within Enabling Approach							

Source: author

CONCLUSION AND RECOMMENDATION

The affordability of housing that is the cornerstone in the housing policies for poor was left, through different phases: either for the inability of the government at the earlier phase, or for the wrong estimation of the real incomes in the last phase. This factor is essential in the complication of the housing sector and the expansion of the informal sector as result

Judged according to the World Bank assessment as being the most successful policy, the housing policies within enable approach enable many partners to provide and offer different schemes for social housing. However, the deduced principal assessment of this phase reveals that it goes towards free markets and creates the good environment for economic growth, without realizing an acceptable step toward the right of housing or the social and environmental sustainability

Formulating the new housing policies should integer the strategy of dealing with informal settlement in one package due to the strong link that joins them as effect and result.

It should realize balance between going towards economic growth and other principle such as right of housing and sustainability

Having sufficient information about incomes, needs, preferences, are the key of offering the suitable and the adequate house.

Finally, the variety in affordable housing scheme, and numerous of providers improve principles of housing policy on condition of considering the right of housing and the environmental consideration.

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