



Improving Sustainability Concept in Developing Countries

Evaluation of Stakeholders' Relationship in Housing Provision  
Process in Egypt: Case Study of 6<sup>th</sup> October City

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**Abstract**

The informal market for housing provision in Egypt succeeded to attract a large group of citizens. This research aims to identify and evaluate the interrelationships between the government and other actors involved in the housing provision process. The research highlights the different modes of governance, in order to well understand the roles and responsibilities of different stakeholders involved in the housing provision process in Egypt. The research focuses on Sixth October city as one of the new urban communities in Egypt; and reviews the process of housing provision in the city for the low income class.

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**Keywords:** housing policies, modes of governance, stakeholders, Egypt, low income housing;

**1. Introduction**

There are two types of housing provision markets in Egypt, the formal and the informal housing provision markets. The formal market is where all actors, either governmental entities or private sector, provide housing within the legal framework of policies and laws adopted by the government. On the other hand, informal market provides housing without any consideration of these policies and laws. Informal market provides housing units that vary completely from the formal market housing units, in the unit areas, their quality and the surrounding environments.

The informal market for housing provision in Egypt succeeded to attract a large group of citizens, which led to the dramatic expansion of informal areas. The existence of the vacant units in the informal areas proves that its expansion was not only to fulfill the need of a tier of the society, but also to invest in the real estate market. Small contractors preferred to do their business there, instead of the formal areas offered by the government for

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development activities including provision of housing.

The housing policies in Egypt were influenced by the international Development theories and the regulations imposed by the international organizations such as the World Bank and the UN-Habitat. The application of these strategies in Egypt was affected by the followed modes of governance. According to Di Gaetano, A. & Storm, E., the mode of governance is defined as the informal arrangements between political institutions [ [HYPERLINK \l "DiG03" 1](#) ]. There are several modes of governance discussed by many authors. The research relies on the classifications of three authors only that will be shown later. Each mode will be defined through some criteria. There are the main actors, the source of power, the level of participation, the political objective, the legitimacy, the governing logic (the manner by which decisions are taken), the public interest and the role of government. Accompanied to the main mode of governance in Egypt -where the only actors who have authority to take decisions is the government – there are other modes influenced on the housing sector such as the clientism, corporatist and the managerial modes. The study will illustrate the different modes that influenced the housing provision process over the periods of the study.

There are two methods adopted by the author to carry out this research. The literature review and the semi structured interviews with different actors are adopted to identify the governing logic of the housing provision process.

The first section in the paper highlights the different modes of governance. The second section reviews the housing policies issued, developed and implemented to meet the needs of the middle and low-income people, from 1950 till present. The study illustrates to what extent these policies were in favor of the citizens. The third section shows the mode of governance accompanied the main mode that affected the housing sector and its reflection on the housing policies in each era. Then, the fourth section analyzes the stakeholders involved in the provision of housing for lower and middle income groups. Finally, the last section of the study focuses on Sixth October city as one of the new urban communities in Egypt, and evaluates the process of housing provision in the city for the low income and middle class and the relation between different actors.

## 2. Modes of Governance

Based on Marttens in 2]], the modes of governance were classified into three modes: the coordinative, the competitive and the argumentative mode, as a reference to the various governance processes. He considered the governance mode as extreme in the decision making process, and presented it in the triangle where each mode located at the summit. The coordinative mode is the mode where the only actor who has authority to take decisions is the governing body, other actors have limited roles. The actors in the other two modes have a pivotal role in the decision making process. In the competitive mode, the role of actors depends on the powers they have, and the politics of voice dominate. In the argumentative mode, each actor is considered as an equal participant in the process of inclusionary argumentation. Other modes of governance were allocated in the triangle of governance between these three ultimate modes. Each one of them was inspired from one of the ultimate mode [ [HYPERLINK \l "Mar" 2](#) ].

Based on Pierre, J. in3]] and Di Gaetano [ [HYPERLINK \l "DiG03" 1](#) ], different modes of urban governance will briefly presented: Managerial, Corporatist, Clientistic, Pro-growth, and Welfare. These modes are analytical, and show how a particular overarching urban policy objectives shape urban governance.

The managerial mode of governance forms around the norms which are related to the traditional notion of the city manager as the city's caretaker. The manager in this mode is considered as the expert and the one who has the best knowledge. The governing logic of the managerial regime is the authoritative decision by the government officials. The government plays a coordinating and monitoring role to ensure that the service delivered. It also regulates the conditions under which private sector and producers compete3]]. The Corporatist mod of governance portrays the city as a democratic and political system for the involvement of the social groups and the organized interests in the urban political process. It aims at distributive programs and policies. The governing logic of the corporatism is based on the consensus-building. The government finances most of the services delivered, but doesn't have any regulatory role. It also plays the role of a mediator to manage the conflicts between different constituencies and mobilize resources from higher echelons. The Clientistic mode of governance practiced where the role of the governance is to distribute resources gained through taxation or through some regional redistribution programs. The decisions which sustain the patronage relations are the perfect decisions. The patronage structure reflects the existing power relations of political communities [ [HYPERLINK \l "Hea06" 4](#) ]. The governing logic is based on

the pragmatic exchange. The primary purpose is material}}. The Pro-Growth mode of governance aims at facilitating growth and removing obstacles that face the growth. The consensus is one of the main characteristic of the political exchange between actors, simply because all constituencies have a vested interest in the economic development. The government is responsible for the financing; also, it regulates the local market competition by defining the basis roles and it minimizes the intervention in the corporate sector. In the welfare governance, the state participates to the large extent as a provider of urban services or an enabler or both. Urban political leadership puts great alliance on the state to provide different compensatory programs to the city, not only the welfare and social security programs but the public investment as well [ HYPERLINK \l "Pie11" 3 ].

### 3. Housing Provision Policies in Egypt

Before the 1950s, there was a balance between the demand and supply of housing units in the rural and urban areas, and the state intervention was not needed. The problem of housing, since the 1950s, has been a result of the rapid urbanization and the weak housing policies<sup>5b</sup>. The period between the 1950 till to-date could be divided into four distinctive periods – the State provision policy 1952-1973, the Partial participation 1973-1981, the self-help housing and partially provision 1982-2005, the Enabling approach 2005- to-date. In each era, policies are categorized into three types: subsidy policies, fiscal stimulus policies, and organizational policies.

#### 3.1. The State Provision Policy (1950- 1973)

The emphasis during this era was on the massive large-scale secondary industrial and infrastructure projects (following the classic modernization model) [ HYPERLINK \l "Zet98" 6 ]. The housing and other needs of people, particularly the low- income group, was the subject of investment. The government was the main producer of low-cost public housing units. Thus, the policy applied during this period was the State provision policy.

In the beginning of this period, the government was heavily involved in the public housing provision. After 1965, the production of public housing dropped to less than the third of the previous production. This could be understood in light of the war-time back then, where most of the national income was directed to military purposes 7}}. However, the government established many public sector development companies to build thousands of housing units in poor areas and around the newly established industrial centers. These companies have proven their inefficiency, because of the lack of autonomy in decision making, lack of performance based incentives and lack of staffing [ HYPERLINK \l "Sol12" 8 ]. In addition, the nationalization of private construction and housing development companies (e.g. Maadi, Heliopolis) added fiscal burdens on the government budget. This period was characterized by freezing of housing rent increase and reducing the rent by 35%9}} to ensure affordability. A series of laws were decreed to reduce and control the rents of housing units constructed after 1944. These were followed by a law in 1965 was decreed to set out an additional reduction of 20% of the rental value of all buildings built after 1944 [ HYPERLINK \l "EIB97" 7 ]. These laws were considered the main reason behind the withdrawal of the private sector from the rental housing market. Additionally, the rent controls on the newly built units (furnished flats) played a crucial factor in the exclusion of the private sector from the housing supply 10}}.

In general, this period was marked by the provision of subsidies units, and the setting of the rental units situation to be in favor of the low income groups. Furthermore, the regulatory policies focused on the nationalization of private construction and the housing development companies, and excluded the involvement of different actors.

#### 3.2. The Partial Participation (1973- 1982)

After the 1973 War, the president El-Sadat initiated a new policy ‘the Open Door Economic Policy’ (*Infithah Ektsadi*). This policy aimed at moving away from the state controlled economy to the liberal market economy. The role of the government has changed from the direct provision of housing to a facilitator, intervening more positively in the housing market. This period was characterized by the partial participation in the housing provision. It encouraged the private sector to return to the housing sector and to the urban development sector as a principal means to tackle the housing shortage. Furthermore, it allowed the private sector to invest in trading and production of building materials with the public sector and allowed foreigners to own companies to bid without ceiling [ HYPERLINK \l "Sol12" 8 ]. The government initiated an urban development program to establish new communities in the arid land in order to direct the population growth in the desert, outside the Nile valley. The program succeeded to establish seventeen new communities11}}. The objectives of these policies were to expand the economic activities and create new jobs. Despite all the attempts of the government, the formal construction was more expensive than the informal construction which was accessible to low income family instead of the formal private. Only certain tier of society had the ability to access the public housing. By the end of the seventies, the site

and service projects and urban upgrading, using self-help housing techniques, were backed by political support. The government, the World Bank and other international donors supported various pilot projects initiated in different areas around Egypt, such as projects in EL-Ismailia (1977); Manshiet Nasser (1979) and Helwan (1978) in Cairo, and in Aswan (1986).

New rental laws were issued at the end of this period (1977-1981) by the central government, which encouraged the private sector to return to the housing market. The government kept the rent low (7% of the cost) for the units built just before the law. It exempted the above-middle and luxury units from the control. The private sector directed its investments to the upper income groups in order to avoid rent restrictions [ HYPERLINK \l "wor07" 10 ].

Overall, this period is distinguished by the organizational policies which focused on the involvement of private sector in the housing market in order to enhance the idea of the open door policy. Moreover, the rent laws were adopted to meet the need of all the tier of society, excluding the luxury units from the control of rents in order to encourage the developers to invest. The subsidy policies did not have an effective role in this period, the low income people couldn't afford the formal housing units. At the end of this period, the decree of the minister of economic and foreign trade to establish the housing development bank stimulated the sector of the real estate finance.

### 3.3. The self-help housing and partially provision (1982-2005)

In the eighties, the president Mubarak has been devoted to continue Sadat's economic agenda in implementing policies that support the private sector and foreign investment [11]. The government directed its investments to the new cities in order to attract citizens and encourage them to settle there.

The housing policies, initially, proposed that the basic housing and facilities could be provided to low-income people with a price that they can afford [ HYPERLINK \l "EID02" 12 ]. Provision of housing was based on the sites and services projects [13]. However, as these projects failed in their main objectives of altering Egypt's housing policies, the government did not replicate this approach at the national level and resumed its policy of building finished housing units in the new cities [ HYPERLINK \l "EIB97" 7 ].

In 1986, the government introduced new economic reforms, in order to reduce the foreign debt. This led to the shrinkage of the private sector and the decrease of the cash flow from the Egyptians worked in Gulf countries (Oil countries). In the housing sector, the private housing production for formal and informal units decreased, and the housing prices in the market increased [14]. The government initiated a new law to regulate the relation between the landlord and tenants without any form of government intervention in defining the rental rate and the duration or eviction procedures [ HYPERLINK \l "EIK12" 11 ].

In 1996 the government initiated new housing schemes (Mubarak housing Youth) in new urban communities, offering high subsidies with affordable quality housing to encourage youth to settle there. The government tried to implement this project by using the self-help techniques. It sold the incomplete units without finishing in order to encourage the residents to finish their units on their own expenses. The idea was to promote the self-build with the people according to their needs, requirements and affordability [8]. These projects putted up heavy burdens on the state budget in the long run, which threaten the ability to sustain this program [ HYPERLINK \l "Wor07" 9 ]. All of this led to the exceeding of the subsidized loans to L.E.14 billion during this period [15]. In addition, the civil society played a role in this period; in 1998 the non-governmental organizations (*Gameyat El Mostakbal*- Future Society) headed by the first lady of Egypt, implemented a project called Future Housing. This project followed the same objectives of the Mubarak Youth Housing Program. It aimed at strengthening social inclusion of lower-income groups and strengthening solidarity between rich and poor [ HYPERLINK \l "Wor07" 9 ]. The project was financed jointly by the government and the private entrepreneurs. The beneficiaries were provided their apartment through a cooperative loan, and paid the remaining amount over 40 years [16].

During this period, the regulatory policies enhanced the participation of the international organizations, such as the involvement of the USAID in the site and service projects. The cooperative sector participated in the housing provision for the low income and the middle class in different cities. Also, the new rent law was issued in 1996 to regulate the relationship between owners and tenants. For the subsidy policies, the subsidy was delivered in form of soft loans, such in the Mubarak housing project. There were also fully subsidy projects such as the site and service projects. For the stimulus finance policies, the real state finance law was issued in 2001. Law no. 140/2001 had categorized the strata of society according to their income into five groups, and which strata deserve the subsidies. The presidential decree was issued in 2001 to establish an authority concerned with the real estate finance affairs. A mortgage finance subsidy and guarantee fund was established by Presidential Decree No. 4 for 2003, in order to easily provide affordable housing for low income family.

**3.4. The enabling strategy in 2005 till to-date**

After 2005, in order to support the national social housing programs (Mubarak Housing Youth) for low-income groups, the Egyptian government adopted a package of mechanisms to encourage various actors to share housing provision and services. It attempted to apply the enabling approach [ HYPERLINK \l "Has11" 17 ] and provided various forms of housing programs, adopting many forms of participation of the private sector:

- Provision of incentives or real estate investors through enabling subsidies serviced land.
- Provision of serviced lands to merited citizens: build your home (*Ebny Beita*), and Family Home (*Beit Aleila*)
- Direct provision of housing units -the Initial Care (*Alawlaa Belra'yaa*) - under rental system.

Furthermore, during the last decade, the role of the civil society has increased in addressing the housing issues. There were many initiatives seeking to get involved in the housing provision by making interviews and societal discussion, such as the ‘Shadow Ministry of Housing’, which initiated the right to housing initiative, ‘*Tadamon*’ initiative and ‘Localities’ (*Mahaliat*) initiative. These initiatives tried to create links between people and investors as well as the government in order to help them to understand more the needs of people. It shed light on the different challenges faced by communities through field visits, presenting issues in the press. After the January revolution in 2011, MHUUC's meetings have included many experts from different entities such as UN-Habitat, housing and urban planning experts from Egypt and abroad, and representatives of civil society interested in urban development, in order to discuss a change in the housing policies 18}}.

In addition, the government had many attempts to enable different types of loans as a method to enable several mechanisms of housing finance. It signed a protocol with the Central Bank of Egypt, the National Bank of Egypt, Bank Misr and Housing & Development Bank to provide soft loans to the citizens of 30 thousand pounds for the unit. It arranged many alternatives for funding down payment and monthly payment which suit every citizen. Furthermore, the government had enabled an adequate legal framework to improve housing system, achieve sustainable development and prevent the formation of new slums. It reformed the law of construction and urban planning and urbanization, by issuing in 2008 the law 119 which concerning the construction and organization of all activities related to the urban development. For the land allocation, in 2008 the government has ensured the allocation of residential use of the various social groups who could get affordable houses through land plots provided to be developed by housing cooperative companies, syndicates and the government bodies [ HYPERLINK \l "Has12" 15 ].

In all, the housing policies since the 2005 are marked by the organizational policies focusing on the participation of all the actors, such as the central government, international organizations, and the civil society. Also, many entities from the government are involved, such as the cooperative authority, national banks, and NUCA. At the local level, it regulated and controlled the relationship between the owners and the tenants through rent laws. Whereas, subsidy policies were very broadened in the ‘State Provision’ period and put huge burdens on the government; the new policies of the ‘Enabling Approach’ period shared the burdens between the government and the citizens, by providing unfinished unites or serviced land to the low income groups. On the other hand, the fiscal stimulus policies played a great role in the last period as it proposed many types of loans for the citizens and the investors. The establishment of authorities affiliated to the investment ministry such as the general authority for real estate affairs and the mortgage finance subsidy and guarantee fund helped to increase the efficiency of the real estate market, by supervising and monitoring the different real estate companies.

Upon this swift review, major shifts in the housing policies in the housing policies since the 1950s till to date could be witnessed. Overall, it could be generally deduced that the housing policies have grown to be more effective in addressing the real housing needs and engaging all relevant stakeholders together to improve the housing sector in Egypt, as depicted in Table (1).

Table (1): the effectiveness of the policies over the four periods of the study, Source: Authors

Policies types	Housing strategies			
	1950	1970-2005		2015
	<i>State provision</i>	<i>Partial participation</i>	<i>Self- help</i>	<i>Enabling strategy</i>
Organizational policies				
Subsidy policy				
Fiscal stimulus policies				



#### 4. Egyptian housing governance

Based on the modes of governance of Jon Pierre in 3}}, Di Gaetano, A. & Storm, E. in [ HYPERLINK \l "DiG03" 1 ], and triangle of governance of Martens in 2}}, the urban governance in Egypt will be analyzed during the selected periods of the study as well as the changes occurred during the last decades that affected the housing provision themes.

After the July revolution in 1952, Nasser had started a different policy that it was not followed before. This policy supported a shift towards a greater government participation in the economic life; it had taken place after the nationalization act in 1961. Laws and regulations were introduced to transform the society to socialism. The low and middle classes were an important interest of the regime, because they lacked the political resources and the access to decision-makers enjoyed by the bourgeoisie. The decisions were taken by the bureaucracies and the militaries which became the responsible for the management of the productive assets instead of the bourgeoisie [ HYPERLINK \l "Amr15" 19 ]. The objectives of the government were equity, and helping the poor to increase their share in the national income. In order to reach its objectives, it created a large public sector, imposed a rent control; price controls and introduced minimum wages20}}. All the private construction and housing companies were nationalized. And the government became the main provider of the housing supply. Nasser tried to support them against the upper class by policies (land form, subsidies on food, job security). In general, managerialism was the dominant mode in this era.

Infitah as a new policy adopted by Sadat marked a major reversal of Nasser's regime through opening the market to foreign imports and investment without restrictions, a resistance to populist mobilization (Nasser's approach) and a downgrading of the public sector. It aimed at moving away from the state controlled economy to the liberal market economy. Sadat sought to depoliticize the mass public because he was wary about their demands and their vulnerability [ HYPERLINK \l "Zet98" 6 ]. The main forces converged to produce this policy transformation to compromise the elite (the private sector and bourgeoisie). The balance between the necessity of capital accumulation against the needs of those who have personal resources, and the poor resulted in the increase of the demand for luxury housing and the neglect of the poor's needs.

Corporatist was very obvious in this era because housing policies are not adopted by technical planners on the basis of need. Policies were made in favor of those who hold power. Accordingly, the selection of basic needs depended directly or indirectly on the powerful people or agencies; which decided the basis of need and thereby the policies for low-income groups. This was clear in El-Heker project in El-Isamilia14}}. In 2004, a changing process in the political landscape were beginning to take place in Egypt, such as preparing the ground for Mubarak's son to become the next president and the enlargement of the neo-liberal reform in the economic field. Many businessmen, who were representing the capitalist in Egypt, were involved in El-Watani Party - the ruling party- and in both regulatory and executive positions. In addition, the privatization of large-scale production such as "the reinforced steel production", encouraged the monopoly, raised the price of the construction material for the housing provision and limited the participation of small providers.

Clientelism also, prevailed, as mode of governance. This could be witnessed in social housing projects which were built as an incentive to attract voters in the elections. For instance, during Mubarak's three decades, two large national housing schemes were directly associated with him; 'Mubarak housing youth' - (*Iskan Mubarak lil-Shabab*) from 1996 to 2005 and 'Mubarak National Housing' - (*Iskan Mubarak al-Qawmy*). On the other hand, Mubarak son's NGO, the 'Future Generation' Foundation (*Gam'iat Geel Al-moustaqbal*) was associated to one of the large housing scheme and two slum upgrading projects, using both the public funds and donations from his business community. Also, this could be noticed in the chairmanship of Mubarak's wife to the Red Crescent society NGO, that was associated in three slum "upgrading" schemes. From the above review, it is obvious that the governance mode in Egypt has been obviously fluctuating between managerial, clientelistic and corporatist modes as shown Table (2). Nevertheless, it is worth noting that the central government has been a key actor during the years, with some other actors emerging from one period to another.

Table (2): Mode of Governance through Political Egyptian eras and its reflection on the housing provision strategies, Source: Authors

<b>Political Egyptian eras</b>	<b>Nasser era</b>	<b>Sadat era</b>	<b>Mubarak era</b>	<b>Transmission period with no effect on the formal housing provision due to the 25th January Revolution</b>	<b>Sisi era</b>	
<b>Norms of Governance modes</b>						
Major actor(s)	-Central Government	-Central Government -Private Sector	-Central Government - International Organizations			-Government -Civil Society
Source of power	Bureaucrats- Military	Elites And Bourgeoisies	Businessman			Military
Governing relations	Conflicts	Consensus Building	Paragmatic Exchange			Consensus Building
Level of participation	Top-Down	Top-Down	Top-Down			Top-Down
Political objectives	Redistributive	Distributive- Growth	Material			Material
Legitimacy	Equity – Efficiency	Economic Growth	Social Need			Efficiency
Governing logic	Authoritative	Deliberation	Paragmatic Exchange			Authoritative
Public interest	Citizens (Low- Income Group)	Powerful People	Powerful People			Citizens (Low-Income Group)
Role of government	Provider (Financing- Regulating- Monitoring)	Facilitator (Mediating)	Financing Mediating Regulate		Provider (Financing- Regulating- Monitoring)	
<b>Housing Provision Strategies</b>						
	State provision	Partial participation	Self-help & partially provision	Enabling approach		
<b>Modes of Governance</b>						
	Managerial	Pro-Growth / Corporatist	Corporatist / Clientistic	Managerial		

### 5. Housing provision Actors in Egypt

Overall, the central government is considered the main actor of the housing provision in Egypt, as shown in the previous sections. It has been providing extensive subsidies during the last decades. Over the years, many governmental entities were established to help in the housing provision, and affiliated to the Ministry of Housing, Utilities and Urban Development (MHUUD). This includes:

(a) The New Urban Communities Authority (NUCA) that is responsible for the planning, development, monitoring of new urban communities. It is responsible for the 55.7 % of the built units in the new cities and the private sector built the remaining 44.3% [ [HYPERLINK \l "Wor07" 9](#) ].

(b) The General Organization for Housing and Building Cooperatives (GOHBC) that is responsible for the supervision on the housing project provided by the different NGOs and the sectarian associations (civil society). Its role can be summarized into three main points: the provision of units within soft loans to the low and middle income class; the provision of loans to individuals; cooperative organizations and housing fund and; supervising the cooperative organizations and provide them the technical, financial and administrative support [21](#)].

(c) The Housing Finance Fund (HFF), this entity is one of the investment ministry authorities. The financial resources of this entity are collected from soft loan granted by the government, its appropriations from the general budget, and the total price of rented and sold units and the return of utilization of land [ [HYPERLINK \l "Rag01" 21](#) ].

(d) The Housing Development Bank (HDB), it has been the financial mediator for the many governmental organizations, such as the NUCA, HFF, and GOHBC. It narrowed the gap between demand and supply in the housing sector to meet different users need, and provided medium and long term loans for individuals, companies and cooperative housing groups.

At the local level, local authorities in the governorates in existing cities and city development agency (Gehaz El-Medina) in new cities have established housing projects within their units. The government projects were financed from the soft loans, housing fund and the public treasury of the state. During 1982-2005, the local government involved in the housing provision with 44% of the total public sector- built stock and 16% of total formal housing stock built in urban areas [9](#)]. The local authority are concerning with the provision of low income housing more than the high-income housing, they are more responsive to the needs of the people because they are closer to the people than the central authority.

As for other actors, the civil society in Egypt has been playing a significantly growing role since the last decade. This includes different NGOs, associations and the initiatives. Among the most influential NGOs that emerged in the field of housing provision in the 2000s, was the ‘Future Generation’ foundation. As noted earlier, the head of this foundation was Gamal Mubarak (the Egyptian president's son at that time), and was assisted by a board of directors comprising the leading representatives of Egypt's private sector.

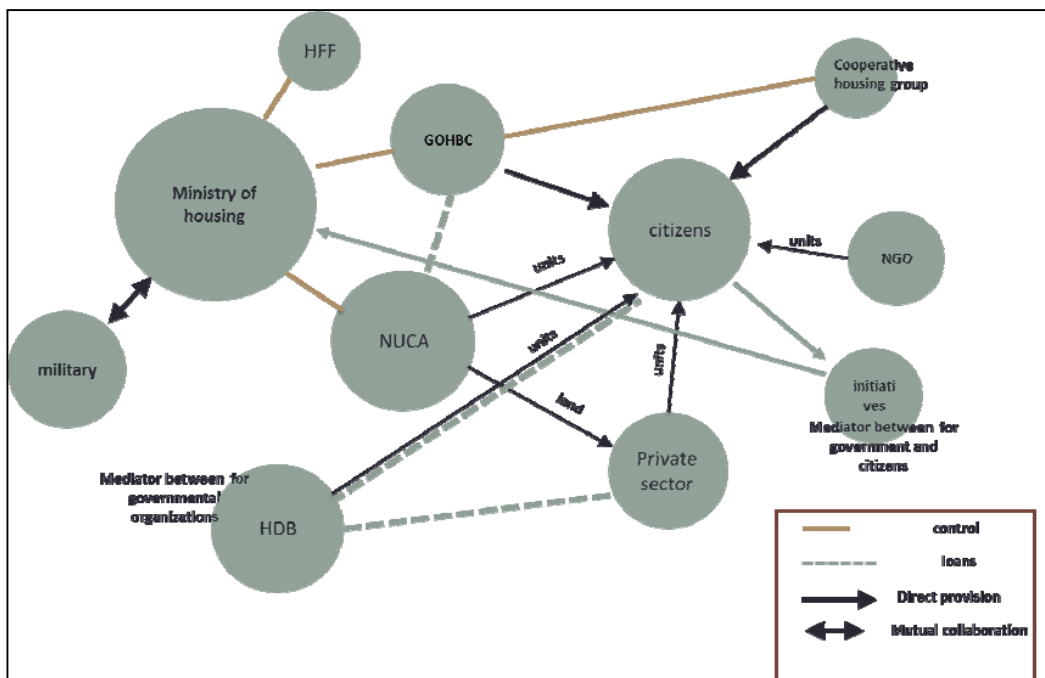




Fig (1): Interrelationships between different actors in the housing provision process, Source: Authors

## 6. of October city and policies implications on the city

The Sixth of October city was planned as a new city in 1979 targeted an ultimate population of 350,000 for the year 2000 as a first phase, and of 500,000 persons as a second phase. It was located about 35 km west of Cairo in the western desert. The original plan covered an area of 360 km<sup>2</sup>, and it was changed through years to add new and different uses. Despite of the limits success of the Sixth of October, it is considered as one of the successful cities among the new cities in Egypt. The success of the Sixth of October could be attributed to many factors. They are (a) the location of the city within the capital promoted the economic activities prosperity, (b) large industrial area with both public sector industries and private factories, (c) attractiveness for the public and private investments, and (d) favored many target groups of citizens with many subsidized housing programs in 6 October.

The city passed through 4 phases of development. At the beginning, the city development agency follows the monopoly policy in the establishment and the development of the city. The burdens were very high on the government in this period, because of the construction of the residential units for the low and the middle income groups. The main objective of the government in this period was to implement the comprehensive plan, with its specific objectives. Housing types in the original plan 1980 were consisted of 37% for the economic housing, 49% for the middle income housing and 14% or the high income housing. Three regions were allocated to cover the need of all tiers of society. They were the residential zone for the middle and low class, The touristic zone and its services for the upper middle class, and The industrial zone.

The local authority (Gehaz El-Medina) was the main and the only entity responsible for the implementation of the plan. It constructed many housing units, and some construction companies involved in the implementation. Also, the citizen who wanted to buy a unit or a piece of land in the industrial zone, dealt directly with the local authority. The government paid for the construction of the residential units and distributed it to the employees of the city office, the people who had an industrial factory in the industrial zone, and the different governmental entities. Unfortunately, the proposed housing units during this period did not compete with their pier in the existing cities because of its high prices. Thus, October city didn't attract the expected citizens. The main constraints that faced the citizens in this period were the lack of services in the city and the long distance between the city and the downtown.

In 1994, new period was started when the private sector involved in the development process of the city. Also, the new minister of housing Mohamed Ibrahim Soliman issued a decree by the expansion of the area of the city, subsequently; the areas of the land use were extended and the targeted population increased to be 650 thousand. The residential area was increased by 30% than the proposed area in the general plan of the city. The area of the city increased by 8%, to be 11.4 thousand fed. Unfortunately, the expansion of the city was not accompanied with a change in the vision of the city to suit the new percentage of land uses, the needed services and infrastructure, and the social characteristics. Accordingly, the government confined its role in the provision of infrastructure, and allowed the private sector to involve in the housing provision by planning the areas allocated for them and taking the approval from the ministry. Many investors were attracted to the city, such as Ahmed Bahgat Group Company that established Dream land Project. This led to the appearance of new demand in the city and new uses needed for the new and different strata of society coming to the city attracted by the opening of the Golf course.

In 1997, new phase was started with the change in all the construction strategies that aimed to increase the targeted population for all the new cities in Egypt. The borders of the city have changed and new borders (KORDON) were set to make a change in the areas of the land uses. The targeted population increased to be 1.5 million. Furthermore, the areas of the residential zone increased by 34.5%. Many changes occurred in the land uses, for example, the piece of land which was allocated for the park of the city had changed to be for the low income housing (Eskan Shabab El-Mostakbal) Future housing youth. Also, the zone of the recreational service had allocated to upper middle income housing in the west SOMID zone.

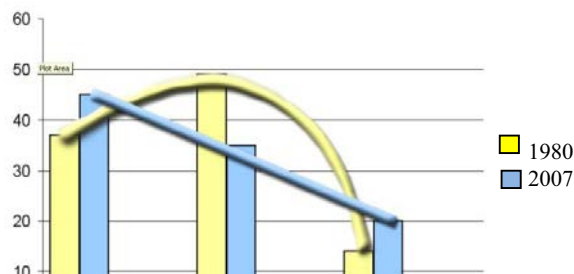


Figure (2): comparison between the percentages of housing level proposed in 1980 plan and the situation in 2007  
 Source: MHUUC, 2008

In 2007, a new strategic plan was prepared with the involvement of the private sector. The aim was to create a complementary vision for Sixth of October city and Sheikh Zaid city as one city. The public private partnership was promoted as a strategy in housing provision in the city, the private sector involved in the provision of low cost housing for low and middle income citizens. This development strategy has started in 2007 to target the year of 2027. Local and international consultancy firms were chosen to participate with the government in the preparation of the strategic plan and to define the opportunities and the problem of the city. The aim was to apply the public private participation (PPP). Many meetings were held between stockholders to shape the future needs and the vision of the city. This vision integrated within the GRC goals and objectives defined in Cairo vision 2050. This new distribution tried to meet the objective of the proposal in the original plan and the situation in 2008, whereas the housing provision for the economic and upper class increased, and the housing provision for the middle class decreased about 15%. The new strategy aimed to change the housing levels' percentages, to be 29% for the economic housing, 40% for the middle income housing and 31% for the high income housing. The proposed strategy estimated the required units to fulfil the target in 2027, as shown in Table (3).

Table (3) the proposal of the needed units till the targeted year 2027  
 Source: MUHHC, 2010

	Economic	Middle income	High income	Total
Area (feddan)	7732	15150	29906	52788
Density	250	140	80	
Numbers of unites	85500	117000	89000	291500
Percentage	29%	40%	31%	100%

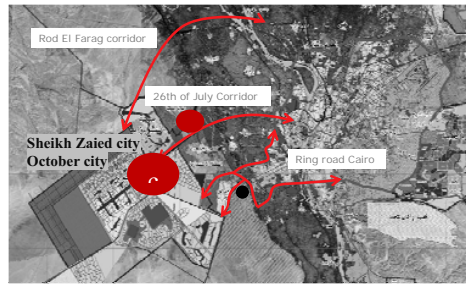


Figure (3): location of the city according to Greater Cairo Region, Source: MHUUC, 2010

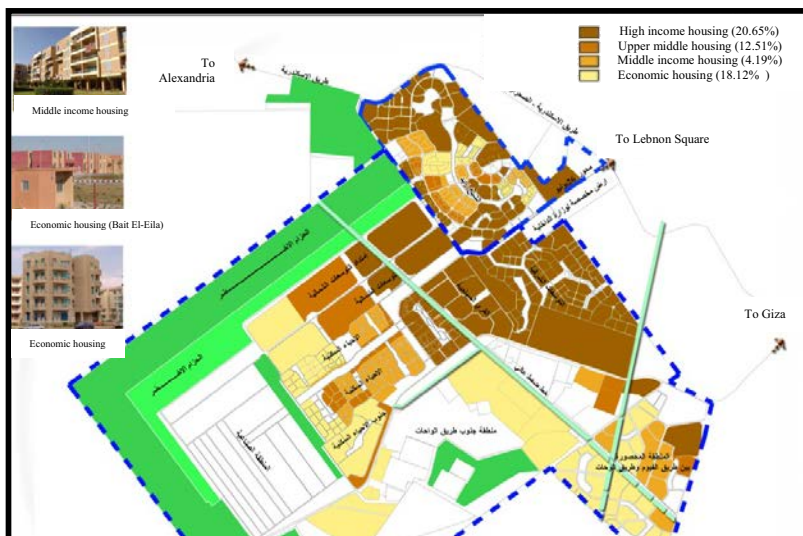


Figure (4): Housing Level in 6<sup>th</sup> of October city Sheikh Zaied city, Source: MHUUC, 2008

The establishment of the city was in the period of self-help and partial housing provision 1982-2005. In the beginning, the government that was represented in the city development authority, provided units in some districts in the residential zones to low and middle class. The application of self-help policy was followed a different scenario than in the rest of Egypt. The government provided partially completed units within externally finished apartment blocks [ HYPERLINK \l "Placeholder2" 22 ]. The aim was to reduce the cost of the unit and decrease the burdens on the government, as well as, the involvement of the dwellings in the process by gradually complete their unit according to their needs and affordability.

During 1990s, many projects were constructed for the low income groups as a response for the national housing program, such as the 'Youth Housing' project and the 'Future housing' project. In these projects, the beneficiary paid L.E. 1,000 as a down payment to register for the unit and obtained a soft loan of L.E. 15,000. Then, they paid monthly instalments of L.E. 67 over 40 years with an interest rate of 5-6% per annum [10]. After the expansion of the city in 2000, the northern extensions and the southern extensions were allocated for the national housing. In the northern extensions, GOHBC implemented projects for the low income groups. For example, the 164 apartment blocks project which was one of the GOHBC projects, the beneficiary paid L.E. 5000 as a down payment and monthly instalment of L.E.150 over 40 years with an interest rate 7% per annum. In the southern extensions, the private sector provides housing for the low income.

From 2005 till now, it was the enabling strategy period. Many projects were implemented such as Ebni-Baitak (built your own home) in the northern extension zone and Mubarak housing youth project in the districts zone. For Ebni-Baitak project, Sixth of October city include almost 43.4% of all the plots distributed on 13 new cities in Egypt. The selection criteria of the applicants depend on the age and the location of the city where the applicant lived, as it should be in the administrative boundaries of the city where he want to get a plot of land. This project aimed at promoting the participation of the users through revival the self- constructed and financed ideas.

The private sector involved in housing provision for low income groups. 'Orascom Housing' community is the company involved in the housing provision for the low income groups in Sixth of October city. It established a city, named Haram city which located in the southern extension of the city. It will provide 70,000 units; to date 11,500 units had been constructed. Eligibility criteria to access a unit are: the age must be range from 21 till 50, the income of a single applicant per month should not exceed L.E. 1,700 and of a family (husband + wife) L.E. 2,500, applicants should not benefit previously from the housing ministry subsidies projects, and doesn't own rent any units according to the old rent law.

## 7. Housing provision challenges for low and middle income groups in Sixth of October

There are many challenges that faced the housing provision process in Sixth of October city. Despite the attempts of the government in the expansion of the city and the allocation of large areas of land for the low and middle income groups, the expansion of the informal settlements and the encroachment on the agriculture land near of the city- on both side of the 26<sup>th</sup> axis road- is very rapid and high. This is an evidence for the preference of many people for the informal areas than the serviced formal areas. There are some challenges that faced the housing provision in the city, and prevent the access of the subsidies to whom deserve.

First, the level of participation is a top-down approach, where the government doesn't know the real needs of the

people. Policies were abundant and replaced by new policies and plans without any adequate assessment or evaluation. All of these lead to the enlargement of the gap between the demand and supply in the housing market in the city.

Second, the government reports always translate the housing gap as a problem of quantity, but it is not. The eligibility criteria to access a unit provided by the government, is one of the main reasons of the housing problem in the city. For example, the eligibility criteria to access a unit of any of the GOHBC projects is the age of the beneficiary who didn't benefit from any of the subsidies unites; not the income level. The unaffordability of the payment conditions lead to the access of another target groups to what was targeted for low incomes groups.

Third, lack of services and infrastructure prevent the citizen to move in and settle in the city. The issues that faced the beneficiaries of Ebni baitak project were issues of security and lack of services. For instance, the gypsies forced the dwellers to pay for their security and obliged them to buy the water from them. All of this increases the burdens on the dwellers, the cost of building her own home was L.E. 160,000 for the ground floor only, instead of L.E. 60,000 as the government assumed. Furthermore, the participation of beneficiaries came in the implementation phase, not on the planning or the design. In addition, the beneficiaries did not choose the location their plot or the model of their houses, as it is done by toss. On the other hand, the delay of the implementation of the daily services pushed many dwellers to change the use of the ground floor to commercial, which led to changes in the urban context.

Fourth, the partnerships of the private sector is limited only to the big investors, the government don't provide facilities to the small investors in order to encourage them to provide housing for the low income groups. The success of the experience of the private sector partnership in the low income housing provision is on limited scale.

## 8. Conclusion

As shown in the research, the Egyptian governance was influenced by other modes such as clienticism, corporatist and managerial beside its main mode that is the government mode. These changes have affected the housing provision policies for the low and the middle income groups, as well as the role of the government and other actors. The managerial was very clear in Sixth of October; the government played the role of the expert who knew everything about everything. The expansion of the city and the changes in its borders were unjustified. It increased the areas of the city, the uses and set new target population without reaching the main target of population.

After studying the housing provision in the city, it is clear that the actors are very limited to the governmental entities and the big investors. The involvement of the private sector in the housing provision for the low and middle class is not very high. Consequently, it becomes essential that the government works on engaging small contractors or individuals who provide housing in the informal areas, to participate in the housing provision in new cities and provide the needed facilities to them. Furthermore, the experience of Ebni Baitak shows an attempt to integrate new actors in the process, despite the fact that not all actors were informed about their roles in the project. Overall, this could be regarded as a potential model for involvement of more actors in housing provision.

Finally, housing should be seen as a Right, where housing policies should be integrated with the social policies to ensure the provision of adequate housing to all.

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